IN THE BUSINESS OF LIFE

We understand the value of life and work passionately to **protect** life, **care** for life, **enhance** life, and **improve** life.

We seek to perform relentlessly to serve customers better and earn their trust.

BUSINESSES

VISION: TO BE ONE OF INDIA'S MOST ADMIRED

MAX LIFE INSURANCE

Max Life Insurance Company Ltd. (formerly Max New York Life Insurance Company Ltd.) is a joint venture between Max India Limited and MS&AD, World 7th largest general insurer. Incorporated in FY 2000, it is one of India's leading private life insurance companies positioned on the quality platform. The Company offers long-term saving and protection solutions through a suite of individual and group life insurance products.

- Gross Premium Income at ₹6,391 crore, up 10% y-o-y.
- Shareholder Profit at ₹460 crore, up 137% y-o-y.
- Embedded Value at ₹3,684 crore, up 15% y-o-y.
- Largest* non-bank promoted private life insurer with 3.5 million customers and market share amongst private life insurer's of 8.6%.
- Solvency Surplus of ₹1,506 crore.

MAX HEALTHCARE

Max Healthcare (MHC) is a leading provider of standard, seamless, integrated and international class healthcare services. It is committed to the highest standards of medical and service excellence, patient care, scientific research and medical education.

MHC has centers of excellence in Minimal Access, Metabolic & Bariatric Surgery, Cardiology, Aesthetic and Reconstructive Surgery, Internal Medicine, Neurosciences, Orthopaedics & Joint Replacement, Obstetrics and Gynaecology and Paediatrics.

- Gross Revenue from network of hospitals at ₹823 crore, up 20% y-o-y.
- Highest ever revenue achieved in the month of Mar '12 at ₹85 crore.
- Turns EBITDA positive within 6 months of doubling bed capacity.
- Registered patient base of around 1.4 million.

MAX BUPA HEALTH INSURANCE

Max Bupa Health Insurance (MBHI) is a Joint Venture with Bupa Finance Plc, a leading international healthcare company with a legacy of providing specialized healthcare services for over 60 years.

Max Bupa's mission is to help customers' live healthier and more successful lives. It aims to become the most admired health insurance company in India by delivering high quality health insurance products and ensuring consistent customer experience.

- Gross written premium close to ₹99 crore grows 4 times.
- Lives in-force at 2,70,000 over 100 thousand lives covered in the last quarter FY 2012.
- Enhancing B2B portfolio - Group Personal Accident product filed with IRDA.
- Peak commitment ₹690 crore, ₹420 crore invested till FY 2012 end.

** Basis Individual Adjusted First Year Premium (FY 2012)*

CORPORATES FOR SERVICE EXCELLENCE

MAX NEEMAN MEDICAL INTERNATIONAL

Max Neeman Medical International (MNMI) is a leading provider of clinical research services across the entire value chain of new drug development to global pharmaceutical, biotech and devices companies, both in India and abroad. The Company operates through a dual-shoring model, with marketing based in USA and clinical trial operations in India with 6 regional offices and access to hospitals and healthcare facilities across India.

Max Neeman has completed 5 US FDA GCP Audits for highest enrollment globally.

- Revenue at ₹28 crore, up 15% y-o-y.
- 1200+ICH-GCP trained investigators.
- 5 specialization areas - site management, site monitoring, clinical data management, project management and supply chain management of clinical trial material.
- Awarded 250 trials for global sponsors across wide range of therapeutic areas.

MAX SPECIALITY FILMS

Max Speciality Films (MSF) is a Strategic Business Unit of Max India. It is the only manufacturing business that Max India continues to operate after its reinvention and shift to service oriented businesses in FY 2000. MSF is a leader in the development and manufacture of specialty Bi-axially oriented polypropylene (BoPP) films, including multilayer white opaque films, ultra high barrier metalized plain films and leather finishing foils. MSF caters to the needs of wide range of packaging applications.

- Revenue at ₹703 crore, up 66% y-o-y.
- EBITDA at ₹77 crore, up 50% y-o-y.
- MSF wins Golden Peacock Award for Product Innovation.
- All BoPP lines running at 100% capacity utilization.

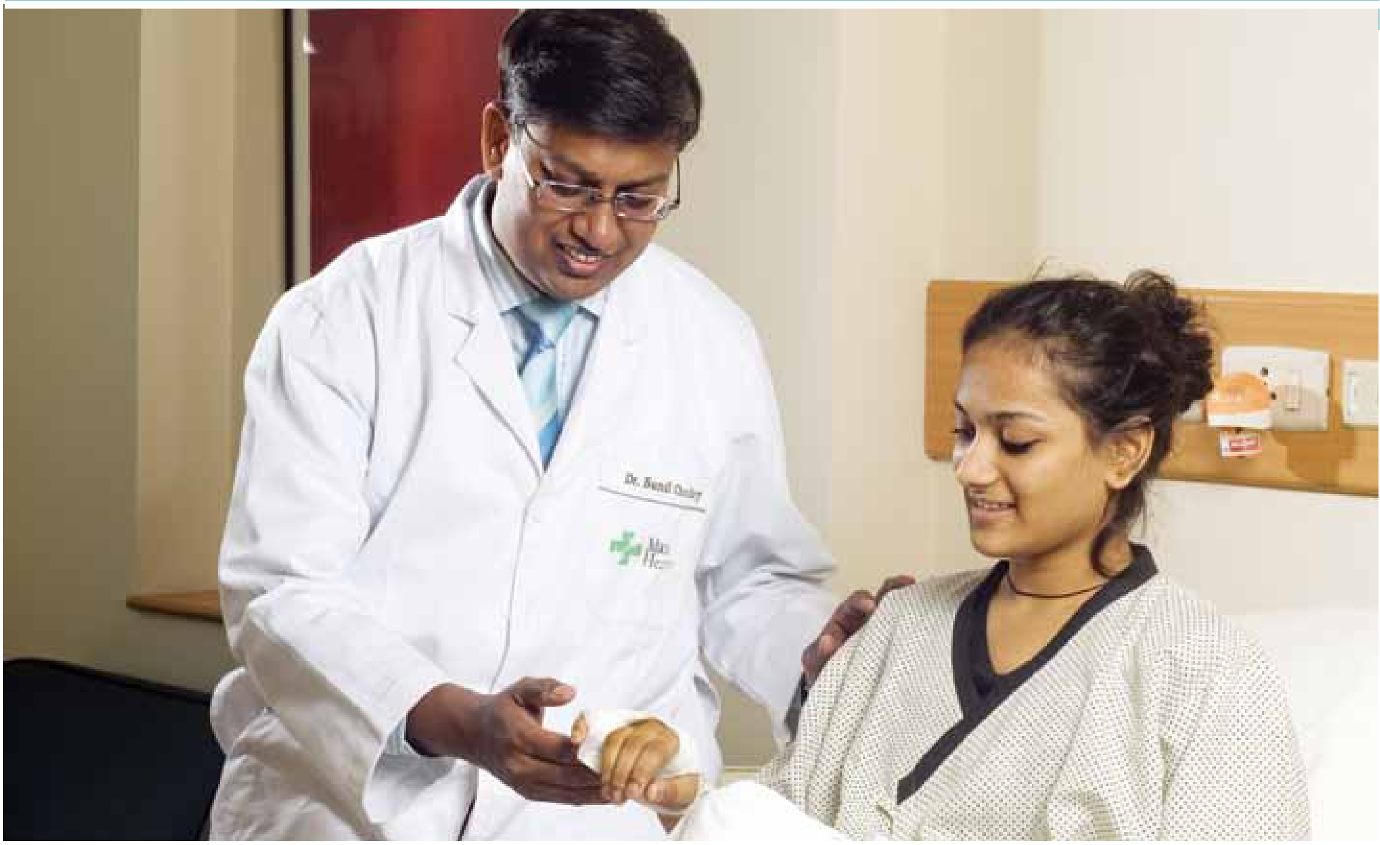
MAX INDIA FOUNDATION

Max India Foundation is the social service arm of Max India Group. It is focused on providing healthcare to the underprivileged, creating health awareness and spreading awareness about envionrment conservation

The Group philosophy of caring for life inspires the Foundation to serve in the area of healthcare with a special focus on underprivileged children.

- Has provide support to the needy across more than 295 locations in India
- Impacting nearly 2 lac lives in partnership with 280 NGOs.
- Has won Golden Peacock Award for Corporate Social Responsibility second year in a row.

TRUST
+
SERVICE
=
GROWTH



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

WHAT YOU CAN MEASURE OUR SUCCESS STORY BY

CONSOLIDATED REVENUE*

✓ Increase of 9% to ₹8,562 crore

CONSOLIDATED OPERATING REVENUE

✓ Increase of 15% to ₹7,648 crore

NET PROFIT

✓ Increase of 18 times to ₹155 crore

ASSETS UNDER MANAGEMENT

✓ Increase of 24% to ₹17,215 crore

CONSOLIDATED NET WORTH

✓ Increase of 77% to ₹2,513 crore

CUSTOMER BASE

✓ Increase of 13% to cross 5 million

** Includes investment and other income*

WHAT'S INSIDE?

Read about our performance, positioning and plan for the future in the Chairman's letter.

WHY WE'RE GOING THE E-WAY?

www.maxindia.com/financial-results

Experience our easy-to-use, flash-based online annual report. This year over 10,000 shareholders have opted for electronic communications and helped preserve the environment. We're doing our bit too: Making the annual report viewing as interactive and engaging as possible. Reason enough for more to sign up and join the campaign.

OVERVIEW

THE BIG PICTURE

OPERATING REVIEW

FINANCIAL REVIEW

CHAIRMAN'S LETTER

> "YOUR COMPANY'S TOP MANAGEMENT TEAM, ACROSS KEY BUSINESSES HAVE FUSED TOGETHER TO CREATE SUSTAINABLE AND PROFITABLE GROWTH WITH OPERATING REVENUE INCREASING 15% TO ₹7,648 CRORE AND CONSOLIDATED NET PROFIT RISING TO ₹155 CRORE FROM ₹9 CRORE"

Analjit Singh, Chairman, Max India Limited

Dear Shareholders,

On many counts, FY 2012 has been a truly eventful and eminently satisfying year for your Company. Let me touch upon some of these before moving on to the prospects of the Indian economy and your Company's businesses in the near term.

As you are aware, in essence, Max India is like a holding Company that owns a majority stake in two insurance joint ventures – Max Life Insurance Company (formerly Max New York Life Insurance Company) and Max Bupa Health Insurance Company – and running a healthcare business through its subsidiary Max Healthcare. It also manufactures bi-axially oriented polypropylene (BoPP) films and speciality foils for the packaging industry.

I have always believed and practiced that able leadership and strong corporate governance systems play a critical role in the ability of companies that operate a portfolio of businesses to effectively focus, develop and create value for each of the individual enterprises.

The challenge is to promote professionalism across the organization while striking a fine balance between centralized control and distributed responsibilities.

With this objective, over the last few years, at Max India, we have been working on a process of 'leadership transformation'. In 2011, your Company segregated the role of the Chairman and that of the Managing Director. While I will continue as Chairman of your Company, it has appointed a new Managing Director, Rahul Khosla. In a short span of time, Rahul has seamlessly integrated into the Max India system and become the focal person through whom the individual company managements have established a working relationship with Max India as a shareholder.

While this transformation is an on-going process, I am happy to share with you the fact that your Company has delivered admirable results for FY 2012. In terms of pure financial numbers: operating revenue has increased by 15% to ₹7,648 crore; while on a consolidated basis, net profit has increased from ₹9 crore in FY 2011 to ₹155 crore in FY 2012.

Achieving excellent financial result is an outcome of managerial efficiency, especially the ability to strategize and execute in equal measure. What pleases me most is that your Company's top management team across its key businesses have fused together to create sustainable and profitable growth.

Consider life insurance. A couple of years ago, Max New York Life (now Max Life Insurance Company) was struggling on account of dramatic regulatory changes as well as internal factors. The team led by Rajesh Sud, CEO & Managing Director, and the Board, decided that a major turnaround needed to be designed and implemented. This was done quickly and with considerable emphasis on execution. Today, the change is paying off. In FY 2012, the Company outperformed the industry by demonstrating superior performance, financial strength and stability. Here are some facts:

- Total revenue, which is the sum of First Year Premium and Renewal Premium, increased by 10% to ₹6,391 crore.
- The Company's share among private players in the market on the basis of individual adjusted first year premium went up by 110 basis points to 8.6%. This made it the largest non-bank promoted and the 4th largest private life insurance company in the country.
- The conservation ratio, an indicator of customer retention, is at 81% — and one of the best among private life insurers.
- The cost ratio improved by 8 percentage points to 30% in FY 2012.
- Shareholders' profit increased by 137% to ₹460 crore. Enterprise profit rose by 159% to ₹733 crore.
- At 534%, the Company maintained 3.5 times the stipulated solvency margin.

The story is similar for Max Healthcare. The business always had best-in-class hospitals, doctors and patient care facilities. Despite these positives, Max Healthcare was not exhibiting the all-round operational and financial performance that was expected of it. That has changed. A new, highly charged and motivated management team led by Dr. Ajay Bakshi at Max Healthcare working in tandem with the senior management of your Company, has turned things around. Gross revenues increased by 20% from ₹685 crore in FY 2011 to ₹823 crore in FY 2012; and the gross contribution margin rose to 59.7%.

Tightening of operations without giving up an iota on high quality patient care was achieved in a milieu where Max Healthcare saw the opening of four more hospitals: at Shalimar Bagh in North Delhi with 300 new beds; at Mohali and Bathinda in Punjab, each with 200 new beds as a part of a public-private-partnership with the Government of Punjab; and at Dehradun with 205 beds.

More such examples of single-mindedness and determined growth can be found in the chapter on Management Discussion and Analysis. Allow me to congratulate your Company's senior management team led by Rahul Khosla, as well as the key managerial personnel in each of the businesses for bringing about renewed focus, purpose and growth.

Let me now turn to the other aspect of Max India's business ethos – of working with partners and focusing on value creation. In our different businesses, it is imperative to remain well capitalized and to continuously adopt 'best-in-class' global practices. To fulfil this objective, we have established strong partnerships based on well defined goals, shared value systems and complete transparency of operations.

On this front, there were certain key developments in FY 2012

In June 2012, there was a change in the joint venture partner

> “THE LANDMARK TRANSACTIONS WITH MS&AD AND LIFE HEALTHCARE HAVE HELPED ESTABLISH A BASELINE FOR THE INTRINSIC ENTERPRISE VALUE OF THE MAX INDIA'S LIFE INSURANCE AND HEATHCARE BUSINESSES”

in our life insurance business — with the MS&AD Insurance Group Holdings, Inc. (MS&AD) of Japan purchasing 26% stake in Max New York Life (now Max Life Insurance Company) at an enterprise value of ₹10,504 crore. Simultaneously, the founding joint venture partner, New York Life sold its stake and exited the Company. I should add that New York Life's exit was on account of its strategy to focus only on North America. This was the second largest FDI in Indian life insurance; and the Max India Group gained ₹880 crore from the transaction, with its stake in the business remaining unchanged. Post this transaction, our insurance Company's name has changed to 'Max Life Insurance Company Limited'.

FY 2012 saw your Company executing the largest FDI deal in Indian healthcare. Life Healthcare from South Africa subscribed to 26% stake in Max Healthcare for ₹517 crore, for an enterprise value of ₹2,300 crore.

Apart from highlighting our focus on establishing strong partnerships, these two transactions have helped establish a baseline for the intrinsic enterprise value of the respective businesses that the Max India Group has developed over the last few years.

> "THE SENIOR LIVING BUSINESS, CALLED ANTARA, WILL BRING TOGETHER THE GROUP'S CAPABILITIES ACROSS HEALTHCARE, SERVICE, HOSPITALITY AND IT'S FINANCIAL ACUMEN TO DELIVER A TRULY PIONEERING PRODUCT"

Your Board of Directors and fellow shareholders have approved the entry into the business of Senior Living. It is called Antara, and represents a very interesting opportunity for the Group to bring together its skills in healthcare, service and hospitality to provide a pioneering product that will enable senior citizens to enjoy their golden years in comfort and without the increasing stress of day-to-day living. Two projects have been approved: one in Dehradun and the other in the suburbs of New Delhi. A dedicated management team is working at full stretch on these two projects.

It has indeed been a good year for your Company. While it is sometimes considered 'incorrect' for fiduciaries to comment about a company's future, I do believe that a few positives can be said without the fear of being proven wrong.

For one, despite the rather dramatic slowdown in India's GDP growth, the fact remains that India is still growing at over 6% — which makes it the second fastest growing large economy of the world. For another, I think that we are in sectors that can weather the storm. Healthcare is relatively immune to growth rate changes in the ranges that we are seeing today. Life insurance less so; but penetration remains very low, and with proper products, service delivery and cost controls, we can continue to expect profitable growth. So too, health insurance under Max Bupa. And the business of BoPP film under your Company's division, MSF.

Therefore, I am relatively optimistic of continued growth of your Company's top and bottom-line. As mentioned earlier, I am very satisfied with the calibre of Max India's senior management as well as those of its subsidiaries. And I believe the various teams are now aligned to deliver greater corporate and shareholder value.

Thanks for your support. We have delivered in FY 2012. And we will do so in FY 2013.

With best wishes,

Analjit Singh
Chairman

MANAGING DIRECTOR'S LETTER

> "MAX INDIA GROUP IS CHARACTERIZED BY ITS VISION, MISSION, BELIEFS AND PRINCIPLES THAT CENTER AROUND A CARING APPROACH OF "SERVICE AND SEVA" IN THE BUSINESSES OF LIFE"

Rahul Khosla, Managing Director, Max India Limited

Dear Shareholders,

It is an honour to be writing my first letter to you after joining your Company as its Managing Director in August 2011. Much has happened since then – all positive and geared to enhance long-term value of Max India Limited and the various companies under its fold. Because of these and other developments, I am even more convinced that the Max India Group is poised for tremendous development and growth.

The Group is characterized by its vision, mission, beliefs and principles. These centre around a caring approach of "service and seva" in the businesses of life – whether it is caring for lives in our healthcare business, protecting lives in our life insurance business, enhancing lives through our health insurance business or helping the underprivileged through the Max India Foundation.

This balance between superior financial performance and active contribution to the well-being of our society is and will remain an important driver of the Max India Group philosophy.

This Annual Report has rich information on a variety of subjects. Allow me here, to focus on some of these.

First, your Company has posted excellent financial results in FY 2012. Here are the headline items:

- Operating revenue increased by 15% to ₹7,648 crore.
- EBIDTA grew by 24% to ₹430 crore.
- PBT increased over seven times to ₹242 crore.
- On a consolidated basis, your Company's net profit was ₹155 crore in FY 2012, versus ₹9 crore a year earlier.
- Net worth increased by 77% to ₹2,513 crore.

The significant improvements in revenue and, even more so profitability, are welcome especially in a challenging macroeconomic environment in India as well as in the world.

Second, FY 2012 saw your Company being involved in the largest FDI deal in the Indian healthcare space. Life Healthcare (LHC) from South Africa bought a 26% stake in Max Healthcare for ₹517 crore – thus putting an enterprise value of ₹2,300 crore on the Company. Being the second largest hospital operator in South Africa with 57 hospitals and over 8,000 beds, LHC promises to be a strong joint venture partner. It is a highly profitable company with cutting edge expertise in several areas where we see strong synergies. We are sure that the partnership with LHC will help accelerate the growth and development of Max Healthcare.

Third, there was a change in the joint venture partner in our life insurance subsidiary. Although this transaction closed in June 2012, I feel that it is an important enough landmark to share with you. The MS&AD Insurance Group Holdings, Inc. (MS&AD) of Japan bought a 26% stake in Max Life Insurance Company (fromerly Max New York Life) at an enterprise value of ₹10,504 crore, while the founding JV partner, New York Life (NYL), sold its stake and exited the Company. This exit was fully in line with NYL's strategy to focus on the North American geographies.

This was the second largest FDI in Indian life insurance. The Max India Group gained ₹880 crore from the transaction, while its stake in the JV remained unchanged.

MS&AD was attracted by the profitable growth, superior performance, increasing market share and optimistic future prospects of the Company. MS&AD is the world's seventh largest non-life insurance companies, with a market cap of over $10.5 billion and a history that exceeds 100 years. It brings great partnership experience. As a result of this development the Company's name has been changed to 'Max Life Insurance Company Limited'.

The transition will be seamless as far as consumers are concerned. Max Life remains strongly committed to serving the long-term savings and protection needs of its customers through its high quality agency, diversified distribution, best-in-class products and services – which are supported by a strong solvency ratio of 534% and adequate capital to fuel growth over the foreseeable future.

Fourth, in line with our aspirations to create growth and diversification, I am pleased to report that the Board of Directors and shareholders of your Company have approved our entry into the Senior Living business. Called Antara, this is an exciting opportunity for the Group to bring together its capabilities across healthcare, service, hospitality and financial acumen to deliver a truly pioneering product with a compelling value proposition that enables customers to 'age in place'. The Board approved two projects to start this journey: in Dehradun and just outside the NCR. The management team of Antara is working hard towards implementing these two projects.

While the focus of each of our businesses is to excel in its own area of specialization, the Group has now embarked on

"MAX INDIA AND MAX LIFE HAVE EMERGED MUCH STRONGER WITH ENTRY OF MS&AD AND THE TRANSITION BROUGHT ₹880 CRORE TO MAX INDIA GROUP WHILE RETAINING ITS STAKE AT 70%"

a more universal and comprehensive strategy to manage its businesses through an approach that should reap greater benefits from intra-Group synergies and inter-linkages. Fundamentally, the focus is on building an integrated, well-linked and fully aligned Group across various dimensions of business management including efficient capital deployment and management – to drive higher growth, deliver superior results, managing risk better, attract and retain the best talent, strengthen our brand identity and deliver consistently high levels of service excellence. In addition, the Group has begun identifying near term efficiencies across cost, revenue and processes to optimize the use of financial and human resources across its businesses.

Though macroeconomic conditions affect all our businesses, most of them are in under-penetrated sectors with high potential for rapid growth. These are driven by demographic and other socio-economic factors which have much greater longer term impact than relatively shorter term economic cycles.

> WHILE THE FOCUS OF EACH OF OUR BUSINESSES IS TO EXCEL IN ITS OWN AREA OF SPECIALIZATION, THE GROUP HAS NOW EMBARKED ON A MORE UNIVERSAL AND COMPREHENSIVE STRATEGY TO MANAGE ITS BUSINESSES THROUGH AN APPROACH THAT SHOULD REAP GREATER BENEFITS FROM INTRA-GROUP SYNERGIES AND INTER-LINKAGES

While Max Speciality Films is an established player that has been delivering strong profits and generating healthy cash flows, the longer-gestation 'life related' businesses are starting to deliver financial results in line with their envisaged potential. The life insurance business turned profitable at a net profit level; the healthcare business turned profitable at an EBITDA level; and Max Bupa, the youngest business in the portfolio, is estimated to achieve cash profits in FY 2015. All these enterprises are well capitalized. In other words, these are unlikely to need any significant infusions of capital in the near future.

Despite its companies and JVs being at different stages of development, your Company is well positioned for sustained growth – both in terms of revenues and profits. The Group's 'sum of parts' valuation is around ₹10,000 crore, although its market cap is undervalued at just over ₹5,000 crore. Max India's treasury corpus is well endowed with over ₹900 crore in the kitty – which is enabling us to actively consider organic and inorganic opportunities for growth.

In closing, I would like to reiterate our strong commitment to deliver on our vision to be India's most admired corporate with a sound combination of superior financial performance, caring and service excellence.

Thank you for giving me the opportunity to serve you through your Company. I treasure it.

Yours truly,

Rahul Khosla
Managing Director

BOARD OF DIRECTORS

Dr. S.S. Baijal, *Chairman Emeritus*

Dr. Baijal served ICI (India) Limited for over 35 years and was Chairman of ICI companies in India from 1983 to 1987. He then played an active role on Max India Board from 1998 till 2009, when he added immense value to the Company. He was the Chairman of Max India during the years 1998-2000. On his retirement from the Board in 2009, he was elevated to the position of 'Chairman Emeritus'.

Mr. Analjit Singh, *Founder & Chairman*

Mr. Singh is a self-made entrepreneur and Chairman of Max India and all its Group Companies. He is the non-executive Chairman of Vodafone India, a member of the PM's Joint Indo-US CEOs Forum and is on the Board of Tata Global Beverages. He is the Chairman of IIT, Roorkee; Doon School and is on the Board of ISB, Hyderabad and is jointly funding a new campus at Mohali of ISB where he is the Chairman of its Advisory Board. Government of India conferred on him the Padma Bhushan Award. He is an alumnus of Doon School and SRCC and holds a MBA from Boston University.

Mr. Anuroop (Tony) Singh, *Vice Chairman*

Mr. Singh is an independent member on the Board of several leading companies. He is an experienced business leader with over three decades of experience in leadership positions with leading organizations including Max New York Life, ANZ Grindlays Bank, Bank of America, and American Express. He has been associated with the Max India Group for over 10 years. He is a Fellow Chartered Accountant and a holistic life practitioner.

Mr. Rahul Khosla, *Managing Director*

Mr. Khosla has broad management experience and business perspectives developed across several multinational environments, globally and in India over the last 30 years. In his last role, he was based in Singapore for more than a decade as Group Head of Products for Visa for all markets across Asia Pacific, Central Europe, Middle East and Africa. He has previously held senior leadership position in ANZ Grindlays, Bank of America and American Express. He is an economics graduate from St. Stephen's College, New Delhi and is a Chartered Accountant.

Mr. Mohit Talwar, *Dy. Managing Director*

Mr. Talwar has been a career banker for almost 25 years in the areas of Corporate and Investment Banking, prior to joining Max India in 2007. His past experience has been with the Oberoi Group, Bank of Nova Scotia, ANZ Grindlays and Standard Chartered. He is a postgraduate from St. Stephen's College and completed his management studies in Hospitality from the Oberoi School.

Mr. Aman Mehta, *Non-Executive Director*

Mr. Mehta retired as CEO of HSBC Asia Pacific in Jan 2004, after a global career of 35 years, and returned to India on permanent resettlement. He serves as an Independent, Non-Executive Director on the boards of numerous public companies and institutions in India as well as overseas.

Mr. Ashwani Windlass, *Non-Executive Director*

Mr. Windlass was part of founding team at Max India and is the vice-chairman of Max Ventures. He has served the Max India Group in different capacities including as its Joint MD & MD - Hutchison Max Telecom until 1998 and as a Board member since. He has been the Chairman, MGRM (Asia-Pac) & Vice Chairman and the MD of Reliance Telecom. He serves on leading advisory and statutory Boards, including MGRM Holdings Inc., USA, Vodafone India Ltd. and Hindustan Media Ventures Ltd. He holds B.Com (Gold Medal), Bachelor of Journalism and MBA.

Mr. K. Narsimha Murthy, *Non-Executive Director*

Mr. Narasimha Murthy, is a reputed Cost Accountant and has Board level engagement with select companies, including IDBI Bank Limited and LIC Housing Finance Limited.

Mr. N.C. Singhal, *Non-Executive Director*

Mr. Singhal has an experience of over 3 decades in the banking industry and was the founder CEO, designated as the Vice-Chairman & Managing Director, of erstwhile SCICI Limited. He has also been associated with ICICI Ltd., ONGC, ADB, Manila and was deputed by the Government of India to the Industrial Development Bank of Afghanistan, Kabul. Mr. Singhal holds M.A. (Economics), M.Sc (Statistics) and PGDPA.

Dr. Omkar Goswami, *Independent Director*

Dr. Goswami is a well known economist and has done academic assignments at Oxford University, DSE, Harvard, Tufts, JNU, Rutgers University, and the ISI, Delhi. He has been the editor of Business India and the Chief Economist (CII). He also serves on several Boards such as Infosys, Dr. Reddy's Laboratories, IDFC, Cairn India. He holds a Masters in Economics from the DSE and D.Phil (Ph.D) from Oxford.

Mr. Piyush Mankad, *Non-Executive Director*

Mr. Mankad retired from the Civil Services after 40 years of distinguished career and has held key positions including Counsellor (Economic) at the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India; and Board Member, Asian Development Bank, Manila. He studied at Delhi University and later at Cambridge, U.K.

Mr. Rajesh Khanna, *Non-Executive Director*

Mr. Khanna is the Founder & CEO of Arka Capital Advisors Pvt. Ltd., and is an angel investor in early stage companies. Previously, he served as a MD and India Head at Warburg Pincus, and was a member of its global Executive Management Group. [Prior to joining Warburg Pincus, he worked with Citibank N.A. and Arthur Andersen & Co.] He holds a MBA from the IIM, Ahmedabad, and is a Chartered Accountant.

Mr. Sanjeev Mehra, *Non-Executive Director*

Mr. Mehra is Managing Director and Co-Head of America's private equity investing at Goldman, Sachs & Co. He is the Chairman of Hawker Beechcraft Inc and serves on the Board of ARAMARK Corporation, First Aviation Services, Inc., KAR Holdings, Sigma Electric and SunGard Data Systems, TVS Logistics, and as a Trustee of Oakham School, England, The Doon School, India and as Chairman of Brunswick School, Greenwich, CT. He holds a BA in Economics from Harvard College and MBA from Harvard Business School.

Dr. Subash Bijlani, *Non-Executive Director*

Dr. Bijlani is the President of Magnus Consulting Pvt. Ltd., engaged in management consultancy and is Professor of Practice & Collegiate Professor at the University of Maryland University College, USA. He is past Chairman of the CII(NR). He was awarded Life Fellowship of the Indian Institution of Manufacturing Engineers and received the Shiromani Award for 'Extraordinary Excellence' from Mother Teresa.

Mr. Vishal Bakshi, *Alternate Director to Mr. Sanjeev Mehra*

Vishal Bakshi is a Managing Director in the Principal Investment Area (PIA) of Goldman Sachs based in Mumbai, India. He serves on the Board of Sigma Electric and Sudhir Gensets. Vishal holds a B.A. (Hons.) in Economics from St. Stephen's College, MBA from IIM Ahmedabad and MBA from Columbia Business School.

LIST OF DIRECTORS

MAX LIFE INSURANCE COMPANY LIMITED

Mr. Analjit Singh
Chairman

Mr. Anuroop (Tony) Singh
Vice Chairman

Mr. Hideaki NOMURA
Non Executive Director

Mr John Poole
Non Executive Director

Mr. Leo Puri
Non Executive Director

Ms. Marielle Theron
Non Executive Director

Mr. Rahul Khosla
Non Executive Director

Mr. Rajesh Khanna
Non Executive Director

Mr. Toshinari TOKOI
Non Executive Director

Mr. Rajesh Sud
CEO and Managing Director

Mr. Rajit Mehta
Executive Director and
Chief Operating Officer

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

Mr. Analjit Singh
Chairman

Mr. Amit Sharma
Non Executive Director

Mr. Anthony Maxwell Coleman
Non Executive Director

Mr. Anuroop (Tony) Singh
Non Executive Director

Mr. Dean Allan Holden
Non Executive Director

Mr. James Gordon Wheaton
Non Executive Director

Mr. Leo Puri
Non Executive Director

Mr. Mohit Talwar
Non Executive Director

Mr. Rahul Khosla
Non Executive Director

Mr. William Stephen Ward
Non Executive Director

Mr. Manasije Mishra
CEO & Wholetime Director

MAX HEALTHCARE INSTITUTE LIMITED

Mr. Analjit Singh
Chairman

Dr. Pradeep. K. Chowbey
Vice Chairman

Dr. S.K.S. Marya
Vice Chairman

Dr. Ajit Singh
Non Executive Director

Mr. Anuroop (Tony) Singh
Non Executive Director

Mr. Jonathan Lowick
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. Michael Flemming
Non Executive Director

Dr. Omkar Goswami
Non Executive Director

Dr. Peter Harper
Non Executive Director

Mr. Rahul Khosla
Non Executive Director

Dr. R. P. Soonawala
Non Executive Director

Mr. S. S. H. Rehman
Non Executive Director

GOING FORWARD, THE FOCUS WILL BE ON ADOPTING AN ENTERPRISE-WIDE APPROACH THAT CAN REAP BENEFITS FROM THE SYNERGIES THAT LIE ACROSS THESE 'LIFE RELATED' BUSINESSES

RAHUL KHOSLA
MANAGING DIRECTOR, MAX INDIA LIMITED

MAX INDIA LIMITED

The Company's activities are driven by its sense of social responsibility and commitment that are intrinsic to the business domains in which it operates

Sevabhav,
Excellence & Credibility

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Max India Limited ('Max India' or 'the Company') is a portfolio of companies that operate in the 'business of life'. While, its goal is to maximize shareholder returns, Max India lays equal if not greater emphasis on serving its customer with care, empathy and excellence. In fact, Max India is firmly committed to setting the highest benchmarks of service and being the standard for the best operational performance in India across each of its 'life' related businesses. These include:

- 'Protect life' through its life insurance subsidiary, Max Life Insurance Company Limited (formerly Max New York Life Insurance, a JV between Max India and New York Life, a Fortune 100 Company). The entity has just been rechristened Max Life Insurance Limited (Max Life) after a change in the shareholding structure which marked the exit of New York Life and entry of MS&AD as its new partner.

- 'Care for life' through, Max Healthcare (MHC), a subsidiary of Max India, in partnership with Life Healthcare of South Africa.

- 'Enhance life' through its subsidiary, Max Bupa Health Insurance (MBHI), a JV between Max India and Bupa Finance Plc, UK.

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

In addition, Max India has a well established, profitable and fully owned manufacturing business, Max Speciality Films (MSF) that specializes in manufacturing a wide range of sophisticated bi-axially oriented polypropylene films and packaging films.

While the focus of each of these businesses is to

excel in its own vertical area of specialization, the Group has embarked on implementing a more holistic and comprehensive strategy for managing its businesses, via an enterprise-wide approach to reap benefits from the synergies and interlinkages across all its businesses.

Fundamentally, the focus is on building an integrated, well-linked and aligned Group across various dimensions of growth, financial frameworks, business performance, service excellence, brand identity, human capital, governance and risk management.

In addition, the Group has begun identifying near term efficiencies across cost, revenue and process dimensions in order to optimize resource utilization, talent development and profitability. Though macroeconomic conditions affect each of these businesses, most of them are in under-penetrated sectors with high potential for rapid growth – and are driven by demographic and other socio-economic factors which have much greater long term impact than annual economic fluctuations.

While Max Speciality Films is an established player that has been delivering strong profits and generating healthy cashflows, the long gestation 'life related' businesses are starting to deliver financial results in line with their envisaged potential. The life insurance business turned

> MAX INDIA'S LONG GESTATION 'LIFE RELATED' BUSINESSES ARE STARTING TO DELIVER FINANCIAL RESULTS IN LINE WITH THIER ENVISAGED POTENTIAL

profitable at a net level, the Healthcare business also turned profitable at an EBITDA level and Max Bupa, the youngest business in the portfolio, is estimated to turn cash profitable in FY 2015. All these enterprises are well capitalized. In other words, they are unlikely to need any significant infusions of capital in the near future.

Max Neeman compliments Max India's focus on the healthcare space with clinical research services across the entire value chain of new drug development. Though still in early phases of growth, Max Neeman has successfully established a nationwide network to service its prestigious client base in India and abroad that includes companies such as Merck, GlaxoSmithKline, Bristol Myers Squibb, Sanofi-Aventis, Johnson & Johnson, Novartis and Pfizer.

Max Speciality Films (MSF) is now on a firm footing with significant capacity expansion in 2011, which lead to almost doubling of production capacity to 52,000 tpa and through continuous innovation, targeted at increasing its share of business from quality conscious customers in India and abroad. MSF continues to focus on improving product mix through value-added products. MSF's pursuit of quality has been instrumental in pioneering new products in flexible packaging and leather finishing foils and has earned it awards such as the 'Golden Peacock Innovative Product Award 2011'.

Max India has identified Senior Living as the next growth opportunity, since it's a high potential, yet untapped space. The Group has a unique ability to deliver this business given its expertise and proven record of excelling in related service-led businesses. Max India's strong belief in service and seva will provide a firm foundation for this business, intended to build international standard communities that will fulfil all lifestyle, wellness and health-related requirements for seniors aged 60 and above. The Company will begin with developing communities in North India to cater to affluent seniors looking to be independent and active and working with best-in-class international experts to design & develop its communities with an initial investment of ₹276 crore.

Realizing high performance and long-term sustainability require attention to many details, Max India has invested more behind its vision of being amongst the most admired corporates for Service Excellence, by designing and developing a comprehensive integrated Quality System, which includes an excellence framework, called the Max Performance Excellence Framework, or MPEF (based on the American Baldrige model). MPEF has been customized for Max India's businesses, with detailed process reviews, and guidelines for annual evaluation and improvements put in place. The first phase of MPEF implementation began in FY 2011 with senior leadership and staff training, cross business assessments, evaluation, and was followed by in-depth process analysis which will be repeated annually. The Max Quality System, integrates learnings from MPEF into a comprehensive approach to enterprise performance.

MAX QUALITY SYSTEM

THE FIRST PHASE OF MAX PERFORMANCE EXCELLENCE FRAME WORK (MPEF) IMPLEMENTATION BEGAN IN 2011 WITH SENIOR LEADERSHIP AND STAFF TRAINING, CROSS BUSINESS ASSESSMENTS, EVALUATION, AND WAS FOLLOWED BY IN-DEPTH PROCESS ANALYSIS, WHICH WILL BE REPEATED ANNUALLY

IN JANUARY 2012, LIFE HEALTHCARE (LHC), A USD 2 BILLION SOUTH AFRICAN HEALTHCARE MAJOR, INVESTED ₹516.5 CRORE IN MAX HEALTHCARE (MHC) FOR A 26% STAKE, VALUING MHC AT OVER ₹2,300 CRORE, MAKING IT THE LARGEST FDI TRANSACTION IN THE INDIAN HEALTHCARE SPACE

Max India Group's commitment to society and values of 'Seva' are realized through the Group's CSR division Max India Foundation (MIF). Within 4 years of being setup, the Foundation has been able to create a strong mark for itself by establishing a network across India and has successfully touched over 2,00,000 lives. MIF's work has been widely recognized. It won the Golden Peacock Award for CSR for the second year in a row in FY 2012, as also the 'Blue Dart Best Corporate Social Responsibility Practice - Overall' on World CSR day. MIF engages deeply with Max India Group employees and partners reputed NGOs for delivering its charter of quality healthcare to the underprivileged, especially children; creating awareness of healthcare related issues and promoting an eco-friendly healthy environment.

CORPORATE DEVELOPMENTS

There were certain major developments in terms of value creation and investments.

- In April 2012, after having created significant value and a large customer base, New York Life decided to exit from their JV with Max India - Max New York Life. Given the maturity and growth of the business, New York Life's view has been that the local partner, Max India, is best suited to have greater governance oversight and operating responsibility to oversee the Company. Due to this view on governance and the handsome valuation received, New York Life exited the JV arrangement by selling its stake. The Company has been rechristened Max Life Insurance Company Limited (Max Life). Concurrently, MS&AD Insurance Group Holdings, Inc. (MS&AD), a global insurance powerhouse headquartered in Japan, has bought a 26% stake in the Company. In an all cash transaction, MS&AD has paid ₹2,731 crore (USD 535 million) for their 26% stake, making it the 2nd largest foreign investment in the Indian life insurance sector. As a result, while Max India's stake remains unchanged at 70%, it has received net pre-tax cash flow of ₹802 crore (or USD 157 million), reflecting the premium ascribed to its management capabilities, performance and outlook for the business. Max India has additionally bought 1% stake in Max Life from Axis Bank for a consideration of ₹103 crore.
- In January 2012, Life Healthcare (LHC), a USD 2 billion South African healthcare major, invested ₹516.5 crore in Max Healthcare (MHC) for a 26% stake. At a price of ₹50.24 per share, this all cash transaction puts the enterprise value of MHC at over ₹2,300 crore. This is the largest FDI transaction in the Indian healthcare space. The deal provides LHC a platform to participate in the high growth Indian private healthcare sector.

Box A: Max India's Financial Highlights in FY 2012

Operating revenue increased by 15% to ₹7,648 crore.
Earnings before depreciation, interest, tax and amortization (EBIDTA) increased by 24% from ₹348 crore in FY 2011 to ₹430 crore in FY 2012.
Profit before tax (PBT) grew over seven times to ₹242 crore.
On a consolidated basis, net profit was ₹155 crore in FY 2012, versus ₹9 crore a year earlier.
Net worth increased 77% to ₹2,513 crore.

IN INDIA'S 2ND LARGEST INSURANCE FOREIGN INVESTMENT, MS&AD, A GLOBAL INSURANCE POWERHOUSE HEADQUARTERED IN JAPAN ACQUIRED 26% STAKE IN MNYL FOR ₹2,731 CRORE. THE DEAL BROUGHT IN ₹802 CRORE TO MAX INDIA, WHILE RETAINING ITS STAKE AT 70%. MNYL HAS NOW BEEN RENAMED AS MAX LIFE INSURANCE COMPANY

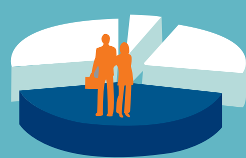
MAX LIFE RESPONDED EXTREMELY WELL TO MARKET CONDITIONS AND OUTPERFORMED THE INDUSTRY IN FY 2012, DEMONSTRATING SUPERIOR ALL ROUND PERFORMANCE, FINANCIAL STRENGTH AND STABILITY

RAJESH SUD
CEO & MANAGING DIRECTOR
MAX LIFE INSURANCE COMPANY LIMITED

MAX LIFE INSURANCE COMPANY LIMITED
(FORMERLY MAX NEW YORK LIFE INSURANCE COMPANY LIMITED)

Max Life's share amongst private players in the market of individual adjusted first year premium went up by 110 bps to 8.6%. This made Max Life the largest non-bank promoted life insurance company in the country and the 4th largest private life insurer

8.6%



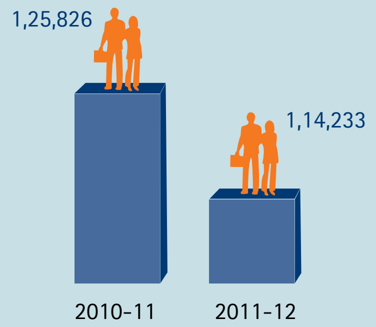
A Max India and MS Joint Venture

THE INDIAN LIFE INSURANCE INDUSTRY OVERVIEW

FY 2012 was a challenging year for the life insurance industry in India. With economic growth reducing from 8.4% in FY 2011 to 6.1% in FY 2012, and the continuous presence of an inflationary environment, there was fall in the rate of growth of household savings. To curb inflation, the Reserve Bank of India (RBI) adopted a tight monetary policy, which resulted in high interest rates. The consequent high returns on debt instruments and volatility in stock markets resulted in an adverse impact on the relative attractiveness of life insurance products.

The regulatory changes on ULIPs, announced in 2011 had its effect in the year under review. The contribution of pension funds in new business also reduced dramatically – from 23% in FY 2011 to just 3% in FY 2012 as a result of the regulations announced in late 2010 for this product category. These factors together accounted for a decline of 9% in the first year premium market size of life insurance sector in FY 2012, as shown in Chart A.

Chart A :
Indian Life Insurance Sector: New Business Premium Income Growth (In ₹ Crore)



BY APRIL 2012, THE AXIS BANK RELATIONSHIP HAD GENERATED CUMULATIVE FIRST YEAR PREMIUM OF OVER ₹1,000 CRORE

FY 2012 was an important milestone from a regulatory point of view. Among other interventions, the guidelines on persistency rate for agent advisors and IPO of life insurance industry were implemented – and these are expected to have significant impact on the industry. The positive regulatory fiat on IPOs did not materialize in actual public offers, due to the negative sentiments in the stock market.

Several new draft guidelines such as the guidelines on open architecture and product matrix were also put forth for discussion. When executed, these could bring a paradigm shift in the insurance industry. The Union Budget 2012-13 made significant changes related to tax exemption for life insurance products under sections 80C and 10 (10D) of the Income Tax Act, 1961 which will have material impact on the industry. In addition, the increase in service tax is expected to have a substantial impact on the product mix in the Indian life insurance industry.

MAX LIFE : PERFORMANCE HIGHLIGHTS: FY 2011-12

In spite of the significant challenges in the market, Max Life responded extremely well and outperformed the industry in FY 2012 – thus demonstrating superior all - round performance, financial strength and stability.

- Total revenue, which is the sum of First Year Premium and Renewal Premium, increased by 10% to ₹6,391 crore.
- Renewal Premium recorded a growth of 20% to ₹4,489 crore; while First Year Premium showed a decline of 8% to ₹1,902 crore.
- Individual adjusted first year premium (adjusted for single pay), the true indicator to measure new business success, was ₹1,506 crore or a decline of 13% over FY

2011. This was, however, significantly less than the 24% decline witnessed among private life insurance providers, in the aggregate.

- Max Life's share among private players in the market on the basis of individual adjusted first year premium went up by 110 basis points to 8.6%. This made Max Life the largest non-bank promoted and the 4th largest private life insurance company in the country.
- Sum assured stood at ₹1,52,150 crore.
- The conservation ratio, an indicator of customer retention, at 81% was one of the best among private life insurers for the fifth year in a row.
- The cost ratio, which is an indicator of operational cost and expenses on commission, improved by 8 percentage points to 30% in FY 2012.
- Shareholders profit went up 137% to ₹460 crore. Enterprise profit increased by 159% to ₹733 crore.
- Assets Under Management (AUM) grew by 24% to ₹17,215 crore.
- At 534%, Max Life maintained 3.5 times the stipulated solvency margin, reflecting the financial strength and stability that is the hallmark of all great life insurance companies.

OPERATIONS

Differentiating Factors

Max Life is well prepared to meet the challenges of an uncertain and volatile environment prevailing in the Indian life insurance sector today. The Company leverages its key differentiating factors to set new industry benchmarks. Box B highlights some of the differentiators.

Box B: Max Life's Differentiating Factors

- Focus on agency quality.
- Diversified distribution model.
- Comprehensive product portfolio.
- Customer centricity.
- Open and ethical culture.
- Financial strength.

By leveraging these factors, Max Life is fulfilling its commitment to building India's most admired life insurance Company. This is being implemented with a well calibrated business strategy of focusing on 'Long Term Savings and Protection".

To pursue its strategic priority areas in a fundamentally transformed business environment, Max Life is undertaking a comprehensive change management plan that includes shift in mindset, leadership cohesion and enhanced engagement with all stakeholders. This is also being enabled by designing a reliable and efficient Business Intelligence system to drive effective decision-making. The strategic priorities have been internalized in the Company's operations, and firm steps are being taken to promote these through rapid execution.

Additionally, as a proactive step towards service excellence, Max Life introduced its 'Treating Customer Fairly' (TCF) policy. The TCF policy aims to raise standards in the way the Company interacts with customers at every touch point. The initiative would ensure that the Company can retain its existing policyholders and provide it with opportunities to provide additional solutions for all their life stage needs. By adopting this best practice, Max Life will become the first life insurance Company to have initiated the TCF policy – which will also differentiate it from competition.

Distribution

Max Life has one of the most balanced diversified distribution models based on three pillars: agency distribution, bancassurance and partnership distribution.

> THE COMPANY FIRMLY BELIEVES IN ITS CONSULTATIVE SALES MODEL. IT IS ACTIVELY PROMOTING AN AGENCY DISTRIBUTION MODEL WITH WELL TRAINED AND KNOWLEDGEABLE AGENT ADVISORS

The Company firmly believes in its consultative sales model. It is actively promoting an agency distribution model with well trained and knowledgeable agent advisors who are intensely trained and supported to engage with prospective customers and offer customized solutions for life stage needs. With this capability and a focus on the mass affluent customer in India, the Company is creating a 'Platinum Agency' distribution as a strategic priority.

During FY 2012, to build its field strength, the Company focused on hiring and retaining its frontline sales team. Several initiatives were undertaken to improve productivity and enable the workforce. Some of these include changing mindsets through motivational workshops, office leadership programmes and management learning programmes.

In bancassurance, the Company has a strong relationship with Axis Bank.

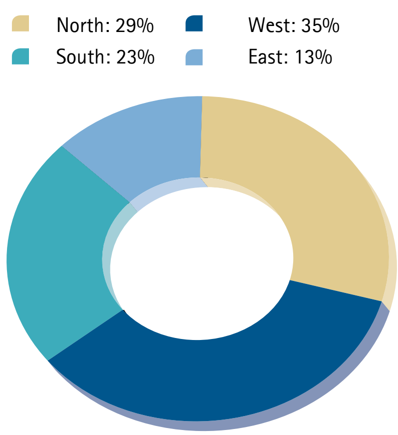
- In its first full year of business, the Axis Bank partnership achieved first year premium of ₹647.5 crore.
- The corporate agency tie-up with Axis Bank has already become the largest non-bank owned bancassurance relationship in India with 92% of its wide network of branches selling life insurance solutions.
- It recorded an average case size of ₹42,296, and 13th month persistency at 74% – in the top quartile in the industry.
- By April 2012, the Company had crossed the ₹1,000 crore mark in first year premium since inception through the Axis Bank relationship.

Partnership distribution, the third pillar of Max Life's multi-channel distribution, contributed 13% to the total new business of the Company. It adapted well to the new paradigm shift, with a renewed relationship with Amsure and Peerless.

During FY 2012, the direct sales team was re-modeled to form customer advisory teams (CAT), reflecting the new business philosophy of 'Service to Sales'. This unique model combines direct service and sales teams to engage with direct service customers. It recorded a growth of 72% in new business premium. The group insurance business space is highly competitive and Max Life has been successful in maintaining its profitable accounts. With focus on right products and service excellence, this arm of the business recorded a growth of 55% in FY 2012 over the previous year.

Max Life has been making efforts towards an equitable distribution of new business across zones. Today, the Company is present in more than 1,000 locations across the country through its distribution network. In FY 2012, the West contributed 35%; the North 29%; the South 23%; and the East 13%. Chart B gives the geographic spread of Max Life's business across India.

Chart B: Max Life New Business Revenue: Geographic Distribution



Product Portfolio

In FY 2012, Max Life focused on providing 'Long Term Savings and Protection' (LTSP) solutions to its customers. The contribution of such LTSP products for the Company moved from 75% in FY 2011 to 91% in FY 2012.

It has developed a series of products including: (i) the College Plan, which is a guaranteed money back plan to raise the corpus for a child's education; (ii) Fastrack, which is a ULIP for high net worth individuals; (iii) a Guaranteed Monthly Income Plan, which is a unique index-linked income plan; and (iv) a Premium Return Term Plan, which is a term plan with return of premium at the end of the policy period. Through an impressive take-up rate and higher case size, the new products have contributed effectively to the Company's profitability.

In line with the philosophy of 'Treating Customers Fairly', Max Life instituted a robust governance process for new products and sales concept development towards ensuring deep understanding of target consumer needs, co-creation in the product design, launch and seeding process.

An in-depth consumer research, conducted as a part of identifying consumer needs, helped establish the 'urgent and unaddressed' needs of mass affluent / affluent bank customers – and hence generated ideas for new products. These findings are now being used to develop new products with sharper focus, to help the Company retain its position as a top quartile insurer.

Investment Performance

Following the trends of previous years, Max Life's in-house team of analysts and fund managers has ensured that all ULIP funds consistently outperformed the benchmarks.

While focusing on delivering maximum returns to policyholders, Max Life follows a prudent investment philosophy to optimize risk management. Investments are in safe instruments: the top five debt investments are AAA rated; and majority of equity investments are in large cap companies.

MAX LIFE'S ASSETS UNDER MANAGEMENT (AUM) INCREASED BY 24% TO ₹17,215 CRORE

FOLLOWING THE TRENDS OF PREVIOUS YEARS, MAX LIFE'S IN-HOUSE TEAM OF ANALYSTS AND FUND MANAGERS ENSURED THAT ALL ULIP FUNDS CONSISTENTLY OUTPERFORMED THE BENCHMARKS

The Company's assets under management (AUM) increased by 24% to ₹17,215 crore as on 31st March 2012. Of this, 43% was in controlled funds and 57% in ULIP funds

Customer Service

Max Life is committed to enhanced service delivery to customers at every touch point. In FY 2012, backed by various surveys to gain insights, the Company launched 'the service commitments and the claims guarantee' initiatives which aims to position Max Life in the top quartile of service providers in India. The service experience is enhanced by presenting hosts of commitments such as call pick up within 20 seconds, acknowledging all queries within four hours, cheque pick up within 24 hours in top 20 locations for customers, and so on.

The Company significantly improved its claims management by bringing the outstanding claims ratio to 1.34% by 31st March 2012. In FY 2012, 88.1% of claims were settled within 60 days; and 95.5% within 90 days of intimation of claim.

An expert underwriting system launched in the previous year to build processing capabilities to meet the increasing scale requirements from new business, was successfully implemented for 90% of the business in FY 2012. The system creates greater efficiency in policy issuance and also improves turnaround times for customers.

All these efforts have resulted in the Company's customer satisfaction scores improving by almost 10 percentage points in FY 2012 over the previous year. Max Life today has the lowest complaint incidence rate in the Industry – at 2 complaints per 1,000 policies.

Brand Management & Marketing

Max Life has made significant progress in building a strong brand through mass media. This contributed to the brand awareness score touching an all-time high of 99% in March 2012 – placing the brand at the Number 5 position among all private players. Identifying its agent advisors as the key differentiators, an all-India print campaign was run to establish them as customer-centric and successful advisors. This also helped in attracting fresh talent to the agency force. This campaign "Aapke Sachche Advisor" was crafted to take the industry issue and concern of mis-selling head-on, and focus on Max Life's brand promise as the organization's strength of quality advise and need-based selling.

Apart from using traditional advertising media such as television and on-ground activation, an integrated communication programme comprises various innovative consumer engagement initiatives including digital and social media platforms. It also includes outdoor marketing. The Company has created a long-term savings and protection-oriented community of over 300,000 on Facebook© through two different platforms – khushiyon ki planning and igenius.

It successfully completed the 2nd igenius scholarship programme in December 2011 which received response from some 460,000 students of the 3rd to 8th standard across 1,000 cities. Of these, 1,022 students were recognized with total prize money of ₹1 crore. The 3rd igenius scholarship programme was launched with a new category – primary – for students of nursery to the 2nd standard.

Human Resource – Leveraging people and culture as a strength in times of change

Max Life values human capital and considers it to be its competitive advantage. Hence, it lays a strong emphasis on people-friendly practices leading to high levels of employee engagement and motivation. This is reflected in that the Company was recently considered as one of the best workplaces in the industry, by the Great Places To Work Institute, India, Max Life is a young organization with the median age of the workforce being 32.5 years. Women constitute 16% of total workforce.

Quality and Business Excellence

Max Life achieved new heights on its already successful quality and business excellence journey during 2011–12.Thanks to successful deployment of the business excellence framework in the last few years, it secured the highest assessment score for the Max Performance Excellence Framework (MPEF) across the Max India Group companies. The Company continued its ISO Quality Management System and implemented it in 55 new offices — which underwent the rigor of ISO internal audits before being certified by Bureau Veritas.

The Company's journey with several process improvement projects resulted in a validated business impact of ₹93 crore for FY 2012. One of the project chosen as part of the annual 'Project of the Year' award programme and was also selected by Quality Council of India as a joint winner of the national award.

Ensuring Smooth Transition of JV Partner

With MS&AD buying New York Life's 26% equity stake in the Company, Max New York Life is now known as Max Life Insurance Co. Ltd. This transition is not just a change in corporate identity, it is showcase of the Company's strong endorsement to the Indian life insurance market and highlights the opportunity for Max Life, to reposition itself on the quality platform, set new benchmarks in customer centricity and create an institution that will establish life insurance as the ideal solution for long-term savings and protection.

From a customer standpoint, the transition will be seamless and Max Life remains strongly committed to the strategy of serving the life stage needs of its customers. Over the years, we have built a financially strong and stable life insurance Company based on solid foundations and are confident of a sustained profitable growth as we continue to differentiate in the market place basis our advice-based sales, diversified distribution model and a customer-centric approach at every touchpoint. We are using this opportunity to reconnect with each and every customer, distribution partner and agent advisor to energize the organization and ensure that we remain the partner for life for their needs related to life insurance domain.

As our life insurance joint venture enters the new phase of growth, we are committed to creating a more agile and customercentric life insurance provider in Max Life Insurance.

RISKS AND INTERNAL CONTROLS

Internal Audit

The Company has an independent Internal Audit department with a reporting line to the Chair of the Board's 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.

Enterprise Risk Management

Max Life has a robust, enterprise-wide risk management system to identify, assess, manage, monitor and control risks across all indefinable and measurable sources. The enterprise is covered by 22 risk categories falling under financial, operational and business risks. 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. There is an established risk appetite and risk tolerance that guides risk taking within the Company. 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.

“AAPKE SACHCHE ADVISOR” CAMPAIGN WAS CRAFTED TO EXTEND THE COMMUNICATION BEYOND PROMOTING LIFE INSURANCE POLICIES AND PRODUCTS, AND BEGIN ESTABLISHING TRUST WITH THE CONSUMERS

OUTLOOK

After a decade of rapid growth, the life insurance industry in India is going through a period of re-orientation. Given the demographic profile of the country and high savings habits, there is still a vast untapped opportunity for life insurance in India. Consequently, while the short to medium term will continue to witness volatility, the long-terms prospects remain bright.

The prospects of life insurance in FY 2013 will depend on a variety of factors including the Direct Tax Code (DTC) proposals on insurance. While the first decade of the privatization of the life insurance sector witnessed growth driven primarily by expansion of the distribution network and a wide range of new products including ULIPs, the next phase will be driven by customer-centric products and practices designed to fulfill the need and risk profile of the customers. The trend witnessed in FY 2012 of consumers' preference for guarantees and shift in the product mix towards traditional products is expected to continue in the coming years.

The global and Indian economic scenario in FY 2013 is not expected to show a sharp turnaround. This will have a limiting effect on the growth of Indian life insurance sector. However, due to a relatively low base, the sector is still expected to record low double-digit growth.

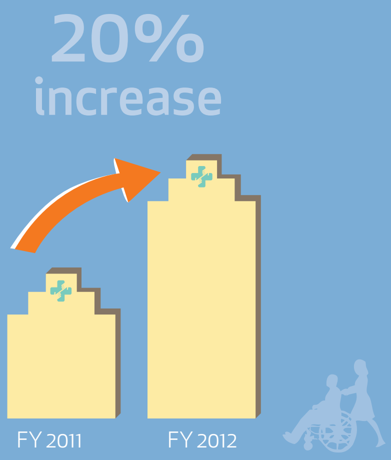
Max Life is best equipped to deal with these changes as we have always focused on providing life insurance for its core purpose of long-term savings and protection through advice-based sales. Our efforts to build a quality business model rooted in customer centricity provide us the foundation to build a profitable life insurance business in this changed business environment.

MAX HEALTHCARE IS COMMITTED TO THE HIGHEST STANDARDS OF MEDICAL AND SERVICE EXCELLENCE, PATIENT CARE, SCIENTIFIC AND MEDICAL EDUCATION. THIS IS EXECUTED THROUGH THE MHC MODEL OF HEALTHCARE EXCELLENCE

AJAY BAKSHI
CEO, MAX HEALTHCARE INSTITUTE LIMITED

MAX HEALTHCARE INSTITUTE LIMITED

MHC registered a 20% increase in revenues, from ₹685 crore in FY 2011 to ₹823 crore in FY 2012 led by Day-care surgeries, outpatient and inpatient growth and focus on Centers of Excellence



INDIAN HEALTHCARE INDUSTRY OVERVIEW

Healthcare in India represents a US$40 billion sector in 2012. Chart A gives the break-up of the components of the industry. 50% of this industry is accounted for by hospitals and 10% by diagnostics and these two sub-segments forms Max Healthcare's (MHC) market. Driven by factors like growing population with changing age profile, rising middle class, coupled with rise & changing pattern of diseases, the industry is expected to grow 14% annually in the next 5 years.

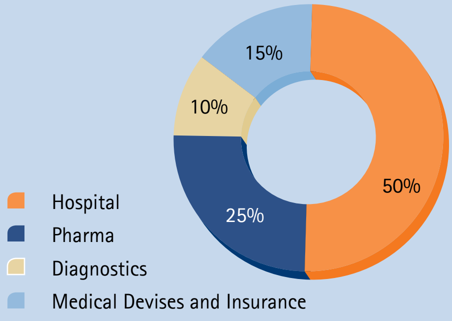


Chart C: Break-up of Healthcare in India

DRIVEN BY FACTORS LIKE GROWING POPULATION WITH CHANGING AGE PROFILE, A GROWING MIDDLE CLASS AND THE RISE OF LIFE-STYLE DISEASES, THE INDIA HEALTHCARE INDUSTRY IS EXPECTED TO GROW AT 14% ANNUALLY IN THE NEXT FIVE YEARS

Given the need of the economy, the potential for growth becomes even higher due to the low penetration of Healthcare delivery in the country. The major reasons behind the under–penetration of Healthcare Delivery sector are as follows:

- Lower Per Capita Spend - In comparison to per capita healthcare spend of more than US$600 per annum in other developing countries like Mexico, Argentina, Brazil and in India, the number is as low as less than US$60 per annum.
- Current Infrastructure - India currently ranks amongst the lowest in hospital beds and doctors per capita.
- Health Insurance - In India, currently the health insurance penetration is less than 10%.
- Government Policy - which is focused on providing primary care infrastructure.

MHC PERFORMANCE HIGHLIGHTS 2011-12

During 2011-12, the Company continued its growth journey by expanding the infrastructure, and adding its service offerings at various locations in the network.

- Gross revenues increased by 20% from ₹685 crore in 2010-11 to ₹823 crore in 2011-12. There are several drivers of this growth including:
  - o Day-care surgeries grew by 43%
  - o Other segments of Out Patient and In Patient grew at rates that are in line with gross revenue growth
  - o In terms of service mix, the Company was successful in translating Centre of Excellence (CoE) focus into increased revenue. CoE specialities - Cardiac, Orthopaedics, Neurology, Oncology, and Minimal Invasive Surgeries (MAS) have outpaced overall growth rates, led by Oncology, which grew by 49% and MAS, which grew by 40%
  - o Patients registered with MHC increased by 230,000 during 2011-12 to reach 13,70,000. The Company catered to 7% more patients, to touch over 31,80,000 patients during 2011-12, an increase of over 205,000 patients over the same period last year. This reflects increased brand awareness and expanded reach of the network. There was also a 15% increase in its corporate client's base with the addition of over 50 corporate clients in 2011-12.

- The gross contribution margin increased slightly to 59.7% in 2011-12. While the Company was successful in increasing revenues significantly and maintained gross contribution, there was a reduction in EBIDTA from 7.6% in 2010-11 to 1.5% in 2011-12. This is on expected lines as the business is in a growth phase with focus on infrastructure development. Many of the new projects have incurred fixed costs for manpower, administrative, and operating overheads, while the commensurate revenues will take a period of time to stabilize. Once the phase of this cost-revenue mismatch is surpassed by the new projects, EBIDTA of the Company will improve.

All key operating parameters have shown significant improvements during the year. Box B details the operational highlights.

“MHC IS COMMITTED TO REDUCE RECOVERY TIME BY EMPLOYING LATEST CLINICAL TECHNIQUES. FASTER TURNAROUND IN CASES RESULTS IN LOWER COST OF TREATMENT FOR PATIENTS AND ADDITIONAL CAPACITY FOR THE HOSPITAL”

BOX C : OPERATIONAL HIGHLIGHTS

Average Revenue per Occupied Bed per day is a measure of bed productivity. It increased by 9.4% from ₹21,588 in 2010-11 to ₹23,585 in 2011-12. This growth is primarily driven by the Company's effort to upgrade its service portfolio and heightened focus on high-end surgeries.

Bed Occupancy improved marginally from 67.8% in 2010-11 to 68.6% in 2011-12. This is a significant achievement in a year when more than 250 operational beds have been added to the existing network. For the existing hospital, the bed occupancy increased from 67.8% in 2010-11 to 70.9% in 2011-12.

Average Length of Stay (ALOS) is a representation of patient turnaround time. MHC is committed to reduce recovery time by employing latest clinical techniques. The standard has been maintained at around 3.6 days in 2011-12 in spite of upgrading the medical programmes and taking complicated and high-risk cases. Faster turnaround in cases results in lower cost of treatment for patients and additional capacity for the hospital.

Surgical Medical Revenue ratio is an important measure of maturity of clinical programmes and service offerings. MHC is focused on upgrading its service offerings to handle tertiary level cases. The ratio of surgical revenue in total Inpatient revenue improved from 58% in 2010-11 to 61% in 2011-12. Also, the ratio of surgical revenue as percentage of total gross revenue increased from 42% in 2010-11 to 44% in 2011-12.

Revenue from CoE Specialities also increased significantly during the year. The share of CoE in total Inpatient revenue increased by 400 basis points from 55% in 2010-11 to 59% in 2011-12.

OPERATIONS

Service Offerings

With a mission to make international-class medical services accessible and affordable to customers, MHC now operates 12 facilities in North India offering services in over 30 medical disciplines. MHC also serviced a significant segment of international patients and its annual international patient traffic crossed the 20,000 mark last year.

The Company has an integrated services portfolio from primary care, secondary care, tertiary care and now quaternary care in key specialities. Max Medcentre at Panchsheel Park, New Delhi focus on primary care; secondary care facilities are available at hospitals at Pitampura, Noida, and state-of-the-art tertiary care facilities are available at Saket, Patparganj and Shalimar Bagh in South, East and North-West Delhi respectively as well as in Mohali and Bathinda in Punjab.

The tertiary care hospitals at Saket include Max Super Speciality Hospital (East Block), which is a centre of excellence for Cardiac Care, Minimal Access, Metabolic & Bariatric Surgery and Cancer Care as well as Max Super Speciality Hospital (West Block), a super speciality facility in Orthopaedics and Joint Replacement, Neurosciences, Paediatrics, Obstetrics and Gynecology, Aesthetic and Reconstructive Plastic Surgery and Internal Medicine. In addition, it offers services in the disciplines of Urology, ENT, Gastroenterelogy, Nephrology, Dermatology, Mental Health and Behavioral Sciences amongst others.

Additions to the MHC Network

During 2011-12, MHC started 3 new hospitals during the year at Shalimar Bagh - New Delhi and Mohali & Bathinda in Punjab. The hospitals offer high end medical expertise with paramount patient-centric services. The hospitals house state-of-the-art Cath Lab, OTs with HEPA, EHR, Nuclear Medicine and Gamma Camera. They also encompass the most advanced key medical equipment like LINAC for Radiotherapy, MRI and CT scan machines which are one of the most advanced technologically.

Mohali Hospital: This is a 200 bed facility in Mohali targeting the residents of tri-city of Chandigarh, Mohali, and Panchkula. The hospital has been set up as a Public Private Partnership with Govt. of Punjab and was commissioned in September 2011. The facility offers comprehensive treatment in Cardiology, Oncology, Neurology, Orthopaedics, Mother and Child Care and also offers Day Care surgeries.

Bathinda Hospital: This is a 200 bed facility in industrial town of Bathinda, Punjab. The hospital has been set up as Public Private Partnership with Govt. of Punjab, and was commissioned in September 2011. The facility is an advanced centre for Oncology, and also offers comprehensive treatment in Cardiology, Orthopaedics, Neurosciences, Urology, Mother and Child Care, ENT, Dialysis, and Day Care surgeries.

Shalimar Bagh Hospital: This 300 bed hospital is situated in North Delhi, and is the second hospital in that region. It was commissioned in Nov. 11 and caters to offer services in Cardiology, Orthopaedics, Neurosciences, Mother and Child Care, Urology, ENT, Dialysis, Plastic / Reconstructive Surgery, Dentistry, and Ophthalmology.

By maximizing resource utilization in existing hospitals and adding new facilities at various locations, the network bed capacity has increased substantially during 2011-12. By the end of 2012 will increase to 1,900 beds, of which 1,160 are already operational.

The Company has recently commissioned a 204 bedded hospital in Dehradun, Uttarakhand. This is the Company's first hospital in the Uttarakhand region and has also planned to cater to the growing needs of medical tourism.

Service Quality

Max Healthcare is the country's leading comprehensive provider of standardized, seamless and international-class healthcare services. It is committed to the highest standards of medical and service excellence, patient care, scientific and medical education. This is executed through the MHC Model of Healthcare Excellence. Chart B gives a snapshot of this model

Chart B – MHC Model of Healthcare Excellence

INNOVATIVE MARKETING

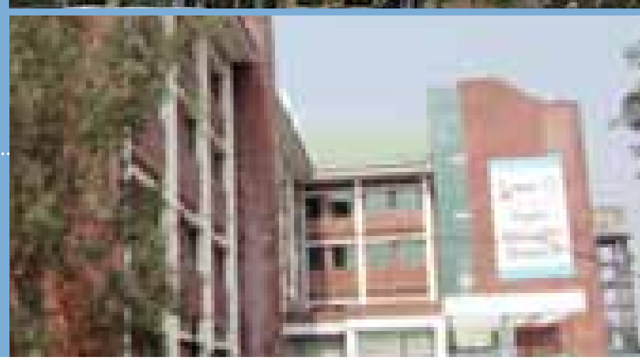
Best-in-class operating processes – HR, Finance etc	Clinical Excellence - established clinical pathways, internationally benchmarked patient safety & quality metrics etc.	Service Excellence – front office, in room convenience etc

World class information management systems such as Electronic Health Records system

Information Technology

MHC, in its pursuit for endorsing IT for clinical support has implemented an integrated Electronic Health Records system across its leading hospitals. This is a computerized patient record system for documenting, ordering, reporting and viewing of clinical information. The implementation of this system has already resulted in numerous benefits – cost savings, increased efficiency in resource utilization, reduced medication errors and improved quality of patient care among others.

> MHC IS NOW A PAN NORTH INDIA HEALTHCARE PROVIDER, WITH THE LAUNCH OF ITS NEW SUPER-SPECIALITY HOSPITALS DURING FY 12 – TWO IN PUNJAB (MOHALI AND BHATINDA), AND ONE IN DELHI NCR, IN SHALIMAR BAGH. MHC ALSO ESTABLISHED ITS PRESENCE IN UTTARAKHAND WITH THE LAUNCH OF ITS 204 BEDDED HOSPITAL IN DEHRADUN IN MAY 2012



MHC received national recognition with eCare getting the NASSCOM user IT award for exemplary work done in IT in the Healthcare Vertical. The Company was also accorded international recognition and Stage 6 certification by Healthcare Information and Management Systems Society (HIMSS) for usage of clinical information technology to improve patient safety, quality and efficiency at Max Saket. With this, Max Super Speciality Hospital, Saket is ranked amongst top 5% worldwide for safety, quality of care and efficiency, and is the first hospital in India and the sixth in Asia to have received this certification. eCare was also nominated in the horizontal of Mobility. The mobility nomination was mainly for a) mobile application usage of MpHRx, for image retrieval and laboratory diagnostics retrieval application and b) implementation of unified communication (UC) on Wi-Fi across hospitals. For the application developed for MHC on BlackBerry, MpHRx was awarded as the Blackberry application of the year at a Blackberry Asia Pacific event.

Training, Education, and Research

The clinical team at MHC comprises 1,692 renowned clinicians, ably supported by well qualified and caring paramedics and nurses. The Company is focused on being the preferred employer of choice to clinical fraternity and gives a lot of emphasis on training, education and research initiatives.

Services portfolio enhancement was a continuous activity at Max Healthcare and all hospitals expanded their service portfolio by adding new procedures and undertook hi-end cases at various hospitals:

> MHC AUTOMATED PATIENT MANAGEMENT SYSTEM, eCARE RECEIVED NATIONAL RECOGNITION FROM NASSCOM AND WAS ACCORDED INTERNATIONAL RECOGNITION AND STAGE 6 CERTIFICATION BY HEALTHCARE INFORMATION AND MANAGEMENT SYSTEMS SOCIETY (HIMSS) FOR SUCCESSFULLY IMPLEMENTING A UNIQUE IT TOOL THAT USES & TRACKS THE PATIENT'S REGISTRATION NUMBER & BAR CODE TO TRACK ALL ASPECTS OF TREATMENT. MHC HAS ALSO SUCCESSFULLY EXTENDED THE USE OF eCARE TO MOBILES USING THE HIGHLY REGARDED MpHRx APPLICATION

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- Saket Hospital added MAMBS micro site, Bariatric Clinic and Bariatric Support Group.
- Max doctors conducted Ankle Replacement Surgery via Star Implants. The technique is a breakthrough in the field of Orthopedics (foot and ankle treatments) which enables ankle replacement where no cement is used allowing better bone in-growth stabilization and bone preservation. The technique was deployed for the 1st time in India and results in quicker treatment (nearly 50% reduction in recovery time), with greater finesse and improved patient convenience.
- The Patparganj hospital carried out several complex & high risk surgeries, noticeable Tracheotomy (ENT) of a 10 months baby, Dynamic Hip Screw (DHS) surgeries of 85+ year patients, and Decompressive craniotomy on a 1-month-old baby.
- Max doctors performed 8 cases on 3-D mapping at Punjab Institute of Cardiology, Lahore. The event was witnessed by cardiologists around the continent. The team also carried out the first ever Renal Denervation Therapy for uncontrolled hypertension in India, by using the DynaCT and NaviX 3D Mapping for greater accuracy. This is a first of its kind in the world.
- Max doctors conducted laser TURP on 102-year-old patient in Shalimar Bagh hospital. This surgery was widely covered by the media.
- Surgeons in the Department of MAMBS (Minimal Access, Metabolic, and Bariatric Surgery) and Gastrointestinal Surgery at Max Hospital, Mohali have evolved a revolutionary technique wherein routine laparoscopic surgery can be done through single incision in the umbilicus without the use of special instruments. All these advantages mentioned above increase the comfort of patient and decrease the cost of surgery considerably. This technique is fast becoming a gold standard in the hands of experienced surgeons.

STRENGTHENING MANAGEMENT BANDWIDTH

The doubling of MHC's bed capacity from 900, in 2010, to 1900, by end of 2012, translates into a significant expansion of operations. While MHC has always had outstanding medical team and leading medical experts on board, increasing scale of operations demanded a dynamic, experienced, focused and stable management backbone that would drive the performance aspirations of MHC's network of hospitals. With this in view, MHC's leadership has been strengthened starting with Dr. Ajay Bakshi's recruitment as the CEO of MHC in November 2011. Dr. Ajay Bakshi, an AIIMS graduate, is an experienced healthcare professional and has played diverse roles across the globe, ranging from practicing Neurosurgeon in India, Stem Cell Scientist in USA, to a management consultant with McKinsey & Co.

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SURGEONS AT MAX HOSPITAL, MOHALI HAVE EVOLVED A REVOLUTIONARY TECHNIQUE WHERE ROUTINE LAPAROSCOPIC SURGERY CAN BE DONE THROUGH SINGLE INCISION, INCREASING PATIENT COMFORT AND CONSIDERABLY REDUCING COST OF SURGERY. THIS TECHNIQUE IS FAST BECOMING A GOLD STANDARD IN THE HANDS OF EXPERIENCED SURGEONS

MHC'S LEADERSHIP HAS BEEN STRENGTHENED STARTING WITH DR. AJAY BAKSHI'S RECRUITMENT AS THE CEO OF MHC IN NOVEMBER 2011

A strong, dynamic team with tremendous expertise has been put together by Dr. Bakshi that includes Mr. K. S. Ramsinghaney, a Max India Group veteran with 35 years of experience, as the Executive Director for Commercial and Infrastructure; Dr. Anurag Krishna, a leading pediatric surgeon and former Chairman of Pediatric Surgery at Ganga Ram Hospital as the head of the Clinical Directorate; Mr. Yogesh Sareen, previously the CFO of Fortis Healthcare with 19 years of experience in varied facet of finance across the globe, as the Chief Financial Officer and Mr. Anil Vinayak, a Business Management and Sales & Marketing veteran who has over 23 years of marketing experience as Head, Sales & Marketing.

The team is energetic, dynamic and driven with tremendous expertise in the healthcare domain. Their strong leadership skills, passion for innovation and execution capabilities will ably guide the Company through its next phase of growth.

STRATEGIC DIRECTION GOING FORWARD

The new management team has made a strategic choice to focus on specific elements for the next 12 to 18 months. MHC's future strategic effort can be broadly outlined as follows:

1. Focus on ramp-up of new hospitals - the Company has, in the second half of FY 12, opened three new hospitals with a fourth one opening in Dehradun in the first quarter of FY 13. Operational & financial sustainability of these hospitals will be an area of management focus for the coming year

2. Develop an effective and scalable operating model that enables faster, transparent and dynamic decision making

3. Building a strong pipeline of clinical and managerial talent

4. Leverage data & information management systems to drive a sharp focus on improving cost management

Service and Clinical excellence are key differentiators for the Company and the management will continue its intense focus on these areas to maintain its leadership position.

DURING 2011-12, MHC REGISTERED PATIENTS INCREASED 20% TO REACH 13,70,000 AND OVERALL LIVES TOUCHED INCREASED 7% TO OVER 31,80,000 PATIENTS, REFLECTING IT'S INCREASED BRAND AWARENESS AND EXPANDED REACH OF THE NETWORK

RISKS AND INTERNAL CONTROLS

Capital Intensive Infrastructure - As expansion plans require significant capital expenditure, effective management of investments with the ability to fund will be a key requirement to build, acquire and manage additional hospitals as well as expand, improve and augment the existing hospitals.

Inflation impact and rising costs – The Indian economy is in the midst of inflationary trends for the last few years with average inflation exceeding 8% and cost of all key ingredients – such as material purchases, salary, administrative overheads etc increasing sharply. Additionally, the cost of land, construction and equipping hospitals have increased manifold. This will add to the higher costs of healthcare delivery which has to be borne by the consumer.

Shortage of Medical manpower - Apart from infrastructure gap, the industry also faces a huge shortage of trained quality clinical manpower including clinicians, paramedics, and nurses. There could be a shortfall of over 450,000 doctors by 2012. The migration of skilled technicians and nursing personnel to developed countries due to their higher compensation levels also adds to the void in quality of personnel at the disposal of hospitals in India.

Penetration of Health insurance - India has a very low health insurance coverage rate, and if rising medical costs are any indication, the ability to afford quality treatment at a private hospital will become burdensome for a majority of the population.

Technological obsolescence – Medical technology is a backbone for high quality care and is undergoing constant evolution to make it more accurate, effective, and productive. High rate of advancement in medical technology is leading to shorter lifespan of equipment, and also requires medical professionals to upgrade their skills on a constant basis.

Increased Competition – Healthcare being a high growth sector is attracting several new entrants. Most of these players are focused on metros and Tier A cities. There is a chance of increased competition in these markets thus adversely impacting the profitability and growth potential for existing players. While Max Healthcare enjoys preferred brand recall, and is trusted by people in North India, and may face a competition risk.

OUTLOOK

The Indian healthcare sector is on course for a long-term high growth path based on the supply gap, the growing affluence of middle class, increased awareness of diseases and preventive options, and comparative price benefit with global markets. There is strong competition in the healthcare space with lot of new entrants joining the fray. The Company feels that the success of a healthcare player is dependent on strong brand, clinical excellence, and service quality focus, apart from usual financial performance and operational process optimizations. MHC is an established brand in the healthcare space with strong patient relationships delivered through quality of care and trust. This intangible asset will be driving factor for future growth.

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THE INDIAN HEALTHCARE SECTOR IS ON COURSE FOR A LONG TERM HIGH GROWTH PATH AND WITH MHC'S ESTABLISHED BRAND AND STRONG PATIENT RELATIONSHIPS, BASED ON QUALITY OF CARE AND TRUST, WILL DRIVE FUTURE GROWTH

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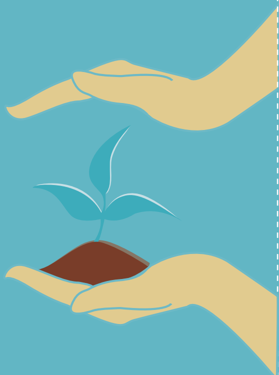
WE HAVE HAD A GREAT YEAR, WITH ALL AROUND GROWTH. IN JUST IT'S SECOND YEAR OF OPERATION, MAX BUPA IS HELPING CUSTOMERS PUT THEIR HEALTH FIRST THROUGH INNOVATIVE PRODUCTS AND SERVICES. I BELIEVE WE WILL CONTINUE TO GROW RAPIDLY

MANASIJE MISHRA
CEO, MAX BUPA HEALTH INSURANCE COMPANY LIMITED

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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



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MAX BUPA HEALTH INSURANCE OVERVIEW

Max Bupa Health Insurance (Max Bupa), is a joint venture Company established two years ago between Max India Limited and Bupa (British United Provident Association) PLC, UK – set up with the purpose of building long-term healthcare partnerships. During this initial phase, it has focused on developing its people and management strength, customer-led processes, scalable infrastructure and distribution capabilities. With a presence in 11 cities through its offices and in another 250 cities via its network of agents, Max Bupa now covers over 270,000 lives. The Company continues to focus on growing the scale of its operations while developing market leading services. It is guided by its six core values: of being Caring, Respectful, Ethical, Accountable, Trustworthy and Enabling, and is driven by the vision of being India's most admired health insurer.

INDIAN HEALTH INSURANCE INDUSTRY

The economic slowdown in India has had an adverse impact on the rapidly growing health insurance business in India. From an estimated total of ₹13,000 crore in premiums in FY 2011, which represented a 35% growth over FY 2010, the growth in premiums reduced to 25% in FY 2012.

During FY 2012, a number of new regulations and guidelines were introduced by the regulator with the overall primary objective of protection of policyholders' interests. The key guidelines and regulations released were:

- Portability of health insurance policies across non-life insurance companies, including standalone health insurance companies.
- IRDA (Licensing of Bancassurance Agents) Regulations, 2011, especially the Draft Regulations on Bancassurance Agents by IRDA.

Max Bupa is incorporating these regulations into its business strategy and operations.

"MAX BUPA HEALTH INSURANCE (MAX BUPA) A JOINT VENTURE COMPANY BETWEEN MAX INDIA LIMITED AND BUPA (BRITISH UNITED PROVIDENT ASSOCIATION) PLC, UK COMPLETED TWO YEARS OF OPERATIONS IN MARCH 2012"

PERFORMANCE HIGHLIGHTS

In its nascent stage of development, FY 2012 was a year of growth with learning and development for Max Bupa. The highlights are given in Box D:

BOX D: MAX BUPA'S PERFORMANCE HIGHLIGHTS FY 2012

- Max Bupa increased its customer base from around 46,000 at the beginning of FY 2012 to 215,000 by the end of FY 2012.
- Gross Written Premium (GWP) was ₹99 crore.
- The provider network grew from 750 to 1,200 hospitals, spanning over 250 cities in India.
- Four new products were launched during the year
  - Health Companion
  - Employee First Classic
  - Heartbeat Version 2
  - Swasth Parivar
- Max Bupa developed and implemented its Employee Value Proposition for people development and growth.
- Became the first health insurance Company in India with ISO 10002: 2004 certification.
- Its underwriting system (HUMs) received Information Week's EDGE Award 2011.
- Two new branch offices became operational in Kochi and Kolkata.

OPERATIONS

Max Bupa has a focused growth strategy to profitably penetrate the Indian market. To achieve this, in FY 2012, the Company focused on three critical building blocks: people, quality and growth.

People: One of the key priorities for Max Bupa is its people and this includes attracting and retaining the best people for the future development of the Company. The team has grown from 700 at the beginning of the year to over 850 by the end of FY 2012. One of the key initiatives undertaken this year was to develop Max Bupa's Employee Value Proposition which nurtures people and helps them grow professionally and personally.

Quality: 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. It has developed a strong network of over 1,200 quality hospitals and healthcare providers and intends to increase this to over 1,400 hospitals by December 2012. It services its customers directly through its in-house team of professionals

“MAX BUPA'S PRODUCT OFFERINGS NOW CATER TO ALL THE IMPORTANT MARKET SEGMENTS - INDIVIDUAL, COMPANY (GROUP) AND GOVERNMENT”

NOW COVERING OVER 270,000 LIVES, MAX BUPA IS CONTINUOUSLY SCALING UP OPERATIONS AND IT NOW HAS PRESENCE IN 11 CITIES THROUGH ITS OFFICES AND IN ANOTHER 250 CITIES VIA ITS NETWORK OF AGENTS

including doctors. Max Bupa believes that quality of service is critical to sustaining long-term market differentiation; and to this end, it has adopted a performance excellence framework to help continuous quality improvement.

Growth: The Company continues to innovate and expand its product portfolio to provide its customers with greater choice. All key market segments —individual, Company (Group) and government — are now covered with Max Bupa products. Based on market experience and research undertaken in FY 2012, the Company has developed a pipeline of products to be created over the next two years. It has also significantly invested in a wider distribution platform and capabilities that has helped fuel growth.

RISKS AND INTERNAL CONTROLS

Max Bupa has in place systems of internal control which are commensurate with its size, and the nature of 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 unauthorized use or losses, executing transactions with proper authorizations and ensuring compliance of corporate policies. It has clear cut 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.

The Company has a well-defined internal audit plan which is reviewed each year in consultation with the statutory auditors and the Audit committee of its 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 Max Bupa's operations.

OUTLOOK

In FY 2013, the industry is expected to grow at a steady pace in line with the growth seen in FY 2012. 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.

WITH A WIDER PORTFOLIO OF PRODUCT OFFERINGS, MAX NEEMAN HAS STARTED GETTING ADDITIONAL BUSINESS FROM SEVERAL OF ITS ESTABLISHED PARTNERS IN THE US AND EUROPE

AJOY KUMAR
CEO, MAX NEEMAN INTERNATIONAL

MAX NEEMAN
CONTRACT RESEARCH

MAX NEEMAN MEDICAL INTERNATIONAL LIMITED

Quality Assurance

Max Neeman follows a robust system of quality assurance 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

MAX NEEMAN MEDICAL INTERNATIONAL LIMITED OVERVIEW

Extending the scope of operations in the healthcare related space, Max India Limited entered the business of clinical research through its subsidiary Max Neeman Medical International Limited (MNMI).

It 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.

With its base in USA and India, MNMI operates through a dual-shoring model. From its global headquarter at Cary, North Carolina, USA, the Company focuses on business development and marketing initiatives that services the large number of US customers by being in close proximity to their operations. The actual clinical research operations are based out of India.

INDUSTRY STRUCTURE AND DEVELOPMENT

Given the intensity of global competition, healthcare budget constraints of several governments and the need for

lower cost medication across the world, the onus is on large pharmaceutical companies to continuously focus on cost cutting, without affecting the quality and delivery of their medicines. This leads to greater scope of outsourcing clinical research to low-cost facilities.

With its talented clinicians, diverse patient pool and lower cost advantage, India is well poised to benefit from this opportunity. The scope has been enhanced with the implementation of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) accord and World Trade Organization (WTO) norms.

“MAX NEEMAN NOW OFFERS SERVICES ACROSS FIVE DOMAINS: SITE MANAGEMENT, SITE MONITORING, CLINICAL DATA MANAGEMENT, PROJECT MANAGEMENT AND SUPPLY CHAIN MANAGEMENT OF CLINICAL TRIAL MATERIAL”

While the opportunity exists, there is often a long gestation gap in this business. Newer entrants take time in establishing their credibility and building relationships with innovators. In addition, there continues to be some structural hurdles. For examples, 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, with attendant delays.

PERFORMANCE HIGHLIGHTS

As a business, Max Neeman is still at a very early stage of development.

- Revenues increased from ₹24 crore in FY 2011 to ₹28 crore in FY 2012.
- Profits before tax decreased from ₹4.5 crore in FY 2011 to ₹3 crore in FY 2012.
- Max Neeman added 20 new clients during FY 2012, taking the total client base to 97.

OPERATIONS

With operations stabilizing, Max Neeman now offers services across five domains: (i) site management, (ii) site monitoring, (iii) clinical data management, (iv) project management, and (v) supply chain management of clinical trial material.

On the clinical research front, where it provides services in Phases II, III and IV of clinical trial studies, it now has access to over 1,200 ICH GCP trained investigators. A team of over 250 clinical research coordinators and associates with a pan–India presence across 41 cities gives Max Neeman access to patents and investigators sites across various therapeutic areas. During FY 2012, the Company also started its medical and scientific writing unit.

Max Neeman'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. Some of these are: Merck, GlaxoSmithKline, Bristol Myers Squibb, Sanofi-Aventis, Johnson & Johnson, Novartis, Pfizer, AstraZeneca, Genzyme, Pharmacosmos, Biogen Idec, Genzyme, NovoNordisk, Piramal

MAX NEEMAN'S PATIENT RETENTION RATE, A CRITICAL BUSINESS DRIVER IN CLINICAL TRIALS, IS 92% AGAINST AN INDUSTRY AVERAGE OF 65% TO 70%

> MAX NEEMAN'S SECOND GLOBAL HEADQUARTER BASED AT CARY, NORTH CAROLINA, USA FOCUSES ON BUSINESS DEVELOPMENT AND SERVICING LARGE NUMBER OF U.S. CUSTOMERS, WHILE THE ACTUAL CLINICAL RESEARCH OPERATIONS ARE BASED OUT OF INDIA

Healthcare and Wyeth. In addition, there are several mid-sized pharma companies among its clientele: such as Achillion, GlobeImmune, AP Pharma, ORA, First String, ChanRx, Oxy Biomed, Avedro, Nuralstem, Spinifex, Meril Life, Octa Pharma, KV Pharmaceuticals, Inspiration Bio, Biotronik, West Ward, Orion, Ocular Therapeutics, SOV Therapeutics, Check Cap, Angel Med, Theracos, Trutek, Sun Pharma, Advaxis, Onyvax, Cardiogenesis, Akorn, Eyegate, Quintiles, Bio Cryst, Heart Force, Viro Pharma, Neural 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.

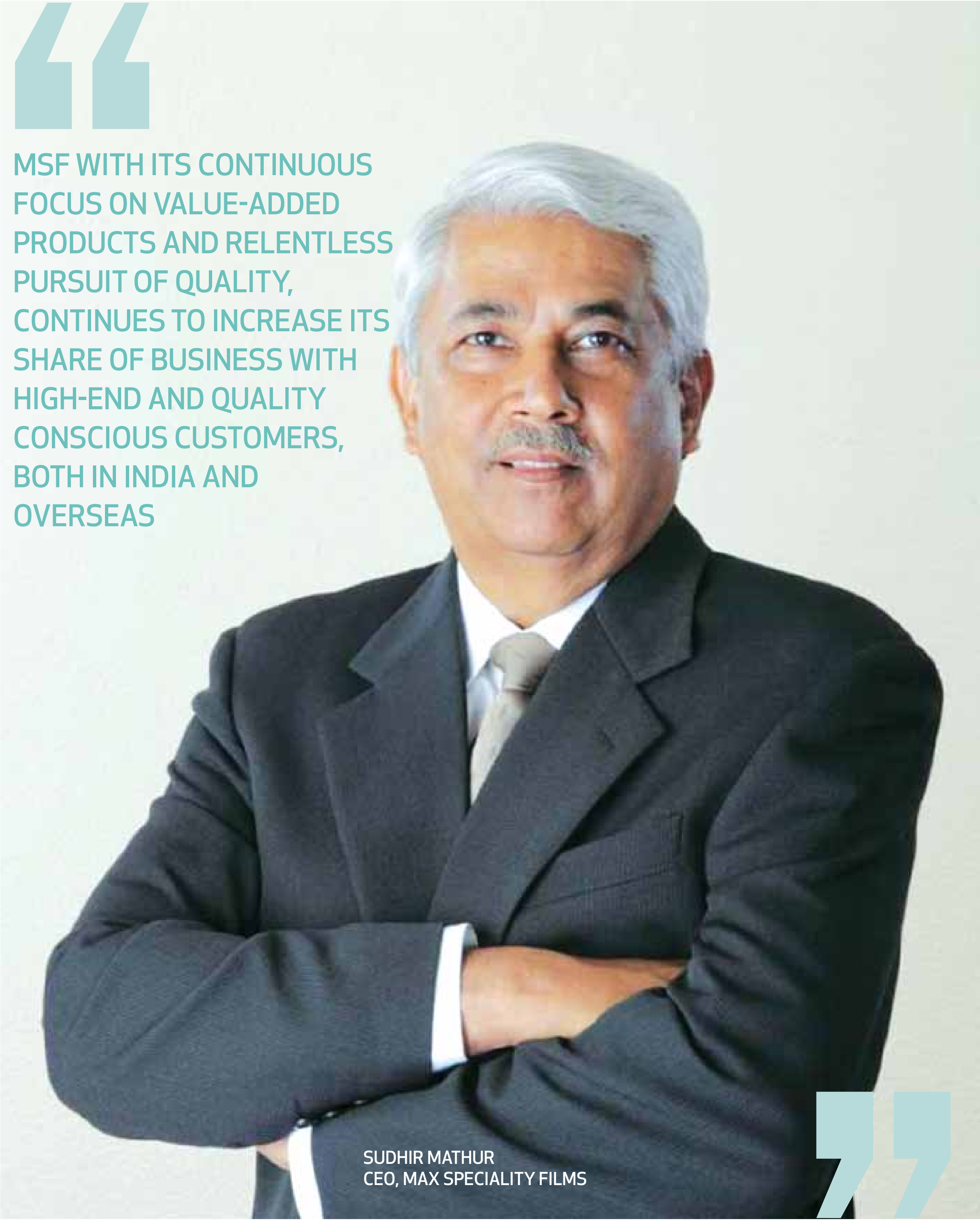
Max Neeman follows a robust system of quality control and all its operational activities are governed by strict adherence to ICH-GCP guidelines. It is the first CRO in India whose five sites have been audited successfully by USFDA. It has been certified for ISO 9001:2008 for site management, monitoring and data management. It has also been a certified organization for ISO 27001:2005 (Information Security Management System) and ISO 14155:2011.

RISKS AND INTERNAL CONTROLS

The CRO industry is highly dependent on R&D expenditures of pharmaceutical and biotech companies. These 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 on-going projects, cost overruns and competitive industry conditions are also sources of risk. 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.

OUTLOOK

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 growing revenues and profits in the years ahead.



MSF WITH ITS CONTINUOUS FOCUS ON VALUE-ADDED PRODUCTS AND RELENTLESS PURSUIT OF QUALITY, CONTINUES TO INCREASE ITS SHARE OF BUSINESS WITH HIGH-END AND QUALITY CONSCIOUS CUSTOMERS, BOTH IN INDIA AND OVERSEAS

SUDHIR MATHUR
CEO, MAX SPECIALITY FILMS

MAX SPECIALITY FILMS

Awarded the "Golden Peacock Innovative Product Award 2011" by the Institute of Directors for creating a new Cadbury Gems pack that is recyclable, lighter, as well as energy and emission efficient

MAX SPECIALITY FILMS OVERVIEW

Established in 1990, Max Speciality Films (MSF), a division of Max India Limited, manufactures flexible polymer films for several different applications in food, non-food, and industrial packaging, leather coating films. It has a state-of-the-art manufacturing facility at Railmajra, near Chandigarh for manufacturing niche and high barrier BoPP films, thermal lamination films and leather finishing foils. MSF has a work environment that reflects global best practices in safety and environment protection. The manufacturing facilities are accredited by BSI (British Standard Institution), and have the following certifications: (i) ISO 9001:2008 Quality Management System; (ii) ISO 140001:2004 Environment Management System; (iii) OHSAS 18001:1999 Safety Management System; (iv) BRC / IOP (Food Safety) – British Retail Consortium; (v) GMP - Certificate of Good Manufacturing Practices; and (vi) HACCP - Hazard Analysis Critical Control Point.

With its focus on value-added products and pursuit of quality, MSF continues to increase its share of business with high-end quality conscious customers, both in India and overseas. It also continues to improve its product mix by introducing new products every year — and, in doing so, has pioneered

> MSF'S NEW STATE-OF-THE-ART HIGH SPEED BoPP FILM PRODUCTION LINE STARTED OPERATIONS IN RECORD TIME AND AUGMENTED THE COMPANY'S CAPACITY FROM 29,000 TPA TO 52,000 TPA. THIS MAKES MSF THE THIRD LARGEST BoPP FILM PRODUCER IN INDIA

the introduction of many new products in India in flexible packaging and leather finishing foils.

The Company's pursuit for quality and service excellence was acknowledged through the' Golden Peacock Innovative Product Award 2011' by the Institute of Directors for creating a new Cadbury Gems pack that is recyclable, lighter, as well as energy and emission efficient.

INDUSTRY STRUCTURE AND DEVELOPMENT

Installed capacity of BoPP in India during FY 2012 grew by 15%. The demand for packaging in medium to long term is expected to sustain due to factors like growth in consumer spend, growing rural demand, changing demographics, retail trade, increasing demand for convenience and packed food. Estimates suggest that BoPP consumption growth will be in the range of 17% to 20% per annum in the short to medium term.

India continues to have lower per capita consumption of BoPP films compared to other countries. In addition, there is opportunity to supply to international players who are looking to source their packaging requirements from cost efficient locations.

PERFORMANCE HIGHLIGHTS

MSF has shown consistent growth and strong performance with CAGR exceeding 30% in the last 5 years. Box E gives a snapshot of the highlights of FY 2012.

Box E: MSF Performance Highlights FY 2012

- MSF achieved a gross sales turnover of ₹742 crore in FY 2011-12
- Revenue increased by 66% to ₹703 crore in FY 2011-12
- EBIDTA up 50% Y-o-Y, to ₹77crore in FY 2011-12
- MSF achieved full capacity utilization of all its BoPP Lines including the new BoPP Line 4 which came into operation in April 2011
- MSF achieved volume growth of 64%
- Export registered volume growth of 98%
- Thermal film sales increased by 28%

HUMAN RESOURCES

Human resources retention and attracting the best available talent has always been a focus area for MSF, which has the most experienced and skilled team in the BoPP industry. The Company's key focus is on training through skill up-gradation and education programmes for its workmen. The total number of employees as on 31 March 2012 was 499 and relationships with employees remained excellent.

HEALTH SAFETY AND ENVIRONMENT

Health, safety and environment are focus areas for MSF. The goals include no accidents, no harm to people and no damage to the environment. It has adopted a Green Policy and has signed the code for ecologically sustainable business growth of the Confederation of Indian Industry (CII). MSF workmen have received safety awards for the last six years from the Government of Punjab. It also helps the community around the plant by adopting schools, holding medical camps, running regular dispensary in close association with Max India Foundation.

"MSF HAS SHOWN CONSISTENT GROWTH AND STRONG PERFORMANCE WITH CAGR EXCEEDING 30% IN THE LAST 5 YEARS"

MSF HAS ADOPTED A GREEN POLICY AND HAS SIGNED THE CII CODE FOR ECOLOGICALLY SUSTAINABLE BUSINESS GROWTH

MSF is implementing the Max Performance Excellence Framework (MPEF), which will further strengthen systems and processes and will lead to accomplishment of tasks through focus on teamwork, improvement in efficiency and quality systems, customer focus and satisfaction and resultant better returns to business.

RISKS AND INTERNAL CONTROLS

MSF has an adequate internal control system in place as well as established management systems and procedures. These are periodically audited by accrediting agencies. The management also regularly reviews the actual performance vis-à-vis the budget. Various internal audits are conducted quarterly and reports are submitted for review to Audit Committee of the Board of Max India. A new ERP system was installed in July 2011 to further strengthen the internal control system and adequacy. It is emerging as a decision making tool with improved quality of reporting.

OUTLOOK

Flexible packaging which is expected to grow by 15% per annum will continue to drive the growth of BoPP Industry. Rural demand, small pack sizes, branded packaged food will result not only in improving prospects of packaging but will also strengthen the concept of quality packaging. High growth in BoPP will continue to attract new capacity additions which will intensify competitive pressure.

Some concerns emanate from high interest rates, depreciating rupee, political uncertainties and rising commodity prices. MSF will address these concerns by offering new products thus increasing its share of specialities; by focusing on asset utilization; by improving efficiencies; and by seeking new markets. Overall, MSF maintains positive outlook in the medium and long term.

MIF'S MISSION IS TO PROVIDE QUALITY HEALTHCARE TO THE UNDERPRIVILEGED, ESPECIALLY CHILDREN, FACILITATING AWARENESS OF HEALTH RELATED ISSUES, AND PROMOTING AND FOSTERING AN ECO-FRIENDLY HEALTHY ENVIRONMENT

MOHINI DALJEET SINGH
CHIEF EXECUTIVE, MAX INDIA FOUNDATION

CSR: THE MAX INDIA FOUNDATION

MIF has won Golden Peacock Award for second year in a row in FY 2012

Social initiatives for the Max India Group of 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 help in achieving a strong spirit of bonding between employees across the entire Group.

FY 2012 saw MIF gaining recognition across the board for its impact. As examples:

- World CSR day awarded the MIF with the 'Blue Dart Best Corporate Social Responsibility Practice –Overall' award.
- MIF was awarded the Golden Peacock Award for Corporate Social Responsibility, FY 2012.

Some of the major initiatives undertaken in association with its partner NGOs specifically in FY 2012 were:

- Surgeries for the underprivileged: 397 surgeries were facilitated by MIF in 2012. These include paediatric cardiac surgeries, treatment for cancer, neurosurgeries, complex reconstructive surgeries. These were done for poor people who, due to their financial constraints, could never think of undergoing complete treatment and leading a normal life.
- Pan-India immunization programme: MIF through Max

New York Life Insurance conducts immunization to protect children from life-threatening diseases by being administered the entire spectrum of preventive shots. In FY 2012, 4,560 children benefited through 74 camps in 24 locations across the country.

The Foundation continued with its longer-term programmes:

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, such care was given to 242 patients.

Railmajra Health Centre: There is a permanent health centre at village Railmajra to serve the local population. In FY 2012, 11,322 patients have been checked and given medicines.

Sunlight Colony, Ashram, New Delhi: MIF, in collaboration with its partner NGO, the Chinmaya Mission, has been running a healthcare unit in Sunlight Colony, Ashram. Health check camps are also organized at the centre. During FY 2012, some 9,000 patients were treated.

> "MIF'S, ARTIFICIAL LIMBS AND POLIO CALIPERS CAMP IN ASSOCIATION WITH MANAV SEVA SANNIDHI AT THE GURUDWARA RAKABGANJ, NEW DELHI SAW PEOPLE FROM DELHI AND AS FAR AS RAJASTHAN, PUNJAB AND UP COME WITH HOPE TO WALK AGAIN"

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

Artificial Limbs and Polio Calipers: MIF, in association with Manav Seva Sannidhi, organized an Artificial Limbs and Polio Calipers Camp at Gurudwara Rakabganj, New Delhi from 1- 5 November. People from Delhi and as far as Rajasthan, Punjab and UP came with hope to walk again. 147 Polio calipers, 87 'Jaipur Foot' limbs, 19 crutches and 10 pairs of special shoes were distributed to the needy. Five patients were sent to Kiwanis Club of New Delhi for artificial arms; and one person was sent to Max Hospital, Patparganj for corrective surgery. MIF also partnered with Kiwanis Club of New Delhi and sponsored 14 artificial limbs every month since July 2011.

HEALTH CAMPS

In FY 2012, there were 26 health check-up camps, where 6,325 patients were screened. Some of the major camps were:

- Health check camp for children of Satya Bharti School, Rewari on 8 October. A paediatrician from Max Healthcare checked 120 children.
- On 14 October 2011, MIF, in association with an NGO called Maitri, organized a multi-specialty camp at the General Hospital, Delhi Cantonment, for the underprivileged people. This involved free check-up and medicines. A cardiologist, gynaecologist, endocrinologist, specialist in internal medicine, an ophthalmologist and a paediatrician from Max Healthcare participated in the camp. MIF partnered with the Raphael Centre, Dehradun, in providing care, rehabilitation and treatment to leprosy patients, children with special needs and TB patients. MIF covered all expenses for March 2012 in addition to organizing medical camps for their inmates and outreach centre in Dehradun and Mussourie. Immunization camps were also organized for 570 children in these two locations.

LifeLine Express Camp: The Lifeline Express is a train fully equipped with OPD facility under specialists, an operation theatre and free medicines. MIF and Max Healthcare annually sponsor and participate in a multi-specialty camp on board the Lifeline Express — to provide free treatment to the underprivileged in Madhya Pradesh in partnership with

"2012 SAW MIF GAINING RECOGNITION ACROSS THE BOARD FOR ITS IMPACT AND WINNING THE BLUE DART BEST CORPORATE SOCIAL RESPONSIBILITY PRACTICE —OVERALL AWARD AND THE GOLDEN PEACOCK AWARD FOR CSR, 2012"

Shrimant Madhavrao Scindia Swasthya Seva Mission. So far, a total of 28,900 patients have been examined and treated through this camp.

Health checkup camp with Udayan Ghar: In November 2010, MIF facilitated a comprehensive health check-up for 150 children for the NGO, Udayan Ghar, at various Max Hospitals in Noida, Patparganj, Gurgaon and Panchsheel Park.

Health check camps for inmates of Tihar Jail: MIF conducted a health check for the inmates of Tihar Jail on 25-26 February, 2012. A cardiologist, psychiatrist, specialist in internal medicine and an ophthalmologist conducted the check-up for 327 inmates. Further, the sales of Tihar Jail products were promoted at Max House.

Health camp on World Health Day: Done for an NGO partner, Credence, at RK Puram, New Delhi; 250 patients were treated.

Dental check-up camp at Railmajra: Max Speciality Films conducted a dental check-up camp at the Government Primary School, Ropar. Some 200 students were examined and 37 were identified for further treatment, which MIF sponsored.

MIF also conducted a comprehensive check-up for 16 girls from Kashmir at the Max Healthcare Hospital, through an NGO, the Borderless World Foundation. MIF facilitated systematic investigations, healthchecks, talk by a gynaecologist and eye and dental Check-up.

HEALTH AWARENESS

A Cancer Awareness: A special Cancer Awareness initiative of Max India Foundation was organized on the day of the inauguration of the Max Healthcare Hospital at Bathinda. Dr. Harit Chaturvedi, Director of Oncology, Max Healthcare and the Bathinda Oncology team participated in an interaction on 26 September, 2011 – where 48 callers asked questions which covered a wide range of concerns regarding cancer. The Q&As were published in the Dainik Jagran on 27-28 September, 2011.

Diabetes: A diabetic awareness and detection camp was organized at Panscheel Vihar on 24 August, 2011 with the Shine Foundation. Some 100 people participated in the camp. The Max Healthcare team conducted random blood sugar checks for all along with a talk from the diabetes educator. We also screened MIF Diabetes Awareness films.

The Jagriti-Core Cancer Foundation collaborated with various schools in Delhi to launch a campaign called 'Jagriti' – highlighting the harmful effects of tobacco. This was partly sponsored by MIF. A skit competition was organized at Select City Walk, Saket, New Delhi on the 7 May, 2011, where school children actively participated in delivering strong messages on the ill-effects of tobacco.

OVER 28,900 UNDERPRIVILEGED PATIENTS HAVE BENEFITED THROUGH THE ANNUAL MULTI-SPECIALTY CAMP SUPPORTED BY MIF AND MHC ON BOARD THE LIFELINE EXPRESS, A FULLY EQUIPPED TRAIN, IN MADHYA PRADESH, IN PARTNERSHIP WITH SHRIMANT MADHAVRAO SCINDIA SWASTHYA SEVA MISSION

MIF at Ladakh: On 26-27 May, 2011, MIF was represented by Dr. Sandeep Budhiraja, Head of the Department of Internal Medicine, Max Healthcare at a Continuing Medical Education programme at Karu, Ladakh organized by the Army Medical Corps on lifestyle diseases. Dr. Budhiraja made a presentation on 'Health Hazards of Smoking and How to Quit'.

Film on Breast cancer: In April 2012, MIF screened '1 a Minute'– a film on breast cancer – for the Army wives at the Delhi Cantonment. Mrs. Elizebeth Anthony, wife of the Defence Minister and Mrs. Bharti Singh, wife of the Chief of Army Staff, were among 250 ladies in the audience. Dr. Geeta

ON WORLD HEALTH DAY, MIF PARTNERED WITH PVR NEST IN AN EVENT TO PROMOTE HEALTH AWARENESS. A HEALTH GUIDE 'MERI SWASTHYA YATRA', WAS JOINTLY RELEASED THROUGH CHILDREN OF PVR NEST SCHOOLS AND OTHER NGO PARTNERS OF MIF

Kadyaprath, Breast Cancer Specialist from Max Cancer Centre addressed a Q&A session, which was highly interactive and well appreciated.

On World Health Day, MIF partnered with PVR Nest in an event to promote health awareness. A Health Guide 'Meri Swasthya Yatra', was jointly released through children of PVR Nest Schools and other NGO partners of MIF. A movie and a performance by the children brought out many health related issues. MIF was the principal sponsor.

SPREAD THE WARMTH CAMPAIGN

MIF initiated this across the Max Group of companies in Delhi-NCR and received tremendous response. Items collected were donated to Agewell Foundation and Welfare Home for children. The Max Super Specialty Hospital at Mohali sent their collection to All India Pingalwara Charitable Society at Palsora. 100 sweaters and 130 shawls were distributed to poor students of Government School at Railmajra – contributed by Max Specialty Films. 100 blankets were donated to night shelters and street children through students of St. Columbus School.

ENVIRONMENT AWARENESS AND DISASTER RELIEF

MIF has undertaken several steps towards creating awareness on promoting an eco-friendly environment. Apart from providing a monthly environment tip, it has promoted reduction and recycling of waste paper by using e-communication for MIF updates. It sponsored the Climate Project India, which rolled out a Teachers' Training Program to sensitize teachers on issues related to climate change. This project has already trained more than 100 teachers.

In association with AmeriCares India Foundation, MIF provided medical supplies and relief to the flood victims at Kendrapara, Orissa. Team Max Life, Bhuvaneshwar, provided volunteer support for the relief work.

MAX INDIA LIMITED: OUTLOOK

The outlook for Max India is based on its different businesses. As mentioned earlier, most of the businesses are in a development phase and several factors like long-term demographics and socio-economics play a significant role in their development.

Even if the growth slowdown witnessed in FY 2012 is the worst that has been seen in recent times, the fact remains that the recovery will be gradual and hard. Consequently, the economic environment will be challenging. In most of Max India's businesses, the focus will remain to develop these businesses which have long-term promise, in a manner consistent with the values, beliefs and principles of the Group, which are reflected in a service and "seva" culture as also with due attention to superior business performance, human capital management, brand identity and market share.

The insurance business is poised for growth and profitability, although growth momentum may be at a lower rate than the period between 2001 and 2007. Business conditions will also depend on the changing regulatory landscape that has characterized the industry since June 2010. Nonetheless, with a strong management team, clear strategy, balanced distribution architecture, solid knowhow, exemplary solvency and capital position and focus on long-term savings and protection, the life insurance business has strong potential in the years to come.

The healthcare business intrinsically represents high potential, given the supply side gap in the country and Max Healthcare's exemplary service driven capabilities, especially in tertiary specialties. Max Healthcare's clinical faculty is the best-in-class, its leadership team is strong, its strategy is clear with strong support and approval of the Board and the opportunities from its recent expansion of bed capacity have yet to accrue. The leadership team will need to focus on deploying efficient project management for its new expansions, and profitably manage its operations at existing facilities. The costs related to the starting of the newer hospitals will need to be absorbed over the next few years before these facilities also start generating profitable performance.

The health insurance business, Max Bupa, has only recently commenced commercial operations. It is operating in a fast growing market and the good traction it has established is expected to continue in the near future. The focus of the Company is on scaling up the business and developing the customer base through targeted product strategies, building the hospital network, strong underwriting standards and exemplary customer service.

> THE FOCUS WILL REMAIN TO DEVELOP MAX INDIA'S BUSINESSES IN A MANNER CONSISTENT WITH THE VALUES, BELIEFS AND PRINCIPLES OF THE GROUP, WHICH ARE REFLECTED IN A SERVICE AND "SEVA" CULTURE AS ALSO WITH DUE ATTENTION TO SUPERIOR BUSINESS PERFORMANCE, HUMAN CAPITAL MANAGEMENT BRAND IDENTITY AND MARKET SHARE

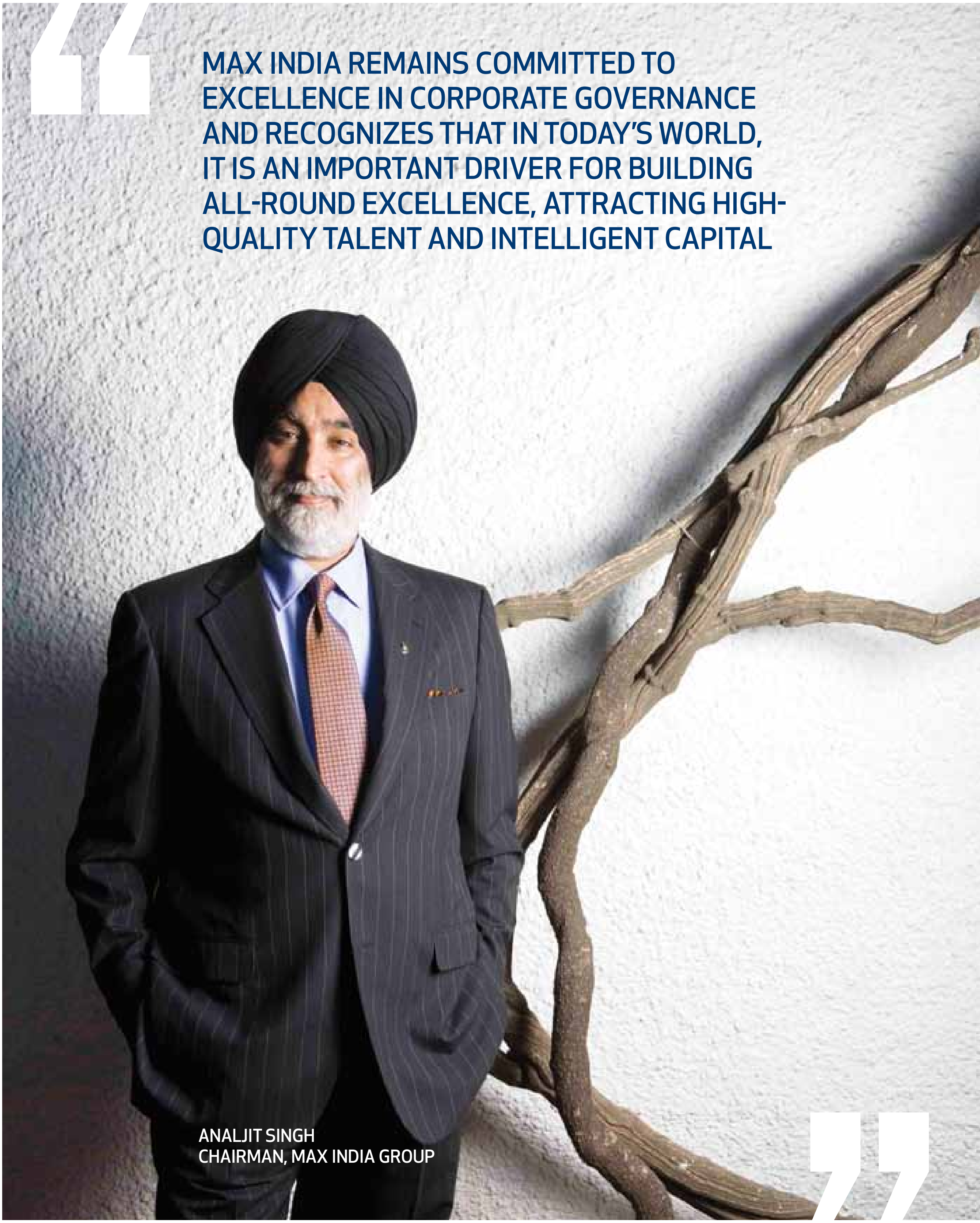
The most profitable business, Max Speciality Films, will face some pricing pressure with new capacities coming on board in the industry. However, its leadership strength, product quality and marquee customer base will help in its growth aspirations.

Although Max India always maintains an air of caution, its outlook for FY 2013 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

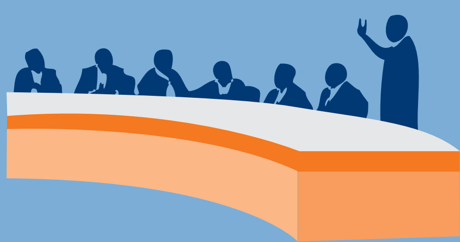
Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. 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.

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



ANALJIT SINGH
CHAIRMAN, MAX INDIA GROUP

Max India continues to drive a culture of continuous improvement in standards and performance across our businesses and ensuring that it's Boards' actions are sustainable and best harness it's resources



CORPORATE GOVERNANCE REPORT

PHILOSOPHY OF CORPORATE GOVERNANCE

It is with a sense of immense satisfaction, that we share the smooth and effective progress on the journey of good governance. We are now in the 4th year of the transformational approach that we introduced to Corporate Governance. While active and excellent governance is always a journey, we take pride in reporting that we would be today, amongst the best governed corporates in India.

The various Board committees that we created to adhere to one of our principles of multi-level governance continue to add immense value at the first level of governance. Our Board members for Max India and its subsidiary companies continue to be alert, active and engaged.

We regularly seek feedback from our managements and the members of the Boards about the balance our Boards are maintaining, of scrutinizing, mentoring and partnering with the Executive which in-turn is adding immense value to the performance and conduct of our respective businesses.

Our Boards see the recruitment and mentoring of a strong managerial bench as one of their key priorities. Some notable developments towards this objective in FY 2012 were Mr. Analjit Singh's relinquishing his role as Managing Director of Max India to Mr. Rahul Khosla and was followed by appointment of Mr. Mohit Talwar as Deputy Managing Director in February 2012. Mr. Khosla and Mr. Talwar will work with the Board of Directors and the Executive Management Team, to drive the company into the future.

While we thrive to continuously improve ourselves, the basic principles of Board Governance that we follow remain unchanged (represented below).

The principles of Board Governance that Max India follows are:

1. 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

2. 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 the Board is the checker. However, the result and accountability rest with management

3. Inspect what you expect - By inviting outside experts, conducting mystery shopping and such measures

4. 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

5. 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

WHO'S ON OUR BOARD

Your Board of Directors currently comprises of thirteen members with three Executive Director and ten Non-Executive Directors of which seven are independent. Mr. Analjit Singh, Executive Chairman 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 2011-12 and at the last annual general meeting, including the details of their directorships and committee memberships as of March 31, 2012 are given below:

Director	Board meetings attended	Attendance at last AGM	Directorships*	Memberships/ Chairmanships of Board Committees**
1. Mr. Analjit Singh, (Promoter Director)	05	✔	12	Nil
2. Mr. Anuroop Singh, (Non-Executive Director)	05	--	04	Nil
3. Mr. Rahul Khosla, Managing Director	04	--	03	01
4. Mr. Mohit Talwar, Dy. Managing Director	02	--	05	01
5. Mr. Aman Mehta, Non-Executive Independent Director	03	--	06	6 (including 3 as Chairman)
6. Mr. Ashwani Windlass, Non-Executive Director	07	--	01	2 (including 2 as Chairman)
7. Mr. K. Narasimha Murthy, Non-Executive Independent Director	07	--	03	2 (including 1 as Chairman)
8. Mr. Leo Puri #, Non-Executive Director	--	--	--	--
9. Mr. N.C. Singhal, Non-Executive Independent Director	06	✔	10	8 (including 5 as Chairman)
10. Dr. Omkar Goswami, Non-Executive Independent Director	05	--	11	9 (including 1 as Chairman)
11. Mr. Piyush Mankad, Non-Executive Independent Director	03	--	10	9 (including 1 as Chairman)
12. Mr. Rajesh Khanna, Non-Executive Independent Director	05	--	03	01
13. Mr. Sanjeev Mehra, Non-Executive Director	01	--	01	Nil
14. Dr. Subash Bijlani, Non-Executive Independent Director	02	--	03	01
15. Mr. Vishal Bakshi, Alternate Director to Mr. Sanjeev Mehra	06	--	06	01

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

* 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, 2012:

Date	May 26, 2011	June 8, 2011	August 12, 2011	October 11, 2011	November 14, 2011	February 14, 2012	March 22, 2012
Board Strength	12	12	11	12	12	13	13
No. of Directors (present)	05	07	08	08	11	09	10

HOW DO WE MAKE SURE OUR BOARD IS EFFECTIVE?

The calendar for the Board and Committee meetings and significant agenda items are 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, additional Board meetings are also convened to meet business exigencies. 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 Committees 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.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised on the overall performance of the Company and it's subsidiaries/joint ventures at every Board meeting. 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.

HOW DO WE COMPLY WITH THE GOVERNANCE CODE?

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, 2012 and declaration to this effect signed by the Managing Director is forming part of this report as Annexure- I.

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. Rahul Khosla, Managing Director is a permanent invitee to the Committee. The Company Secretary of Max India acts as the Secretary to 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; reviews 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, 2012:

Director	Number of meetings held	Number of meetings attended
Mr. N.C. Singhal	06	06
Mr. Ashwani Windlass	06	04
Mr. K. Narasimha Murthy	06	06

Remuneration Committee :

This Committee comprises of Mr. Rajesh Khanna (Chairman), Mr. N.C. Singhal, Mr. Ashwani Windlass and Mr. Piyush Mankad. All members except Mr. Ashwani Windlass are Independent Directors. 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, 2012:

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

Remuneration paid to Directors during 2011-2012

The Company has not paid any remuneration to its Non-Executive Directors, except for the Sitting Fees for attending meetings of the Board/Committees. Details of the remuneration charged to profit and loss account in respect of Mr. Analjit Singh, Chairman, Mr. Rahul Khosla, Managing Director and Mr. Mohit Talwar, Dy. Managing Director of the Company for the year ended March 31, 2012 are as under:

Details of equity shares of ₹2/- each held by Directors of the Company as on March 31, 2012 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

[Amount in ₹]

Description	Salary	Benefits (Perquisites)	Performance Incentive	Retirals	Service contract	Notice period	Stock options, if any (in numbers)
Mr. Analjit Singh	32310000	3822139	10700000	3240000	5 years	3 months	--
Mr. Rahul Khosla	21777338	7070240	94445902	849484	5 years	3 months	2,47,250
Mr. Mohit Talwar	2298041	471634	963115	124138	5 years	3 months	43,000

- 5,000 Shares, (e) Dr. Subash Bijlani – 5,000 Shares, (f) Mr.. Aman Mehta – 5,000 Shares, Mr. K. Narasimha Murthy– 5,000 Shares and Mr. Mohit Talwar – 20,560 Shares.

Shareholders/Investors Grievance Committee :

The Committee currently comprises of Mr. Ashwani Windlass (Chairman), Mr. Piyush Mankad, Mr. N. C. Singhal and Mr. Rahul Khosla. 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, 2012:

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	04	04
Mr. Piyush Mankad	04	01
Mr. N. C. Singhal	04	04
Mr. Rahul Khosla	01	01

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, 2012, 31 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 :

This Committee has been setup as good governance measure though not mandated by law. The Committee currently comprises of Mr. Ashwani Windlass (Chairman), Mr. N.C. Singhal, Dr. Omkar Goswami, Mr. K. Narasimha Murthy, Dr. Subash Bijlani, Mr. Sanjeev Mehra and Mr. Rahul Khosla. 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 approves banking operations matters. During the year under review, Mr. Rahul Khosla was co-opted as a member of this Committee. This Committee met five times during the year ended March 31, 2012.

Meetings & attendance during the year ended March 31, 2012:

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	05	05
Mr. N.C. Singhal	05	04
Mr. K. Narasimha Murthy	05	05
Dr. Omkar Goswami	05	05
Dr, Subash Bijlani	05	02
Mr. Sanjeev Mehra	05	01
Mr. Rahul Khosla	03	03
Mr. Vishal Bakshi *	05	04

*Mr. Vshal Bakshi is an Alternate Director to Mr. Sanjeev Mehra

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) and other applicable laws.

(b) Compliance by the Company

The Company has complied with the requirements of the Listing Agreement entered into with 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.

WHAT HAPPENS AT OUR AGMs

The Annual General Meetings (AGMs) of the Company are 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:

SEPTEMBER 23, 2009	SEPTEMBER 15, 2010	SEPTEMBER 27, 2011
10:30 AM	10:30 AM	11:00 AM

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

Date of AGM	Subject matter of the resolution
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.
September 27, 2011	Approval for appointment of Mr. Rahul Khosla as the Managing Director for a period of five years effective August 18, 2011 and payment of his remuneration for the period from August 18, 2011 to March 31, 2013.
	Approval for re-designation of Mr. Analjit Singh as the Executive Chairman of the Company effective August 18, 2011.
	Approval for the extension of validity of "Max Employee Stock Plan– 2003" for a further period of ten years, i.e., until September 30, 2023.

Postal Ballot and postal ballot process

Since April 1, 2011, the Company passed special resolutions through postal ballot voting process on two occasions. Detailed procedure followed by the Company is as under:

Process followed for passing special resolution passed through postal ballot on October 14, 2011:

Mr. U.P. Mathur, former Secretary – Company Law Board and former Director of Inspection and Investigation, Department of Company Affairs and Mr. Mani Srinivasan, F.C.S., a Practicing Company Secretary were appointed as the Scrutinizer and Alternate Scrutinizer, respectively, 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 notice dated August 18, 2011 for proposing special resolution for shifting of Registered Office of the Company from Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshah, Punjab – 144533 to Max House, 1, Dr. Jha Marg, Okhla Phase – III, New Delhi – 110 020.

The draft resolution together with the explanatory statement and postal ballot forms and self addressed envelopes were sent to the members by Registered Post on August 27, 2011 with a request to return the duly completed form to the Scrutinizer on or before October 5, 2011.

After due scrutiny of all the postal ballot forms received upto the close of the working hours of October 5, 2011, the Scrutinizer submitted his final report on October 10, 2011.

The results of the postal ballot were declared on October 14, 2011 at the Registered Office of the Company at Punjab. The results were informed to the BSE and NSE, where the Company's shares are listed.

Details of voting pattern on postal ballot are as under:

Particulars	Vote					
	For		Against		Invalid	
	No. of postal ballots received	No. of shares represented by the postal ballots	No. of postal ballots received	No. of shares represented by the postal ballots	No. of postal ballots received	No. of shares represented by the postal ballots
Special Resolution for shifting the Registered Office of the Company from the State of Punjab to New Delhi.	1550	18,98,80,226	21	3969	5	339

Process followed for passing special resolution passed through postal ballot on May 21, 2012:

Mr. U.P. Mathur, former Secretary – Company Law Board and former Director of Inspection and Investigation, Department of Company Affairs and Mr. Mani Srinivasan, F.C.S., a Practicing Company Secretary were appointed as the Scrutinizer and Alternate Scrutinizer, respectively, 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 notice dated March 30, 2012 for proposing special resolutions for (i) Amendment of Object Clause of the Memorandum of Association of the Company to include the business in the area of 'Senior Living' as one of the main object, (ii) making investment in Antara Senior Living Private Limited (Antara) by way of direct subscription or otherwise for an aggregate consideration not exceeding ₹240 crore, including acquisition of existing paid up equity capital of Antara, (iii) Appointment of Mr. Mohit Talwar as Deputy Managing Director of the Company for a five year period effective February 14, 2012 and payment his remuneration for the initial three year period from February 14, 2012 and (iv) certain residuary terms of remuneration payable to Mr. Rahul Khosla, the Managing Director of the Company.

The draft resolutions together with the explanatory statement and postal ballot forms and self addressed envelopes were sent to the members by Registered Post on April 12, 2012 with a request to return the duly completed form to the Scrutinizer on or before May 16, 2012.

After due scrutiny of all the postal ballot forms received upto the close of the working hours of May 16, 2012, the Scrutinizer submitted his final report on May 19, 2012.

The results of the postal ballot were declared on May 21, 2012 at the Registered Office of the Company at Punjab. The results were informed to the BSE and NSE, where the Company's shares are listed.

Details of voting pattern on postal ballot are as under:

Particulars	Vote					
	For		Against		Invalid	
	No. of postal ballots received	No. of shares represented by the postal ballots	No. of postal ballots received	No. of shares represented by the postal ballots	No. of postal ballots received	No. of shares represented by the postal ballots
Resolution No. 1 (Special) Approval for amendment of the Main Object Clause of the Memorandum of Association of the Company to include objects pertaining to Senior Living.	1037	18,14,52,427	45	18,089	5	550
Resolution No. 2 (Special) To invest in the securities of Antara Senior Living Private Limited for an aggregate amount not exceeding ₹240 Crores.	1011	18,14,45,061	71	25,005	5	550

Resolution No. 3 (Special) Approval for appointment of Mr. Mohit Talwar as the Deputy Managing Director and remuneration payable to him.	989	18,11,43,729	86	32,998	5	550
Resolution No. 4 (Special) Approval for certain residuary terms of remuneration payable to Mr. Rahul Khosla, the Managing Director of the Company	991	18,11,42,384	84	34,343	5	550

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

HOW DO WE ENGAGE WITH SHAREHOLDERS?

Timely disclosure of reliable information and corporate financial performance is at the core of good Corporate Governance. Towards this direction, the quarterly/annual results of the Company were announced within the prescribed period and published in Economic Times, Mint, 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

The certification by the Managing Director and Group Financial Controller on compliance with clause 49(V) of the listing agreement is enclosed as Annexure II.

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 as Annexure-III.

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.

For Max India Limited

New Delhi
August 09, 2012

Analjit Singh
Chairman

ANNEXURE-I

DECLARATION BY THE MANAGING DIRECTOR 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, 2012 from all Directors and Senior Management personnel of the Company.

For **Max India Limited**

Rahul Khosla
Managing Director

Place: New Delhi
August 09, 2012

ANNEXURE-II

CERTIFICATION BY MANAGING DIRECTOR AND GROUP FINANCIAL CONTROLLER

August 09, 2012

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

We, Rahul Khosla, Managing Director and Rahul Ahuja, Group 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, 2012.

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.

Rahul Khosla
Managing Director

Rahul Ahuja
Group Financial Controller

ANNEXURE-III

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, 2012 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.

For **S. Mani & Associates**
Company Secretaries

Mani Srinivasan
FCS 3799
CP 2848
Company Secretary in Practice

Place: New Delhi
August 09, 2012

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 : rshukla@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: Thursday, September 6, 2012

Time: 1600 hrs

Venue : Registered Office of the Company at
Bhai Mohan Singh Nagar, Railmajra,
Tehsil Balachaur, District Nawanshahr,
Punjab-144533.

Book Closure

Thursday , August 30, 2012 to Thursday, September 6, 2012 (both days inclusive)

Financial Calendar, 2011 - 2012

1. First quarter results - By August 14, 2012
2. Second quarter & half yearly results - By November 14, 2012
3. Third quarter results - By February 14, 2013
4. Annual results - By end of May 2013

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 2012-13.

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

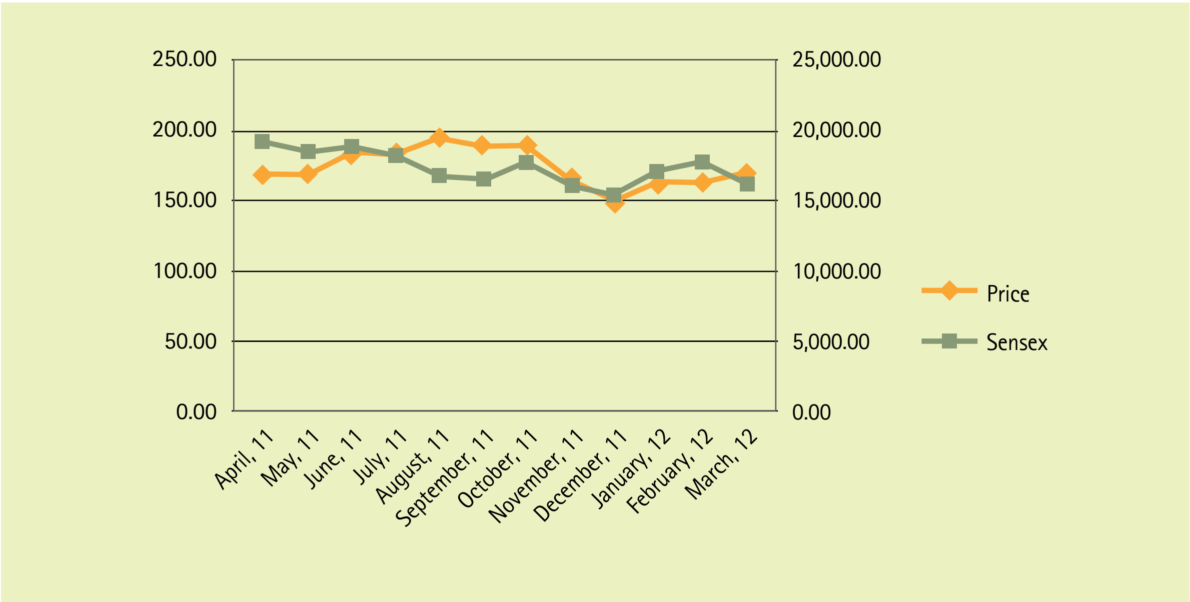
Bombay Stock Exchange Limited	-	500271
National Stock Exchange of India Limited	-	MAX
Demat ISIN No. for NSDL and CDSL	-	INE180A01020

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

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

MONTH	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 11	171.90	155.00	172.00	150.00
May, 11	179.00	155.10	179.00	155.40
June,11	191.65	162.20	191.60	162.50
July, 11	188.80	175.00	189.00	175.20
August,11	195.90	166.00	195.60	166.10
September,11	214.60	183.60	214.75	183.55
October, 11	194.85	168.60	190.85	168.60
November, 11	192.50	153.40	192.30	154.00
December, 11	180.00	140.25	177.95	140.10
January, 12	166.50	140.15	167.00	140.45
February, 12	189.00	155.20	189.40	154.80
March, 12	190.50	158.00	190.60	159.20

Share Price Vs. Sensex



Overview

The Big Picture

Operating Review

Financial Review

Shareholding Pattern as on March 31, 2012

Category	No. of shares held	% of shareholding
Promoters	97981154	37.03
Mutual Funds and UTI	18885241	7.14
Banks, Financial Institutions	16875	0.006
Insurance Companies	45750	0.02
Foreign Institutional Investors	78639849	29.72
Foreign Direct Investment	42053545	15.89
Bodies Corporate	5722467	2.16
Non-resident Indians/ Overseas Corporate Bodies	2860194	1.08
Clearing Members	501867	0.19
Resident Individuals	17862168	6.75
Total	**264569110**	**100.00**

Distribution of shareholding as on March 31, 2012:

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	Percentage to total
30222	82.51	01 – 1000	4270402	1.614
3296	8.999	1001 – 2000	2575195	0.973
1849	5.048	2001 – 4000	2734544	1.034
432	1.179	4001 – 6000	1082849	0.409
174	0.475	6001 – 8000	621268	0.235
142	0.388	8001 – 10000	678055	0.256
220	0.601	10001 – 20000	1573566	0.595
291	0.795	20001 - above	251033231	94.884
36626	**100.00**	**TOTAL**	**264569110**	**100.00**

Dematerialisation status as on March 31, 2012

(i) Shareholding in dematerialised mode 95.85%
(ii) Shareholding in physical mode 4.14%

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 09, 2012

Rahul Khosla
Managing Director

Management and Governance

Board of Directors

Dr. S. S. Baijal - Chairman Emeritus
Mr. Analjit Singh - Chairman
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
Mr. Sanjeev Mehra
Dr. Subash Bijlani
Mr. Vishal Bakshi (Alternate to Mr. Sanjeev Mehra)
Mr. Rahul Khosla - Managing Director
Mr. Mohit Talwar - Dy. Managing Director

Company Secretary

Mr. V. Krishnan

Major International Affiliates

Mitsui Sumitomo Insurance Company, Limited
Life Healthcare Group(Proprietary) Limited
Bupa Finance Plc., UK

Auditors

S.R. Batliboi & Co.
Chartered Accountants

Bankers

IndusInd Bank Limited
Citibank N.A.
Yes Bank Ltd.
Kotak Mahindra Bank Ltd.

Corporate Office

Max House, Okhla,
New Delhi - 110 020

Website

www.maxindia.com

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
- Mr. Rahul Khosla

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
- Mr. Rahul Khosla

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

MAX

Directors' Report

Your Directors have pleasure in presenting the twenty-fourth Annual Report of your Company with the audited Statement of Accounts for the financial year ended March 31, 2012.

Consolidated Results

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

(Rs. crore)

	Year ended March 31, 2012	Year ended March 31, 2011
Income		
Net Sales	832.1	527.6
Service Income	6,816.3	6,139.9
Other operating revenue from investment activities	898.0	1185.7
Other Income	15.9	38.1
Total Income (I)	8,562.3	7,891.3
Expenses		
Cost of raw material consumed	482.5	281.9
Purchase of pharmacy and pharmaceuticals supplies	219.5	175.0
(Increase)/ decrease in inventories of work-in-progress, finished goods and traded goods	(8.1)	(3.0)
Employee benefits expense	788.0	851.6
Change in policy reserves	2,659.4	3,191.1
Other expenses	3,991.2	3,046.6
Total Expenses (II)	8,132.5	7,543.2
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)	429.8	348.1
Depreciation & Amortisation	102.0	203.4
Financial Expenses	85.9	113.0
Profit /(Loss) Before Tax	241.9	31.7
Tax Expense	4.0	9.9
Profit / (Loss) After Tax	237.9	21.8
Minority Interest	(82.9)	(13.1)
Profit/(Loss) after tax, (after adjusting Minority Interest)	155.0	8.7

The year 2011-12 proved to be yet another year of high performance for your Company and its subsidiaries. During the financial year 2011-12, the consolidated Group revenue was Rs 8,562 crore, representing a growth of 9% over the previous year, while the operating revenue stood at Rs.7,648 crore, an increase of 15% over the previous year. EBIDTA grew by 24% to Rs. 430 crores and the group recorded a net profit of Rs.155 crores against Rs. 9 crore in 2010-11, thereby recording a significant jump of 1722%. The turnaround was primarily on account of Max Life profitability, arising from 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 Life Insurance Company Limited (formerly Max New York life Insurance Company Limited)

FY2012 was a challenging year for the life insurance industry in India. With economic growth reducing from 8.4% in FY2011 to 6.1% in FY2012, and the continuous presence of an inflationary environment, there was fall in the rate of growth of household savings. To curb inflation, the Reserve Bank of India (RBI) adopted a tight monetary policy, which resulted in high interest rates. The consequent high returns on debt instruments and volatility in stock markets resulted in an adverse impact on the relative attractiveness of life insurance products. The challenge was further increased by the changes in ULIPs and ripple effect of the regulations announced in late 2010.

These factors together accounted for a decline of 9% in the first year premium market size of life insurance sector in FY2012.

In spite of the significant challenges in the market, Max Life responded extremely well and outperformed the industry in FY 2012 thus demonstrating superior all round performance, financial strength and stability.

- Total revenue, which is the sum of First Year Premium and Renewal Premium, increased by 10% to Rs. 6,391 crore.
- Renewal Premium recorded a growth of 20% to Rs.4,489 crore; while First Year Premium showed a marginal decline of 8% to Rs. 1,902 crore.
- Individual adjusted first year premium (adjusted for single pay), the true indicator to measure new business success, was Rs. 1,506 crore a decline of 13% over FY2011. This was, however, significantly less than the 24% decline witnessed among private life insurance providers, in the aggregate.
- Max Life's share among private players in the market on the basis of individual adjusted first year premium went up by 110 basis points to 8.6%. This made Max Life the largest non-bank promoted and the 4th largest private life insurance company in the country.
- Sum assured stood at Rs. 1,52,150 crore.
- The conservation ratio, an indicator of customer retention, at 81% is one of the best among private life insurers for the fifth year in a row.
- The cost ratio, which is an indicator of operational cost and expenses on commission, improved by 8 percentage points to 30% in FY2012.
- Shareholders profit went up 137% to Rs. 460 crore. Enterprise profit increased by 159% to Rs. 733 crore.

Directors' Report

- Assets under management (AUM) grew by 24% to Rs.17,215 crore.
- At 534%, Max Life maintained 3.5 times the stipulated solvency margin, reflecting the financial strength and stability that is the hallmark of all great life insurance companies.

With Mitsui Sumitomo Insurance Company Ltd. (an Insurance power house from Japan) buying New York Life's 26% equity stake in the Company, Max New York Life Insurance Company Limited has been renamed as Max Life Insurance Company Ltd. This transition is not just a change in corporate identity, it is showcase of the company's strong endorsement to the Indian life insurance market and highlights the opportunity for Max Life, to reposition itself on the quality platform, set new benchmarks in customer centricity and create an institution that will establish life insurance as the ideal solution for long-term savings and protection.

(ii) Max Healthcare Institute Ltd:

Max Healthcare Institute Ltd. (MHC) continues to provide 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.

During the year under review, MHC emerged successful in implementing its second phase of expansion which witnessed its operations spreading beyond Delhi/NCR to other parts of North India in addition to expanding the existing network in the NCR. MHC continued its growth journey by expanding the infrastructure, and adding its service offerings at various locations in the network.

During 2011-12, MHC started 3 new hospitals at Shalimar Bagh - New Delhi and Mohali & Bathinda in Punjab. The hospitals offer high end medical expertise with paramount patient centric services. The hospitals house state-of-the-art Cath Lab, OTs with HEPA, EHR, Nuclear Medicine and Gama Camera. They also encompass the most advanced key medical equipment like LINAC for Radiotherapy, MRI and CT scan machines which are one of the most advanced technologically.

Mohali Hospital: This is a 200 bed facility in Mohali targeting the residents of tri-city of Chandigarh, Mohali, and Panchkula. The hospital has been set up as Public Private Partnership with Govt. of Punjab and was commissioned in September 2011. The facility offers comprehensive treatment in Cardiology, Oncology, Neurology, Orthopaedics, Mother and Child Care and also offers Daycare surgeries.

Bathinda Hospital: This is a 200 bed facility in industrial town of Bathinda, Punjab. The hospital has been set up as Public Private Partnership with Govt. of Punjab, and was commissioned in September 2011. The facility is an advanced centre for Oncology, and also offers comprehensive treatment in Cardiology, Orthopaedics, Neurosciences, Urology, Mother and Child Care, ENT, Dialysis, and Day Care surgeries.

Shalimar Bagh Hospital: This 300 bed hospital is situated in North Delhi, and is the second hospital in that region. It was commissioned in November, 2011 and caters to offers services in Cardiology, Orthopaedics, Neurosciences, Mother and Child Care, Urology, ENT, Dialysis, Plastic / Reconstructive Surgery, Dentistry, and Ophthalmology.

Taking above in its stride, the key performance indicators of MHC during 2011-12 are:

- Gross revenues increased by 20% from Rs. 685 crore in 2010-11 to Rs.823 crore in 2011-12.
- The gross contribution margin increased slightly to 59.7% in 2011-12. While MHC was successful in increasing revenues significantly and maintained gross contribution, there was a reduction in EBIDTA from 7.6% in 2010-11 to 1.5% in 2011-12. This is on expected lines as the business is in a growth phase with focus on infrastructure development. Many of the new projects incurred fixed costs for manpower, administrative, and operating overheads, while the commensurate revenues will take a period of time to stabilise. Once the phase of this cost-revenue mismatch is surpassed by the new projects, EBIDTA of MHC will improve.

All key operating parameters have shown significant improvements during the year.

The operational Highlights are detailed as under :

- Average Revenue per Occupied Bed day is a measure of bed productivity. It increased by 9.4% from Rs.21,588/- in 2010-11 to Rs.23,860/- in 2011-12. This growth is primarily driven by MHC's effort to upgrade its service portfolio and focus more on high-end surgeries.
- Bed Occupancy improved marginally from 67.8% in 2010-11 to 68.6% in 2011-12. This is a significant achievement in a year when more than 250 operational beds have been added to the existing network. For the existing hospital, the bed occupancy increased from 67.8% in 2010-11 to 70.9% in 2011-12

Directors' Report

- Average Length of Stay (ALOS) is a representation of patient turnaround time. MHC is committed to reduce recovery time by employing latest clinical techniques. The standard has been maintained at around 3.6 days in 2011-12 in spite of upgrading the medical programmes and taking complicated and high-risk cases. Faster turnaround in cases results in lower cost of treatment for patients and additional capacity for the hospital
- Surgical Medical Revenue ratio is an important measure of maturity of clinical programmes and service offerings. MHC is focused on upgrading its service offerings to handle tertiary level cases. The ratio of surgical revenue in total In Patient revenue improved from 58% in 2010-11 to 61% in 2011-12. Also, the ratio of surgical revenue as percentage of total gross revenue increased from 42% in 2010-11 to 44% in 2011-12.
- Revenue from CoE Specialities also increased significantly during the year. The share of CoE in total In Patient revenue increased by 400 basis points from 55% in 2010-11 to 59% in 2011-12.

By maximising resource utilisation in existing hospitals and adding new facilities at various locations, the network bed capacity has increased substantially during 2011-12. By the end of 2011-12, the network bed capacity stands at around 1,900 beds of which 1,160 are operational.

In addition, MHC has recently commissioned a 204 bedded hospital in Dehradun, Uttarakhand. This is the MHC's first hospital in the Uttrakhand region and is also planned to cater to the growing needs of medical tourism.

(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 2011-12, total market for health insurance premium was Rs.13,345 crore, a 19% growth over 2010-11. The share of health insurance in overall general insurance in India has been 23% in 2011-12. 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. Max Bupa has grown from 700 to 850 employees in 2011-12, as it enters into the next phase of accelerated growth.

The period for the financial year 2011 -12, was the second full year of MBHI's business operations. It witnessed a fourfold growth with gross written premium (GWP) recording at Rs.99 crore in 2011-12 as against Rs.25 crore in fiscal 2010-11. The provider network grew to 1200 spread in 250 cities.

MBHI has its flagship product Heartbeat for the retail customers, offering comprehensive health insurance cover ranging from Rs. 2 Lacs to Rs. 50 lacs, a first of its kind product designed especially for the individuals and extended Indian Joint Family. It has created a niche for itself after being awarded the'Best Product Innovation Award for 2011' from the India Insurance Review. Thriving on its success an enhanced version of "Heartbeat" was launched in the market in February 2012 which carries a new feature of High Deductible Top Up option on an annual aggregate basis and a two year policy tenure for the customer. In addition to above, MBHI also launched three new products during the year 2011-12 and four new products are in pipeline.

(iv) Max Neeman Medical International Limited:

In line with its Corporate objective of creating synergies across various verticals of the Group, Max India is pursuing the business of clinical research through its subsidiary Max Neeman Medical International Limited (MNMI). It 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. With its base in USA and India, MNMI operates through a dual-shoring model. From its global headquarter at Cary, North Carolina, USA, MNMI focuses on business development and marketing initiatives that services the large number of US customers by being in close proximity to their operations. The actual clinical research operations are based out of India. MNMI recorded a revenue of Rs 28 crore for the FY 2011-12 compared to Rs. 24 crore for the FY 2010-11. Due to ongoing expansions, the PBT recorded a minor decline over that of last year. MNMI continues to increase its client base. It added 20 new clients during 2011-12 taking the total client base to 97.

With operations having stabilized, MNMI 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. MNMI also operates in Phase IV trials.

Directors' Report

Standalone Results

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

(Rs. crore)

	Year ended March 31, 2012	Year ended March 31, 2011
Income		
Net sales	694.9	417.0
Other Operating Revenue	52.1	45.9
Other income	7.9	23.1
Total revenue (I)	754.9	486.0
Expenditure		
Manufacturing expenses	482.0	277.5
Employee benefits expenses	61.8	55.5
Other expenses	170.5	106.0
Total expenses (II)	714.3	439.0
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)	40.6	47.0
Financial expenses*	31.0	67.2
Depreciation and amortization	22.8	14.6
Profit/(loss) before tax	(13.2)	(34.8)
Tax expense	2.2	7.3
Profit/(Loss) After Tax	(15.4)	(42.1)

** Includes Rs. 12.1 Cr (Previous Year Rs. 62.6 Crore) on account of interest on 12% Compulsorily Convertible Debentures("CCDs") which has been converted into equity shares on June 10, 2011. The interest on CCDs is thus non recurring in nature.*

The financial year 2012 witnessed 15% growth in installed capacity of BoPP in India. The demand for packaging in medium to long term is expected to sustain due to factors like growth in consumer spend, growing rural demand, changing demographics, retail trade, increasing demand for convenience and packed food. Estimates suggest that BOPP consumption growth will be in the range of 17% to 20% per annum in the short to medium term.

India continues to have lower per capita consumption of BoPP films compared to other countries. In addition there is opportunity to supply to international players who are looking to source their packaging requirements from cost efficient locations.

Max Specialty Films (MSF), a division of Max India Limited, established in 1990, manufactures flexible polymer films for several different applications in food, non-food, and industrial packaging, leather coating films. It has a state of the art manufacturing facility at Railmajra, near Chandigarh for manufacturing niche and high barrier BoPP films, thermal lamination films and leather finishing foils. MSF has a work environment that reflects global best practices in safety and environment protection. The manufacturing facilities are accredited by BSI (British Standard Institution), and have the following certifications: (i) ISO 9001 – 2008 Quality Management System; (ii) ISO 140001 – 2004 Environment Management System; (iii) OHSAS 18001 – 1999 Safety Management System; (iv) BRC / IOP (Food Safety) – British Retail Consortium; (v) GMP- Certificate of Good Manufacturing Practices; and (vi) HACCP - Hazard Analysis Critical Control Point.

With its focus on value added products and pursuit of quality, MSF continues to increase its share of business with high-end and quality conscious customers, both in India and overseas. It also continues to improve its product mix by introducing new products every year and, in doing so, has pioneered the introduction of many new products in India in flexible packaging and leather finishing foils.

The Company's pursuit for quality and service excellence was acknowledged through the 'Golden Peacock Innovative Product Award 2011' by the Institute of Directors for creating a new Cadbury Gems pack that is recyclable, lighter, as well as energy and emission efficient.

During the FY 2012, MSF achieved a gross sales turnover of Rs.742 crore in FY2012. Net revenues grew by 66% to Rs.694 crore. In the process, MSF achieved volume growth of 64%. The exports grew by 98% in volume terms. The sale of thermal film increased by 28% while EBIDTA witnessed an increase of 50% to Rs.77 crore in FY2012.

To add further feathers to its cap, MSF achieved full capacity utilisation across all its metalliser and BoPP lines, including the new BoPP line which became operational in April 2011.

Human resources retention and attracting the best available talent has always been a focus area for MSF, which has the most experienced and skilled team in the BoPP industry. The total number of employees as on 31 March, 2012 was 499 and relationships with employees remained excellent. The Company's key focus is on training through skill up-gradation and education programmes for its workmen.

Health, safety and environment have always been focus areas for MSF. The goal continues to include no accidents, no harm to people and no damage to the environment. MSF has adopted a Green Policy and has signed the code for ecologically sustainable business growth of the Confederation of Indian Industry (CII). MSF workmen have received safety awards for the last six years from the Government of Punjab. It also helps the community around the plant by adopting schools, holding medical camps, running regular dispensary in close association with Max India Foundation.

Directors' Report

MSF is implementing the Max Performance Excellence Framework (MPEF), which will further strengthen systems and processes and will lead to accomplishment of tasks through focus on teamwork, improvement in efficiency and quality systems, customer focus and satisfaction and resultant better returns to business.

MSF has an adequate internal control system in place as well as established management systems and procedures. These are periodically audited by accrediting agencies. The management also regularly reviews the actual performance vis-à-vis the budget. Various internal audits are conducted quarterly and reports are submitted for review to Audit Committee of the Board of Max India. A new ERP system was installed in July 2011 to further strengthen the internal control system and adequacy. It is emerging as a decision making tool with improved quality of reporting.

Flexible packaging which is expected to grow by 15% per annum will continue to drive the growth of BoPP Industry. Rural demand, small pack sizes, branded packaged food will result not only in improving prospects of packaging but will also strengthen the concept of quality packaging.High growth in BOPP will continue to attract new capacity additions which will intensify competitive pressure.

Dividend

In view of the funding requirements of the underlying businesses, your directors do not recommend any dividend.

Directors

Your Directors are pleased to inform the following:

The Board of Directors appointed Mr. Mohit Talwar as an Additional Director of the Company w.e.f February 14, 2012. Simultaneously, Mr. Mohit Talwar was appointed by the Board of Directors as the Dy. Managing Director of the Company effective the said date. The term of office of Mr. Mohit Talwar as an Additional Director expires at the ensuing Annual General Meeting and his appointment as a Director is being sought at the Annual General Meeting for which a notice has been received from a shareholder under Section 257 of the Companies Act, 1956.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rajesh Khanna, Mr. Piyush Mankad, Mr. Sanjeev Mehra, Mr. K. Narasimha Murthy and Dr. Omkar Goswami retire by rotation at the ensuing Annual General Meeting. Mr. Rajesh Khanna and Mr. Sanjeev Mehra have offered themselves for re-election. Mr. Piyush Mankad, Dr. Omkar Goswami and Mr. K. Narasimha Murthy have not offered themselves for re-election as Directors at the ensuing Annual General Meeting.

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. 46.49 crore to Rs. 52.91 crore arising from allotments of, (i) 80,00,000 equity shares of Rs. 2/- each to Dynavest India Private Ltd upon conversion of warrants, (ii) 24,079,700 equity shares of Rs.2/ - each to Xenok Limited (a Goldman Sach Company) upon conversion of Compulsorily Convertible Debentures("CCDs") and (iii) 5,000 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. 53,07,62,324 arising from the allotment of 8,12,052 equity shares under "Employee Stock Plan 2003"

Business Investments

The Company made an additional investment of Rs. 175.80 crore in the equity share capital of Max Healthcare Institute Limited during year under review, taking the total equity contribution in MHC to Rs. 395.29 crore as of March 31, 2012.

During the year under review, your Company also made a further investment of Rs. 59.94 crore in Max Bupa Health Insurance Company Limited(MBHI). With this, the total equity contribution by the Company in MBHI stood increased to Rs. 260.48 crore as of March 31, 2012.

Your Company also made a further investment of Rs. 0.14 crore in Max Life Insurance Company Limited (formerly Max New York Life Insurance Company Limited) taking the total investment in Max Life to Rs. 1466.65 crore as of March 31, 2012.

On June 27, 2012, your Company acquired 9.37% equity stake in Max New York Life Insurance Company Limited [since renamed as Max Life Insurance Company Limited ('Max Life')] from New York Life International Holdings Ltd., for a consideration of Rs.182.27 crore. Further your Company acquired 5,656,500 equity shares of Max Life from its ESOP shareholders for a consideration of Rs.30.55 crore. In addition, your Company acquired 19,150,000 equity shares of Max Life from Axis Bank for a consideration of Rs.103.43 crore. Simultaneously, your Company sold 9.37% equity stake in Max Life to Mitsui Sumitomo Insurance Company Limited, Japan (MSI) for a consideration of Rs.984.45 crore. Your Company has 71.1% equity stake in Max Life as of date.

Directors' Report

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 section.

Particulars of Deposits

During the year under review, your Company has not accepted/ renewed any deposit from the public.

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, 5000 Options were vested and upon exercise 5000 equity shares of Rs. 2/- each for cash at par were allotted. Your Company also granted 2,47,250 Options to Mr. Rahul Khosla, Managing Director of the Company 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, 2012	30,93,750
(b)	The pricing formula	Rs. 2/- per share
(c)	Number of options vested till March 31, 2012	20,44,766
(d)	Number of options exercised till March 31, 2012	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, 2012	3,05,005
(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	15,61,031
(m)	Number of options granted to senior management including directors in FY 2011-12	2,47,250
(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. (0.60) for the financial year ended March 31, 2012. The diluted earning per share for the previous year was Rs. (1.81)

(iii) In respect of stock options granted till March 31, 2012 under the 2003 Plan, the Company has calculated employee compensation cost using intrinsic value of the stock options. Accordingly, an amount of Rs. 48.39 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, June 2010 and October 2011, out of which, in the current financial year, Rs. 7.72 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:

a) 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, June 2010 and October 2011 under the 2003 Plan is Rs. 48.90 crore, out of which, in the current financial year, Rs. 7.78 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.

b) On fair value basis of recognizing the employee compensation cost, loss after tax for the current financial year would have been Rs. 15.50 crore instead of Rs. 15.44 crore reported in the Profit and Loss account.

c) Basic and diluted earnings per share would have remained unchanged at Rs. (0.60), 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.

d) 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 October 2011 grant is Rs. 168.55.

e) 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:

i) Risk free interest rate of 8.29% for October 2011 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, 1 year option for June 2010 grant and 2 year option for October 2011 grant.

iii) Expected volatility of 34.82% for January 2010 grant, 63.58% for September 2009 grant, 34.82% for June 2010 grant and 36.12% for October 2011 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 grant, Rs.160.05 for June 2010 grant and Rs. 170.55 for October 2011 grant being the latest available closing price of the Company's share on the National/ Bombay 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, 2012 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.

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 confirmity 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.

Constituents of Promoter Group

As required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, persons constituting Promoter Group 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) Pivet 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 the behalf of the Board of Directors

New Delhi **Analjit Singh**
August 9, 2012 **Chairman**

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 :-

- Initiatiated purchase of Power from power exchange resulting in significant saving.
- To conserve energy, reduce waste, aggressively promoted reuse of recycled material.
- Reduction in energy consumption by use of high efficiency Water Chiller.
- Conservation of energy by using high efficiency Lighting fixtures.
- Optimised process parameters of new speciality BOPP Lines to increase the film line output (Kg /Hr)
- Reduction in energy by using cooling tower water instead of chilled water in winter for speciality BOPP lines.
- Improved Productivity of Metallisers
- Reduction in Furnace oil consumption in BOPP speciality lines by re-using hot air through heat recovery system.
- Use of centerlized hot oil system for new speciality BOPP Lines.
- Use of Common Chiller for new speciality BOPP Lines.

(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.
- Installed energy efficient equipments for new BOPP Lines & Metalliser

(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. The implementations of above measures resulted in significant saving of Power & fuel cost

(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, ADAPTION AND INNOVATION

I. RESEARCH AND DEVELOPMENT

1. Research & Development

- The R&D efforts of the Company are continuously directed towards development of new products, new applications, quality improvement and product innovation.
- Constant efforts to develop new products applications & replacement of other plastic substrates are showing productive results.
- Introduced new indigenous additives & speciality to minimize dependency on imported raw material. Testimonial of above efforts resultant in enhances more BOPP demand year after year.

2. Process Improvement and Development

- Developed & established BOPP substrate for Japan and USA market.
- Quality of Scrap and Re-process granules improved.
- Improved productivity of Sandwich Lamination films & crack resistance by redesigning formulation & process of material handing & packing
- New polymers established for high speed lines.
- Created demand with newly developed matt films for niche segments.

3. Benefits Derived

- Awarded "Golden peacock innovative product award 2011" by the Institute of Directors for creating a new Cadbury Gems pack that is recyclable,lighter,as well as energy and emission efficient
- Improvement in productivity and process efficiencies.

Annexure - 'A'

- Raised bar of design films to run on latest/faster packaging lines of brands.
- Enhanced captive consumption of reprocess granules thereby replacing virgin Homopolymer.
- 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**
   - Continuous focus on development of value added new applications of BOPP, Mettalised and thermal Films.
   - Further process optimistion and achieving resultant better efficiencies and productivity.
   - To improve quality and delivery index for top customers.
   - Cost reduction and efficiency improvement to remain more competitive.
   - Replacing other substrate like PE,PETin laminate with BOPP.
   - creating demand for newly developed products for FMCG resultant in higher value addition.

5. **Expenditure on R & D**

• Capital	:	'Nil'
• Recurring	:	Rs. 43.36 lacs
• Total	:	Rs. 43.36 lacs
• R&D expenditure as % of net sales	:	0.06%

II. **TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

1 **EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

Company has in-house development & 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**

This result in matching customer's requirements which further translate into better margin and thereby enhances capacity utilization.

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 exports of high-value-added films.
- Increased presence in Europe, Africa, as well as in Asian countries.
- Increase BOPP film sales volumes by 121% & in terms of value by 131%
- Increase Thermal film sales volumes by 22% & in terms of value by 37%
- Total Exports increased by 101% over 2010-11

RS. LACS

	Year ended March 2012	Year ended March 2011
Earnings	**22,045**	12,763
Outgo	**12,008**	17,625

For and on behalf of the Board of Directors

New Delhi — Analjit Singh
August 9, 2012 — Chairman

Annexure – 'B'

INFORMATION AS PER SECTION 217 (2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2012

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.	64	Director - Group Human Capital	Group Human Resources	14,117,799	B. Sc., L.L.B., PGDM (PM & IR)	02.04.200702.04.2007	43	Glaxo SmithKline Consumer Healthcare	Director-Human Resources & Administration (India/South Asia)
2	Hoskote, Prashant	46	Senior Director - Quality & Performance Excellence	Quality & Performance Excellence	8,497,779	BSc., Diploma in Computer Science & Management, Certified Trainer & Facilitator from the Juran Institute, INC. USA	07.06.2010	25	Mashreqbank	Sr. Vice President and Head - Customer Experience & Quality Division
3	Mathur, S. K.	59	Chief Executive - Max Speciality Films	Chief - Operations	11,407,243	B.Tech, PGDBM	06.10.2005	36	Ester Industries Ltd.	Vice President - Marketing
4	Raghu, C. V.	49	Senior Director - Legal & Regulatory Affairs	Legal & Regulatory Affairs	14,950,580	Bachelor of Science & Law, PGD IR & PM	30.07.2008	22	American Express Banking Corp, General Counsel's Office	VP & Group Counsel India & Area Countries
5	Ratnam, Sujatha	48	Senior Director - Corporate Finance	Corporate Treasury	10,360,984	B. Com (Hons), ACA	12.07.2004	23	Jubilant Orgnosys Ltd.	General Manager - Finance
6	Reddy, Vikram B	59	Sr Vice President - Business Relations	Liaison	9,928,708	MBA	01.12.2010	32	Cosmo Films, Inc, A Delaware corporation, Addison, Illinois, USA	V.P operations - North Americas
7	Singh, Analjit	58	Chairman	General Management	39,024,900	BA, BS, MBA (Boston)	30.10.2001	34	Max UK Ltd.	Chairman
8	Talwar, Mohit	52	Deputy Managing Director	General Management	31,307,833	Post Graduate (Arts), Post Graduate (Hospitality Management)	01.11.200701.11.2007	33	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									
9	Ahuja, Rahul	40	Group Financial Controller	Corporate Finance/Accounts	701,174	B.Com (Hons), CA	05.03.2012	16	Tulip Telecom Limited	Chief Financial Officer
10	Bhandari, Ranvir	51	Senior Director - Service Excellence	Service Excellence	3,217,932	B.Com (Hons), Post Graduate Diploma in Hotel Management,	01.01.2012	27	ITC Hotel - The Maurya	Vice President - North & General Manager
11	Khosla, Rahul	53	Managing Director	General Management	104,127,186	BA (Hons), CA	18.08.2011	28	Visa	Group Head of Products
12	Poddar, Vaibhav V.	29	General Manager - Business Strategy	Corporate Business Strategy	699,145	BE, MMS	12.03.2012	6	Mckinsey & Company	Engagement Manager

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.
2. None of the above employees is a relative of any director of the Company.
3. The services of Mr. Analjit Singh, Mr. Rahul Khosla and Mr. Mohit Talwar are contractual in nature.
4. Mr. Analjit Singh holds by himself and along-with his spouse and dependent children 2.37% of the Equity Shares of the Company as of the date of this report. Further, Mr. Rahul Khosla does not hold any share in the Company. Mr. Mohit Talwar currently holds 20560 Equity share constituting 0.007% of the share capital of the Company.
5. None of the above employees hold by himself or alongwith his spouse and dependent children 2% or more Equity Shares of the Company.

On behalf of the Board of Directors

New Delhi
August 9, 2012

ANALJIT SINGH
Chairman

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, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 24, 2012

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, 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 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of Polyester Film, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(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.

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

Auditors' Report

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.	1,209.81	2005-06 to 2011-12	Commissioner, Chandigarh
Central Excise Act, 1944	Excise duty demand on valuation of goods cleared for captive consumption.	2.77	2005-06 to 2011-12	Supreme Court
Central Excise Act, 1944	Excise duty demand on valuation of goods cleared for captive consumption.	145.27	2002-03	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty demand on valuation of goods cleared for captive consumption.	4.50	2004-05 to 2009-10	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Reversal of Cenvat credit on various grounds.	505.51	2001-02 to 2011-12	Commissioner, Chandigarh
Finance Act, 1994 (Service Tax)	Service tax demands on various matters	313.80	2003-04 to 2005-06	Commissioner, (Appeals)
Finance Act, 1994 (Service Tax)	Service tax demands on various matters	1.95	2011-12	Assistant Commissioner, Ropar
Finance Act, 1994 (Service Tax)	Service tax demands on various matters	8.00	2009-10 To 2011-12	Commissoner (Appeals) and Central Excise and Service Tax Appellate tribunal
Punjab Value Added Tax	Entry Tax Demands	20.19	2011-12	High Court
Customs Act, 1962	Custom duty demands	362.54	1994-95	Directorate General of Foreign Trade
Income Tax Act, 1961	Income tax demands on various disallowances	209.21	2000-01 to 2007-08	Income Tax Appellate Tribunal, Amritsar
Income Tax Act, 1961	Income tax demands on various disallowances	30.86	2000-01	High Court

(x) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company had 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.

Auditors' Report

(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 made preferential allotment of shares to a company covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(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 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 24, 2012

Balance Sheet as at March 31, 2012

(RS. IN LACS)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	4	5,291.38	4,649.69
Reserves and surplus	5	281,874.31	213,755.71
Share warrants	6	–	8,670.00
		287,165.69	227,075.40
Non-current liabilities			
Long-term borrowings	8	8,815.98	10,164.49
Long-term provisions	9	217.76	162.44
Deferred tax liabilities (Net)	7	1,222.02	997.98
		10,255.76	11,324.91
Current liabilities			
Short-term borrowings	10	809.40	-
Trade payables	11	4,871.68	5,336.04
Other current liabilities	11	2,937.47	54,202.51
Short-term provisions	9	1,269.36	1,189.34
		9,887.91	60,727.89
TOTAL		307,309.36	299,128.20
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	32,306.88	32,890.61
Intangible assets	14	184.71	47.72
Capital work-in- progress		13.43	66.55
Non-current investments	12	218,914.34	195,538.68
Long-term loans and advances	15	465.91	654.66
		251,885.27	229,198.22
Current assets			
Current investments	16	11,850.65	1,528.34
Inventories	17	4,851.76	4,156.10
Trade receivables	18	11,951.81	7,524.52
Cash and bank balances	19	17,815.97	45,768.64
Short-term loans and advances	15	8,782.96	10,121.99
Other current assets	20	170.94	830.39
		55,424.09	69,929.98
TOTAL		307,309.36	299,128.20
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
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 24, 2012

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

RAHUL KHOSLA Managing Director
N. C. SINGHAL Director
ASHWANI WINDLASS Director

RAHUL AHUJA Group Financial Controller
V. KRISHNAN Company Secretary

New Delhi
May 24, 2012

Statment of Profit and Loss for the year ended March 31, 2012

(RS. IN LACS)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Income			
Revenue from operations (gross)	21	79,396.78	49,400.03
Less: excise duty		4,695.85	3,104.86
Revenue from operations (net)		74,700.93	46,295.17
Other Income	22	791.43	2,305.22
Total revenue (I)		75,492.36	48,600.39
Expenses			
Cost of raw material consumed	23	48,249.79	28,186.88
(Increase)/decrease in inventories of finished goods and work-in-progress	24	(52.54)	(439.98)
Employee benefits expense	25	6,185.34	5,546.01
Other expenses	26	17,050.76	10,602.48
Total expenses (II)		71,433.35	43,895.39
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		4,059.01	4,705.00
Depreciation and amortisation	27	2,274.53	1,464.03
Finance cost	28	3,104.63	6,721.55
Profit/(loss) before tax		(1,320.15)	(3,480.58)
Tax expense			
Current tax		-	-
Deferred tax		224.04	728.94
Total tax expense		224.04	728.94
Profit/(loss) after tax		(1,544.19)	(4,209.52)
Earnings per equity share	29		
Basic [Nominal value of shares Rs.2 (Previous year Rs.2)]		(0.60)	1.81)
Diluted [Nominal value of shares Rs.2 (Previous year Rs.2)]		(0.60)	(1.81)
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
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 24, 2012

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

RAHUL KHOSLA	Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
RAHUL AHUJA	Group Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 24, 2012

Cash Flow Statement for the year ended March 31, 2012

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities		
Net Profit / (loss) before tax	(1,320.15)	(3,480.58)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	2,274.53	1,464.03
Interest expense	2,862.93	6,579.99
Interest income	(2,173.11)	(1,878.61)
Net (profit) / loss on sale of fixed assets	14.02	17.44
Net (profit) / loss on sale of current investments	(804.92)	(1,969.43)
Bad debts and doubtful advances written off	2.58	0.10
Provision for doubtful debts and advances	35.16	40.34
Liability/ provisions no longer required written back	(5.36)	(14.68)
Provision for diminution in value of investment - long term	213.00	-
Employee stock option expense	771.64	1,531.28
Unrealised foreign exchange (gain) / loss	(80.12)	18.74
Operating profit before working capital changes	1,790.20	2,308.62
Movement in working capital :		
Increase/ (decrease) in trade payables	(503.68)	1,349.96
Increase/ (decrease) in long-term provisions	55.32	(152.68)
Increase/ (decrease) in short-term provisions	80.02	-
Increase/ (decrease) in other current liabilities	(914.19)	1,348.16
Decrease / (increase) in trade receivables	(4,305.08)	(1,404.54)
Decrease / (increase) in inventories	(695.66)	(1,610.10)
Decrease / (increase) in long-term loans and advances	(0.15)	(678.25)
Decrease / (increase) in short-term loans and advances	823.85	(3,136.26)
Cash generated from/(used in) operations	(3,669.37)	(1,975.09)
Direct taxes paid (net of refunds)	480.02	(685.99)
Net cash flow from /(used in) operating activities (A)	(3,189.35)	(2,661.08)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,611.25)	(12,504.90)
Proceeds from sale of fixed assets	11.46	9.43
Purchase of non- current investments	(23,588.66)	(14,811.17)
Purchase of current investments	(120,199.21)	(176,358.23)
Proceeds from sale/maturity of current investments	110,681.82	254,327.97
(Investment) in bank deposits (having original maturity of more than three months)	(90,000.00)	(51,000.00)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	122,007.74	15,002.93
Interest Received	2,832.56	874.37
Net cash flow from /(used in) investing activities (B)	134.46	15,540.40

Cash Flow Statement for the year ended March 31, 2012

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from financing activities		
Proceeds from conversion of shares warrants	8,670.00	-
Proceeds from ESOPs exercised	0.10	2.20
Proceeds from long -term borrowings	879.84	10,155.02
Repayment of long -term borrowings	(44.55)	(5,237.62)
Proceeds from short -term borrowings	809.40	-
Repayment of short-term borrowings	-	(2,902.75)
Interest paid	(3,204.83)	(6,568.10)
Net cash flow from /(used in) financing activities (C)	7,109.96	(4,551.25)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	4,055.07	8,328.07
Cash and cash equivalents at the beginning of the year	9,760.90	1,432.83
Cash and cash equivalents at the end of the year	13,815.97	9,760.90

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Components of cash and cash equivalent		
Cash on hand	9.24	3.70
Cheques/drafts on hand	-	26.35
With banks -		
on current account	1,050.01	730.70
on deposit account	12,756.57	9,000.00
Stamps in hand	0.15	0.15
Total cash and cash equivalents	13,815.97	9,760.90

Summary of significant accounting policies 3

The accompanying notes are integral part of the financial statements
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 24, 2012

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

RAHUL KHOSLA — Managing Director
N. C. SINGHAL — Director
ASHWANI WINDLASS — Director

RAHUL AHUJA — Group Financial Controller
V. KRISHNAN — Company Secretary

New Delhi
May 24, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate information**

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.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements 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 on accrual basis and under the historical cost. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained below.

3. **Summary of significant accounting policies**

3.1. **Change in accounting policy**

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3.2 **Use of Mestimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.3 **Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.4 **Depreciation on tangible fixed assets**

Depreciation on fixed assets is provided using Straight Line Method on a pro rata basis as per the rates prescribed in Schedule XIV to the Companies Act, 1956, which approximates the useful lives of the assets estimated by the management.
Leasehold improvements are depreciated over respective lease periods.

Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.

3.5 **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Notes to Financial Statements for the year ended March 31, 2012

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are computer software and are amortized over a period of two to six years based on management's estimate of economic useful life of the assets.

3.6 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 statement of profit and loss on a straight line basis over the lease term.

3.7 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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.

3.8 Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

3.9 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.

3.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Notes to Financial Statements for the year ended March 31, 2012

The cost of investments include acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost or fair value on an individual investment basis.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the statement of profit and loss.

3.11 Inventories

Raw materials, packing materials, stores and spares are valued at 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 of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

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

3.12 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.

Sale of goods: Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The Company collects sales tax and value added tax on behalf of the government and therefore these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty 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.

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

3.13 Foreign exchange transactions

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.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. 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.

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.

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.

Notes to Financial Statements for the year ended March 31, 2012

3.14 Employee Benefits

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 statement of profit and loss 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 as determined by the actuary.

Superannuation fund

Superannuation Fund is a defined contribution. 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 statement of profit and loss of the year. The Company does not have any other obligation to the fund other than the contribution payable.

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.

Compensated Absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation using projected unit credit method at the year end.

Actuarial gains/ losses are immediately taken to statement of profit and loss and are not deferred.

3.15 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.

3.16 Employee Stock Option Scheme

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee

Notes to Financial Statements for the year ended March 31, 2012

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.

3.17 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 area of operations.

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 accounting 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.

3.18 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, 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.

3.19 Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.20 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.21 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.

3.22 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
4. SHARE CAPITAL		
Authorised shares (Nos.)		
460,000,000 (March 31, 2011: 460,000,000) equity shares of Rs. 2/- each	9,200.00	9,200.00
800,000 (March 31, 2011: 800,000) preference shares of Rs.100/- each	800.00	800.00
	10,000.00	10,000.00
Issued, subscribed and fully paid-up shares (Nos.)		
264,569,110 (March 31, 2011: 232,484,410) equity shares of Rs. 2/- each fully paid up	5,291.38	4,649.69
	5,291.38	4,649.69

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	(Rs. in Lacs)	No. of shares	(Rs. in Lacs)
Equity Shares				
At the beginning of the year	232,484,410	4,649.69	232,374,733	4,647.49
Issued during the period - conversion of share warrants	8,000,000	160.00	-	-
Issued during the period - conversion of debentures	24,079,700	481.59	-	-
Issued during the period - ESOP	5,000	0.10	109,677	2.20
Outstanding at the end of the year	**264,569,110**	**5,291.38**	232,484,410	4,649.69

4.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4.3 Details of shareholder holding more than 5% shares is set out below (legal ownership)

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	%held
Equity shares				
- Xenok Limited	**24,079,700**	**9.10%**	-	-
- GS Mace Holdings Limited	**17,196,381**	**6.50%**	-	-
- Maxopp Investments Limited	**18,844,919**	**7.12%**	13,844,919	6.04%
- Liquid Investment and Trading Company	**23,185,244**	**8.76%**	23,185,244	10.14%
- Parkville Holdings Ltd.	**7,647,534**	**2.89%**	29,823,320	13.00%
- Medicare Investment Ltd.	**11,968,340**	**4.52%**	11,968,340	5.22%

4.4 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 30.

For details of shares reserved for issue on conversion of bonds/debentures, refer note 8(i) regarding terms of conversion of debentures

4.5 Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has issued total 594,384 shares (March 31, 2011: 589,384 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employees services.

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and Surplus

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Capital reserve	50.00	50.00
	50.00	50.00
Securities premium account		
Balance as per last financial statements	138,408.33	138,222.72
Add: premium on conversion of share warrants	17,180.00	-
Add: additions on ESOPs exercised	8.05	185.61
Add: premium on conversion of debentures	51,711.15	-
Closing balance	207,307.53	138,408.33
Employee stock option outstanding		
Gross employee stock compensation for options granted in earlier years	2,817.81	2,996.15
Add : gross compensation for options issued during the year	416.12	16.09
Less : transferred to securities premium on exercise of stock options	8.05	185.61
Less : stock options forfeited during the year	-	8.82
	3,225.88	2,817.81
Less : deferred employee compensation	565.41	920.93
Closing balance	2,660.47	1,896.88
General reserve	8,951.84	8,951.84
	8,951.84	8,951.84
Surplus in the statement of profit and loss		
Balance as per last financial statements	64,448.66	68,658.18
Profit/(Loss) for the year	(1,544.19)	(4,209.52)
Net surplus in the statement of profit and loss	62,904.47	64,448.66
Total reserves and surplus	281,874.31	213,755.71

6. Share warrants

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Nil (March 31, 2012 : 2,000,000) share warrants of Rs. 867/- each, partly paid up	-	8,670.00
	-	8,670.00

During the year, the Company has allotted 8,000,000 equity shares of Rs. 2/- each to Dynavest Limited, a promoter group Company against 2,000,000 share warrants at a premium of Rs. 214.75 per equity share for an aggregate consideration of Rs. 17,340.00 Lacs.

Notes to Financial Statements for the year ended March 31, 2012

7. Deferred tax liability (net)

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	3,533.51	3,084.59
Gross deferred tax liability	3,533.51	3,084.59
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	521.47	438.55
Provision for doubtful debts and advances	70.99	70.98
Carried forward loss	225.14	219.35
Unabsorbed depreciation	1,493.89	1,357.73
Gross deferred tax assets	2,311.49	2,086.61
Net deferred tax liability	1,222.02	997.98

The Company follows Accounting Standard (AS 22) "Account for taxes on Income", as notified by the Companies Accounting Standard Rules, 2006 (as amended). The company has recognised deferred tax asset on carry forward business losses and unabsorbed depreciation besides on other components since the Company has net deferred tax liabilities at the year end and reversal of deferred tax asset on carry forward losses and unabsorbed depreciation is virtually certain in view of sufficient taxes in income against which such deferred tax assets can be realised in future.

8. Long term borrowings

(RS. IN LACS)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Debentures (Nos.)				
Nil (March 31, 2011: 6,019,925) 12% Compulsorily Convertible Debentures of Rs. 867/- each fully paid up (unsecured)	-	-	-	52,192.75
Term loans				
From banks (secured)	8,718.39	10,077.83	2,179.60	-
Vehicle Loans (secured)	97.59	86.66	56.11	51.91
	8,815.98	10,164.49	2,235.71	52,244.66
The above amount includes				
Secured borrowings	8,815.98	10,164.49	2,235.71	51.91
Unsecured borrowings	-	-	-	52,192.75
Amount disclosed under the head "other - current liabilities" (note 11)	-	-	(2,235.71)	(52,244.66)
	8,815.98	10,164.49	-	-

i) During the year, the Company has converted 6,019,925 compulsory convertible debentures of the face value of Rs. 867/- each, issued on March 11, 2010 into 24,079,700 equity shares of Rs. 2/- each at a premium of Rs. 214.75 per equity share for an aggregate consideration of Rs. 52,192.75 Lacs to Xenok Limited, a wholly owned subsidiary of GS Capital Partners VI Fund, L.P. and certain affiliated funds which are controlled by The Goldman Sachs Group Inc.

Notes to Financial Statements for the year ended March 31, 2012

ii) Term loan from Kotak Mahindra Bank Limited amounting to Rs. 2,500.00 Lacs (March 31, 2011: Rs. 2,470.00 Lacs) 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. The loan is repayable in 20 equal quarterly installment of Rs. 125.00 Lacs each commencing from June 30, 2012.

iii) Term loan from IndusInd Bank Limited amounting to Rs. 5,922.51 Lacs (March 31, 2011: Rs. 5,267.36 Lacs) 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. The loan is Repayable in 20 equal quarterly installment of Rs. 296.13 Lacs each commencing from April 1, 2012.

vi) Term loan from Yes Bank Limited amounting to Rs. 2,475.48 Lacs (March 31, 2011: Rs. 2,340.47 Lacs) 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. The Loan is repayable in 20 equal quarterly installment of Rs. 123.77 Lacs each commencing from April 1, 2012.

v) Vehicle Loans Rs. 153.70 Lacs (March 31, 2011 Rs. 138.57 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 Years

9. Provisions

(RS. IN LACS)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for leave encashment	-	-	463.96	389.32
Provision for gratuity (note 25.1)	217.76	162.44	45.32	40.18
Other provisions				
Provision for income tax (net of advance tax)	-	-	757.90	757.90
Provision for wealth tax	-	-	2.18	1.94
	217.76	162.44	1,269.36	1,189.34

10. Short term borrowings

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Cash credit from banks (secured)	809.40	-
	809.40	-

Cash credit facilities from banks are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets and a second charge on immovable and movable fixed assets (excluding vehicles) of the Company, both present and future.

Notes to Financial Statements for the year ended March 31, 2012

11. Other current liabilities

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Trade payables (including acceptances) (refer note 41 for detail of dues to micro and small enterprises)	4,871.68	5,336.04
Other liabilities		
Current maturities of long-term borrowings (note 8)	2,235.71	52,244.66
Interest accrued but not due on borrowings	2.09	343.99
Investor Education and Protection Fund will credited by following amounts (as and when due)		
Unpaid Debenture Interest	-	5.16
Advance from Customers	226.89	104.03
Other Liabilities		
Security deposit received	60.77	53.97
Statutory dues payable	264.95	248.61
Capital creditors	135.13	1,202.09
Forward payable	11.93	-
	2,937.47	54,202.51
	7,809.15	59,538.55

12. Non-current investments

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Trade investments (valued at cost unless stated otherwise)		
Investment in subsidiaries		
Unquoted equity instruments		
1,356,814,514 (March 31, 2011: 1,356,764,514) Equity shares of Rs.10 each fully paid up in Max New York Life Insurance Company Limited	146,665.37	146,650.73
274,249,908 (March 31, 2011: 219,489,127) Equity shares of Rs.10 each fully paid up in Max Healthcare Institute Limited	39,528.94	21,948.92
260,480,000 (March 31, 2011: 200,540,000) Equity shares of Rs.10 each fully paid up in Max Bupa Health Insurance Co. Limited	26,048.01	20,054.01
47,117,247 (March 31, 2011: 47,117,247) Equity shares of Re.1 each fully paid up in Pharmax Corporation Limited	1,420.65	1,420.65
4,166,813 (March 31, 2011: 4,166,813) Equity shares of Rs.10 each fully paid up in Max Neeman Medical International Limited	416.68	416.68
299,742 (March 31, 2011: 299,742) Equity shares of GBP 1 each fully paid up in Max UK Limited	213.00	213.00
Less: provision for diminution	(213.00)	-
38 (March 31, 2011: 38) Equity shares of Euro 500 each fully paid up in Neeman Medical International BV	3,334.69	3,334.69
31,443,600 (March 31, 2011: 31,443,600) Equity shares of Rs. 10 each fully paid up in Max Ateev Limited	3,144.36	3,144.36

Notes to Financial Statements for the year ended March 31, 2012

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Less: provision for diminution	(3,144.36)	(3,144.36)
3,945,000 (March 31, 2011: 3,945,000) Equity shares of Rs. 10 each fully paid up in Max Healthstaff International Limited	447.87	447.87
Less: provision for diminution	(447.87)	(447.87)
Unquoted preference instruments		
1,500,000 (March 31, 2011: 1,500,000) 9% Preference shares of Rs.100 each fully paid up in Pharmax Corporation Limited	1,500.00	1,500.00
	218,914.34	195,538.68
Aggregate amount of unquoted investments	222,719.57	199,130.91
Aggregate provision for diminution in value of investments	(3,805.23)	(3,592.23)

Note: The Company has made long-term strategic investments in various subsidiaries operating in the business of healthcare, health insurance, life insurance, clinical research, etc. Few of these subsidiaries are into operating losses and have accumulated losses due to gestation phase and will require some time to generates profits on their own. In view of the gestation phase, long-term growth opportunities, management believes that there is no permanent diminution in the value of these investments.

Notes to Financial Statements for the year ended March 31, 2012

13. Tangible Assets

(RS. IN LACS)

	Land (Freehold)	Building	Leasehold Improvements	Plant & Equipment	Furniture & Fixture	Office Equipments	Vehicles	Total
Cost								
At April 1, 2010	337.15	3,338.94	837.87	20,989.18	240.33	795.96	386.89	26,926.32
Additions	-	2,138.94	-	13,339.59	11.68	114.74	121.36	15,726.31
Deletions/ Adjustments	-	-	-	(11.33)	(0.64)	(41.31)	(33.20)	(86.48)
Borrowing Cost	-	-	-	283.50	-	-	-	283.50
At March 31, 2011	**337.15**	**5,477.88**	**837.87**	**34,600.94**	**251.37**	**869.39**	**475.05**	**42,849.65**
Additions	-	425.20	31.88	861.36	60.61	186.42	109.36	1,674.83
Deletions/ Adjustments	-	-	-	-	(0.29)	(17.43)	(24.23)	(41.95)
At 3March 31, 2012	**337.15**	**5,903.08**	**869.75**	**35,462.30**	**311.69**	**1,038.38**	**560.18**	**44,482.53**
Depreciation								
At April 1, 2010	-	677.86	391.78	6,872.92	167.61	372.82	88.25	8,571.24
Charge for the year	-	110.77	113.56	1,117.31	9.96	53.98	41.82	1,447.40
Deletions/ Adjustments	-	-	-	(8.47)	(0.31)	(33.17)	(17.65)	(59.60)
At March 31, 2011	**-**	**788.63**	**505.34**	**7,981.76**	**177.26**	**393.63**	**112.42**	**9,959.04**
Charge for the year	-	177.77	114.29	1,797.69	15.69	71.44	56.20	2,233.08
Deletions/ Adjustments	-	-	-	-	(0.13)	(8.40)	(7.94)	(16.47)
At March 31, 2012	**-**	**966.40**	**619.63**	**9,779.45**	**192.82**	**456.67**	**160.68**	**12,175.65**
Net Block								
At March 31, 2011	337.15	4,689.25	332.53	26,619.18	74.11	475.76	362.63	32,890.61
At March 31, 2012	**337.15**	**4,936.68**	**250.12**	**25,682.85**	**118.87**	**581.71**	**399.50**	**32,306.88**

13.1 Borrowing cost capitalised during the year Nil (March 31, 2011: Rs. 283.50 Lacs).

13.2 Pre-operative expenses excluding borrowing cost capitalised during the year Nil (March 31, 2011: Rs. 630.88 Lacs) (Refer note 33).

14. Intangible Assets

(RS. IN LACS)

	Computer Software	Total
Gross Block		
At April 1 2010	199.54	199.54
Additions	5.87	5.87
Deletions/ Adjustments	-	-
At March 31, 2011	**205.41**	**205.41**
Additions	178.44	178.44
Deletions/ Adjustments	-	-
At March 31, 2012	**383.85**	**383.85**
Amortization		
At April 1, 2010	141.06	141.06
Charge for the year	16.63	16.63
At March 31, 2011	**157.69**	**157.69**
Charge for the year	41.45	41.45
At March 31, 2012	**199.14**	**199.14**
Net Block		
At March 31, 2011	47.72	47.72
At March 31, 2012	184.71	184.71

Notes to Financial Statements for the year ended March 31, 2012

15. Loan and Advances

(RS. IN LACS)

		Non-current		Current	
		As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances					
Unsecured, considered good		21.79	210.69	-	-
	A	21.79	210.69	-	-
Security Deposits					
Unsecured, considered good		290.94	280.00	-	-
Doubtful		5.50	5.50	-	-
		296.44	285.50	-	-
Provision for doubtful security deposit		(5.50)	(5.50)	-	-
	B	290.94	280.00	-	-
Loans and advances to related parties					
Unsecured, considered good (unless stated otherwise)					
Advances recoverable in cash or kind					
Considered good		-	-	3,623.30	3,249.46
Considered doubtful		-	-	2,557.52	2,522.36
Security deposit		120.80	120.80	-	-
Share application money pending allotment		-	-	3,128.25	3,223.25
		120.80	120.80	9,309.07	8,995.07
Provision for doubtful advances		-	-	(2,557.52)	(2,522.36)
	C	120.80	120.80	6,751.55	6,472.71
Advances recoverable in cash or kind					
Unsecured, considered good		-	-	706.65	670.29
Doubtful		305.09	305.09	-	-
		305.09	305.09	706.65	670.29
Provision for doubtful advances		(305.09)	(305.09)	-	-
	D	-	-	706.65	670.29
Other loans and advances (unsecured, considered good unless stated otherwise)					
Balances with statutory/government authorities		-	-	345.34	1,142.78
Prepaid expenses		30.33	34.74	76.10	440.21
Loans to employees		2.05	8.43	13.51	26.17
Advance income tax (net of provisions)		-	-	889.81	1,369.83
	E	32.38	43.17	1,324.76	2,978.99
Total (A+B+C+D+E)		465.91	654.66	8,782.96	10,121.99

Notes to Financial Statements for the year ended March 31, 2012

16. Current Investments

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Equity instruments (quoted)	0.65	0.65
250 (March 31, 2011: 250) equity shares of Rs.10 each fully paid up in ICICI Bank Limited		
Unit in Mutual funds (unquoted)		
176,822 (March 31, 2011 - Nil) units in Axis Liquid Fund -Institutional Growth - Face value Rs. 1000/- per unit fully paid	2,100.00	-
Nil (March 31, 2011 - 1,917,473) units in Birla Sunlife Floating Rate Fund -Short Term - Growth - Face value Rs. 10/- per unit fully paid	-	309.12
1,476,037 (March 31, 2011 - Nil) units in Birla Sunlife Floating Rate Fund -Short Term IP - Growth - Face value Rs. 10/- per unit fully paid	2,100.00	-
133,664 (March 31, 2011 - Nil) units in DSP Blackrock Liquidity Fund - Institutional Plan Growth - Face value Rs. 1000/- per unit fully paid	2,050.00	-
138,099 (March 31, 2011 - 5,033,346) units in IDFC CASH FUND - Super Institutional Plan C - Growth - Face value Rs. 1000/- (March 31, 2011: Rs. 10/-) per unit fully paid	1,800.00	600.00
8,741,379 (March 31, 2011 - Nil) units in Kotak Liquid (Institutional Premium) - Growth - Face value Rs. 10/- per unit fully paid	1,900.00	-
96,040 (March 31, 2011 - 16,579) units in TATA Liquid Super High Inv. Fund - Appreciation - Face value Rs. 1000/- per unit fully paid	1,900.00	300.00
Nil (March 31, 2011 - 29,026) units in UTI Floating Rate Fund - Short Term Plan - Institutional Growth - Face value Rs. 1000/- per unit fully paid	-	318.57
	11,850.65	1,528.34
Aggregate amount of quoted investments (Market value: Rs. 2.23 Lacs) (March 31, 2011: Rs. 2.79 Lacs)	0.65	0.65
Aggregate amount of unquoted investments	11,850.00	1,527.69

17. Inventories (at lower of cost and net realisable value)

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Raw and packing materials (including stock in transit Rs. 123.73 Lacs (March 31, 2011; Rs. 247.78 Lacs))	2,333.59	2,144.16
Stores and spares	1,182.67	728.98
Work in process	916.87	911.32
Finished goods	418.63	371.64
	4,851.76	4,156.10

Notes to Financial Statements for the year ended March 31, 2012

18. Trade receivables

(RS. IN LACS)

	Current	
	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Doubtful	211.21	211.21
	211.21	211.21
Provision for doubtful receivables	(211.21)	(211.21)
	-	-
Other receivables		
Unsecured, considered good	11,951.81	7,524.52
	11,951.81	7,524.52

19. Cash and bank balances

(RS. IN LACS)

	Current	
	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
on current accounts	1,050.01	730.70
Deposits with original maturity of less than three months	12,756.57	9,000.00
Cheques/drafts on hand	-	26.35
Cash on hand	9.24	3.70
Stamps on hand	0.15	0.15
	13,815.97	9,760.90
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	4,000.00	36,000.00
Debenture interest accounts	-	7.74
	4,000.00	36,007.74
	17,815.97	45,768.64

20. Other assets

(RS. IN LACS)

	Current	
	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Interest accrued on deposits	170.94	830.39
	170.94	830.39

Notes to Financial Statements for the year ended March 31, 2012

21. Revenue from operations

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products		
Finished goods		
BOPP Film	73,715.63	44,179.93
Soft leather finishing foil	470.92	625.97
	74,186.55	44,805.90
Other operating revenue		
Revenue from investment activities		
Interest income on		
Inter corporate deposits	129.29	25.35
Fixed deposits	1,936.72	1,764.92
Premium on redemption of preference shares	1,189.04	-
Profit on sale of current investments	804.92	1,969.43
Option fees	1,150.26	834.43
	5,210.23	4,594.13
Revenue from operation (gross)	79,396.78	49,400.03
Less: Excise duty	4,695.85	3,104.86
Revenue from operation (net)	74,700.93	46,295.17

21.1 The Company has a put option to transfer upto 24% of its shareholding in Max Bupa Health Insurance Co. Limited and Bupa Singapore Pte. Limited (Bupa Singapore) has a call option under which the Company would be required to transfer 24% of its shareholding in Max Bupa Health Insurance Co. Limited 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, which is disclosed as above.

21.2 Excise duty on sales amounting to Rs. 4,695.85 Lacs (March 31, 2011: Rs. 3,104.86 Lacs) has been reduced from sales in statement of profit and loss and excise duty on decrease in stock amounting to Rs. 55.05 Lacs (March31, 2011: Rs. 41.75 Lacs) has been considered as expense in note 26 of financial statements.

Notes to Financial Statements for the year ended March 31, 2012

22. Other Income

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest income	107.10	88.34
Liabilities/provisions no longer required written back	5.36	14.68
Settlement Compensation	-	1,794.28
Gain on foreign exchange fluctuation (net)	397.39	177.83
Miscellaneous income	281.58	230.09
	791.43	2,305.22

23. Cost of raw material consumed

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Inventories at beginning of year	2,144.16	1,239.95
Add: Purchases	48,439.22	29,091.09
Less: inventories at the end of year	2,333.59	2,144.16
Cost of raw material consumed	48,249.79	28,186.88
23.1 Details of raw material consumed		
Polypropylene	42,407.90	21,708.76
Polypropylene compounds	3,675.54	2,038.24
Others	2,166.35	4,439.88
	48,249.79	28,186.88
23.2 Details of raw material inventory		
Polypropylene	652.35	381.05
Polypropylene compounds	1,297.67	1,393.59
Others	383.57	369.52
	2,333.59	2,144.16

24. (Increase)/ decrease in work-in-progress and finished goods

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011	(Increase) / Decrease
Inventories at end of year			
Work-in-process	916.87	911.32	(5.55)
Finished goods	418.63	371.64	(46.99)
	1,335.50	1,282.96	**(52.54)**
Inventories at beginning of the year			
Work-in-process	911.32	538.01	(373.31)
Finished goods	371.64	122.99	(248.65)
Less: Trial run inventory of finished goods	-	181.98	181.98
	1,282.96	842.98	**(439.98)**
Net (Increase)/ decrease in work-in-progress and finished goods	(52.54)	(439.98)	
Details of inventory			
Work-in-process			
BOPP Film	856.39	839.62	
Soft leather finishing foil	60.48	71.70	
	916.87	911.32	
Finished goods			
BOPP Film	416.59	366.74	
Soft leather finishing foil	2.04	4.90	
	418.63	371.64	

Notes to Financial Statements for the year ended March 31, 2012

25 . Employee benefit expenses

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	4,908.25	3,586.76
Contribution to provident and other funds	213.32	188.48
Employee stock option scheme (Refer note 30)	771.64	1,531.28
Gratuity expense	60.49	60.14
Staff welfare expenses	231.64	179.35
	6,185.34	5,546.01

i. The Company has paid remuneration to a 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 for which the Company is in the process of obtaining the necessary approval from the Central Government.

ii. In view of aforesaid, the excess amount of Rs. 30.36 Lacs (March 31, 2011: Nil) received by the concerned Directors till March 31, 2012 is held in trust.

25.1. 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 statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(RS. IN LACS)

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
Current service cost	62.72	54.51
Interest cost on benefit obligation	43.46	37.23
Expected return on plan assets	(31.16)	(22.38)
Net actuarial(gain) / loss recognized in the year	(14.53)	(9.22)
Past service cost	-	-
Net benefit expense	60.49	**60.14**
Actual return on plan assets	30.30	22.39

Balance sheet

Benefit asset/ liability (RS. IN LACS)

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	599.16	543.20
Fair value of plan assets	336.08	340.58
Funded Status	(263.08)	(202.62)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(263.08)	**(202.62)**

Changes in the present value of the defined benefit obligation are as follows: (RS. IN LACS)

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
Opening defined benefit obligation	543.20	465.36
Interest cost	43.46	37.23
Current service cost	62.72	54.51
Benefits paid	(34.83)	(4.68)
Actuarial (gains) / losses on obligation	(15.39)	(9.22)
Closing defined benefit obligation	599.16	**543.20**

Notes to Financial Statements for the year ended March 31, 2012

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

(RS. IN LACS)

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
Opening fair value of plan assets	340.58	53.14
Expected return	31.16	22.38
Contributions by employer	0.03	269.74
Benefits paid	(34.83)	(4.68)
Actuarial gains / (losses)	(0.86)	-
Closing fair value of plan assets	336.08	340.58

The Company expects to contribute Rs. Nil (March 2011: Rs. Nil) to gratuity fund in next year.

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

(RS. IN LACS)

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
	%	%
Life Insurance Corporation of India	100.00	100.00

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

(RS. IN LACS)

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
	%	%
Discount rate	8.60	8.00
Expected rate of return on assets	9.25	9.15
Retirement Age	58 years	58 years
Employee turnover		
- Upto 30 years	5%	5%
- 31 to 44 years	5%	5%
- Above 44 years	5%	5%

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. Further, the overall expected rate on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no significant change in expected rate of return on assets.

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

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined benefit obligation	599.16	543.20	465.36	393.12	353.76
Plan assets	336.08	340.58	53.14	72.96	95.66
Surplus / (deficit)	(263.08)	(202.62)	(412.22)	(320.16)	(258.10)
Experience adjustments on plan liabilities	(10.44)	(11.47)	(26.67)	8.79	(14.58)
Experience adjustments on plan assets	(0.86)	-	(1.33)	(1.74)	(0.25)

Notes to Financial Statements for the year ended March 31, 2012

25.2 Provident Fund

The Company has set up a provident fund trust "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its subsidiaries, which is managed by the Company. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per AS-15 (Revised).

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the year ended March 31, 2012. The actuary has accordingly provided a valuation for "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its subsidiaries based on assumptions provided below, there is no shortfall as at March 31, 2012. As per the valuation in respect of active members as against the liability of Rs. 16,224.61 Lacs, the trust fund has assets amounting to Rs. 16,327.19 Lacs. Also, yield on existing funds is earned at the rate of 9.09% per annum as against guaranteed interest at the rate of 8.60% per annum.

The details of fund and plan asset position as at March 31, 2012 are as follows

(RS. IN LACS)

	As at March 31, 2012
Plan assets at year end at fair value	**16,327.19**
Present value of defined benefit obligation at year end	**16,224.61**
Asset recognised in balance sheet	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

(RS. IN LACS)

	As at March 31, 2012
Discount rate	**8.60%**
Withdrawal rate	**10.00%**
Expected guaranteed interest rate	**8.60%**

26. Other Expenses

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spares	**833.21**	602.23
Consumption of packing material	**2,331.27**	1,269.02
Decrease of excise duty on inventories	**55.05**	41.75
Power and fuel	**4,015.10**	2,651.77
Processing charges	**21.86**	21.57
Recruitment expenses	**294.10**	208.03
Rent	**242.48**	237.75
Insurance	**204.45**	135.69
Rates and taxes	**50.87**	20.69
Repairs and maintenance:		
Building	**128.56**	42.61
Plant and equipments	**260.63**	213.54
Others	**635.24**	387.87
Electricity and water	**48.82**	43.30
Printing and stationery	**75.48**	69.07
Travelling and conveyance	**974.48**	734.23
Communication	**105.95**	72.42

Notes to Financial Statements for the year ended March 31, 2012

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Legal and professional	2,020.54	1,360.56
Directors' fee	21.04	25.76
Sales promotion	180.83	80.82
Commission to other than sole selling agents	148.28	87.39
Cash discounts	600.19	188.08
Freight and forwarding expenses	2,527.33	1,202.41
Advertisement and publicity	97.38	107.11
Net loss on sale/disposal of fixed assets	14.02	17.44
Doubtful advances written off	2.58	0.10
Provision for diminution in long term non current investment	213.00	-
Provision for doubtful advances	35.16	40.34
Charity and donation	840.37	668.04
Miscellaneous	72.49	72.89
	17,050.76	10,602.48

26.1 Payment to auditor

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
As auditor: (Included in Legal and professional)		
Audit fee	25.00	19.85
Reimbursement of expenses	1.76	6.08
	26.76	25.93

26.2 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. During the year, balance contribution of Rs. 758.00 Lacs (March 31, 2011 : Rs. 589.00 Lacs) has been contributed by the Company and disclosed under the head Charity and Donation.

Notes to Financial Statements for the year ended March 31, 2012

27. Depreciation and amortization expense

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	2,233.08	1,447.40
Amortization of intangible assets	41.45	16.63
	2,274.53	1,464.03

28. Finance Cost

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	2,862.93	6,579.99
Bank charges	241.70	141.56
	3,104.63	6,721.55

29. Calculation of Earnings per share (EPS) – Basic and Diluted

	For the year ended March 31, 2012	For the year ended March 31, 2011
Basic EPS		
Profit/(loss) after tax (Rs. in Lacs)	(1,544.19)	(4,209.52)
Weighted average number of equity shares outstanding during the year (Nos.)	257,229,181	232,434,229
Basic Earnings Per Share (Rs.)	(0.60)	(1.81)
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	1,434,986	1,356,132
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	258,664,167	233,790,361
Diluted Earnings Per Share (Rs.)	(0.60)	(1.81)
Equivalent weighted average number of warrants against share capital	2,775,956	8,000,000
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	261,440,123	241,790,361
Diluted Earnings Per Share (Rs.)	(0.59)	(1.74)
Profit/(Loss) after tax as above (Rs. in Lacs)	(1,544.19)	(4,209.52)
Add: Interest on 12% compulsorily convertible debentures (Net of Tax) (Rs. in Lacs)	818.91	4,182.67
Adjusted Profit/(Loss) after tax (Rs. in Lacs)	(725.28)	(26.85)
Equivalent weighted average number of 12% Compulsorily Convertible Debentures	4,736,990	24,040,650
Weighted average number of equity shares outstanding during the year for dilutive earnings per share	266,177,113	265,831,011
Diluted Earnings Per Share (Rs.)	(0.27)	(0.01)

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.

Notes to Financial Statements for the year ended March 31, 2012

30 Employee Stock Option Plan

30.1 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. Under the plan, the employees receives shares of the Company. Vesting period ranges from one to four years and options can be exercised within two year from vesting date.

	March 31, 2012		March 31, 2011	
Particulars	**Number of options**	**Weighted Average exercise price (Rs.)**	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	1,318,781	2.00	1,423,458	2.00
Granted during the Year	247,250	2.00	10,000	2.00
Forfeited during the year	-	-	(5,000)	2.00
Exercised during the year	(5,000)	2.00	(109,677)	2.00
Outstanding at the end of the year	**1,561,031**	2.00	1,318,781	2.00
Exercisable at the end of the year	817,052	2.00	400,000	2.00

Weighted average fair value of options granted on the date of grant is Rs. 168.85 (Previous year Rs. 158.45).

	For the year ended March 31, 2012		For the year ended March 31, 2011	
Grant Date	Number of options	Weighted Average remaining life in years	Number of options	Weighted Average remaining life in years
November 19, 2008	24,104	0.84	36,156	2.50
November 19, 2008	12,052	-	-	-
September 4, 2009	72,625	0.43	72,625	2.50
January 1, 2010	400,000	0.75	800,000	2.50
January 1, 2010	800,000	-	400,000	-
June 1, 2010	5,000	-	10,000	2.50
October 8, 2011	247,250	2.41	-	-

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:

Particulars	**As at March 31, 2012**	As at March 31, 2011
Stock Price Now (in Rupees)	170.55	160.05
Exercise Price (X) (in Rupees)	2.00	2.00
Expected Volatility (Standard Dev - Annual)	36.12%	34.82%
Life of the options granted (Vesting and exercise period) in years	1.98	3.33
Expected Dividend	0%	0%
Average Risk- Free Interest Rate	8.29%	6.63%

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to Financial Statements for the year ended March 31, 2012

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:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Net Profit as reported (Rs. in Lacs)	(1,544.19)	(4,209.52)
Add: Employee stock compensation under intrinsic value method	771.64	1,531.28
Less: Employee stock compensation under fair value method	(777.84)	(1,538.16)
Proforma profit (Rs. in Lacs)	(1,550.39)	(4,216.40)
Earnings Per Share (Rs.)		
Basic		
- As reported	(0.60)	(1.81)
- Proforma	(0.60)	(1.81)
Diluted		
- As reported	(0.60)	(1.81)
- Proforma	(0.60)	(1.81)

31. Leases

Operating lease: Company as 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 statement of profit and loss for the year is Rs. 242.48 Lacs (Previous year Rs. 237.75 Lacs). The Company has not entered into sublease agreements in respect of these leases and there are no restrictions placed upon the Company by entering into these leases. The Company has not entered into any non-cancellable leases.

32. 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 invest ments have been combined to form Business Investment Segment.

The above segments have been identified considering:

(i) The nature of products and services

(ii) The differing risks and returns

(iii) Organisational structure of the group, and

(iv) The internal financial reporting systems.

Notes to Financial Statements for the year ended March 31, 2012

Segment Information (RS. IN LACS)

	Speciality Plastic Products		Business Investments		Business Investments	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Revenue						
External Sales (net of excise duty)	**69,490.70**	41,701.04	**-**	-	**69,490.70**	41,701.04
Income from investment activities	**-**	-	**5,210.23**	4,594.13	**5,210.23**	4,594.13
Total revenue from operations	**69,490.70**	41,701.04	**5,210.23**	4,594.13	**74,700.93**	46,295.17
Result						
Segment result	**5,549.75**	3,667.93	**3,749.85**	(1,703.40)	**9,299.60**	1,964.53
Add: unallocated income					**0.63**	1,807.76
Less: unallocated expense					**8,835.10**	6,882.79
Operating profit					**465.13**	(3,110.50)
Interest income					**107.10**	88.34
Less: interest and financial expense					**1,892.38**	458.42
Profit before tax					**(1,320.15)**	(3,480.58)
Income tax					**224.04**	728.94
Profit from ordinary activities					**(1,544.19)**	(4,209.52)
Other information						
Segment assets	**50,248.59**	46,581.07	**254,564.64**	249,717.59	**304,813.23**	296,298.66
Unallocated assets					**2,496.13**	2,829.54
Total assets					**307,309.36**	299,128.20
Segment liabilities	**4,275.26**	6,510.37	**50.25**	52,225.55	**4,325.51**	58,735.92
Unallocated corporate liabilities					**15,818.16**	13,316.88
Total liabilities					**20,143.67**	72,052.80
Cost to acquire tangible and intangible asset						
Capital expenditures	**1,650.64**	13,769.60	**-**	-	**1,650.64**	13,769.60
Unallocated capital expenditures					**149.51**	73.00
Total Additions					**1,800.15**	13,842.60
Depreciation and amortisation expenses						
Depreciation	**2,101.42**	1,308.07	**-**	-	**2,101.42**	1,308.07
Unallocated depreciation					**173.11**	155.96
Total depreciation and amortisation expenses					**2,274.53**	1,464.03
Other non cash expenses						
Provision for diminution in value of investments	**-**	-	**248.16**	34.41	**248.16**	34.41
Employee stock expense scheme					**771.64**	1,531.28
Total other non cash expenses					**1,019.80**	1,565.69

(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, 2012	For the year ended March 31, 2011
India	**52,655.91**	34,976.58
Outside India	**22,045.02**	11,318.59
	74,700.93	46,295.17

Notes to Financial Statements for the year ended March 31, 2012

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, 2012	As at March 31, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011
India	**295,386.60**	288,700.81	**1,650.64**	13,769.60
Outside India	**9,426.63**	7,597.85	-	-
	304,813.23	296,298.66	**1,650.64**	13,769.60

33 . Capitalisation of expenditure

(RS. IN LACS)

Particulars	**As at March 31, 2012**	As at March 31, 2011
Opening Balances	-	303.26
Add:		
Salaries, wages and bonus	-	152.33
Travel and communication	-	72.23
Insurance expenses	-	11.27
Interest expenses	-	283.50
Other financial expenses	-	16.95
Miscellaneous expenses	-	47.68
Raw material consumed on trial run	-	212.76
Power and fuel expense on trial run	-	15.70
Total	-	1,115.68
Less: Inventory of trial run	-	181.98
Less: Sales realization	-	19.32
Less: Capitalised during the year	-	914.38
Preoperative expenses pending capitalisation	-	-

34 . Capital and other commitments

Capital commitments

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	**21.79**	657.63
Less: Capital advances	**21.79**	210.69
Net capital commitment for acquisition of capital assets	-	446.94

Notes to Financial Statements for the year ended March 31, 2012

35 . **Related parties disclosures**

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary companies and step down 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. Neeman Medical International BV 10. Neeman Medical International NV 11. Max Neeman Medical International Inc 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	1. Mr. Analjit Singh 2. Mr. Rahul Khosla 3. Mr. Mohit Talwar
Relatives of key management personnel	1. Ms. Tara Singh (Daughter of Mr. Analjit Singh) 2. 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. Four Seasons Foundation 8. Max 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

Notes to Financial Statements for the year ended March 31, 2012

35.1 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 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 Funds		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Reimbursement of expenses paid												
Max Healthcare Institute Limited.	539.91	427.23	-	-	-	-	-	-	-	-	539.91	427.23
Max Bupa Health Insurance Company Limited.	158.85	18.71	-	-	-	-	-	-	-	-	158.85	18.71
New Delhi House Services Limited.	-	-	-	-	-	-	11.45	15.13	-	-	11.45	15.13
Max India Foundation	-	-	-	-	-	-	2.89	11.23	-	-	2.89	11.23
Bhai Mohan Singh Foundation	-	-	-	-	-	-	-	17.90	-	-	-	17.90
Max Ventures Private Limited.	-	-	-	-	-	-	-	10.62	-	-	-	10.62
Others	53.77	74.28	-	-	-	-	-	2.29	-	-	53.77	76.58
Premium on redemption of preference shares												
Max Healthcare Institute Limited.	1,189.04	-	-	-	-	-	-	`-	-	-	1,189.04	-
Reimbursement of expenses received												
Pharmax Corporation Limited	268.05	205.00	-	-	-	`-	-	-	-	-	268.05	205.00
Max UK Limited	86.09	68.96	-	-	-	-	-	-	-	-	86.09	68.96
New Delhi House Services Limited	-	-	-	-	-	-	30.04	36.53	-	-	30.04	36.53
Delhi Guest House P.Limited	-	-	-	-	-	-	19.44	15.61	-	-	19.44	15.61
Malsi Estates Limited	-	-	-	-	-	-	4.19	1.11	-	-	4.19	1.11
Max India Foundation	-	-	-	-	-	-	9.93	7.06	-	-	9.93	7.06
Max Ventues Private Limited	-	-	-	-	-	-	7.74	-	-	-	7.74	-
Others	4.70	5.95	-	-	-	-	-	-	-	-	4.70	5.95
Services Received												
Healthcare Services												
Max Healthcare Institute Limited	11.35	3.88	-	-	-	-	-	-	-	-	11.35	3.88
Insurance related	-	-	-	-	-	-	-	-	-	-	-	-
Max Newyork Life Insurance Co Ltd	14.16	-	-	-	-	-	-	-	-	-	14.16	-
Max Bupa Health Insurance Co Limited	19.26	-	-	-	-	-	-	-	-	-	19.26	-
Rent												
Pharmax Corporation Limited	158.57	153.07	-	-	-	-	-	-	-	-	158.57	153.07
Veer Singh	-	-	-	-	9.96	9.96	-	-	-	-	9.96	9.96
Lakeview Enterprises	-	-	-	-	-	-	12.36	12.36	-	-	12.36	12.36

Notes to Financial Statements for the year ended March 31, 2012

(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 Funds		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Employee benefit expenses												
Tara Singh	-	-	-	-	-	4.29	-	-	-	-	-	4.29
Repair & Maintenance												
New Delhi House Services Limited	-	-	-	-	-	-	196.92	181.52	-	-	196.92	181.52
Director's Remuneration												
Analjit Singh	-	-	500.72	1,001.77	-	-	-	-	-	-	500.72	1,001.77
Rahul Khosla	-	-	1,241.43	-	-	-	-	-	-	-	1,241.43	-
Mohit Talwar	-	-	38.57	-	-	-	-	-	-	-	38.57	-
Donation Paid												
Max India Foundation	-	-	-	-	-	-	81.53	65.00	-	-	81.53	65.00
Company's contribution to Provident Fund Trust	-	-	-	-	-	-	-	-	123.16	99.49	123.16	99.49
Company's contribution to Gratuity Trust	-	-	-	-	-	-	-	-	60.49	60.14	60.49	60.14
Company's contribution to Superannuation Trust	-	-	-	-	-	-	-	-	42.44	42.24	42.44	42.24
Provision for Diminution												
Max Ateev Limited.	2.51	16.24	-	-	-	-	-	-	-	-	2.51	16.24
Max Healthstaff International Limited.	32.65	18.17	-	-	-	-	-	-	-	-	32.65	18.17
Max UK Limited.	213.00	-	-	-	-	-	-	-	-	-	213.00	-
Loans given												
Max Healthstaff International Limited.	32.65	18.17	-	-	-	-	-	-	-	-	32.65	18.17
Max Healthcare Institute Limited.	4,800.00	-	-	-	-	-	-	-	-	-	4,800.00	-
Loans received back												
Max Healthcare Institute Limited.	4,800.00	-	-	-	-	-	-	-	-	-	4,800.00	-
(Sale) / Purchase of fixed assets												
Max Healthcare Institute Limited.	(0.63)	-	-	-	-	-	-	-	-	-	(0.63)	-
New Delhi House Services Limited	-	-	-	-	-	-	6.21	-	-	-	6.21	-
Max Ventures Private Limited.	-	-	-	-	-	-	(0.09)	-	-	-	(0.09)	-
Interest (Expense) / income												
Max Healthcare Institute Limited.	83.66	-	-	-	-	-	-	-	-	-	83.66	-
Pharmax Corporation Limited.	45.63	25.35	-	-	-	-	-	-	-	-	45.63	25.35

Notes to Financial Statements for the year ended March 31, 2012

(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 Funds		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Investments made												
Max Newyork Life Insurance Company Limited	-	-	-	-	-	-	-	-	-	-	-	-
Max Healthcare Institute Limited.	-	5,338.91	-	-	-	-	-	-	-	-	-	5,338.91
Max Bupa Health Insurance Company Limited.	5,994.00	8,880.00	-	-	-	-	-	-	-	-	5,994.00	8,880.00
Share application money given												
Max Bupa Health Insurance Company Limited.	2,405.00	-	-	-	-	-	-	-	-	-	2,405.00	-
Max Healthcare Institute Limited.	-	2,500.00	-	-	-	-	-	-	-	-	-	2,500.00
Investment in Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-
Max Healthcare Institute Limited.	15,000.00	-	-	-	-	-	-	-	-	-	15,000.00	-
Redemption of in Preference Shares												
Max Healthcare Institute Limited.	15,000.00	-	-	-	-	-	-	-	-	-	15,000.00	-
Shares issued against share warrants												
Dynavest India Private Limited.	-	-	-	-	-	-	17,340.00	-	-	-	17,340.00	-
Balance outstanding as at the year end												
Corporate Guarantee												
Max Healthcare Institute Limited.	43,595.45	62,936.11	-	-	-	-	-	-	-	-	43,595.45	62,936.11
Loans and Advances Given												
Max Ateev Limited	683.89	681.38	-	-	-	-	-	-	-	-	683.89	681.38
Max Newyork Life Insurance Company Limited	59.18	36.41	-	-	-	-	-	-	-	-	59.18	36.41
Max Healthcare Institute Limited	2,168.14	4,338.22	-	-	-	-	-	-	-	-	2,168.14	4,338.22
Pharmax Corporation Limited	452.99	447.62	-	-	-	-	-	-	-	-	452.99	447.62
Max Bupa Health Insurance Company Limited	2,577.66	16.77	-	-	-	-	-	-	-	-	2,577.66	16.77
Max Neeman Medical International Limited	788.08	933.64	-	-	-	-	-	-	-	-	788.08	933.64
Neeman Medical International NV	92.57	92.57	-	-	-	-	-	-	-	-	92.57	92.57
Max Healthstaff International Limited	1,873.64	1,840.99	-	-	-	-	-	-	-	-	1,873.64	1,840.99
Neeman Medical International BV	723.25	723.25	-	-	-	-	-	-	-	-	723.25	723.25
Hometrail Estates Private Limited	10.47	5.03	-	-	-	-	-	-	-	-	10.47	5.03
Malsi Estates Limited	-	-	-	-	-	-	-	2.14	-	-	-	2.14
Max India Foundation	-	-	-	-	-	-	2.49	11.18	-	-	2.49	11.18

Notes to Financial Statements for the year ended March 31, 2012

(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 Funds		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Provision made against above												
Max Ateev Limited	(683.89)	(681.38)	-	-	-	-	-	-	-	-	(683.89)	(681.38)
Max Healthstaff International Limited	(1,873.64)	(1,840.99)	-	-	-	-	-	-	-	-	(1,873.64)	(1,840.99)
Amount Payable												
New Delhi House Services Limited	-	-	-	-	-	-	(16.16)	(13.61)	-	-	(16.16)	(13.61)
Max UK Limited	(50.25)	(32.80)	-	-	-	-	-	-	-	-	(50.25)	(32.80)
Warrants against Share Capital												
Dynavest India Private Limited	-	-		-	-	-	-	-	8,670.00	-	-	8,670.00
Investment in Equity Share Capital												
Max Ateev Limited	3,144.36	3,144.36	-	-	-	-	-	-	-	-	3,144.36	3,144.36
Max Newyork Life Insurance Company Limited	146,665.37	146,650.73	-	-	-	-	-	-	-	-	146,665.37	146,650.73
Max Healthcare Institute Limited.	39,528.94	21,948.92	-	-	-	-	-	-	-	-	39,528.94	21,948.92
Max Bupa Health Insurance Company Limited	26,048.01	20,054.01	-	-	-	-	-	-	-	-	26,048.01	20,054.01
Pharmax Corporation Limited	1,420.65	1,420.65	-	-	-	-	-	-	-	-	1,420.65	1,420.65
Max Neeman Medical International Limited	416.67	416.67	-	-	-	-	-	-	-	-	416.67	416.67
Max Healthstaff International Limited	447.87	447.87	-	-	-	-	-	-	-	-	447.87	447.87
Neeman Medical International BV	3,334.69	3,334.69	-	-	-	-	-	-	-	-	3,334.69	3,334.69
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)	(447.87)	-	-	-	-	-	-	-	-	(447.87)	(447.87)
Max UK Limited	(213.00)	-	-	-	-	-	-	-	-	-	(213.00)	-
Investment in Preference Share Capital												
Pharmax Corporation Limited	1,500.00	1,500.00	-	-	-	-	-	-	-	-	1,500.00	1,500.00

Notes to Financial Statements for the year ended March 31, 2012

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

(RS. IN LACS)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening Balance	**34,885.81**	52,196.99
Addition:		
On preferential allotment of equity shares	**8,670.00**	-
Total	**43,555.81**	52,196.99
Utilizations:		
Investment in subsidiary companies	**23,588.67**	14,811.18
Share application money in subsidiary company pending allotment	**2,405.00**	2,500.00
Total	**25,993.67**	17,311.18
Balance funds invested	**17,562.14**	34,885.81
- **In Fixed Deposits**	**16,756.57**	34,885.81
- **In Mutual Funds**	**805.57**	**-**

37. Contingent Liabilities not provided for

(RS. IN LACS)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
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	**5,625.00**	6,375.00
	- Housing Development Finance Corporation Limited	**17,336.40**	19,563.60
ii.	Claims against the Company not acknowledged as debts (Refer note (b))		
	- Excise Duty Demands	**1,867.86**	1677.31
	- Custom Duty Demands	**362.54**	363.36
	- Service Tax Demands	**323.75**	333.86
	- Entry Tax	**20.19**	-
iii.	Liability on account of discounting of Bills	**533.90**	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	**271.10**	1,482.49
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))	**1,985.84**	2,995.33
vi.	Put option liability of 2% Optionally Partially convertible preference shares allotted by a subsidiary (Refer note (d))	**20,634.05**	36,997.51
vii.	Income Tax cases (note e and f)		
vii.(a)	Disallowances made during assessments for the assessment years 1999-00 to 2009-10	**83.87**	749.31
vii.(b)	Penalty levied under section 271(1)(c) of the Income Tax Act, 1961, which are pending disposal for assessment years 1992-93, 1993-04 and 2002-03 to 2007-08	**686.47**	100.06
vii.(c)	Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005)	**-**	-

Notes to Financial Statements for the year ended March 31, 2012

Note:

a. 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

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.

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. 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. The put option aggregates Rs. 12,500.00 Lacs (Previous year 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, 2011 or in the event of non performance of certain obligations by Max Healthcare Institute Limited and/or by the Company. As confirmed by the management, no such event has happened that necessitates provision of such obligation in books of account.

e. Income tax cases represent the cases pending with income tax/authorities/ High Court/ Supreme Court. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgments / decisions pending with various courts/authorities. The Company has not made any provision for the demands in income tax cases as the Company believes that they have a good case based on existing judicial pronouncements.

f. Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005)

(RS. IN LACS)

			Pending Before	As on March 31, 2012	As on March 31, 2011
1	1998-99	The capital gains realized by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") [1st Stake Sale] were denied exemption under section 10(23G) of the Income-tax Act, 1961 ("the Act") by the Assessing Officer and the sale transaction was held to be chargeable to tax in the financial year relevant to Assessment Year 1998-99 (MTVL had claimed that it pertained to AY 1999-2000). This resulted in a demand of Rs. 9,503.93 Lacs. On appeal by MTVL, the CIT (Appeals) [while concluding that the sale transaction pertained to financial year relevant to Assessment Year 1998-99], quashed the order of the Assessing Officer denying exemption under section 10(23G), thereby cancelling the demand. The Tax Department has filed an appeal with the Income-tax Appellate Tribunal (ITAT) against this order which is pending as on date.	ITAT	-	-

Notes to Financial Statements for the year ended March 31, 2012

(RS. IN LACS)

			Pending Before	As on March 31, 2012	As on March 31, 2011
2	1999-2000	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 claimed that the transaction pertained to Assessment Year 1999-00 and not Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24,993.19 Lacs which included the demand of 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 Department has filed appeal against this order with the ITAT, which is pending as on date.	ITAT	-	-
3	1998-1999	MTVL also filed an appeal before ITAT for Assessment Year 1998-99 contending that the aforesaid sale transaction pertained to financial year relevant to Assessment Year 1999-2000. This was 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 pertained to financial year 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 matters 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. Aggrieved, the Company filed a writ petition to the Hon'ble High Court of Punjab and Haryana (HC) challenging the above action of ITAT on the ground that the same was beyond jurisdiction. The HC admitted the writ petition and stayed the operations of the said order of ITAT. The ITAT, thereafter, adjourned sine-die all the matters pending operation of the stay imposed by the HC. The Department, subsequently, moved a Special Leave Petition (SLP) to Hon'ble Supreme Court against the stay granted by Hon'ble HC. The SLP was dismissed by the Hon'ble Supreme Court with a direction to the HC to expeditiously dispose the writ petition filed by MTVL.	High Court	-	-
4	2006-07	The capital gains realized from the sale of remaining shares of HMTL [2nd Stake Sale] were taxed by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence exemption under Section 10(23G) of the Act was denied and a demand of Rs. 15,585.17 Lacs was raised. MTVL filed an appeal against the said order. The CIT(Appeals), vide order dated March 22, 2011, has quashed the assessment order framed by the Assessing Officer, holding that the assessment was nullity in law and 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 demand stands cancelled. The Department has filed an appeal to ITAT against the said order of CIT(Appeals), which is currently pending. The Department has also initiated proceedings against Max India Limited as Successor of MTVL u/s 147 read with section 148 of the Act vide notice dated April 26, 2011, which are currently pending before the Assessing Officer.	ITAT	-	-

Notes to Financial Statements for the year ended March 31, 2012

38 . Derivative Instruments and Un hedged Foreign Currency Exposure

Particulars of Derivatives	As at March 31, 2012	As at March 31, 2011	Purpose
Forward Contracts (Buy) outstanding at Balance Sheet Date (in Lacs)	NIL NIL NIL	USD 12.20 (INR 548.02) EURO 10.35 (INR 660.54) GBP 2.09 (INR 152.23)	To hedge the liability against outstanding creditors.
Forward Contracts (Buy) outstanding at Balance Sheet Date (in Lacs)	USD 45.30 (INR 2,301.24) EURO 10.46 (INR 705.84)	USD 50.35 (INR 2,234.03) EURO 2.23 (INR 139.11)	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	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Import trade payables (EUR)	1.33	1.62	92.24	103.82
Import trade payables (GBP)	0.41	0.21	34.02	15.62
Import trade payables (USD)	21.01	6.57	1,085.80	29.51
Export trade receivables (USD)	33.37	15.74	1,695.20	698.54
Export trade receivables (EURO)	3.05	1.54	205.81	96.34
Export trade receivables (GBP)	1.87	0.79	151.00	56.45

Closing rates are as under:-

Currency	As at March 31, 2012		As at March 31, 2011	
	TT Buy	TT Sell	TT Buy	TT Sell
USD	50.80	51.68	44.37	44.92
EUR	67.48	69.35	62.38	63.82
GBP	80.75	82.97	71.01	72.63

39. Value of Imports calculated on CIF Basis

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw material	10,033.21	7,800.70
Components and Spares parts	429.94	411.98
Capital goods	648.28	8753.67
	11,111.43	16,966.35

40. Expenditure in Foreign Currency

(RS. IN LACS)

Particular	For the year ended March 31, 2012	For the year ended March 31, 2011
Legal and Professional	412.17	504.56
Salary	116.77	-
Commission	54.64	21.29
Others	312.75	133.16
Total	896.33	659.01

Notes to Financial Statements for the year ended March 31, 2012

41. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(RS. IN LACS)

Particulars	As at March 31, 2012	As at March 31, 2011
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	73.73	132.38
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

42. Imported and Indigenous raw materials and spare parts consumed

(RS. IN LACS)

Materials	For the year ended March 31, 2012		For the year ended March 31, 2011	
	% of Consumption	Value	% of Consumption	Value
Raw Materials				
- Imported	20.81	10,038.97	26.56	7,461.42
- Indigenous	79.19	38,210.82	73.44	20,725.46
	100.00	48,249.79	100.00	28,186.88
Store and Spares				
- Imported	30.05	250.39	32.76	197.29
- Indigenous	69.95	582.82	67.24	404.94
	100.00	833.21	100.00	602.23

Notes to Financial Statements for the year ended March 31, 2012

43 . Earnings in Foreign Currency (Accrual Basis)

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Exports on FOB basis	22,045.02	10,968.29
Settlement compensation	-	1,794.28
Total	**22,045.02**	12,762.57

44. The Company has reclassified previous year figures to conform to this year's classification as per revised Schedule VI.

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 24, 2012

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

RAHUL KHOSLA	Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
RAHUL AHUJA	Group Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 24, 2012

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2012

(RS. IN LACS)

SN	Amount	As at March 31, 2012		As at March 31, 2011	
		Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
I.	Loans and advances in the nature of loans				
A.	To Subsidiaries				
A.1	Max Newyork Life Insurance Company Limited	59.18	59.18	36.41	36.41
A.2	Max Healthcare Institute Limited	2,168.14	2,168.14	1,838.22	1,843.63
A.3	Pharmax Corporation Limited	332.18	332.18	326.81	326.81
A.4	Max Bupa Health Insurance Company Limited	172.66	172.66	16.77	224.11
A.5	Max Neeman Medical International Limited	788.08	947.41	933.64	933.64
A.6	Neeman Medical International NV	92.57	92.57	92.57	92.57
A.7	Hometrail Estates Private Limited	10.47	10.47	5.03	5.04
A.8	Max Ateev Limited	683.89	683.89	681.38	681.38
A.9	Max HealthStaff International Limited	1,873.64	1,873.64	1,840.99	1,840.99
B.	To Associates	Nil	Nil	Nil	Nil
C.	Where there is no repayment schedule or repayment beyond seven years	Nil	Nil	Nil	Nil
D.	Where there is no interest or interest below Section 372A of Companies Act	Nil	Nil	Nil	Nil
E.	To firms/Companies in which directors are interested	Nil	Nil	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	Nil	Nil

Statement Regarding Subsidiary Companies Pursuant to Section 212(3) and 212(5) of the Companies Act,1956

(RS IN LACS)

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 31.03.2012 incorporating Changes Since Close of Financial Year/ Period of Subsidiary Company
		i) Shareholding	ii) Extent of Holding	For the Current Financial Year (Rs. Lacs)	For the Previous Financial Year (Rs. Lacs)	For the Current Finnancial Year	For the Previous Finnancial Year	
Max New York Life Insurance Company Ltd.	31.03.2012	135,68,14,514 Equity Shares of Rs. 10 each	69.77%	32,082.26	(57,881.75)	NIL	NIL	Not Applicable
Max Bupa Health Insurance Company Ltd.	31.03.2012	26,04,80,000 Equity Shares of Rs. 10 each	74.00%	(8,796.06)	(11,781.19)	NIL	NIL	Not Applicable
Max Healthcare Institute Ltd.	31.03.2012	27,42,49,908 Equity Shares of Rs. 10 each	69.36%	(2,280.02)	(7,641.00)	NIL	NIL	Not Applicable
Max Medical Services Ltd. (Note 1)	31.03.2012	3,41,42,535 Equity Shares of Rs. 10 each	69.36%	(757.31)	(1,932.69)	NIL	NIL	Not Applicable
Alps Hospital Ltd. (Note 2)	31.03.2012	50,000 Equity Shares of Rs. 10 each	69.36%	(491.11)	(1,889.27)	NIL	NIL	Not Applicable
Hometrail Estate Pvt. Ltd. (Note 1)	31.03.2012	1,24,10,000 Equity Shares of Rs. 10 each	69.36%	(1,121.57)	(99.35)	NIL	NIL	Not Applicable
Hometrail Buildtech Pvt. Ltd. (Note 1)	31.03.2012	11,010,000 Equity Shares of Rs. 10 each	69.36%	(932.46)	(98.32)	NIL	NIL	Not Applicable
Max Neeman Medical International Ltd.	31.03.2012	41,66,813 Equity Shares of Rs. 10 each	100.00%	220.85	(156.60)	NIL	NIL	Not Applicable
Pharmax Corporation Ltd.	31.03.2012	4,71,17,247 Equity Shares of Re. 1 each	85.20%	234.66	(309.10)	NIL	NIL	Not Applicable
Max Ateev Ltd.	31.03.2012	3,14,43,600 Equity Shares of Rs. 10 each	100.00%	(2.92)	(3,813.94)	NIL	NIL	Not Applicable
Max Healthstaff International Ltd.	31.03.2012	3,945,000 Equity Shares of Rs. 10 each	100.00%	(10.72)	(2,241.13)	NIL	NIL	Not Applicable
Overseas:								
Neeman Medical International B.V.	31.03.2012	38 Ordinary Shares of Euro 500 each	100.00%	(2.19)	(5,423.58)	NIL	NIL	Not Applicable
Neeman Medical International N.V. (Note 3)	31.03.2012	125 Ordinary Shares of Euro 500 each	100.00%	16.77	(8,656.72)	NIL	NIL	Not Applicable
Max Neeman Medical International Inc., USA (Note 4)	31.03.2012	325 Shares (Note 5)	100.00%	2.27	(3,596.76)	NIL	NIL	Not Applicable
Max UK Ltd., UK	31.03.2012	2,99,742 Ordinary Shares of GBP 1 each	100.00%	5.01	(140.59)	NIL	NIL	Not Applicable

Notes:

1. Held through Max Healthcare Institute Ltd.
2. Held through Max Medical Services Ltd.
3. Held through Neeman Medical International B.V., Netherlands
4. Held through Neeman Medical International N.V., Netherlands
5. Paid value of 325 shares is US$ 750,000 equivalent Rs. 366.08 Lacs.
6. Figures in brackets indicate loss.

For and on behalf of the Board of Directors

New Delhi
August 9, 2012

Analjit Singh
Chairman

Max India Limited
Consolidated

MAX

Auditors' Report

The Board of Directors
Max India Limited

We have audited the attached consolidated balance sheet of Max India Limited Group, as at March 31, 2012, and also the consolidated statement of profit and loss 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 compo-nents. 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. 25,822.29 Lacs as at March 31, 2012, the total revenue of Rs. 7,105.13 Lacs and cash flows amounting to Rs. (4,320.85) 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. 1,594.18 Lacs as at March 31, 2012, total revenue of Rs. 655.78 Lacs and net cash flows amounting to (Rs.485.40) Lacs for the year then ended have been consolidated based on the management accounts and are unaudited.

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 March 31, 2012;

(b) in the case of the consolidated statement profit and loss, of the profit for the year ended on that date; and

(c) 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 24, 2012

Consolidated Balance Sheet as at March 31, 2012

(RS. IN LACS)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and Liabilities			
Shareholders' Funds			
Share capital	4	5,291.38	4,649.69
Reserves and surplus	5	245,983.87	128,881.78
Share warrants	6	-	8,670.00
		251,275.25	142,201.47
Preference shares	7	12,500.00	25,000.00
Minority interest	8	70,982.48	36,430.14
Non-current liabilities			
Long-term borrowings	9	39,752.05	39,129.88
Trade payables	10	8,041.41	9,088.26
Other long-term liabilities	10	20,535.99	15,254.22
Long-term provisions	12	282.63	100.93
Deferred tax liabilities (net)	11	1,266.29	1,037.24
Policyholders' liabilities	13	1,355,589.69	1,117,967.18
Funds for future appropriations - participating policies		42,441.11	15,135.60
		1,467,909.17	1,197,713.31
Current liabilities			
Short-term borrowings	14	8,092.51	8,500.51
Trade payables	15	78,362.28	60,886.84
Other current liabilities	15	61,619.55	99,164.74
Short-term provisions	12	16,517.51	16,119.94
Policyholders' liabilities	13	110,350.58	109,341.49
		274,942.43	294,013.52
TOTAL		2,077,609.33	1,695,358.44
Assets			
Non-current assets			
Fixed assets			
Tangible assets	16	111,431.59	80,487.11
Intangible assets	17	6,443.93	4,697.94
Capital work-in- progress		7,467.91	15,720.18
Intangible assets under development		53.12	130.06
Fixed assets held for sale	16	187.51	704.17
Goodwill on consolidation (refer note 5)		18,957.05	8,205.58
Non-current investments	18	1,521,282.60	1,153,211.67
Deferred tax assets (Net)	11	81.35	77.91
Long-term loans and advances	19	22,171.39	24,510.79
Trade receivables	20	8,624.45	8,111.62
Other non-current assets	21	301.76	334.09
		1,697,002.66	1,296,191.12
Current assets			
Current investments	22	228,731.76	246,686.00
Inventories	23	6,343.73	4,893.99
Trade receivables	20	50,231.70	34,773.12
Cash and bank balances	24	56,084.25	71,712.59
Short-term loans and advances	19	19,669.84	27,806.82
Other current assets	21	19,545.39	13,294.80
		380,606.67	399,167.32
TOTAL		2,077,609.33	1,695,358.44
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
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 24, 2012

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

RAHUL KHOSLA Managing Director
N. C. SINGHAL Director
ASHWANI WINDLASS Director
RAHUL AHUJA Group Financial Controller
V. KRISHNAN Company Secretary

New Delhi
May 24, 2012

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(RS. IN LACS)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Income			
Revenue from operations (gross)	25	859,333.04	788,427.29
Less: excise duty		4,695.85	3,104.86
Revenue from operations (net)		854,637.19	785,322.43
Other income	26	1,595.96	3,803.49
Total revenue (I)		856,233.15	789,125.92
Expenses			
Cost of raw material consumed	27	48,249.79	28,186.88
Purchase of pharmacy and pharmaceuticals supplies		21,951.98	17,495.73
(Increase)/ decrease in inventories of work-in-progress, finished goods and traded goods	28	(806.62)	(300.76)
Change in policy reserves	29	265,937.11	319,106.41
Employee benefits expense	30	78,796.36	85,164.12
Other expenses	31	399,123.79	304,661.30
Total expenses (II)		813,252.41	754,313.68
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		42,980.74	34,812.24
Depreciation and amortisation	32	10,196.10	20,340.69
Finance costs	33	8,596.14	11,296.72
Profit before tax		24,188.50	3,174.83
Tax expense			
Current tax		174.52	231.20
Deferred tax		225.61	759.17
Total tax expense		400.13	990.37
Profit after tax		23,788.37	2,184.46
Minority Interest		(8,290.71)	(1,316.82)
Profit after tax (after adjusting minority interest)		15,497.66	867.64
Earnings per equity share	34		
Basic [Nominal value of shares Rs.2 (Previous year Rs.2)]		5.95	0.15
Diluted [Nominal value of shares Rs.2 (Previous year Rs.2)]		5.85	0.14
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
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 24, 2012

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

RAHUL KHOSLA Managing Director
N. C. SINGHAL Director
ASHWANI WINDLASS Director

RAHUL AHUJA Group Financial Controller
V. KRISHNAN Company Secretary

New Delhi
May 24, 2012

Consolidated Cash Flow Statement for the year ended March 31, 2012

(RS. IN LACS)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities			
Net Profit / (loss) before tax		24,188.50	3,174.83
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:			
Depreciation / amortisation		10,196.10	20,340.69
Interest expense		7,097.00	10,112.11
Interest income		(72,915.91)	(50,831.10)
Amortisation of discount/(premium) on investments		(758.19)	(146.87)
Dividend income from investments		(7,494.02)	(6,016.75)
Appropriation / expropriation adjustment account		1,586.38	(434.08)
Net (profit) / loss on sale of fixed assets		242.87	331.42
Net (profit) / loss on sale of current investments		(3,414.37)	(3,635.28)
Net (profit) / loss on sale of other investments		(5,756.00)	(56,763.00)
Unrealised (gain) / loss on investments		36,948.23	3,685.25
Amortisation of miscellaneous expenditure		-	0.36
Fixed assets written off		-	4.18
Debts and doubtful advances written off		104.80	37.91
Provision for doubtful debts and advances		582.19	605.20
Liability/ provisions no longer required written back		(343.13)	(357.80)
Employee stock option expense		1,153.39	1,897.86
Unrealised foreign exchange (gain) / loss		(80.12)	18.74
Change in policyholder reserves		265,937.11	319,106.41
Change in reserves for unexpired risk		3,834.67	1,484.26
Operating profit before working capital changes		**261,109.50**	242,614.34
Movement in working capital :			
Increase/ (decrease) in long-term trade payables		(1,046.85)	(100.66)
Increase/ (decrease) in short-term trade payables		17,778.45	4,021.89
Increase/ (decrease) in long-term provisions		181.70	(6.64)
Increase/ (decrease) in short-term provisions		464.11	(53.88)
Increase/ (decrease) in other current liabilities		11,216.97	11,344.81
Increase/ (decrease) in other long-term liabilities		5,281.77	13,937.60
Decrease / (increase) in long-term trade receivables		(512.83)	4.75
Decrease / (increase) in short-term trade receivables		(15,873.34)	(5,579.91)
Decrease / (increase) in inventories		(1,449.74)	(586.18)
Decrease / (increase) in long-term loans and advances		332.45	(1,486.00)
Decrease / (increase) in short-term loans and advances		8,036.71	4,541.66
Decrease / (increase) in other current assets		(117.54)	(695.09)
Cash generated from/(used in) operations		**285,401.36**	267,956.69
Direct taxes paid (net of refunds)		(35.32)	(1,464.03)
Net cash flow from /(used in) operating activities	**(A)**	**285,366.04**	266,492.66
Cash flow from investing activities			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(33,162.24)	(34,083.08)
Proceeds from sale of fixed assets		885.62	674.62
Purchase of non- current investments in subsidiary		(17,580.03)	-
Purchase of non- current investments		(1,129,419.70)	(1,081,818.85)
Proceeds from sale of non-current investments		666,277.56	746,438.51
Purchase of current investments		(4,201,521.30)	(3,755,274.45)

Consolidated Cash Flow Statement for the year ended March 31, 2012

(RS. IN LACS)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Proceeds from sale/maturity of current investments		4,285,940.70	3,853,038.84
Investment in deposits (having original maturity of more than three months) and margin money		(93,501.89)	(56,152.63)
Redemption in deposits (having original maturity of more than three months) and margin money		125,586.35	18,502.93
Interest Received		66,815.19	45,780.83
Dividend Received		7,494.02	5,810.75
Cash and cash equivalents acquired on subsidiarisation		-	8.71
Net cash flow from /(used in) investing activities	**(B)**	**(322,185.72)**	(257,073.82)
Cash flow from financing activities			
Proceeds from conversion of shares warrants		8,670.00	-
Increase in share capital (minority share in subsidiaries)		69,008.51	3,462.00
ESOPs exercised		0.10	2.19
Share issue expenses		(652.70)	(5.34)
Redemption of cumulative preference shares		(20,293.32)	-
Proceeds from long -term borrowings		7,879.95	12,555.02
Repayment of long -term borrowings		(3,602.20)	(5,246.96)
Proceeds from short -term borrowings		959.46	(2,875.77)
Repayment of short-term borrowings		(1,367.46)	1,779.40
Interest paid		(7,321.99)	(10,259.14)
Net cash flow from /(used in) financing activities	**(C)**	**53,280.34**	(588.60)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		16,460.66	8,830.24
Impact of Foreign Exchange Fluctuations		(4.54)	3.42
Cash and cash equivalents at the beginning of the year		34,071.90	25,238.24
Cash and cash equivalents at the end of the year		**50,528.02**	34,071.90

Components of cash and cash equivalent

	Notes	Ast at March 31, 2012	As at March 31, 2011
Cash on hand		1,508.12	1,584.04
Cheques/drafts on hand		231.60	481.41
With banks -			
on current account		26,822.00	19,506.56
on deposit account		21,960.41	12,439.42
Stamps in hand		5.89	60.47
Total cash and cash equivalents		**50,528.02**	34,071.90
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
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 24, 2012

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

RAHUL KHOSLA	Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
RAHUL AHUJA	Group Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 24, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared to in accordance with generally accepted accounting principles in India (Indian GAAP). These 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 consolidated financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

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 there under 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 relates to Max India Ltd. ("the Company") and its subsidiary companies ("the Group Companies") collectively referred to as the "the Group". The consolidated financial statements have been prepared on the following basis.

The financial statements of the Company and its subsidiaries have been consolidated 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 in accordance with the principles and procedures laid down by the accounting standard on 'Consolidated Financial Statements' and accounting standard on "Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended) using the uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The financial statements of the jointly controlled entities have been consolidated on a line-by-line basis on a proportionate consolidation method to the extent of group's share in those jointly controlled entities.

Minority interest in subsidiaries represents the minority shareholder's proportionate share of net assets and the net income of the Company's subsidiaries.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and the transaction costs, exceeds the book value of net assets in each acquired company. The goodwill arising on consolidation is not amortised but tested for impairment on periodic basis.

All the subsidiaries and joint ventures follows financial year as accounting year.

Notes to Financial Statements for the year ended March 31, 2012

2.1 The list of subsidiary companies considered in consolidated financial statements:

Sr. No.	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2012	Proportion of ownership as at March 31, 2011
1	Max New York Life Insurance Company Limited	India	**69.77%**	73.70%
2	Max Healthcare Institute Limited	India	**69.36%**	75.47%
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:

Sr. No.	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2012	Proportion of ownership as at March 31, 2011
1	Forum I Aviation Limited (V)	India	**14.29%**	14.29%
2	Nova Medical Centres NCR Region Private Limited (VI)	India	**22.44%**	34.00%

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Notes to Financial Statements for the year ended March 31, 2012

3.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.3 Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.4 Depreciation on tangible fixed assets

Depreciation is provided using Straight Line Method on a pro rata basis as per the rates prescribed in Schedule XIV to the Companies Act, 1956, which approximates the useful lives of the assets estimated by the management.

Leasehold improvements are depreciated over respective lease periods.

Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Computer software are amortized over a period of two to six years based on management's estimate of economic useful life of the assets. Technical know-how are amortized over a period of five years.

3.6 Leases

Where the group is lessee

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased item and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges

Notes to Financial Statements for the year ended March 31, 2012

are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act. 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

Where the group is the lessor

Leases in which the group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc.are recognized immediately in the statement of profit and loss.

3.7 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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 are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.8 Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Notes to Financial Statements for the year ended March 31, 2012

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

3.9 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 revenue 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.

3.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as 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 on an individual investment basis.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the statement of profit and loss.

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 pre acquisition interest paid, if any, on purchase. Diminution in the value of investment, other than temporary decline, is charged to revenue and profit and loss as applicable.

a) **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.

b) **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 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, Mumbai (BSE).

Notes to Financial Statements for the year ended March 31, 2012

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.

c) **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.

d) **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.

3.11 Inventories

Raw materials, packing material, stores and spares are valued at 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 of raw materials, packing material and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

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

3.12 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the group 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, usually on delivery of the goods. The group collects sales tax and value added tax on behalf of the government and therefore these are not economic benefits flowing to the group. Hence, they are excluded from revenue. Excise duty 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.

Income from services
Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the group. Hence, it is excluded from revenue.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Notes to Financial Statements for the year ended March 31, 2012

Dividends
Dividend income is recognized when the group's right to receive dividend is established by the reporting date.

Life Insurance Business:
Premium is recognized as income when due. For linked business, premium income is recognized when the associated units are created. Premium on lapsed policies is recognized as income when such policies are reinstated.

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.

Income earned on investments
For linked business, unrealised gains and losses are recognised in respective fund's revenue account.

For non linked business unrealised gains and losses due to change in fair value of listed equity shares and mutual fund units are credited/debited to the fair value change account.

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.

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.

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.

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.

Lease Rentals:
In respect of lease rentals on operating leases, revenue is recognized proportionately on a straight line basis over the period of the related agreements. Contingent lease rent is recognized based on the occurrence of the contingency i.e contingent on turnover of the lessee.

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.

Notes to Financial Statements for the year ended March 31, 2012

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.

3.13 Foreign exchange transactions

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.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. 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.

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.

Forward exchange contracts

The premium or discounts arising at the inception of forward exchange contracts is amortised and recognised as an 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.

Translation of non-integral foreign operations

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at average exchange rates. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

3.14 Employee Benefits

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 statement of profit and loss 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 as determined by the actuary.

Superannuation fund

Superannuation Fund is a defined contribution. 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 statement of profit and loss of the year. The Company does not have any other obligation to the fund other than the contribution payable.

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

Notes to Financial Statements for the year ended March 31, 2012

Limited Employees Gratuity Fund" which in turn has taken a policy with LIC to cover the gratuity liability of the employees.

Compensated Absences Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation using projected unit credit method at the year end.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

3.15 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 in accordance with the Indian Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the subsidiaries operate. 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 group 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 group 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 group 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.

3.16 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

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 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

Notes to Financial Statements for the year ended March 31, 2012

deferred employee compensation expense equal to the unamortized option.

Max Healthcare Institute Limited

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. Compensation cost relating to employee stock option is being measured using the intrinsic value method and is amortized over the vesting period of the option on a straight line basis.

3.17 Segment reporting policies

Identification of segments

The Group'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 area of operations.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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

3.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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

3.19 Provisions

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized

Notes to Financial Statements for the year ended March 31, 2012

because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

3.21 Benefits for Life Insurance Policy Holders

Benefits paid consist of the policy benefit amount and claim settlement costs, if any. Survival benefit claims and maturity claims are accounted when due for payment. Surrender, death and other claims are recognised for, when intimated. 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. Withdrawals under linked policies are accounted in respective schemes along with cancellation of associated units. Reinsurance recoverable , where applicable, are accounted in the same period as the related claim.

3.22 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. Clawback of the commission paid, if any, in future is accounted in the year in which it is recovered.

3.23 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.

3.24 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.

3.25 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.

3.26 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 Max Bupa. 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

3.27 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.

Notes to Financial Statements for the year ended March 31, 2012

3.28 Allocation of Investment Income

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

3.29 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, at each balance sheet date, assesses investments for any impairment and necessary provisions are made for the same where required.

3.30 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.

3.31 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.

3.32 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.

3.33 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.

3.34 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.

3.35 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.

3.36 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the group does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

4. Share Capital

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
460,000,000 (March 31, 2011: 460,000,000) equity shares of Rs. 2/- each	9,200.00	9,200.00
800,000 (March 31, 2011: 800,000) preference shares of Rs.100/- each	800.00	800.00
	10,000.00	10,000.00
Issued, subscribed and fully paid-up shares (Nos.)		
264,569,110 (March 31, 2011: 232,484,410) equity shares of Rs. 2/- each fully paid up	5,291.38	4,649.69
	5,291.38	4,649.69

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	Rs. In Lacs	No. of shares	Rs. In Lacs
Equity Shares				
At the beginning of the year	232,484,410	4,649.69	232,374,733	4,647.49
Issued during the period - conversion of share warrants	8,000,000	160.00	-	-
Issued during the period - conversion of debentures	24,079,700	481.59	-	-
Issued during the period - ESOP	5,000	0.10	109,677	2.20
Outstanding at the end of the year	**264,569,110**	**5,291.38**	232,484,410	4,649.69

4.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4.3 Details of shareholder holding more than 5% shares is set out below (legal ownership)

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Equity shares				
- Xenok Limited	24,079,700	9.10%	-	-
- GS Mace Holdings Limited	17,196,381	6.50%	-	-
- Maxopp Investments Limited	18,844,919	7.12%	13,844,919	6.04%
- Liquid Investment and Trading Company	23,185,244	8.76%	23,185,244	10.14%
- Parkville Holdings Ltd.	7,647,534	2.89%	29,823,320	13.00%
- Medicare Investment Ltd.	11,968,340	4.52%	11,968,340	5.22%

4.4 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 35.

For details of shares reserved for issue on conversion of preference shares, please refer note 7.2 regarding terms of conversion/debentures.

4.5 Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The company has issued total 594,384 shares (March 31, 2011: 589,384 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employees services.

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and Surplus

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Capital Reserve	50.00	50.00
	50.00	50.00
Securities Premium Account		
Balance as per last financial statements	138,408.33	138,222.72
Add: premium on conversion of share warrants	17,180.00	-
Add: additions on ESOPs exercised	8.05	185.61
Add: premium on conversion of debentures	51,711.15	-
Closing Balance	207,307.53	138,408.33
Employee Stock Option Outstanding		
Gross employee stock compensation for options granted in earlier years	10,812.74	10,895.68
Add: gross compensation for options issued during the year	416.12	111.49
Less : transferred to securities premium on exercise of stock options	(421.76)	(185.61)
Less : Stock options forfeited during the year	-	(8.82)
	10,807.10	10,812.74
Less: Deferred employee compensation	7,597.97	8,480.20
Closing Balance	3,209.13	2,332.54
Foreign Currency Translation Reserve		
Balance as per last financial statements	(191.93)	(185.80)
Increase/(decrease) during the year	2.19	(6.13)
Closing Balance	(189.74)	(191.93)
General Reserve		
Balance as per last financial statements	7,891.69	7,891.69
Closing Balance	7,891.69	7,891.69
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(19,608.85)	(27,055.61)
Less: Adjustment for change in minority and cost of control	(2,635.00)	7,100.30
Add: Gain on dilution of controlling interest*	33,787.99	-
Add: Reversal of provision of dividend on preference shares on redemption	919.86	-
Add: Reversal of provision of tax on preference dividend	152.78	-
Less: Reversal of share of minority in provision of preference dividend	(197.64)	-
Profit for the year	15,497.66	867.64
Less: Appropriations		
Dividend on preference shares	(250.00)	(500.00)
Tax on preference dividend	(40.56)	(77.87)
Total appropriations	(290.56)	(577.87)
Share of Minority Interest in preference dividend	89.02	56.69
	(201.54)	(521.18)
Net Surplus/ (deficit) in the statement of profit and loss	27,715.26	(19,608.85)
Total reserves and surplus	245,983.87	128,881.78

* Note: During the year, Life Healthcare (South African based company) has acquired 26% holding in one of the subsidiary of the company, namely Max Healthcare Institute Limited resulting in dilution of the company's holding from 91.3% to 67.6%. Similarly, Axis Bank has been issued 4% equity in Max New York Life Insurance Company Limited resulting in dilution of the company's holding from 73.7% to 69.8%. As a result of these transactions, the group has accounted for Rs 33,787.99 Lacs as gain on dilution of controlling interest and accordingly goodwill of Rs. 4,582.37 Lacs has been derecognise.

Notes to Financial Statements for the year ended March 31, 2012

6. Share warrants

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Nil (March 31, 2011 : 2,000,000) share warrants of Rs. 867/- each, partly paid up	-	8,670.00
	-	8,670.00

During the year, the group has allotted 8,000,000 equity shares of Rs. 2/- each to Dynavest Limited, a promoter group company against 2,000,000 share warrants at a premium of Rs. 214.75 per equity share for an aggregate consideration of Rs. 17,340.00 Lacs.

7. Preference shares

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
125,000,000 (March 31, 2011 : 250,000,000), 2% cumulative partially convertible preference shares of Rs. 10/- each (issued by Max Healthcare Institute Limited, a subsidiary company)	12,500.00	25,000.00
	12,500.00	25,000.00

7.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	Rs. In Lacs	No. of shares	Rs. In Lacs
Cumulative preference shares				
At the beginning of the year	250,000,000	25,000.00	250,000,000	25,000.00
Less: Redeemed during the year	(125,000,000)	(12,500.00)	-	-
Outstanding at the end of the year	125,000,000	12,500.00	250,000,000	25,000.00

7.2 Terms of conversion/redemption of 2% cumulative convertible preference shares

During the financial year 2007-08, Max Healthcare Institute Limited ("MHIL) together with Max India Limited 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), amounting to Rs. 30,000 Lacs on July 28, 2007, as detailed below:

i. 9,090,909 nos., 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 nos., 8 years 2% Cumulative Partially Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25,000 Lacs.

During the year the MHIL has redeemed 125,000,000 preference shares at GIRR 11.25% amounting to Rs. 20,293 Lacs. Further on remaining 125,000,000 preference shares, the MHIL has provided GIRR of 9.25% of Rs. 6,961 Lacs in provisions while balance 2% has been provided as preference dividend in the consolidated financial statements.

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.

Notes to Financial Statements for the year ended March 31, 2012

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 had entered into another tripartite "put option" agreement together with the 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 the 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 obligation 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.

In the event of liquidation of MHIL before conversion /redemption of preference shares, the holders of preference shares will have priority over equity shares in payment of dividend and repayment of capital.

7.3 Details of shareholder holding more than 5% shares in the company (legal ownership)

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Cumulative Convertible Preference Shares of Rs. 10 each				
International Finance Corporation	125,000,000	100%	250,000,000	100%

8. Movement in share of minority interests:

(Rs. in Lacs)

Name of the Subsidiary	Balance as on April 1, 2011	Increase in Capital	Profit/(Loss) for the year	Adjustment*	Balance as on March 31, 2012
Max New York Life Insurance Co. Limited	30,160.97	15,077.51	13,900.55	(6,019.83)	53,119.20
Max Bupa Health Insurance Co Limited	2,906.66	2,106.00	(3,090.51)	-	1,922.15
Max Healthcare Institute Limited	3,323.10	52,215.25	(2,566.48)	(37,117.30)	15,854.57
Pharmax Corporation Limited	39.41	-	47.15	-	86.56
TOTAL	**36,430.14**	**69,398.76**	**8,290.71**	**(43,137.13)**	**70,982.48**

* The adjustments in minority interest consist of changes in the shareholding pattern during the year

Notes to Financial Statements for the year ended March 31, 2012

9. LONG TERM BORROWINGS

(RS. IN LACS)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Debentures (Nos.) (Unsecured)				
Nil (March 31, 2011 6,019,925) 12% Compulsorily Convertible Debentures of Rs. 867/- each fully paid up	-	-	-	52,192.75
10 (March 2011: Nil) 0% fully convertible debentures of Rs. 50,000/- each	-	-	17.29	-
Term Loans (Secured)				
From banks	9,108.55	10,590.24	2,444.76	367.69
From financial institutions	26,789.20	28,061.40	3,622.20	2,977.20
From non-banking financial institution	1,989.02	-	285.81	-
Deferred Payment Liabilities (Unsecured)				
Deferred Payment Liabilities	1,112.77	321.01	438.53	-
Financial Lease Obligation (Secured)	529.18	-	151.17	-
Vehicle Loans (Secured)	223.33	157.23	131.49	90.78
	39,752.05	39,129.88	7,091.25	55,628.42
The above amount includes				
Secured borrowings	38,639.28	38,808.87	6,635.43	3,435.67
Unsecured borrowings	1,112.77	321.01	455.82	52,192.75
Amount disclosed under the head "other current liabilities" (note 15)	-	-	(7,091.25)	(55,628.42)
	39,752.05	39,129.88	-	-

9.1 Debentures

Max India Limited

During the year, the company has converted 6,019,925 compulsory convertible debentures of the face value of Rs. 867/- each, issued on March 11, 2010 into 24,079,700 equity shares of Rs. 2/- each at a premium of Rs. 214.75 per equity share for an aggregate consideration of Rs. 52,192.75 Lacs to Xenok Limited, a wholly owned subsidiary of GS Capital Partners VI Fund, L.P. and certain affiliated funds which are controlled by The Goldman Sachs Group Inc.

Nova Medical Centre NCR Region Pvt Ltd ("Nova Medical")

The debentures are fully and compulsorily convertible into equity shares of Nova Medical at any time before strategic sale or an Initial Public Offering or at any time on such terms and conditions as may be determined by the Board of Directors of Nova Medical.

9.2 Term loans from banks

Max India Limited

i) Term loan from Kotak Mahindra Bank Limited amounting to Rs. 2,500.00 Lacs (March 31, 2011: Rs. 2,470.00 Lacs) 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. The loan is repayable in 20 equal quarterly installments of Rs. 125.00 Lacs each commencing from June 30, 2012 .

ii) Term loan from IndusInd Bank Limited amounting to Rs. 5,922.51 Lacs (March 31, 2011: Rs. 5,267.36 Lacs) is secured

Notes to Financial Statements for the year ended March 31, 2012

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. The loan is repayable in 20 equal quarterly installments of Rs. 296.13 Lacs each commencing from April 1, 2012.

iii) Term loan from Yes Bank Limited amounting to Rs. 2,475.48 Lacs (March 31, 2011: Rs. 2,340.47 Lacs) 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. The loan is repayable in 20 equal quarterly installment of Rs. 123.77 Lacs each commencing from April 1, 2012.

Pharmax Corporation Limited ("Pharmax")
Term loan from Canara Bank amounting to Rs. 155.27 Lacs (March 31,2011: Rs. 413.07 Lacs) is secured against a charge on monthly lease rentals receivable from various lessees and equitable mortgage of freehold property at Okhla, New Delhi. The loan is repayable in 72 equal monthly installment of Rs. 24.24 Lacs commencing from October 2006.

Forum I Aviation
Term loan from HDFC Bank Ltd amounting to Rs. 357.14 Lacs (March 31, 2011: Rs. 467.03 Lacs) is secured by way of first and specific charge on the aircraft purchased out of the proceed of loan. The loan is repayable in 26 equal quarterly installments of Rs. 27.47 Lacs commencing from November 2008.

Nova Medical Centre NCR Region Pvt Ltd
Term loan from Axis Bank Ltd amounting to Rs. 142.91 Lacs (March 31, 2011: Rs. Nil) is secured by first charge by way of hypothecation of entire present & future moveable assets and current assets. The tenor of the loan is 8 years with repayment starting from the 4th year.

9.3 Term loans from financial institutions

Max Healthcare Institute Limited ("MHIL")

(i) Rs.5,625.40 Lacs (March 31, 2011: Rs. 6,374.60 Lacs) from Export Import Bank of India repayable in 15 half yearly installments from December 20, 2008.

(ii) Rs.4,376.00 Lacs (March 31, 2011: Rs. 6,124.00 Lacs) from Housing Developing Finance Corporation Limited repayable in 14 half yearly installments from December 16, 2007.

(iii) Rs.5,460.00 Lacs (March 31, 2011: Rs. 5,940.00 Lacs) from Housing Developing Finance Corporation Limited repayable in 72 half yearly installments from April 15,2010.

(iv) Rs.7,500.00 Lacs (March 31, 2011: Rs. 7,500.00 Lacs) from Housing Developing Finance Corporation Limited repayable in 20 quarterly installments from June 15, 2013.

The above loans are secured by following: {(i), (ii) and (iii) are secured by (a) to (f) and (iv) is secured by (a) to (e) }

(a) Equitable mortgage of the immovable properties of the MHIL.

(b) First charge on the whole of movable fixed assets (excluding vehicles) including medical equipments (except assets having exclusive charge in favour of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc of the MHIL and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited.

(c) First charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the MHIL 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).

(d) Pledge of the MHIL's shareholding in its subsidiary, namely Max Medical Services Limited and pledge of the Max Medical Services Limited's shareholding in Alps Hospital Limited.

(e) Corporate guarantees by the holding company.

(f) Equitable mortgage of specific immovable property of a society.

Notes to Financial Statements for the year ended March 31, 2012

Hometrail Estate Private Limited

Term Loan from the financial institution of Rs. 3,750.00 Lacs (March 31, 2011 : Rs 2,700.00 Lacs) is repayable in 32 quarterly installment commencing from January 2015. The loan is secured by :

(i) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.

(ii) 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.

(iii) 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. 1,200.00 Lacs in aggregate).

(iv) First charge on all intangibles.

(v) Corporate guarantee by the MHIL.

Hometrail Buildtech Private Limited

Term Loan from the financial institution of Rs. 3,700.00 Lacs (March 31, 2011 : Rs. 2,400.00 Lacs) is repayable in 32 quarterly installments commencing from January 2015. The loan is secured by :

(i) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.

(ii) 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.

(iii) 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. 1,000.00 Lacs in aggregate).

(iv) First charge on all intangibles.

(v) Corporate guarantee by the MHIL.

9.4 Term loan from non-banking financial institutions

Max Healthcare Institute Limited ("MHIL")

Loan of Rs. 1,547.20 Lacs (March 31, 2011: Rs. Nil) repayable in 28 quarterly installments commencing from December 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.

Hometrail Estate Private Limited

Term loan from non-banking financial institutions of Rs. 385.92 Lacs (March 31,2011:Nil) is repayable in 28 quarterly installments commencing from December 2011 and is secured by way of exclusive charge over the medical equipment acquired through this facility.

Hometrail Buildtech Private Limited

Term loan from non-banking financial institutions of Rs. 341.71 Lacs (March 31, 2011: Nil) is repayable in 28 quarterly installments commencing from November 2011 and is secured by way of exclusive charge over the medical equipment acquired through this facility.

9.5 Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets over 6 to 36 months commencing from August 2012.

9.6 Finance lease obligation is secured by hypothecation of medical equipments underlying the leases repayable in 20 quarterly installments commencing from December 2011.

9.7 Vehicle Loan

Vehicle Loans Rs. 354.82 Lacs (March 31, 2011 Rs. 248.01 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 Years

Notes to Financial Statements for the year ended March 31, 2012

10. Other long term liabilities

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Trade payables	8,041.41	9,088.26
Other liabilities		
Advances from policyholders	20,413.58	15,249.15
Lease equalisation reserve	117.34	-
Security deposits received	5.07	5.07
	20,535.99	15,254.22
	28,577.40	24,342.48

11. Deferred tax liabilities

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	3,589.60	3,132.10
Gross deferred tax liability	3,589.60	3,132.10
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	600.61	438.55
Provision for doubtful debts and advances	85.02	105.19
Carried forward business loss	225.14	219.35
Unabsorbed depreciation	1,493.89	1,409.68
Gross deferred tax assets	2,404.66	2,172.77
Net deferred tax liability	1,184.94	959.33

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.

The Group follows Accounting Standard (AS 22) "Accounting for taxes on Income", as notified by the Companies Accounting Standard Rules, 2006 (as amended). The company has recognised deferred tax asset on carry forward business losses and unabsorbed depreciation besides on other components since the Company has net deferred tax liabilities at the year end and reversal of deferred tax asset on carry forward losses and unabsorbed depreciation is virtually certain in view of sufficient taxes in income against which such deferred tax assets can be realised in future.

Notes to Financial Statements for the year ended March 31, 2012

12. Provisions

(RS. IN LACS)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for leave encashment	-	-	1,817.31	1,152.01
Provision for gratuity (note 30.1)	281.17	63.69	115.16	105.98
Provision for employee stock options	1.46	37.24	87.07	297.44
Other provisions				
Provision for reserve for unexpired risk	-	-	5,330.28	1,495.61
Provision for guaranteed IRR on cumulative convertible preference shares	-	-	6,961.19	10,157.79
Provision for dividend on preference shares	-	-	1,169.86	1,839.73
Provision for tax on corporate dividend	-	-	193.33	305.56
Provision for income tax (net of advance tax)	-	-	834.99	758.70
Provision for wealth tax	-	-	8.32	7.12
	282.63	100.93	16,517.51	16,119.94

13. Policyholders' liabilities

(RS. IN LACS)

	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Opening balance	1,117,967.18	837,215.52	109,341.49	79,892.96
Add : Change in valuation of liability against life policies in force, Net	237,622.51	280,751.66	(20,033.53)	12,098.10
Add : Policyholder bonus provided	-	-	21,042.62	17,350.43
Closing balance	1,355,589.69	1,117,967.18	110,350.58	109,341.49

14. Short term borrowings

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Loans repayable on demand		
Cash credit from banks (secured)	2,937.51	3,345.51
Short term loan from banks (unsecured)	5,000.00	5,000.00
Deposits		
Inter-corporate deposits payable on demand (unsecured)	155.00	155.00
	8,092.51	8,500.51
The above amount includes		
Secured borrowings	2,937.51	3,345.51
Unsecured borrowings	5,155.00	5,155.00
	8,092.51	8,500.51

Cash credit facilities from banks are repayable on demand and 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 group, both present and future.

Notes to Financial Statements for the year ended March 31, 2012

15. Current Liabilities

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Trade payables (including acceptances)	78,362.28	60,886.84
Other liabilities		
Current maturities of long-term borrowings (note 9)	6,940.08	55,628.42
Current maturity of finance lease obligation (note 9)	151.17	-
Unearned Revenue - Premium received in advance	23.68	20.59
Interest accrued but not due on borrowings	117.14	372.44
Interest accrued and due on borrowings	30.31	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Debenture Interest	-	5.16
Advance from customers and policyholders	17,564.26	17,629.03
Claims outstanding (includes claims pending investigation)	6,298.29	5,544.75
Unclaimed amount - policyholders	21,393.30	11,631.35
Funds for discontinued policies - non payment of premium	205.01	2.00
Other Liabilities		
Security deposit received	129.62	140.42
Statutory dues payable	5,034.66	4,818.94
Capital creditors	3,720.10	3,371.64
Forward payable	11.93	-
	61,619.55	99,164.74
	139,981.83	160,051.58

Notes to Financial Statements for the year ended March 31, 2012

16. TANGIBLE ASSETS

(Rs. in Lacs)

	Land (Freehold)	Land (Leasehold)	Building	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Total
Cost									
At April 1 2010	337.99	6,257.62	13,513.72	22,739.59	43,908.10	7,945.35	23,212.72	1,273.96	119,189.05
Additions	-	-	2,277.18	694.15	15,964.96	260.12	1,692.22	317.46	21,206.09
Deletions/ Adjustments	-	-	-	(4,559.31)	(263.92)	(1,232.92)	(2,738.79)	(229.05)	(9,023.99)
Borrowing Cost	-	-	-	-	283.50	-	-	-	283.50
At March 31, 2011	**337.99**	**6,257.62**	**15,790.90**	**18,874.43**	**59,892.64**	**6,972.55**	**22,166.15**	**1,362.37**	**131,654.65**
Additions	-	-	17,847.79	454.73	15,656.48	1,868.27	2,284.32	541.35	38,652.94
Deletions/ Adjustments	-	-	-	(3,848.35)	(425.55)	(1,068.62)	(3,363.08)	(225.87)	(8,931.47)
Borrowing Cost	-	-	1,140.56	-	-	-	-	-	1,140.56
At March 31, 2012	**337.99**	**6,257.62**	**34,779.25**	**15,480.81**	**75,123.57**	**7,772.20**	**21,087.39**	**1,677.85**	**162,516.68**
Depreciation									
At April 1 2010	-	-	1,374.02	9,331.96	12,620.26	2,769.74	13,276.04	410.49	39,782.51
Charge for the year	-	-	277.20	7,172.00	2,716.88	2,207.36	6,133.14	176.31	18,682.89
Deletions/ Adjustments	-	-	-	(4,142.07)	(52.47)	(1,114.13)	(2,542.74)	(150.62)	(8,002.03)
At March 31, 2011	**-**	**-**	**1,651.22**	**12,361.89**	**15,284.67**	**3,862.97**	**16,866.44**	**436.18**	**50,463.37**
Charge for the year	-	-	497.47	1,096.85	4,116.77	450.28	1,872.85	202.97	8,237.19
Deletions/ Adjustments	-	-	-	(3,445.00)	(154.10)	(942.30)	(3,153.63)	(107.95)	(7,802.98)
At March 31, 2012	**-**	**-**	**2,148.69**	**10,013.74**	**19,247.34**	**3,370.95**	**15,585.66**	**531.20**	**50,897.58**
NET BLOCK									
At March 31, 2011	337.99	6,257.62	14,139.68	6,512.54	44,607.97	3,109.58	5,299.71	926.19	81,191.28
At March 31, 2012	337.99	6,257.62	32,630.56	5,467.07	55,876.23	4,401.25	5,501.73	1,146.65	111,619.10

16.1 Hometrail Estate Private Limited

Land measuring 3.15 acres has been provided by Punjab Government on long term lease of 50 years.

Hometrail Buildtech Private Limited

Land measuring 4.8 acres has been provided by Punjab Government on long term lease of 50 years to the company.

Max Healthcare Institute Limited

Land under perpetual lease Rs. 6,255.80 Lacs (March 31, 2011 Rs. 6,255.80 Lacs).

Pharmax Corporation Limited

Land under perpetual lease Rs. 1.82 Lacs (March 31, 2011 Rs 1.82 Lacs).

16.2 The borrowing cost capitalised during the year ended March 31, 2012 was Rs. 1,140.56 Lacs (March 31, 2011 Rs. 283.50 Lacs). The Company has capitalised this borrowing cost under capital work-in-progress (CWIP). The amount of borrowing cost shown as adjustments in above reflects the amount of borrowing cost transferred from CWIP.

Notes to Financial Statements for the year ended March 31, 2012

16.3 Plant and Machinery includes medical equipment given on an operating lease:

(RS. IN LACS)

	March 31, 2012	March 31, 2011
Gross Block	660	660
Depreciation charge for the year	47	47
Accumulated depreciation	464	417
Net book value	196	243

16.4 Plant and Machinery includes medical equipment taken on finance lease:

(RS. IN LACS)

	March 31, 2012	March 31, 2011
Gross Block	956	-
Depreciation charge for the year	30	-
Accumulated depreciation	18	-
Net book value	605	-

16.5 Gross Block includes assets held for sale Rs 398.15 Lacs (March 31, 2011: Rs 10,708.18 Lacs), Accumulated Depreciation Rs 210.64 Lacs (March 31, 2011: Rs. 10,004.01 Lacs).

17. Intangible Assets

(RS. IN LACS)

	Technical Know how	Computer Software	Total
Gross Block			
At April 1 2010	195.02	9,987.24	10,182.26
Additions	-	3,164.93	3,164.93
Deletions/ Adjustments	(137.73)	(48.03)	(185.76)
At March 31, 2011	**57.29**	**13,104.14**	**13,161.43**
Additions	-	3,704.90	3,704.90
At March 31, 2012	**57.29**	**16,809.04**	**16,866.33**
Amortization			
At April 1 2010	176.84	6,810.46	6,987.30
Charge for the year	11.46	1,646.34	1,657.80
Deletions/ Adjustments	(137.73)	(43.88)	(181.61)
At March 31, 2011	**50.57**	**8,412.92**	**8,463.49**
Charge for the year	6.72	1,952.19	1,958.91
At March 31, 2012	**57.29**	**10,365.11**	**10,422.40**
Net Block			
At March 31, 2011	6.72	4,691.22	4,697.94
At March 31, 2012	**-**	**6,443.93**	**6,443.93**

Notes to Financial Statements for the year ended March 31, 2012

18. Non-current investments

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Non-trade investments (valued at cost unless stated otherwise)		
Life Insurance Business:		
Equity instruments (quoted) 2	596,566.89	501,683.02
Bonds (quoted) 3	102,291.99	74,588.72
Government and trust securities (quoted) 1	364,495.63	286,546.44
Term deposits (unquoted)	34,350.00	12,380.00
Other approved securities & investment in infrastructure & social sector (quoted)	412,706.54	274,049.15
	1,510,411.05	1,149,247.33
Health Insurance Business:		
Bonds (quoted)	7,925.39	2,007.70
Government and trust securities (quoted)	2,946.16	1,956.64
	10,871.55	3,964.34
	1,521,282.60	1,153,211.67
Aggregate amount of quoted investments (Market value: Rs 1,462,101.58 Lacs; March 31, 2011: Rs. 1,129,525.69 Lacs)	1,486,932.60	1,140,831.67
Aggregate amount of unquoted investments	34,350.00	12,380.00
1 Includes earmarked for Life Insurance Policyholders	292,045.54	226,668.61
2 Net of credit in fair value change account	(194.87)	(541.50)
3 Includes earmarked for Life Insurance Policyholders	77,089.06	57,789.63

19. Loans and Advances

		Non - Current		Current	
		As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances					
Unsecured, considered good		1,411.76	3,418.71	-	-
	A	1,411.76	3,418.71	-	-
Security Deposits					
Unsecured, considered good		6,729.80	7,376.83	-	-
Doubtful		5.50	5.50	-	-
		6,735.30	7,382.33	-	-
Provision for doubtful security deposit		(5.50)	(5.50)	-	-
	B	6,729.80	7,376.83	-	-
Advances recoverable in cash or kind					
Unsecured, considered good		11.54	-	4,500.00	6,000.67
Doubtful		305.09	305.09	575.95	428.52
		316.63	305.09	5,075.95	6,429.19
Provision for Doubtful Advances		(305.09)	(305.09)	(575.95)	(428.52)
	C	11.54	-	4,500.00	6,000.67
Intercorporate deposits					
Unsecured, considered good		12,407.50	12,368.67	2,166.20	1,071.13
	D	12,407.50	12,368.67	2,166.20	1,071.13
Loan to policyholders					
Secured, considered good		1,505.45	1,072.43	81.12	89.79
	E	1,505.45	1,072.43	81.12	89.79
Other loans and advances (unsecured, considered good unless stated otherwise)					
Balances with statutory/government authorities		-	-	7,360.91	12,239.81
Prepaid Expenses		49.97	46.80	2,197.17	5,060.22
Loans to Employees		2.05	8.42	27.42	40.24
Advance income tax (net of provisions)		53.32	218.93	3,337.02	3,304.96
	F	105.34	274.15	12,922.52	20,645.23
Total (A+B+C+D+E+F)		22,171.39	24,510.79	19,669.84	27,806.82

Notes to Financial Statements for the year ended March 31, 2012

20. Trade Receivables

(RS. IN LACS)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	3,595.82	2,899.53	6,505.64	7,961.13
Doubtful	-	-	1,300.25	1,063.36
	3,595.82	2,899.53	7,805.89	9,024.49
Provision for doubtful receivables	-	-	(1,300.25)	(1,063.36)
A	3,595.82	2,899.53	6,505.64	7,961.13
Other receivables				
Unsecured, considered good	5,028.63	5,212.09	43,726.06	26,811.99
Doubtful	-	-	448.67	250.80
	5,028.63	5,212.09	44,174.73	27,062.79
Provision for doubtful receivables	-	-	(448.67)	(250.80)
B	5,028.63	5,212.09	43,726.06	26,811.99
Total (A+B)	8,624.45	8,111.62	50,231.70	34,773.12

21. Other Assets

(RS. IN LACS)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise				
Non-current bank balances (under note 24)				
Deposit with original maturity for more than 12 months	10.00	10.00	-	-
Others				
Interest accrued on fixed deposits	26.31	28.24	202.99	912.05
Interest accrued on investments	265.45	295.85	18,564.00	11,721.89
Unbilled revenue	-	-	778.40	660.86
	301.76	334.09	19,545.39	13,294.80

Notes to Financial Statements for the year ended March 31, 2012

22. Current Investments

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Current portion of long term investments (valued at cost)		
Life Insurance Business:		
Bonds (quoted) 2	5,866.92	15,095.00
Government and trust securities(quoted) 1	16,931.30	2,018.15
Term deposits (unquoted)	18,180.39	5,575.71
Investment in infrastructure & social sector (quoted)	47,356.39	20,611.42
	88,335.00	43,300.28
Health Insurance Business:		
Government and trust securities (quoted)	3,428.45	4,034.19
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Life Insurance Business:		
Unit in mutual funds (quoted) 3	9,484.66	27,186.56
Commercial paper/ certificate of deposit (quoted)	75,316.18	143,498.96
Others	37,619.64	19,843.81
	122,420.48	190,529.33
Health Insurance Business:		
Commercial Paper/ Certificate of Deposit (unquoted)	–	3,172.36
Unit in mutual funds (unquoted)	1,023.66	1,445.41
	1,023.66	4,617.77
Other Business		
Equity instruments (quoted)	0.65	0.65
Unit in mutual funds (unquoted)	13,523.52	4,203.78
	13,524.17	4,204.43
	228,731.76	246,686.00
Aggregate amount of quoted investments (Market value: Rs. 158,362.83 Lacs) (March 31, 2011: Rs. 212,445.09 Lacs)	158,389.47	212,468.56
Aggregate amount of unquoted investments	70,342.29	34,217.44
1 Includes earmarked for Life Insurance Policyholders	16,865.83	2,018.15
2 Includes earmarked for Life Insurance Policyholders	5,366.90	15,095.00
3 Net of credit in fair value change account	(144.41)	(23.65)

23. Inventories (at lower of cost or net realisable value)

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Raw and packing materials (including stock in transit Rs. 123.73 Lacs (March 31, 2011; Rs. 247.78 Lacs))	2,333.59	2,144.16
Stores and spares	1,182.67	728.98
Work in process	916.87	911.32
Finished goods	418.63	371.64
Traded goods		
Pharmacy and pharmaceuticals supplies	1,491.97	737.89
	6,343.73	4,893.99

Notes to Financial Statements for the year ended March 31, 2012

24. Cash and Bank Balances

(RS. IN LACS)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents				
Balances with banks				
on current accounts	–	–	26,822.00	19,506.56
Deposits with original maturity of less than three months	–	–	21,960.41	12,439.42
Cheques/drafts on hand	–	–	231.60	481.41
Cash on hand	–	–	1,508.12	1,584.04
Stamps on hand	–	–	5.89	60.47
	–	–	50,528.02	34,071.90
Other Bank Balances				
Deposits with original maturity for more than 12 months	10.00	10.00	20.40	20.40
Deposits with original maturity for more than 3 months but less than 12 months	–	–	4,225.61	37,067.67
Debenture interest accounts	–	–	–	7.74
Margin money deposits	–	–	1,310.22	544.88
	10.00	10.00	5,556.23	37,640.69
Amount of non current assets disclosed under other current assets (note 21)	10.00	10.00	–	–
	–	–	56,084.25	71,712.59

Margin money deposits given as security

Rs. 2.46 Lacs (March 31, 2011: Rs. 2.00 Lacs) to secure bank guarantee given to sales tax authorities.

Rs. 262.00 Lacs (March 31, 2011: Nil) to secure debt service reserve a/c requirement of L & T Infrastructure Finance Company Limited.

Rs. 500.00 Lacs (March 31, 2011: Rs. 500.00 Lacs) to secure short term borrowing from Yes Bank Limited.

Rs. 102.00 Lacs (March 31,2011: Nil) to secure performance bank guarantee in favour of Government of Punjab.

Rs. 42.63 Lacs (March 31, 2011: Rs. 42.88 Lacs) to secure performance bank guarantee issued to customer.

Rs. 401.13 Lacs (March 31, 2011: Nil) to secure letter of credit.

Notes to Financial Statements for the year ended March 31, 2012

25. Revenue from operations

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products		
Finished goods		
BOPP Film	73,715.63	44,179.93
Soft leather finishing foil	470.92	625.97
Traded goods		
Pharmacy and pharmaceuticals supplies	13,719.23	11,062.23
	87,905.78	55,868.13
Sale of services		
Life insurance premium (net)	632,060.23	573,609.84
Health insurance premium (net)	4,909.31	814.62
Healthcare services	40,771.01	35,777.39
Clinical research	2,503.67	2,203.67
Lease rentals	1,387.77	984.15
Construction and services	-	596.32
	681,631.99	613,985.99
Other Operating revenue		
Revenue from investment activities		
Dividend income on		
Current investments	37.81	18.07
Long term investments	7,456.21	5,998.68
Interest income on current investments		
Government securities	2,343.18	1,612.09
Bonds	33.00	205.26
Fixed deposits	2,260.14	2,093.26
Others	1,859.49	1,638.15
Interest income on long term investments		
Government securities	47,934.00	33,281.00
Bonds	17,523.00	11,762.00
Fixed deposits	810.00	136.00
Others	46.00	15.00
Amortisation of discount/(premium)		
Current investments	789.19	433.87
Long term investments	(31.00)	(287.00)
Profit on sale of investments		
Current investments	3,414.37	3,635.28
Long term investments	5,756.00	56,763.00
Option fees	1,150.26	834.43
Appropriation/Expropriation adjustment account	(1,586.38)	434.08
	89,795.27	118,573.17
Revenue from operations (gross)	859,333.04	788,427.29
Less: Excise duty	4,695.85	3,104.86
Revenue from operations (net)	854,637.19	785,322.43

Notes to Financial Statements for the year ended March 31, 2012

25.1. The Company has a put option to transfer upto 24% of its shareholding in Max Bupa Health Insurance Co. Limited and Bupa Singapore Pte. Limited (Bupa Singapore) has a call option under which the Company would be required to transfer 24% of its shareholding in Max Bupa Health Insurance Co. Limited 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, which is disclosed as above.

25.2. Excise duty on sales amounting to Rs. 4,695.85 Lacs (March 31, 2011: Rs. 3,104.86 Lacs) has been reduced from sales in statement of profit and loss and excise duty on decrease in stock amounting to Rs. 55.05 Lacs (March 31, 2011: Rs. 41.75 Lacs) has been considered as expense in note 31 of financial statements.

26. Other Income

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income	107.10	88.34
Liabilities/provisions no longer required written back	343.13	357.80
Settlement compensation	–	1,794.28
Gain on foreign exchange fluctuation (net)	192.36	209.32
Miscellaneous Income	953.37	1,353.75
	1,595.96	3,803.49

27. Cost of raw material consumed

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Inventories at beginning of year	2,144.16	1,239.95
Add: Purchases	48,439.22	29,091.09
Less: inventories at the end of year	2,333.59	2,144.16
Cost of raw material consumed	48,249.79	28,186.88
27.1 Details of raw material consumed		
Polypropylene	42,407.90	21,708.76
Polypropylene compounds	3,675.54	2,038.24
Others	2,166.35	4,439.88
	48,249.79	28,186.88
27.2 Details of raw material inventory		
Polypropylene	652.35	381.05
Polypropylene compounds	1,297.67	1,393.59
Others	383.57	369.52
	2,333.59	2,144.16

Notes to Financial Statements for the year ended March 31, 2012

28. (Increase)/ decrease in work-in-progress, finished goods and traded goods

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011	(Increase) /decrease
Inventories at end of year			
Work-in-process	916.87	911.32	(5.55)
Finished goods	418.63	371.64	(46.99)
Traded goods			
Pharmacy and pharmaceuticals supplies	1,491.97	737.89	(754.08)
	2,827.47	2,020.85	(806.62)
Inventories at beginning of the year			
Work-in-process	911.32	538.01	(373.31)
Finished goods	371.64	122.99	(248.65)
Traded goods			
Pharmacy and pharmaceuticals supplies	737.89	877.11	139.22
Less: Trial run inventory of finished goods	-	181.98	181.98
	2,020.85	1,720.09	(300.76)
Net (Increase)/ decrease in work-in-progress, finished goods and traded goods	(806.62)	(300.76)	
Details of inventory			
Work-in-process			
BOPP Film	856.39	839.62	
Soft leather finishing foil	60.48	71.70	
	916.87	911.32	
Finished goods			
BOPP Film	416.59	366.74	
Soft leather finishing foil	2.04	4.90	
	418.63	371.64	
Traded goods			
Pharmacy and pharmaceuticals supplies	1,491.97	737.89	
	1,491.97	737.89	

29. Change in Policy Reserves

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Change in policy reserves	238,631.60	310,200.19
Transfer to/from Fund for future appropriations-participating policies	27,305.51	8,906.22
	265,937.11	319,106.41

Notes to Financial Statements for the year ended March 31, 2012

30. Employee Benefit Expenses

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	73,139.06	78,473.14
Contribution to provident and other funds	2,333.74	2,447.59
Employee stock option scheme (refer note 35)	1,153.39	1,897.86
Gratuity expense	424.38	414.36
Staff welfare expenses	1,745.79	1,931.17
	78,796.36	85,164.12

i. The group has paid remuneration to a 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 for which the group is in the process of obtaining the necessary approval from the Central Government.

ii. In view of aforesaid, the excess amount of Rs. 30.36 Lacs (March 31, 2011: Nil) received by the concerned Directors till March 31, 2012 is held in trust.

30.1.Gratuity

The group 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 and Max New York Life Insurance Company Ltd. in form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

RS. IN LACS)

	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	651.32	726.45
Interest cost on benefit obligation	206.93	155.02
Expected return on plan assets	(181.05)	(147.25)
Net actuarial(gain) / loss recognized in the year	(252.82)	(319.86)
Past service cost	-	-
Net benefit expense	424.38	414.36
Actual return on plan assets	19.23	20.36

Balance sheet

Benefit asset/ liability

RS. IN LACS)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	2,565.34	2,304.50
Fair value of plan assets	2,169.01	2,134.83
Funded Status	(396.33)	(169.67)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(396.33)	(169.67)

Notes to Financial Statements for the year ended March 31, 2012

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

(RS. IN LACS)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	2,304.50	1,918.37
Interest cost	206.93	155.02
Current service cost	651.32	726.45
Benefits paid by fund	(176.10)	(196.26)
Benefits paid by employer	(76.32)	(15.75)
Actuarial (gains) / losses on obligation	(344.99)	(283.33)
Closing defined benefit obligation	2,565.34	2,304.50

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

(RS. IN LACS)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening fair value of plan assets	2,134.83	1,558.81
Expected return	181.05	147.26
Contributions by employer	121.40	588.49
Benefits paid	(176.10)	(196.26)
Actuarial gains / (losses)	(92.17)	36.53
Closing fair value of plan assets	2,169.01	2,134.83

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

(RS. IN LACS)

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Life Insurance Corporation of India	20	20
Max New York Life Insurance Company Ltd.	80	80

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

(RS. IN LACS)

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Discount rate	8.00-8.75	7.80-8.25
Expected rate of return on assets	4.38-9.25	6.26-9.15
Retirement Age	58-60 years	58 years
Employee turnover	5%	5%

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. Further, the overall expected rate on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no significant change in expected rate of return on assets.

Notes to Financial Statements for the year ended March 31, 2012

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

(RS. IN LACS)

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	2,565.34	2,304.50	1905.59	1372.86	916.26
Plan assets	2,169.01	2,134.83	1544.94	729.48	542.63
Surplus / (deficit)	(396.33)	(169.67)	(360.65)	(643.38)	(373.63)
Experience adjustments on plan liabilities	(76.09)	(30.13)	(37.22)	50.22	2.42
Experience adjustments on plan assets	(92.17)	36.53	111.46	(56.73)	(31.35)

30.2. Provident Fund

The Company has set up a provident fund trust "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its subsidiaries, which is managed by the Company. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per AS-15 (Revised).

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the year ended March 31, 2012. The actuary has accordingly provided a valuation for "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its subsidiaries based on assumptions provided below, there is no shortfall as at March 31, 2012. As per the valuation in respect of active members as against the liability of Rs. 16,224.61 Lacs, the trust fund has assets amounting to Rs. 16,327.19 Lacs. Also, yield on existing funds is earned at the rate of 9.09% per annum as against guaranteed interest at the rate of 8.60% per annum.

The details of fund and plan asset position as at March 31, 2012 are as follows

(RS. IN LACS)

		March 31, 2012
Plan assets at year end at fair value		**16,327.19**
Present value of defined benefit obligation at year end		**16,224.61**
Asset recognised in balance sheet	-	

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

(RS. IN LACS)

	March 31, 2012
Discount rate	**8.60%**
Withdrawal rate	**10.00%**
Expected guaranteed interest rate	**8.60%**

Notes to Financial Statements for the year ended March 31, 2012

31. Other expenses **(RS. IN LACS)**

	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spares	842.73	602.23
Consumption of packing material	2,331.27	1,269.02
(Increase)/decrease of excise duty on inventories	55.05	41.75
Power and fuel	7,651.44	6,570.22
Processing charges	21.86	21.57
Policy issuance cost	12,853.69	19,726.05
Unrealised loss on investment	36,948.23	3,685.25
Agents' commission for insurance business	58,535.55	54,128.77
Claims and other benefits payout	175,577.70	124,074.82
Outside lab investigation	184.28	211.64
Patient catering expenses	529.34	496.84
Clinical trial expenses	827.28	681.68
Sub contracting construction expenses	–	596.32
Recruitment expenses	7,284.07	4,480.03
Rent	10,153.61	13,157.60
Insurance	933.25	1,003.46
Rates and taxes	9,885.86	6,798.21
Repairs and maintenance:		
Building	461.41	376.65
Plant and equipments	1,012.15	898.49
Others	12,231.05	11,589.51
Printing and stationery	2,126.50	2,673.97
Travelling and conveyance	5,450.94	5,737.88
Communication	3,835.50	4,985.83
Legal and professional	17,716.91	15,155.32
Directors' fee	34.39	37.31
Commission to other than sole selling agents	148.28	88.14
Cash discounts	600.19	188.08
Freight and forwarding expenses	8,797.16	4,576.43
Branding, advertisement and publicity	17,601.07	16,660.24
Provision for doubtful debts and advances	582.19	605.20
Net loss on sale/disposal of fixed assets	242.87	331.42
Doubtful advances written off	104.80	37.91
Goodwill written off	–	6.52
Fixed assets written off	–	4.18
Charity and donation	2,559.28	1,549.60
Amortisation of miscellaneous expenditure	–	0.36
Miscellaneous expenses	1,003.89	1,612.80
	399,123.79	304,661.30

31.1 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 the Max India Ltd alongwith its subsidiaries and founder supporter have approved contribution for an amount not exceeding Rs. 5,000.00 Lacs from the group to this initiative.

Of the above, a sum of Rs. 1,933.50 Lacs (March 31, 2011: Rs. 1,139.00 Lacs) has been contributed by the group during the current year and included under the head Charity and Donation. Till date the total contribution paid by the group is Rs. 3,500.50 Lacs (March 31, 2011 Rs. 1,567.00 Lacs).

Notes to Financial Statements for the year ended March 31, 2012

32. Depreciation and Amortization Expense

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	8,237.19	18,682.89
Amortization of intangible assets	1,958.91	1,657.80
	10,196.10	20,340.69

33. Finance Cost

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	7,097.00	10,112.11
Bank Charges	1,499.14	1,184.61
	8,596.14	11,296.72

34. Earnings Per Share (EPS)

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Basic EPS		
Profit after tax (Rs. in Lacs)	15,497.66	867.64
Less: dividends on convertible preference shares & tax thereon	201.54	521.18
Net profit for calculation of basic EPS	15,296.12	346.46
Weighted average number of equity shares outstanding during the year (Nos.)	257,229,181	232,434,229
Basic Earnings Per Share (Rs.)	5.95	0.15
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	1,434,986	1,356,132
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	258,664,167	233,790,361
Diluted Earnings Per Share (Rs.)	5.91	0.15
Equivalent weighted average number of warrants against share capital	2,775,956	8,000,000
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	261,440,123	241,790,361
Diluted Earnings Per Share (Rs.)	5.85	0.14
Profit/(Loss) after tax as above (Rs. in Lacs)	15,497.66	867.64
Add: Interest on 12% Compulsorily Convertible Debentures (Net of Tax) (Rs. in Lacs)	818.91	4,182.67
Adjusted Profit/(Loss) after tax (Rs. in Lacs)	16,316.57	4,529.13
Equivalent weighted average number of 12% Compulsorily Convertible Debentures	4,736,990	24,040,650
Weighted average number of equity shares outstanding during the year for dilutive earnings per share	266,177,113	265,831,011
Diluted Earnings Per Share (Rs.)*	6.13	1.70

*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.

Notes to Financial Statements for the year ended March 31, 2012

35. Employee Stock Option Plan

35.1. Max India Limited

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

Max India 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	March 31, 2012		March 31, 2011	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	1,318,781	2.00	1,423,458	2.00
Granted during the Year	247,250	2.00	10,000	2.00
Forfeited during the year	-	2.00	(5,000)	2.00
Exercised during the year	(5,000)	2.00	(109,677)	2.00
Outstanding at the end of the year	1,561,031	2.00	1,318,781	2.00
Exercisable at the end of the year	817,052	2.00	400000	2.00

Weighted average fair value of options granted on the date of grant is Rs. 168.85 (March 31, 2011: Rs. 158.45)

Grant Date	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
November 19, 2008	24,104	0.84	36,156	2.50
November 19, 2008	12,052	-	-	-
September 4, 2009	72,625	0.43	72,625	2.50
January 1, 2010	400,000	0.75	800,000	2.50
January 1, 2010	800,000	-	400,000	-
June 1, 2010	5,000	-	10,000	2.50
October 8, 2011	247,250	2.41	-	-

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:

Particulars	March 31, 2012	March 31, 2011
A. Stock Price Now (in Rupees)	170.55	160.05
B. Exercise Price (X) (in Rupees)	2.00	2.00
C. Expected Volatility (Standard Dev - Annual) (#)	36.12%	34.82%
D. Life of the options granted (Vesting and exercise period) in years	1.98	3.33
E. Expected Dividend	0%	0%
F. Average Risk- Free Interest Rate	8.29%	6.63%

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to Financial Statements for the year ended March 31, 2012

35.2. Max New York Life Insurance Company Limited

Employee Stock Option Plan – 2004 ("the 2004 Plan"):

The Company had instituted the 2004 Plan, which was approved by the Board of Directors and by the shareholders in September, 2004. Vesting period ranges from one to four years and options can be exercised after 60 months from vesting date. Dates of Grant is July 14, 2004.

Particulars	March 31, 2012		March 31, 2011	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	-	-	1,340,000	0.001
Granted during the Year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(1,340,000)	0.001
Outstanding at the end of the year	**-**	-	**-**	-
Exercisable at the end of the year	-	-	-	-

Weighted average fair value of options granted on the date of grant in March 31, 2011: Rs. 10.

Employee Stock Option Plan – 2006 ("the 2006 Plan"):

The Company had instituted the 2006 Plan, which was approved by the Board of Directors and by the shareholders in March, 2007. Vesting period ranges from one to two years and options can be exercised after 60 months from vesting date. Date of Grant is Oct 30, 2006.

Particulars	March 31, 2012		March 31, 2011	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	1,200,000	10	1,400,000	10
Granted during the Year	-	10	-	10
Forfeited during the year	-	10	-	10
Exercised during the year	(50,000)	10	(200,000)	10
Outstanding at the end of the year	**1,150,000**	10	**1,200,000**	10
Exercisable at the end of the year	1,150,000	10	1,200,000	10

Weighted average fair value of options granted on the date of grant is Rs. 10 (March 31, 2011: Rs. 10).

Employee Stock Option Plan – 2009 ("the 2009 Plan"):

The Company had instituted the 2009 Plan, which was approved by the Board of Directors and by the shareholders in August, 2009. Vesting period ranges from one to four years and options can be exercised after 60 months from vesting date. Dates of Grant are Sep 01, 2009 & Sept 01,2010

Particulars	March 31, 2012		March 31, 2011	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	22,810,000	31.00	21,420,000	32.04
Granted during the Year	-		4,190,000	26.28
Forfeited during the year	(738,500)	30.26	(2,800,000)	32.04
Exercised during the year	(156,500)	31.8	-	-
Outstanding at the end of the year	**21,915,000**	31.09	**22,810,000**	31.00
Exercisable at the end of the year	5,743,650	32.04	1,897,500	32.04

Weighted average fair value of options granted on the date of grant is Rs. 34.07 (March 31, 2011: Rs. 34.44).

Notes to Financial Statements for the year ended March 31, 2012

Grant Date	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
October 30, 2006	1,150,000	-	1,200,000	-
September 1, 2009	12,925,500	1.25	16,722,500	2.25
September 1, 2009	5,389,500	-	1,897,500	-
September 1, 2010	3,245,850	2.25	4,190,000	3.25
September 1, 2010	354,150	-	-	-

The Key assumptions used to estimate fair value of options are:

Particulars	March 31, 2012	March 31, 2011
Risk-free interest rate	5.47% - 7.79%	5.47% - 7.79%
Expected life	4-8 Years	4-8 Years
Expected Volatility	13.87% - 47%	47.00%
Expected dividend yield	0.00%	0.00%

The expecte d life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

35.3. Max Healthcare Institute Limited

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.

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 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, 2012		March 31, 2011	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	3,044,500	10	3,405,000	10
Granted during the Year	925,000	25	259,500	10
Forfeited during the year	259,500	10	-	10
Exercised during the year	2,285,000	10	620,000	10
Outstanding at the end of the year	1,425,000	20	3,044,500	10
Exercisable at the end of the year	-	-	1,535,000	10

The weighted average share price for the period over which stock options were exercised was Rs. 32.30. Weighted average fair value of options granted on the date of grant is Rs.17.51 (March 31, 2011: Rs. 15.78).

Notes to Financial Statements for the year ended March 31, 2012

Grant Date	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
27-Feb-09	-	-	535,000	0.91
7-Dec-09	500,000	1.68	2,250,000	1.46
1-Sep-10	-	-	259,500	2.42
1-Mar-12	925,000	3.87	-	-

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.

Particulars	March 31, 2012	March 31, 2011
A. Stock Price Now (in Rupees)	32.30	23.56
B. Exercise Price (X) (in Rupees)	25.00	10.00
C. Expected Volatility (Standard Dev - Annual)	45.60%	38.02%
D. Historical Volatility	45.60%	38.02%
E. Life of the options granted (Vesting and exercise period) in years	3.96 Years	3 Years
F. Expected Dividend	Nil	Nil
G. Average Risk- Free Interest Rate	8.24%	7.63%
H. Expected Dividend Rate	Nil	Nil

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

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:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Net Profit after tax and minority interest as reported	15,497.66	867.64
Add: Employee stock compensation under intrinsic value method	1,153.39	1,897.86
Less: Employee stock compensation under fair value method	(1,434.59)	(2,911.66)
Proforma profit	15,216.46	(146.16)
Earnings Per Share		
Basic		
- As reported	5.95	0.15
- Proforma	5.92	(0.06)
Diluted		
- As reported	5.85	0.14
- Proforma	5.82	(0.06)

Notes to Financial Statements for the year ended March 31, 2012

36. Leases

36.1. Finance lease:group as lessee

The group has finance leases and hire purchase contracts for various items of plant and machinery. These leases involve significant upfront lease payment, have terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	March 31, 2012		March 31, 2011	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	202.69	151.41	-	-
After one year but not more than five years	604.87	528.94	-	-
More than five years	-	-	-	-
Present value of minimum lease payments	807.56	680.35	-	-

36.2 Operating lease:group as lessee

Lease rentals recognized in the profit and loss account for the year is Rs. 10,153.61 Lacs (March 31, 2011: Rs. 13,157.60 Lacs).

The group 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:

Particulars	March 31, 2012	March 31, 2011
Not later than one year	2,561.18	1,941.99
Later than one year and not later than five year	9,261.01	5,293.10
Later than five year	34,642.64	4,367.17
Total	46,464.83	11,602.26

36.3 Operating lease:company as lessor

i) Max Medical Services Ltd ("MMS") 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, MMS 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 MMS on a monthly basis.

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. 1,249.04 Lacs (March 31, 2011 Rs. 959.08 Lacs) 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.

ii) Income of lease rental from Pharmax Corporation Limited of Rs. 138.73 Lacs (March 31, 2011: Rs. 25.07 Lacs) represents cancellable lease agreement for lease of building.

Notes to Financial Statements for the year ended March 31, 2012

37. Capitalisation of Expenditure

(RS. IN LACS)

Particulars	March 31, 2012	March 31, 2011
Opening Balances	1,820.65	1,053.11
Add:		
Salaries, wages and bonus	414.52	616.83
Travel and Communication	89.26	77.23
Insurance Expenses	27.27	26.27
Interest Expenses	1,140.56	283.50
Legal and Professional	116.27	64.00
Miscellaneous Expenses	332.74	622.10
Raw Material Consumed on trial run	-	212.76
Power and Fuel Expense on trial run	189.63	106.70
Total	4,130.90	3,062.50
Less: Inventory of trial run	-	(181.98)
Less: Sales realization	-	(19.32)
Less: Capitalised during the year	(3,196.90)	(914.38)
Less: Transfer to Capital Work in Progress	-	(126.17)
Preoperative expenses pending capitalisation	**934.00**	**1,820.65**

38. Interest in a joint venture

The Group holds 34% interest in Nova Medical Centres NCR Region Private Ltd. (incorporated in India), a joint controlled entity which is involved in the business of operating multispeciality day care surgical centres in the National Capital Region. However due to incremental share capital contributed by other venturer, the group's share has been effectively reduced to 22.44% as at March 31, 2012

The Group also holds 14.29% interest in Forum I Aviation Limited (incorporated in India), a joint controlled entity which is involved in the business of aircraft chartering services to its members .

Detail of company's share in Joint ventures included in the consolidated financials statement are as follows:

	Forum I Aviation Limited		Nova Medical Centres NCR Region Private Limited		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Assets	1,009.00	1,037.00	547.00	505.00	1,556.00	1,542.00
Liabilities	(1,009.00)	(1,037.00)	(547.00)	(505.00)	(1,556.00)	(1,542.00)
Revenue	347.00	453.00	309.00	114.00	656.00	567.00
Depreciation	(49.00)	(49.00)	(79.00)	(13.00)	(128.00)	(62.00)
Other Expenses	(325.00)	(347.00)	(559.00)	(304.00)	(884.00)	(651.00)
Loss before tax	(27.00)	57.00	(329.00)	(203.00)	(356.00)	(146.00)

Notes to Financial Statements for the year ended March 31, 2012

39. Segment Information

39.1. 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:

a) 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.

b) Life Insurance – This segment relates to the nation wide life insurance business carried out by one of the Company's subsidiary.

c) 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.

d) 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 Contact Research Organizations worldwide.

e) Business Investments – This segment is represented by treasury investments.

f) Health Insurance – One of the Company's subsidiaries is engaged in the business of health Insurance.

g) 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:

(i) The nature of products and services
(ii) The differing risks and returns
(iii) Organizational structure of the group, and
(iv) The internal financial reporting systems.

Segment Revenue consists of segment 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.

39.2. 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.

Notes to Financial Statements for the year ended March 31, 2012

39.3. Segment Information

(RS. IN LACS)

Primary Segments	Speciality Plastic Products		Healthcare business		Business Investments		Life Insurance business		Health Insurance business		Clinical Research Business		Others		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	Current year	Previous year	Current year	Previous year
a. Segment Revenue from																
Sales to external customers	69,490.70	41,701.04	13,719.23	11,062.23	-	-	-	-	-	-	-	-	-	-	83,209.93	52,763.27
Service Income	-	-	42,020.05	37,332.79	-	-	632,060.23	573,609.84	4,909.31	814.62	2,503.67	2,203.67	138.73	25.07	681,631.99	613,985.99
Service/Interest Income from inter segments	-	-	5,370.38	4,920.18	1,318.33	25.35	23.78	10.80	182.53	-	267.49	191.97	527.30	669.07	7,689.81	5,817.37
Income from investment activities	-	-	1,927.76	1,665.64	3,891.90	4,568.78	82,427.02	111,428.24	1,381.40	794.12	39.02	19.81	128.17	96.58	89,795.27	118,573.17
Total Segment Revenue	69,490.70	41,701.04	63,037.42	54,980.84	5,210.23	4,594.13	714,511.03	685,048.88	6,473.24	1,608.74	2,810.18	2,415.45	794.20	790.72	862,327.00	791,139.80
Less: Inter segment revenue	0.00	0.00	5370.38	4920.18	1318.33	25.35	23.78	10.80	182.53	0.00	267.49	191.97	527.30	669.07	7,689.81	5,817.37
Revenue from operations	69,490.70	41,701.04	57,667.04	50,060.66	3,891.90	4,568.78	714,487.25	685,038.08	6,290.71	1,608.74	2,542.69	2,223.48	266.90	121.65	854,637.19	785,322.43
b. **Segments Results**	5,549.75	3,667.93	(8,393.52)	(1,873.15)	2,808.97	(1,668.99)	45,982.89	19,405.97	(11,886.56)	(11,632.02)	311.33	432.62	431.02	284.35	34,803.88	8,616.71
Interest Income															107.10	88.34
Sub-total															34,910.98	8,705.05
Less:																
Unallocated Expenses (Net of unallocated income)															8,830.10	5,071.80
Interest Expenses															1,892.38	458.42
Profit before tax															24,188.50	3,174.83
Provision for taxation (includes provision for Deferred Tax)															400.13	990.37
Profit after tax															23,788.37	2,184.46
Minority Interest															(8,290.71)	(1,316.82)
Profit after tax (after adjusted minority interest)															15,497.66	867.64
c. **Carrying amount of segment assets**	50,248.59	46,581.07	130,803.43	101,975.75	28,777.96	47,585.41	1,817,391.02	1,465,378.05	22,852.57	16,903.70	2,451.71	2,219.83	3,549.60	3,601.31	2,056,074.88	1,684,245.12
Add: Unallocated assets															2,577.40	2,907.74
Goodwill															18,957.05	8,205.58
Total Assets															2,077,609.33	1,695,358.44
d. **Segment Liabilities**	4,275.26	6,510.37	23,164.15	19,482.60	-	52,192.75	1,641,070.56	1,350,230.32	12,827.93	5,705.60	901.53	909.41	421.40	456.06	1,682,660.83	1,435,487.11
Add: Unallocated liabilities															72,690.77	81,239.72
Total Liabilities															1,755,351.60	1,516,726.83
e. **Cost to acquire tangible and intangible fixed assets**	1,650.64	13,769.60	30,062.76	13,324.01	-	-	2,523.91	3,226.32	645.97	1,304.40	125.02	58.76	11.38	803.15	35,019.68	32,486.24
Unallocated															149.51	385.68
Total Addition															35,169.19	32,871.92
f. **Depreciation and amortisation expenses**	2,101.42	1,308.07	3,383.99	2,341.94	-	-	3,783.58	15,911.49	575.55	427.64	62.53	76.28	115.85	119.37	10,022.92	20,184.79
Unallocated Depreciation and amortization															173.18	155.90
Total depreciation and amortization															10,196.10	20,340.69
g. **Non-cash expenses other than depreciation and amortisation**	-	-	263.41	116.47	-	-	118.34	250.10	-	-	-	-	-	-	381.75	366.57
Unallocated Non cash expenses															771.64	1,531.29
Total															1,153.39	1,897.86

Secondary Segment

(RS. IN LACS)

		India		Outside India		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
a.	Revenue from external customers	830,708.66	772,718.01	23,928.53	12,604.42	854,637.19	785,322.43
b.	Carrying amount of segment assets by location of assets	2,050,020.32	1,680,081.42	6,054.56	4,163.70	2,056,074.88	1,684,245.12
c.	Cost to acquirer tangible and intangible fixed assets by location of assets	35,019.68	32,486.24	-	-	35,019.68	32,486.24

Notes to Financial Statements for the year ended March 31, 2012

40. Related Parties Disclosure

Names of other related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. Analjit Singh Mr. Rahul Khosla Mr. Mohit Talwar
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)
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited Lakeview Enterprises Delhi Guest House Private Limited Dynavest India Private Limited Malsi Estates Limited Max India Foundation Bhai Mohan Singh Foundation Max Ventures Private Limited
Employee benefit funds	Max India Ltd. Employees' Provident Fund Trust Max India Ltd. Superannuation Fund Max India Limited Employees' Gratuity Fund

Notes to Financial Statements for the year ended March 31, 2012

RELATED PARTY DISCLOSURES

(Rs. in Lacs)

Transactions during the year	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
Reimbursement of Expenses received								
Analjit Singh	**8.33**	15.95	-	-	-	-	**8.33**	15.95
Tara Singh	-	-	-	0.10	-	-	-	0.10
Piya Singh	-	-	-	0.30	-	-	-	0.30
Neelu Analjit Singh	-	-	-	0.13	-	-	-	0.13
Veer Singh	-	-	-	0.17	-	-	-	0.17
Malsi Estates Ltd	-	-	-	-	**9.53**	23.08	**9.53**	23.08
Bhai Mohan Singh Foundation	-	-	-	-	-	17.90	-	17.90
Max Ventures Pvt Ltd	-	-	-	-	**136.23**	21.62	**136.23**	21.62
Max India Foundation	-	-	-	-	**2.89**	16.25	**2.89**	16.25
New Delhi House Services Ltd	-	-	-	-	**12.27**	15.14	**12.27**	15.14
Director's Remuneration								
Analjit Singh	**500.72**	1,001.77	-	-	-	-	**500.72**	1,001.77
Rahul Khosla	**1,241.43**	-	-	-	-	-	**1,241.43**	-
Mohit Talwar	**38.57**	-	-	-	-	-	**38.57**	-
Salary paid								
Tara Singh	-	-	-	4.29	-	-	-	4.29
Piya Singh	-	-	**5.00**	5.20	-	-	**5.00**	5.20
Rent Paid								
Veer Singh	-	-	**9.96**	9.96	-	-	**9.96**	9.96
Lakeview Enterprises	-	-	-	-	**12.36**	12.36	**12.36**	12.36
Reimbursement of other expenses paid								
Delhi Guest Houses Pvt Ltd	-	-	-	-	**19.44**	15.61	**19.44**	15.61
Max India Foundation	-	-	-	-	**296.99**	356.69	**296.99**	356.69
New Delhi House Services Ltd	-	-	-	-	**548.61**	188.57	**548.61**	188.57
Malsi Estates Ltd	-	-	-	-	**4.19**	-	**4.19**	-
Max Ventures Pvt Ltd	-	-	-	-	**7.74**	-	**7.74**	-
Interest Paid								
Medicare Investments Ltd	-	-	-	-	**13.50**	12.50	**13.50**	12.50
Maxopp Investments Ltd	-	-	-	-	**7.43**	7.42	**7.43**	7.42

Notes to Financial Statements for the year ended March 31, 2012

RELATED PARTY DISCLOSURES

(Rs. in Lacs)

Transactions during the year	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
Capital Work in Progress								
Malsi Estates Ltd	-	-	-	-	-	206.79	-	206.79
New Delhi House Services Ltd	-	-	-	-	-	19.17	-	19.17
Deposits & Advance Given								
Max Ventures Pvt Ltd	-	-	-	-	-	95.65	-	95.65
Deposit & Advance Accepted								
Max Ventures Pvt Ltd	-	-	-	-	-	85.54	-	85.54
Company's Contribution towards Retirements & Superannuation Funds								
Max India Ltd Employee's PF Trust	-	-	-	-	1,996.59	2,236.93	1,996.59	2,236.93
Max India Ltd Superannuation Fund	-	-	-	-	42.44	50.58	42.44	50.58
Max India Ltd Gratuity Fund	-	-	-	-	60.49	60.14	60.49	60.14
Balance Outstanding at the end of year:								
Amount Payable								
New Delhi House Services Ltd	-	-	-	-	(49.86)	(42.67)	(49.86)	(42.67)
Malsi Estates Ltd	-	-	-	-	(9.19)	(24.15)	(9.19)	(24.15)
Max India Foundation	-	-	-	-	(58.07)	(8.23)	(58.07)	(8.23)
Amount Receivable								
Max Ventures Pvt. Limited	-	-	-	-	66.00	10.10	66.00	10.10
Loans & Advances taken								
Medicare Investment Limited	-	-	-	-	(100.00)	(100.00)	(100.00)	(100.00)
Maxopp Investment Limited	-	-	-	-	(55.00)	(55.00)	(55.00)	(55.00)
Loans & Advances given								
Max India Foundation	-	-	-	-	-	11.18	-	11.18
Warrants against share capital								
Dynavest India Private Limited	-	-	-	-	-	8,670.00	-	8,670.00
Shares Issued against share warrants								
Dynavest India Private Limited	-	-	-	-	17,340.00	-	17,340.00	-

Notes to Financial Statements for the year ended March 31, 2012

41.0 Capital and Other Commitments

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	7,321.96	23,859.42
Less: Capital Advances	1,411.76	3,418.71
Net capital commitment for acquisition of capital assets	5,910.20	20,440.71

41.1 Commitment with respect to leases refer note 36

42.0 Contingent Liabilities not provided for

(RS. IN LACS)

S.No.	Particulars	As at March 31, 2012	As at March 31, 2012
i.	Corporate guarantee given to financial institutions / banks on behalf of others. (Refer note (a))		
	- Export-Import Bank of India	2,680.00	2,920.00
	- Housing Development Finance Corporation Limited	4,275.00	4,800.00
	- Punjab National Bank	-	2,618.00
	- IndusInd Bank Limited	5,000.00	-
ii.	Claims against the Company not acknowledged as debts (Refer note (b))		
	- Excise Duty Demands	1,867.86	1,677.31
	- Custom Duty Demands	362.54	363.36
	- Service Tax Demands	323.75	333.86
	- Legal claims	2,130.70	1,311.89
	- Entry Tax	20.19	-
	- Potential liability in respect of repudiated policyholders claims	510.33	626.45
iii.	Liability on account of discounting of bills	533.90	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	283.54	3,563.72
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))	1,985.84	2,995.33
vi.	Bank Guarantees	-	27.00
vii.	Income Tax cases (note d, e and f)		
vii.(a)	Disallowances made during assessments for the assessment years 1999-00 to 2009-10	89.60	755.04
vii.(b)	Penalty levied under section 271(1)(c) of the Income Tax Act, 1961, which are pending disposal for assessment years 1992-93, 1993-94 and 2002-03 to 2007-08	686.47	100.06
vii.(c)	Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005)	-	-

Notes to Financial Statements for the year ended March 31, 2012

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 judgments / decisions pending with various forums/authorities. The Company has not made any provision for the demands in Excise, Service Tax and Customs and legal claims as the Company believes that they have a good case based on existing judicial pronouncements.

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. Income tax cases represent the cases pending with income tax/authorities/ High Court/ Supreme Court. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgments / decisions pending with various courts/authorities. The Company has not made any provision for the demands in income tax cases as the Company believes that they have a good case based on existing judicial pronouncements.

e. Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005)

(RS. IN LACS)

S.No.	Assessment Year	Brief Description	Pending Before	Demand As on March 31, 2012	Demand As on March 31, 2011
1	1998-99	The capital gains realized by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") [1st Stake Sale] were denied exemption under section 10(23G) of the Income-tax Act, 1961 ("the Act") by the Assessing Officer and the sale transaction was held to be chargeable to tax in the financial year relevant to Assessment Year 1998-99 (MTVL had claimed that it pertained to AY 1999-2000). This resulted in a demand of Rs. 9,503.93 Lacs. On appeal by MTVL, the CIT (Appeals) [while concluding that the sale transaction pertained to financial year relevant to Assessment Year 1998-99], quashed the order of the Assessing Officer denying exemption under section 10(23G), thereby cancelling the demand. The Tax Department has filed an appeal with the Income-tax Appellate Tribunal (ITAT) against this order which is pending as on date.	ITAT	-	-
2	1999-2000	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 claimed that the transaction pertained to Assessment Year 1999-00 and	ITAT	-	-

Notes to Financial Statements for the year ended March 31, 2012

(RS. IN LACS)

S.No.	Assessment	Brief Description	Pending Before	Demand As on March 31, 2012	Demand As on March 31, 2011
		not Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24,993.19 Lacs which included the demand of 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 Department has filed appeal against this order with the ITAT, which is pending as on date.			
3	1998-99	MTVL also filed an appeal before ITAT for Assessment Year 1998-99 contending that the aforesaid sale transaction pertained to financial year relevant to Assessment Year 1999-2000. This was 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 pertained to financial year 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 matters 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. Aggrieved, the Company filed a writ petition to the Hon'ble High Court of Punjab and Haryana (HC) challenging the above action of ITAT on the ground that the same was beyond jurisdiction. The HC admitted the writ petition and stayed the operations of the said order of ITAT. The ITAT, thereafter, adjourned sine-die all the matters pending operation of the stay imposed by the HC. The Department, subsequently, moved a Special Leave Petition (SLP) to Hon'ble Supreme Court against the stay granted by Hon'ble HC. The SLP was dismissed by the Hon'ble Supreme Court with a direction to the HC to expeditiously dispose the writ petition filed by MTVL.	High Court	-	-
4	2006-07	The capital gains realized from the sale of remaining shares of HMTL [2nd Stake Sale] were taxed by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence exemption under Section 10(23G) of the Act was denied and a demand of Rs. 15,585.17 Lacs was raised. MTVL filed an appeal against the said order. The CIT(Appeals), vide order dated March 22, 2011, has quashed the assessment order framed by the Assessing Officer, holding that the assessment was nullity in law and 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 demand stands cancelled. The Department has filed an appeal to ITAT against the said order of CIT(Appeals), which is currently pending. The Department has also initiated proceedings against Max India Limited as Successor of MTVL u/s 147 read with section 148 of the Act vide notice dated April 26, 2011, which are currently pending before the Assessing Officer.	ITAT	-	-

Notes to Financial Statements for the year ended March 31, 2012

f) **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. 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. CIT (Appeals) has passed favourable orders for all the above mentioned assessment years i.e 2002-03 to 2005-06. Appeal against the orders have been filed with Income Tax Appellate Tribunal by the Department. 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. 5414.09 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. 5023.02 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. 1421.15 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). The returned loss for AY 2008-09 has been reduced from Rs. 14,684.45 Lacs to Rs. 13,471.61 Lacs by making disallowance of Rs. 635.02 Lacs on account of loss on sale of investment, Rs. 468.91 Lacs on provision for FBT and Rs. 100.03 Lacs on provision for bad & doubtful debts & Rs. 8.88 Lacs on donation paid. Appeal against the order has been filed with CIT (Appeals).

For the assessment year 2009-10, the returned loss has been reduced from Rs. 32,270.85 Lacs to Rs. 30,449.38 Lacs by making disallowance of Rs. 653.53 Lacs on account of loss on sale of investment, Rs. 794.30 Lacs on provision for FBT and Rs. 132.13 Lacs on provision for bad & doubtful debts & Rs.241.51 Lacs on donation paid. Appeal against the order has been filed with CIT (Appeals).

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

43.0 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% (March 31, 2011: - 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% (March 31, 2011: - 0.80%) for participating business and 1.80% (March 31, 2011: - 1.80%) for non-participating business. A gross unit growth rate of 7.75% pa (March 31, 2011: - 7.75% pa) has been used which was reduced by a margin of adverse

Notes to Financial Statements for the year ended March 31, 2012

deviation of 1.30% (March 31, 2011: - 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 % (March 31, 2011: - 2.50%).

(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 is 100% of the base table (March 31, 2011: – 95%) whereas the long term mortality assumption coverages to 70% (March 31, 2011: – 70%) of the base table. The mortality assumption for the major unit-linked products is 80% (March 31, 2011: – 80%) of the base table is year 1 and 70% (March 31, 2011: – 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% (March 31, 2011: - 10%) for participating business and 25% (March 31, 2011: - 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% (March 31, 2011: - 95% to 300%) of these tables have been used which were further increased by a margin for adverse deviation of 25% (March 31, 2011: – 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 % (March 31, 2011: - 10%) for participating policies and 10 % (March 31, 2011: - 10%) for non-participating and health policies.

(e) **Inflation:** An assumption of 6.5 % pa (March 31, 2011: - 6.25% pa) for expense inflation has been used.

(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 % (March 31, 2011: - 20%) for participating policies, 50 % (March 31, 2011: - 50%) for non-participating policies and 20% (March 31, 2011: - 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.

Notes to Financial Statements for the year ended March 31, 2012

44.0 Derivative Instruments and un hedged foreign currency exposure

Particulars of Derivatives	March 31, 2012	March 31, 2011	Purpose
Forward Contracts (Buy) outstanding at Balance Sheet Date (in Lacs)	NIL	USD 12.20 (INR 548.02)	To hedge the liability against outstanding creditors.
	NIL	EURO 10.35 (INR 660.54)	
	NIL	GBP 2.09 (INR 152.23)	
Forward Contracts (Sell) outstanding at Balance Sheet date (in Lacs)	USD 45.30 (INR 2,301.24)	USD 50.35 (INR 2,234.03)	To hedge the outstanding debtors.
	EURO 10.46 (INR 705.84)	EURO 2.23 (INR 139.11)	

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

Particulars	Foreign Currency in Lacs		Indian Rupees in Lacs	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Import trade payables (EUR)	**1.97**	1.62	**136.32**	103.82
Import trade payables (GBP)	**0.41**	0.21	**34.02**	15.62
Import trade payables (USD)	**48.37**	6.57	**2,499.60**	29.51
Import trade payables (YEN)	**27.66**	-	**1,764.98**	-
Export trade receivables (USD)	**33.37**	15.74	**1,695.20**	698.54
Export trade receivables (EURO)	**3.05**	1.54	**205.81**	96.34
Export trade receivables (GBP)	**1.87**	0.79	**151.00**	56.45

Closing rates are as under:-

Currency	March 31, 2012		March 31, 2011	
	TT Buy	TT Sell	TT Buy	TT Sell
USD	**50.80**	**51.68**	44.37	44.92
EUR	**67.48**	**69.35**	62.38	63.82
GBP	**80.75**	**82.97**	71.01	72.63
YEN	**0.00**	**63.81**	-	-

45.0 Hometrail Estate Private Ltd (HEPL) and Hometrail Buildtech Private Ltd (HBPL) had entered into a triplicate long term concessional agreement along with MHIL, with the government of punjab. As per the terms of the concessional agreement the HEPL and HBPL is to build, own and operate a Hospital for a initial term of 50 years.

46.0 During the year ended March 31, 2009, the MNYL 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. 32,906.83 Lacs (USD 725.66 Lacs) 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. 8,405.34 Lacs (March 31, 2011: Rs. 7,011.08 Lacs) in the statement of Profit and Loss Account (Shareholder's Account). This includes Rs.7,045.57 Lacs towards amortization of the total consideration on a straight line basis over the tenure of the agreement and prepaid balance of Rs. 1,359.77 Lacs, which is charged off on an accelerated basis.

Notes to Financial Statements for the year ended March 31, 2012

47.0 Subsequent to the Balance Sheet date, Japan's MS & AD insurance group, signed a definitive tripartite agreement with New York Life Insurance and Max India Limited to acquire a 26 per cent stake in Max New York Life Insurance Company Limited. The stake of New York Life Insurance would be transferred post regulatory approvals.

48.0 The group has reclassified previous year figures to conform to this year's classification as per revised Schedule VI.

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 24, 2012

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

RAHUL KHOSLA	Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
RAHUL AHUJA	Group Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 24, 2012

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2012

(RS IN LACS)

		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.	Alps Hospital Ltd.	Hometrail Estate Pvt. Ltd.	Hometrail Buildtech Pvt. Ltd.	Max Neeman Medical International Ltd.	Pharmax Corporation Ltd.	Max Ateev Ltd.	Max Healthstaff International Ltd.	Neeman Medical International B.V.	Neeman Medical International N.V.	Max Neeman Medical International Inc., USA	Max UK Ltd., UK
a	Share Capital	194,469.12	35,200.00	52,038.00	3,414.25	5.00	1,241.00	1,101.00	416.68	2,055.77	3,144.36	394.50	8.26	26.81	366.08	213.00
b	Reserves and Surplus	(10,974.75)	(24,557.09)	24,554.32	4,143.47	(3,431.88)	3,193.55	2,908.37	60.21	(362.79)	(3,816.85)	(2,251.85)	5,589.14	2,432.55	(4,043.44)	(109.55)
c	Total Assets	1,817,993.35	22,858.75	129,218.00	24,198.49	4,989.79	10,810.84	10,231.73	2,445.76	2,976.17	13.14	40.41	5,599.71	3,278.88	115.85	120.86
d	Total Liabilities	1,641,531.55	12,215.84	52,625.68	16,640.77	8,416.68	6,376.29	6,222.36	1,968.87	1,283.19	685.64	1,897.75	2.31	819.52	3,793.22	120.86
e	Details of Investments (Other than investment in subsidiaries)	1,721,505.82	15,329.83	680.00	-	-	289.18	423.12	562.87	577.21	-	-	-	-	-	-
f	Turnover and Other Income	721,101.79	6,461.77	51,178.00	5,774.88	5,424.87	509.11	366.22	2,811.76	393.44	-	23.23	0.39	19.05	270.46	67.20
g	Profit before Taxation	45,983.29	(11,886.56)	(3,288.68)	(1,109.42)	(708.06)	(1,617.00)	(1,344.37)	339.49	236.23	(2.92)	(10.72)	(2.19)	16.77	2.27	6.09
h	Provision for Taxation	-	-	-	(18.77)	-	-	-	122.68	71.80	-	-	-	-	-	1.08
i	Profit after Taxation	45,983.29	(11,886.56)	(3,288.68)	(1,089.65)	(708.06)	(1,617.00)	(1,344.37)	216.81	164.43	(2.92)	(10.72)	(2.19)	16.77	2.27	5.01
j	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note - In respect of foreign subsidiaries:

a) Item No. (a) are translated at historical rates

b) Item Nos. (b) to (e) and (j) are translated at exchange rates as on 31st March, 2012 as follows: Pound Sterling = Rs. 81.7992 and US Dollars = Rs. 51.16

c) Item Nos. (f) to (i) are translated at annual average exchange rates as follows: Pound Sterling = Rs. 73.6132 and US Dollars = Rs. 47.84

The above details have been annexed in terms of General circular No. 2/2011 (Letter No. 5/17/2007-CL-III) dated 8th february 2011 issued by Government of India, Ministry of Company Affairs under Section 212(8) of the Companies Act, 1956.

MAX LIFE
INSURANCE

Max Life Insurance Company Limited

(Formerly Max New York Life Insurance Company Limited)

MAX

Directors' Report

Your Directors are pleased to present the Twelfth Annual Report of your Company with the audited accounts for the Financial Year ended March 31, 2012.

BUSINESS HIGHLIGHTS

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

(RS CRORE)

Particulars	2011 – 12	2010 – 11
Financial Performance		
New Business Premium (First Year Premium and Single Premium)	1,902	2,061
Adjusted First Year Premium*	1,506	1,723
Renewal Premium	4,489	3,751
Commission Expenses	580	540
Operating Expenses	1,363	1,653
Company Profit / (Loss) After Tax	733	283
Shareholders Profit / (Loss) After Tax	460	194
Key Business Parameters		
Solvency Ratio	534%	365%
Share Capital	2,127	1,976
Assets Under Management	17,215	13,836
No. of Policies In-Force ('000s)	3,516	3,368
Sum Assured In-Force	1,52,150	1,54,687
No. of Employees	7,675	7,052
No. of Agents	35,379	43,692
No. of Offices	464	503

**Adjusted First Year Premium = Individual First Year Premium plus 10% of Single Premium*

Your Company has achieved a net premium income of Rs. 6,321 crores for the Financial Year 2011-12, an increase of 10% over the previous financial year. Renewal premium income has grown by 20% to Rs. 4,489 crore. In a year where the new business premium, as measured by adjusted first year premium adjusting single premium at 10%, of private life insurers declined by 17%, Max New York Life's new business premium decline is substantially lower at 8%, resulting in your Company's new business premium for the year amounting to Rs. 1,902 crore. During the year, your Company has gained 110 bps in market share to 8.6% of the private players based on Adjusted Individual first year premium and is now the largest non-bank promoted private life insurer in India and ranked fourth amongst the private life insurers.

Cost Management initiatives taken by your Company over the last couple of years have resulted in lower operating expenses visible from the decline in cost ratio by 8 percentage points to 30%. Revenue growth coupled with a lower cost ratio has resulted in your Company generating profit of Rs. 733 crore in the Financial Year 2011-12 as compared to Rs.283 crore in the previous financial year, recording a growth of 159%. Shareholders' profit increased to Rs. 460 crore as compared to Rs 194 crore in the previous financial year, indicating a significant growth in profitability of 137%.

TRACKING WELL ON THE NEW STRATEGY

During the last financial year, your Company embarked on a new strategic plan with well defined goals leading up to the financial year 2014-15 and the setting up of a transformation office to track progress on specific key areas identified as the Business Pillars.

Your Company has identified the following six strategic priorities to be focused on over the period to ensure sustainable profitable growth:

- Building platinum agency distribution,
- Building a robust multi-channel distribution architecture,
- Realigning product strategy to long-term savings and protection,
- Improving persistency and progress on customer management strategy,
- Reducing cost, and
- Shaping the regulatory agenda.

Along with this, Change Management and People Capital were identified as a key enabler in the journey to achieve your Company's strategic objectives. These priorities were well supported by the newly created Business Performance Management and Analytics unit.

AGENCY DISTRIBUTION

Your Company believes that agency distribution is best equipped to engage in a consultative sales process to offer product solutions as per the life stage needs of customers. The agency distribution of your Company is not only the most productive but also considered a benchmark in the industry for its knowledge and customer centric approach. Quality of agent recruitment and levels of Agency Development Managers (ADM) attrition continue to show

Directors' Report

improvement. The involvement of agency leadership in co-creation of the strategy resulted in its whole-hearted acceptance which was evident in the greater share of long-term savings and protection products (LTSP) in the product mix and increased sales to mass affluent plus customer segments.

Your Company believes that its agent advisors are its true brand ambassadors. During the financial year, a print media campaign was launched that highlighted the achievements of some of the most successful agent advisors of your Company to position agency as viable career option. Recently, 'Apke Sachche Advisors' campaign was also launched. This integrated communication campaign's prime objectives were to clarify the generic perception of misselling by life insurance agents and to educate the customer on appropriate buying behaviour based on real requirements.

MULTI-CHANNEL DISTRIBUTION

In keeping with your Company's strategy to build a robust multi-channel distribution model. the corporate agency relationship with Axis Bank became the largest non-captive bancassurance operations in the country in its first full year of operations. During the year, your Company renewed its relationship with Amsure and Peerless, two of our key corporate agents.

A unique 'Service-to-Sales' model was implemented in the direct sales channel. The direct sales and service channels for direct customers were combined to form Customer Advisory Team (CAT). CAT provides a seamless service and sales experience to its customers.

Group business added some of the best known corporate clients to its portfolio during the year recording a growth of 55% in the financial year 2011-12.

FOCUS ON LONG-TERM SAVINGS AND PROTECTION

In the Financial Year 2011-12, your Company focused on targeting consumers in the 'mass affluent' segment and providing 'Long Term Savings and Protection' (LTSP) solutions.

Your Company has also developed a robust governance process for introducing new products and sales concepts, to ensure deeper understanding of target consumer needs and relevance of product designs for successful launch of products. A series of products including College Plan (a participating money back plan to save funds for child's education), Fast Track (High Net Worth ULIP), Guaranteed Monthly Income Plan (a unique index linked income plan) and the Premium Return Term Plan (a term plan with return of premium at the end of the policy term) were developed using this process. These new products contributed effectively to your Company's sales and profitability.

IMPROVE PERSISTENCY

Your Company has always believed that sustainable profitable growth is only possible through focus on customer centricity. In the Financial Year 2011-12, your Company has undertaken superior customer engagement initiatives to attain higher persistency levels. Apart from exhaustive training imparted to all agent advisors, your Company has taken initiatives to promote need-based sales and hence encourage customers to buy for the right reason so that they would stay till the end of the tenure of the policy. Your Company has also put in place a system to follow a segmented, on-board verification-cum-welcome calling procedure to strengthen the understanding of features, terms and benefits of the selected product. Your Company has also encouraged the adoption of ECS payment systems to reduce lapsation from customers. Apart from this, your Company has also engaged in consistently educating customers and introduced a system of premium reminders via outbound calls, sms, emails and letters, to improve persistency.

Your Company's conservation ratio, which is amongst the highest in the industry at 81%, is testimony to its commitment towards customers. Your Company's 13th month persistency at 74% is in the top quartile across the industry.

CUSTOMER CENTRICITY

Service Excellence has been a key element for your Company to build a strong customer- centric culture. The impact of the new claims management process, improvement in customer service processes and a customer centric approach at every step was visible in your Company's customer facing measures of success. The complaint incidence rate at 0.2 complaints per 1,000 is one of the best in the industry. As on 31st March 2012, there was no complaint pending beyond IRDA stipulated timeframe of 14 days for complaint resolution. Outstanding Claims Ratio improved to 1.6% from 7.1% in the previous financial year. 88% and 95% of claims were settled within 60 days and 90 days of the intimation of claim.

Your Company has started various initiatives in its Treating Customers Fairly journey. The Policyholders' Protection Committee is overseeing your Company's efforts to deliver

Directors' Report

what it promises to its customers. Need-based selling using fact finder and risk profiler has now been adopted by all distribution channels. Annual Customer Review has been started as a practice in agency distribution which helps maintain an ongoing dialogue with the policyholders at periodic intervals, understand their changing needs, and offer them relevant products. During the financial year, your Company strengthened its technology architecture to have a common view of customers across the organization. New productivity tools were launched for the distribution function.

COST MANAGEMENT

Your Company has raised profitability in the business by reducing expenses and optimizing resources which would be a win-win for both the Company and its customers. During the Financial Year 2011–2012, your Company undertook several cost management initiatives such as surrender of excess space and shifting to lower rental location, improvement in productivity, introduction of petro cards, energy efficiency programme across offices, and reduction of wastage in printing and postage among others. As a result, the cost ratio improved 8 percentage points over last year to 30% in Financial Year 2011-12.

SHAPING REGULATORY AGENDA

Significant regulatory and policy changes were introduced in Financial Year 2011-12. The key changes include Union Budget proposals on minimum levels of protection multiple for life insurance products to be eligible for tax deductibility under Section 80C and tax benefits under Section 10(10D) guidelines on minimum persistency by agents, These are significant changes which may transform the future direction of the Indian life insurance industry. However, your Company is working on responding & adapting to these proposed changes in a manner best suited to meet the challenges. The IPO guidelines for insurance companies were also released by the Regulator which are yet to materialize into any insurer going in for an IPO so far.

ENABLING CHANGE THROUGH PEOPLE AND CULTURE

Your Company values human capital and considers it to be our competitive advantage. Max New York Life believes that people are its biggest organizational assets and hence lays a strong emphasis on employee friendly practices leading to high levels of employee engagement and motivation. This is reflected in the recognition that your Company received recently from the Great Places To Work Institute, India, as one of the best workplaces in the industry.

As a Company, Max New York Life continuously evaluates and aligns its Human Capital practices with its business goals and strategy. Some of the initiatives taken in this regard included Changing Mindsets to reflect new operating paradigms, re-alignment of competencies and their assessments and customized leadership development interventions with focus on enhancing capability and building a strong talent pipeline. Your Company is a young organization with the median age of our workforce being 32.5 years and women constituting 16 % of total workforce.

POLICYHOLDER DIVIDEND PAYMENT

The Board of Directors took advice from the Company's Appointed Actuary and have approved the distribution of surplus to participating individual life and pensions policies in respect of the year ended 31st March 2012 amounting to Rs. 210 crore, an increase of 15% from last year. This will result in Rs. 424 crore of surplus carried forward within the participating fund.

INVESTMENT PERFORMANCE

Similar to the last financial year, your Company has ensured that all ULIP funds consistently outperformed their benchmarks.

While focusing on delivering maximum returns to policyholders, your investment function follows a prudent philosophy. The investments are mandatorily in safe instruments – the top 5 debt investments are AAA rated and the majority of the equity investments are in large cap companies which are expected to provide good returns in the long run. The Company's Assets under Management (AUM) of Rs.17,215 crore recorded a growth of 24% over the year. As on 31st March 2012, 47% of the AUM was in controlled funds and 53% in ULIP funds.

ENTERPRISE RISK MANAGEMENT

Your Company has a robust, enterprise wide risk management system to identify, assess, manage, monitor and control risks from all sources for the purpose of increasing MNYL's short and long term value to all stakeholders. The enterprise is covered by 22 risk categories falling under financial, operational and business risks. 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. There is an established risk appetite and risk tolerance that guides risk taking within the Company. Risk management activities are supervised by

Directors' Report

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.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that it is important to engage with the society it operates in. 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 program under which vaccinations for eight major diseases including Hepatitis B and MMR are provided to underprivileged children. During the financial year, your company provided vaccines to 4,700 children through 74 camps in 24 locations. Your Company also provided Vitamin A drops to children in 0-5 years age group.

Your Company under the aegis of Max India Foundation organized Artificial Limbs and Polio Calipers camp in New Delhi and several health camps alongwith Max Healthcare.

RECENT DEVELOPMENTS

In a development that reflects the growing interest to participate in your Company's high quality life insurance business, Mitsui Sumitomo Insurance Co. Ltd. (MSI), a member of MS&AD Insurance Group Holdings - a Japan-headquartered global insurance powerhouse, is buying New York Life Enterprises' 26% stake in your Company, subject to customary closing conditions, including regulatory approval.

In an all cash transaction, MSI will pay Rs 2,731 crore (US $ 535 million) for the stake, making it the 2nd largest foreign investment in the Indian Life Insurance sector. The transaction values MNYL at Rs 10,504 crore (US $ 2.1 billion). The consideration offered by MSI reflects the strong confidence in your Company and its superior performance, as demonstrated in 2011 when its standing rose from 7th to 4th position in the Indian private Life Insurance league tables. Post-transaction, Max India's majority stake of 70% and Axis Bank's 4% stake would remain unchanged.

MS&AD is the 7th largest non-life Insurance company globally, with a market cap of USD 12.6 bn and over 100 years history. In Japan, MSI, through its 530 sales offices and network of approximately 40,000 agents, seeks to deliver the highest quality of insurance-related products and services. In addition, the company's 248 claims payment centers and approximately 8,400 dedicated claims support staff provide personalized services to its customers. MSI is licensed by the Japanese Financial Service Agency.

MSI conducts its overseas business through an international network spanning 41 countries and regions, focused mainly on the fast-growing Asian region. Leveraging its experience in overseas markets for 50 years, MSI provides life and non-life insurance-related products and services to manage the wide variety of risks occurring throughout the world.

MNYL's brand name will be revised to 'Max Life Insurance Company' - a Max India and MS joint venture.

CORPORATE GOVERNANCE

A. Board of Directors and Committees

1. Mr. Richard Mucci representing New York Life Enterprises, LLC (NYLE) was appointed as a Director of the Company at the 9th Annual General Meeting. Mr. Mucci resigned from the Board effective April 12, 2012 on his relinquishing the services of NYLE. On the same day, NYLI nominated Mr. Michael E Sproule as a Director on the Board of Directors of the Company in place of Mr. Mucci. Mr. Sproule is EVP and CFO of New York Life Insurance Company.

   The Company has received a notice from a member proposing the candidature of Mr. Sproule for appointment as Director.

   The Directors place on record their appreciation for the valuable contribution made by Mr. Richard Mucci during his association with the Company as a Director.

2. In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Anuroop Singh and Dr. Omkar Goswami retire by rotation, and being eligible, have offered themselves for reappointment.

3. Mr. Leo Puri, Managing Director, Warburg Pincus India, was appointed as a Representative Director of Max India Limited on the Board of Directors of the Company effective December 11, 2009. As Mr. Puri ceased to be associated with Warburg Pincus and joined McKinsey India, he resigned from the Board as the Representative Director of Max India effective November 21, 2011 and consequently ceased to be a member of the Audit Committee of the Board. In order to gain from his rich

Directors' Report

experience in Board governance, as a Director on Boards of various companies, the Board appointed Mr. Puri as an Independent Director on the Board of the Company and nominated him as a member of the Audit Committee. Pursuant to section 260 of the Companies Act, 1956, Mr. Leo Puri is to hold office up to the date of the next Annual General Meeting of the Company.

4. Mr. Rahul Khosla, was nominated by Max India Ltd as a Representative Director on the Board of your Company. He joined Max India Limited as the Managing Director effective 18th August, 2011. Mr. Khosla has expertise in the field of financial services for more than 27 years. He has deep management experience and leadership skills developed across several multinational environments both globally and in India. In his 11 years with Visa, Mr. Khosla was instrumental to exponentially grow the business and build Visa's leadership through product innovation, senior client interface, organisational effectiveness and business execution.

   Pursuant to section 260 of the Companies Act, 1956, Mr. Khosla is to hold office up to the date of the next Annual General Meeting of the Company.

5. Ms. Marielle Théron joined the Board effective May 5, 2009 as an Independent Director and was appointed as a Chairperson of the Audit Committee effective August 28, 2009. Since she is now associated with Max India, Max India has proposed to nominate her as its Representative Director on the Board of your Company. This has resulted in change in the status of Ms. Théron from an Independent Director to a Non-independent Representative Director of Max India. Mr. Leo Puri, being an independent director, was elected as the Chairperson of the Audit Committee and Ms. Theron continued to be a member of the Committee.

6. IRDA issued a circular on May 2, 2011, mandating additional compliances under the Corporate Governance Guidelines issued earlier. Pursuant to this mandate, there was a need to appoint an Independent Director as the Chairperson of the HR Compensation and Organization Committee of the Board. It was therefore proposed to reconstitute the HR Compensation and Organization Committee to appoint Mr. Leo Puri as the Chairperson of the Committee in place of Mr. Analjit Singh, who continues to be a Member of the Committee.

   Since Mr. Dwarakanath is not a Director on the Board of the Company, he has stepped down from the membership of the HR Compensation & Organisation Committee.

   Consequent to Mr. Richard Mucci ceasing to be a Director on the Board of Directors of the Company, he also ceases to be the Chairman of Investment Committee and Product, Actuarial and Risk Committee, as also a Member of the HR Compensation and Organization Committee of the Board.

   Pursuant to the nomination of Mr. Michael Sproule as a Director of the Company, Mr. Sproule has been appointed as the Member of Investment Committee and Product Actuarial and Risk Committee, as also a Member of the HR Compensation and Organization Committee of the Board.

   The Board has nominated Ms. Marielle Theron as the Chairperson of the Investment Committee of the Board and Mr. Prashant Tripathy as a member of the Investment Committee.

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

   Mr. John Poole, Appointed Actuary resigned from the Company effective June 30, 2011. The Directors placed on record their appreciation for the valuable contribution made by Mr. Poole during his association with the Company as an Appointed Actuary.

   Mr. Sanchit Maini was appointed as the Appointed Actuary of the Company effective July 1, 2011 by IRDA and consequently Mr. Maini became a member of Investment Committee, Policyholder Protection Committee and Product Actuarial and Risk Management Committee.

B) Internal Audit

Your Company has set 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

Your 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 your 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. Your Company also has an independent Distribution 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.

C) 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 1.3 lakh policies in rural areas during the year, contributing to 23% of the total policy issuances. In addition, your Company has covered over 15 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 (Particulars 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.1,944 crores and share premium increased to Rs. 182 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 2011-12, the solvency ratio was 534%.

PARTICULARS OF DEPOSITS

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

AUDITORS

Both the 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. M/s S. R. Batliboi and Associates, Chartered Accountants have expressed their willingness to be re-appointed at the forthcoming Annual General Meeting. M/s. Price Waterhouse & Co., Chennai, Chartered Accountants, have however expressed their unwillingness to be re-appointed as the joint auditors of the Company in view of the proposed stakes sale by New York Life of which M/s Price Waterhouse are the Auditors.

Your Company proposes to appoint Khimji Kunverji & Co, Chartered Accountants as Joint Auditors at the conclusion of the ensuing Annual General Meeting till conclusion of next Annual General Meeting.

Your 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.

Directors' Report

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to management discussion describing your 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' RESPONSIBILITY STATEMENT

The Board of Directors of your Company confirms that:

1. In the preparation of the Annual Accounts for the Financial Year ended March 31, 2012, 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 your 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 your 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

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 31.03.2012 (Rs. crores)
	Earnings/Inflow (including equity infusion)	101
	Outgo	77
	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 agent advisors, which have enabled your Company to successfully establish itself amongst the leading private life insurance companies in India.

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 Enterprise, LLC for their continued cooperation, support and assistance.

For and on behalf of the Board of Directors

Gurgaon
May 12, 2012

ANALJIT SINGH
Chairman

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 as at March 31, 2012.

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Analjit Singh	4	4
Anuroop Singh	4	4
Richard Mucci	4	4
Gary Bennett*	3	3
Marielle Theron	4	4
Omkar Goswami	4	0
Leo Puri++	3	3
Rajesh Sud	4	4
Rajit Mehta	4	4
Rahul Khosla**	-	-
William Beaty#	1	1

* Gary Bennett was appointed as Director effective May 6, 2011.

++ Leo Puri resigned on 21st December 2011 but was appointed as an Independent Director on 1 Feb 2012.

** Rahul Khosla was appointed as a Director effective 1st Feb 2012.

William Beaty resigned effective May 6, 2011

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

Name of the Member	No. of Meetings held	No. of Meetings attended
Marielle Theron	4	4
Gary Bennett	4	4
Leo Puri	4	1
William Beaty#	1	1

William Beaty resigned effective May 6, 2011

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

Name of the Member	No. of Meetings held	No. of Meetings attended
Richard Mucci	4	4
Stan Tai	4	4
Mohit Talwar	4	3
Marielle Théron	4	4
Omkar Goswami	4	0
Rajesh Sud	4	4
Sanchit Maini*	3	3
John Poole**	1	1
Prashant Sharma	4	4

* Sanchit Maini was appointed as Member effective July 1, 2011.

** John Poole resigned as Appointed Actuary on June 30, 2011

Annexure - 'I'

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
Gary Bennett	3	3
Marielle Théron	4	4
Rajit Mehta	4	4
John Poole	1	1
Sanchit Maini	3	3
Rajiv Mathur	4	4
Vineet Sharma	4	3
William Beaty#	1	1

* Sanchit Maini was appointed as Member effective July 1, 2011.

** John Poole resigned as Appointed Actuary on June 30, 2011

William Beaty resigned on May 6, 2011.

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*	1	1
Marielle Théron	4	4
Rajesh Sud	4	4
John Poole	1	1
Sanchit Maini	3	3
Scott Berlin**	3	3

* Craig Merdian resigned effective July 15, 2011

** Scott Berlin was appointed as Member effective July 15, 2011

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. Constitution of the HR Compensation & Organisation Committee, number of meetings held and attendance by Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Analjit Singh	6	4
Richard Mucci	6	6
P Dwarkanath*	6	6
Leo Puri**	-	-
Michael Sproule#	-	-

* P Dwarkanath cease to be member effective February 1, 2012

** Leo Puri was appointed as a Chairperson effective February 1, 2012

Michael Sproule was appointed as member effective April 12, 2012

Annexure - 'I'

g. 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
Ms. Marielle Théron	Non Executive Director	Fellow of Society of Actuaries, USA and B.Sc. majored in Actuarial Science, Laval University, Canada
Mr. Leo Puri	Independent, 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. Rahul Khosla	Non Executive Director	Chartered Accountant and Honors in Economics from St Stephen's College, Delhi
Mr. Michael E Sproule**	Non Executive Director	Bachelor's degree in Math and Physics and an MBA in finance and marketing from the University of Toronto. Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.
Mr. Gary Bennett	Non Executive Director	Graduate from University of Connecticut

* Nomination withdrawn on March 28 2012 effective April 12, 2012

** Appointed w.e.f. April 12, 2012

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.

Gurgaon
May 12, 2012

Rajiv Mathur
Director – Legal & Compliance & Company Secretary

Annexure - 'II'

ANNEXURE II : Details of the Employee Stock Options for the FY 20111-12

Schedule to be signed off by Sandeep Kher.

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;	NIL
(b) the pricing formula;	Intrinsic method
(c) options vested;	4,178,500
(d) options exercised;	206,500
(e) the total number of shares arising as a result of exercise of option;	206,500
(f) options lapsed;	738,500
(g) variation of terms of options;	NIL
(h) money realised by exercise of options;	5,476,820
(i) total number of options in force;	23,065,000
(j) employee wise details of options granted to;-	
(i) senior managerial personnel;	N.A.
(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'.	2.43
(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. 5.6 crs Basic EPS- 2.43 Dilutive EPS- 2.40
(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,	4-8 yrs
(iii) expected volatility,	13.87% – 47%
(iv) expected dividends, and	0%
(v) price of the underlying share in market at the time of option grant.	N.A.

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, 2012, 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, 2012 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, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Auditors' Certificate

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 for 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.

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:

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

   ii. in the case of the Policyholders' Revenue Account, of the surplus for the year ended on that date;

   iii. in the case of the Shareholders' Profit and Loss Account, of the profit 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.

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:

   (a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2012 and have found no apparent mistake or material inconsistencies with the financial statements; and

   (b) 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

Place: Mumbai
Dated: May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants
AMIT MAJMUDAR
Partner
Membership No. 036656

Place: Mumbai
Dated: May 10, 2012

Auditors' Report

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, 2012)

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, 2012 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, 2012, by actual inspection or on the basis of certificates/confirmations received from the custodians and for depository participant appointed by the Company, as the case may be. As at March 31, 2012, 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

Place: Mumbai
Dated: May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Place: Mumbai
Dated: May 10, 2012

Balance Sheet as at March 31, 2012

FORM A-BS

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule		As at March 31, 2012		As at March 31, 2011
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
Share Capital	5		19,446,912		18,410,000
			19,446,912		**18,410,000**
EMPLOYEE STOCK OPTION PLAN OUTSTANDING			758,122		799,492
[Refer to Note I (9) & II (10) on Schedule 16]					
RESERVES AND SURPLUS	6		1,822,667		1,351,828
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT			19,487		54,416
Sub-Total			**22,047,188**		**20,615,736**
BORROWINGS	7		-		-
POLICYHOLDERS' FUNDS:					
CREDIT/ (DEBIT) FAIR VALUE CHANGE ACCOUNT			14,441		2,097
POLICY LIABILITIES					
[Refer to Note I(7), II (2) , (18) & (20) on Schedule 16]					
- Participating Individual Life Policies			40,804,921		29,397,010
- Participating Pension Policies			456,607		421,873
- Non-Participating Individual Life Policies			2,630,466		1,631,573
- Non-Participating Health Insurance Policies			13,145		11,395
- Non-Participating Group Policies			1,481,338		474,867
- Non-Participating Individual Linked Policies			2,546,222		2,090,896
- Non-Participating Linked Pension Policies			4,694		7,694
- Non-Participating Group Linked Policies			-		-
PROVISION FOR LINKED LIABILITIES					
[Refer to Note I(7), II (18) & (20) on Schedule 16]					
- Non - Participating Individual Linked Policies					
- Linked Liabilities		84,800,188		73,080,784	
- Fair Value Change		4,767,189	89,567,377	8,225,054	81,305,838
- Non - Participating Linked Pension Policies					
- Linked Liabilities		7,813,971		5,961,794	
- Fair Value Change		490,961	8,304,932	727,321	6,689,115
- Non - Participating Linked Group Policies					
- Linked Liabilities		767,725		683,405	
- Fair Value Change		16,600	784,325	17,198	700,603
Sub-Total			**146,608,468**		**122,732,961**
FUNDS FOR FUTURE APPROPRIATIONS			4,244,106		1,513,560
[Refer to Note I(18) on Schedule 16]					
TOTAL			**172,899,762**		**144,862,257**
APPLICATION OF FUNDS					
INVESTMENTS					
Shareholders' Investments	8		21,882,146		13,198,865
Policyholders' Investments	8A		51,611,801		36,469,786
ASSETS HELD TO COVER LINKED LIABILITIES	8B		98,656,634		88,695,556
LOANS	9		158,655		116,222
FIXED ASSETS	10		1,199,399		1,402,014

Overview
The Big Picture
Operating Review
Financial Review

Balance Sheet as at March 31, 2012

FORM A-BS

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	As at March 31, 2012	As at March 31, 2011
CURRENT ASSETS			
Cash and Bank Balances	11	2,603,969	1,924,877
Advances and Other Assets	12	5,686,730	4,840,514
Sub-Total (A)		**8,290,699**	**6,765,391**
CURRENT LIABILITIES	13	13,240,696	10,834,995
PROVISIONS	14	59,884	2,589
Sub-Total (B)		**13,300,580**	**10,837,584**
NET CURRENT ASSETS (C) = (A) – (B)		(5,009,881)	(4,072,193)
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)	15	703,257	755,927
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT			
(SHAREHOLDERS' ACCOUNT)		3,697,751	8,296,080
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		**172,899,762**	**144,862,257**
SIGNIFICANT ACCOUNTING POLICIES			
AND NOTES TO THE ACCOUNTS	16		

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

As per our report of even date attached

For Price Waterhouse & Co.	For S.R. Batliboi & Associates
Firm Registration No. 050032S	Firm Registration No. 101049W
Chartered Accountants	Chartered Accountants
ALPA KEDIA	AMIT MAJMUDAR
Partner	Partner
Membership No. F100681	Membership No. 036656
Mumbai	Mumbai
May 10, 2012	May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
GARY BENNETT	Director
MARIELLE THERON	Director
SANCHIT MAINI	Appointed Actuary
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

Gurgaon
May 10, 2012

Profit and Loss Account for the year ended March 31, 2012 FORM A-PL

(All Amounts in Thousands of Indian Rupees)
SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedule	Year Ended March 31, 2012	Year Ended March 31, 2011
TRANSFER FROM THE POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)			
- Participating Individual Life Policies		201,282	165,320
- Participating Pension Policies		1,548	1,501
- Non-participating Individual Life Policies		205,708	-
- Non-participating Health Insurance Policies		-	-
- Non-participating Group Policies		81,971	233,578
- Non-participating Individual Linked Policies		3,102,057	2,898,209
- Non-participating Linked Pension Policies		519,111	-
- Non-participating Linked Group Policies		-	-
INCOME FROM INVESTMENTS			
[Refer to Note I(5) on Schedule 16]			
(a) Interest, Dividends & Rent - Gross		1,286,476	745,310
[Gross of tax deducted at source Rs. Nil (2011: Rs Nil)]			
(b) Profit on sale/redemption of investments		150,552	75,162
(c) (Loss) on sale/ redemption of investments		(2,429)	(247)
(d) Amortisation of discount/(premium)		65,687	35,386
OTHER INCOME			
- Miscellaneous income (Refer Schedule 10)		144,208	77
Total (A)		**5,756,171**	**4,154,296**
EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS			
Employees remuneration and welfare benefits			
[Refer to Notes II (9), (10), (16) and (26) on Schedule 16]		49,040	232,447
Donations		105,000	25,001
Others			
- Interest and bank charges		1,837	981
- Advertisement and publicity [Refer to Note II (15) on Schedule 16]		840,534	701,108
- Travel, conveyance and vehicle running expenses		14,115	14,730
- Consultancy charges		53,455	55,198
- Rent, rates & taxes		-	130,119
- Other miscellaneous expenses		-	2,422
- Depreciation (Refer Schedule 10)		-	933,393
Bad debts written off		-	-
Contribution to the Policyholders Account (Technical Account)			
[Refer to Note II (17) on Schedule 16]			
- Participating Individual Life Policies		-	-
- Participating Pension Policies		-	-
- Non-participating Individual Life Policies		-	8,781
- Non-participating Health insurance Policies		19,980	21,878
- Non-participating Group Policies		-	-
- Non-participating Individual Linked Policies		-	-
- Non-participating Linked Pension Policies		-	73,901
- Non-participating Linked Group Policies		73,881	13,732

Profit and Loss Account for the year ended March 31, 2012 FORM A-PL

(All Amounts in Thousands of Indian Rupees)

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedule	Year Ended March 31, 2012	Year Ended March 31, 2011
PROVISIONS (OTHER THAN TAXATION)			
(a) For diminution in the value of investments (Net) [Refer to Note I (5) on Schedule 16]		-	-
(b) Provision for doubtful debts		-	-
(c) Others		-	-
Total (B)		1,157,842	2,213,691
Profit/(Loss) before tax (C)=(A)-(B)		4,598,329	1,940,605
Provision for Taxation [Refer to Note I (13), II (6) on Schedule 16]		-	-
Profit/ (loss) after tax		4,598,329	1,940,605
Appropriations			
(a) Balance at the beginning of the year		(8,296,080)	(10,236,685)
(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		(3,697,751)	(8,296,080)
Earning per Share- Basic		2.46	1.05
Earning per Share- Diluted		2.43	1.04
[Refer to Note I(17) and II (25) 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.

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
GARY BENNETT	Director
MARIELLE THERON	Director
SANCHIT MAINI	Appointed Actuary
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

Gurgaon
May 10, 2012

Revenue Account for the year ended March 31, 2012 — FORM A-RA

(All Amounts in Thousands of Indian Rupees)

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule	YEAR ENDED MARCH 31, 2012								Total
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			
		Individual Life	Pension	Individual Life	Health Insurance	Group	Linked Individual	Linked Pension	Linked Group	
Premiums earned - net										
Premiums	1	29,970,692	73,531	2,149,630	84,769	1,885,433	26,471,412	3,053,420	216,435	63,905,322
Less : Reinsurance Ceded [Refer to Note I (2) on Schedule 16]		149,799	-	57,577	27,003	272,558	189,628	353	-	696,918
Add : Reinsurance Accepted		-	-	-	-	-	-	-	-	-
		29,820,893	73,531	2,092,053	57,766	1,612,875	26,281,784	3,053,067	216,435	63,208,404
Income from Investments										
(a) Interest, Dividends & Rent - Gross		2,891,096	51,488	178,318	1,860	62,288	2,744,202	248,479	45,242	6,222,973
(b) Profit on sale/ redemption of investments		153,469	10	72	-	8	4,164,350	115,588	19,002	4,452,499
(c) (Loss) on sale/ redemption of investments		(1,664)	-	-	-	(14)	(3,675,925)	(104,844)	(16,090)	(3,798,537)
(d) Transfer/ Gain on revaluation/change in fair value *		-	-	-	-	-	(3,457,865)	(236,360)	(598)	(3,694,823)
(e) Amortisation of discount/(premium)		10,059	47	(613)	(3)	112	891	(361)	-	10,132
(f) Appropriation/Expropriation Adjustment [Refer to Note II (19) on Schedule 16]		-	-	-	-	-	(146,847)	(11,826)	34	(158,639)
OTHER INCOME										
Contribution from the Shareholders' Account [Refer to Note II (17) on Schedule 16]		-	-	-	19,980	-	-	-	73,881	93,861
Miscellaneous Income		16,823	1	170	250	55	747	68	24	18,138
Total (A)		32,890,676	125,077	2,270,000	79,853	1,675,324	25,911,337	3,063,811	337,930	66,354,008
Commission	2	4,691,929	630	326,087	10,142	37,243	692,837	39,651	57	5,798,576
Operating Expenses related to Insurance Business	3	9,614,307	3,178	551,098	51,490	275,374	1,825,620	141,881	84,689	12,547,637
Provision for doubtful debts		15,053	8	364	87	398	3,156	279	76	19,421
Bad debts written off		11	-	1	-	-	4	-	-	16
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-
Provision (other than taxation)										
(a) For diminution in the value of investments(Net)		-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-
Total (B)		14,321,300	3,816	877,550	61,719	313,015	2,521,617	181,811	84,822	18,365,650
Benefits Paid (Net)	4	4,272,365	42,251	187,849	16,384	273,867	11,570,798	750,072	169,386	17,282,972
Interim Bonuses Paid		-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force: [Refer to Note I(7), II (2) , (18) & (20) on Schedule 16]										
(a) Gross **		11,427,136	34,734	1,005,591	(1,154)	1,048,913	8,716,865	1,612,817	83,722	23,928,624
(b) Amount ceded in Reinsurance		(19,225)	-	(6,698)	2,904	(42,442)	-	-	-	(65,461)
(c) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	-
Total (C)		15,680,276	76,985	1,186,742	18,134	1,280,338	20,287,663	2,362,889	253,108	41,146,135
SURPLUS/ (DEFICIT) (D)=(A)-(B)-(C)		2,889,100	44,276	205,708	-	81,971	3,102,057	519,111	-	6,842,223
Opening balance of Funds available for Future Appropriation		1,335,502	178,058	-	-	-	-	-	-	1,513,560
SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION		4,224,602	222,334	205,708	-	81,971	3,102,057	519,111	-	8,355,783
APPROPRIATIONS										
Transfer to Shareholders' Account		201,282	1,548	205,708	-	81,971	3,102,057	519,111	-	4,111,677
Transfer to Other Reserves		-	-	-	-	-	-	-	-	-
Funds available for Future Appropriations		4,023,320	220,786	-	-	-	-	-	-	4,244,106
Insurance reserve carried to the Balance Sheet		-	-	-	-	-	-	-	-	-
Details of Surplus										
(a) Interim Bonus Paid		-	-	-	-	-	-	-	-	-
(b) Allocation of Bonus to Policyholders [Refer to Note II (18) on Schedule 16]		2,088,885	15,377	-	-	-	-	-	-	2,104,262
(c) Surplus Shown in the Revenue Account		4,224,602	222,334	205,708	-	81,971	3,102,057	519,111	-	8,355,783
(d) Total Surplus : [(a)+(b)+(c)]		6,313,487	237,711	205,708	-	81,971	3,102,057	519,111	-	10,460,045
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. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH — Chairman
GARY BENNETT — Director
MARIELLE THERON — Director
SANCHIT MAINI — Appointed Actuary

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

Gurgaon
May 10, 2012

Revenue Account for the year ended March 31, 2011 FORM A-RA

(All Amounts in Thousands of Indian Rupees)

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule	YEAR ENDED MARCH 31, 2011 Participating Policies (Non-Linked) Individual Life	Participating Policies (Non-Linked) Pension	Non-Participating Policies (Non-Linked) Individual Life	Non-Participating Policies (Non-Linked) Health Insurance	Non-Participating Policies (Non-Linked) Group	Linked Policies Linked Individual	Linked Policies Linked Pension	Linked Policies Linked Group	Total
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 [Refer to Note I (2) on Schedule 16]		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		-	-	-	-	-	38,228	5,137	42	43,407
Other Income										
Contribution from the Shareholders' Account [Refer to Note II (17) on Schedule 16]		-	-	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: [Refer to Note I(7), II (2) , (18) & (20) on Schedule 16]										
(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 (18) on Schedule16]		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. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH — Chairman
GARY BENNETT — Director
MARIELLE THERON — Director
SANCHIT MAINI — Appointed Actuary

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

Gurgaon
May 10, 2012

Receipts and Payments Account for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	62,932,534	58,009,502
Amount received in Advance from customers	1,507,493	1,561,722
Commission paid to agents	(5,990,559)	(5,072,115)
Claims Paid to policyholders	(17,912,264)	(11,747,745)
Claims Recovered from Reinsurers	733,657	473,602
Loan Against Policies	(42,433)	(30,157)
Reinsurance Premium Paid	(751,898)	(930,610)
Payments/advances to suppliers/employees	(11,284,754)	(15,000,458)
Deposit recovered / given from / to RBI	-	-
Cash generated from operations	**29,191,776**	**27,263,741**
Wealth tax paid	(377)	(405)
Gratuity Paid	(9,343)	(28,659)
Net cash generated in operating activities	**29,182,056**	**27,234,677**
Cash flows from investing activities		
Purchase of fixed assets	(283,056)	(397,847)
Proceed from sale of fixed assets	86,036	65,558
Purchase of Investments	(518,659,245)	(465,266,809)
Proceeds from sale/maturity of investments	482,271,516	433,558,974
Interest received	6,574,034	4,857,690
Net cash from investing activities	**(30,010,715)**	**(27,182,434)**
Cash flows from financing activities		
Proceeds from issuance of share capital (Including Share Premium)	1,507,751	32,212
Net cash generated from financing activities	**1,507,751**	**32,212**
Net increase in cash and cash equivalents	**679,092**	**84,455**
Cash and cash equivalents at beginning of year	1,924,877	1,840,422
Cash and cash equivalents at end of year	**2,603,969**	**1,924,877**

Notes :

1. 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.
2. Figures in parenthesis represent cash outflows.
3. Previous year's amounts have been reclassified wherever necessary to conform to current year's classification.
4. Cash and cash equivalents at the end of the year consist of cash, cheques in hand, stamps in hand and balance with banks.

Particulars	As at March 31, 2012	As at March 31, 2011
Cash in hand	144,807	151,930
Stamps in hand	575	6,032
Cheques in hand	-	-
Balance with banks		
- Current Account (including Remittances in Transit)	2,458,587	1,766,915
Total	**2,603,969**	**1,924,877**

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
GARY BENNETT	Director
MARIELLE THERON	Director
SANCHIT MAINI	Appointed Actuary
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

Gurgaon
May 10, 2012

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 1

PREMIUM

[Refer to Note I (1) on Schedule 16]

Particulars	YEAR ENDED MARCH 31, 2012								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
First year premiums	11,841,671	-	1,192,901	28,725	540,888	1,590,691	107,506	210,562	15,512,944
Renewal premiums	16,529,054	59,601	956,574	56,044	155,195	24,366,544	2,759,276	5,873	44,888,161
Single premiums	1,599,967	13,930	155	-	1,189,350	514,177	186,638	-	3,504,217
Total premium	**29,970,692**	**73,531**	**2,149,630**	**84,769**	**1,885,433**	**26,471,412**	**3,053,420**	**216,435**	**63,905,322**
Business %	46.90%	0.12%	3.36%	0.13%	2.95%	41.42%	4.78%	0.34%	100%
Total premium in India	**29,970,692**	**73,531**	**2,149,630**	**84,769**	**1,885,433**	**26,471,412**	**3,053,420**	**216,435**	**63,905,322**
Total Premium outside India	-	-	-	-	-	-	-	-	-

PREMIUM

Particulars	YEAR ENDED MARCH 31, 2011								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	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%	100.00%
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	-	-	-	-	-	-	-	-	-

SCHEDULE 2

COMMISSION

[Refer to Note I (3) on Schedule 16]

Particulars	YEAR ENDED MARCH 31, 2012								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct first year premiums	3,970,227	1	287,880	8,212	35,555	120,965	6,291	38	4,429,169
Direct renewal premiums	721,332	629	38,197	1,930	1,688	568,886	31,907	19	1,364,588
Direct single premiums	370	-	10	-	-	2,986	1,453	-	4,819
Total (A)	**4,691,929**	**630**	**326,087**	**10,142**	**37,243**	**692,837**	**39,651**	**57**	**5,798,576**
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	**4,691,929**	**630**	**326,087**	**10,142**	**37,243**	**692,837**	**39,651**	**57**	**5,798,576**

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:

Particulars	YEAR ENDED MARCH 31, 2012								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Agents	1,676,384	605	78,457	9,881	944	290,281	37,909	56	2,094,517
Brokers	110,296	4	1,034	13	36,299	4,521	213	1	152,381
Corporate Agency	871,791	16	48,650	-	-	308,377	303	-	1,229,137
Referral Fees	1,890	-	(77)	9	-	(297)	(4)	-	1,521
Others	-	-	-	-	-	-	-	-	-
Bancassurance	2,031,568	5	198,023	239	-	89,955	1,230	-	2,321,020
Direct Selling	-	-	-	-	-	-	-	-	-
Total (B)	**4,691,929**	**630**	**326,087**	**10,142**	**37,243**	**692,837**	**39,651**	**57**	**5,798,576**

COMMISSION

Particulars	YEAR ENDED MARCH 31, 2011								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	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**

Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	YEAR ENDED MARCH 31, 2011								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked 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**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 3

[Refer to Note I (11) on Schedule 16]

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	YEAR ENDED MARCH 31, 2012								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits [Refer to Notes II (9),(10),(16) and (26) on Schedule 16]	4,172,696	1,410	231,674	22,906	121,869	596,085	46,624	37,079	5,230,343
Travel, conveyance and vehicle running expenses	250,850	83	14,568	1,505	7,979	35,110	2,596	2,599	315,290
Training expenses (including Agent advisors)	353,286	113	20,675	2,094	11,269	47,752	3,488	3,681	442,358
Rent, rates & taxes	586,650	90	30,660	3,356	20,122	54,771	3,035	6,444	705,128
Repairs & Maintenance	222,330	35	11,657	1,284	7,621	20,570	1,147	2,441	267,085
Printing and stationery	112,510	56	6,250	667	3,640	19,932	1,639	1,109	145,803
Communication expenses	216,700	171	12,085	1,330	6,510	57,526	5,192	1,946	301,460
Legal, professional and consultancy charges [Refer to Notes II (16) on Schedule 16]	167,392	449	11,811	1,569	3,073	130,818	13,553	406	329,071
Medical fees	43,095	-	2,192	239	1,532	2,053	9	496	49,616
Auditors' fees, expenses etc :									
(a) as auditor	2,884	4	170	20	83	928	87	24	4,200
(b) as advisor or in any other capacity, in respect of :									
(i) Taxation matters	99	-	6	-	4	35	4	2	150
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-
(c) in any other capacity									
- Certification	1,346	2	83	9	37	417	41	12	1,947
- Out of pocket expenses	498	-	27	4	15	169	16	4	733
Advertisement and publicity	1,017,542	-	61,843	5,423	33,058	44,699	101	11,041	1,173,707
Interest and bank charges	57,321	69	3,109	315	1,799	14,650	1,172	603	79,038
Others:									
Rates and taxes	80,960	14	4,177	456	2,830	7,689	455	887	97,468
Service Tax Expenditure*	197,290	266	24,013	1,044	5,666	583,669	47,292	2,867	862,107
Information technology maintenance expenses	196,537	246	11,817	1,388	5,307	79,835	7,793	1,411	304,334
Board Meetings	1,744	1	52	11	73	316	29	11	2,237
Recruitment (including Agent advisors)	145,341	6	7,813	544	2,746	8,425	474	640	165,989
Electricity ,water and utilities	165,157	35	8,802	963	5,550	18,243	1,158	1,782	201,690
Insurance	34,531	7	1,776	204	1,162	4,446	306	368	42,800
Policy issuance and servicing costs**	1,141,070	17	61,706	3,514	18,520	44,147	2,082	4,063	1,275,119
(Profit)/Loss on fluctuation in foreign exchange	(253)	(2)	(15)	(2)	-	(85)	(6)	-	(363)
Other miscellaneous expenses	13,370	40	985	157	202	13,011	1,364	11	29,140
Depreciation (Refer to Schedule 10)	433,361	66	23,162	2,490	14,707	40,409	2,230	4,762	521,187
Total	**9,614,307**	**3,178**	**551,098**	**51,490**	**275,374**	**1,825,620**	**141,881**	**84,689**	**12,547,637**

*Includes Rs. 203,281 of cenvat input availment restricted as per Finance Act 2011.
**Includes recovery of Rs. 133,600 (2011 : NIL).

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 3 (Contd....)

[Refer to Note I (11) on Schedule 16]

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	YEAR ENDED MARCH 31, 2011								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits									
[Refer to Notes II (9),(10),(16) and (26) 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 (16) 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	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 (Refer to Schedule 10)	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 4

BENEFITS PAID [NET] IN INDIA

(Refer to Note I (4) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2012								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) By death	872,177	5,226	236,003	5,929	578,345	959,982	21,061	1,691	2,680,414
(b) By Maturity	15,529	-	1,540	-	795	448,487	36,251	56,367	558,969
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits									
– Surrenders	849,244	23,087	29,365	-	-	10,269,747	692,710	111,924	11,976,077
– Health	-	-	-	26,915	-	-	-	-	26,915
– Survival Benefit	795,200	-	537	-	-	-	-	-	795,737
– Bonus to Policyholders [Refer to Note II (18) on Schedule 16]	1,811,536	13,930	-	-	-	-	-	-	1,825,466
– Others	4,479	8	7,080	168	-	25,868	100	-	37,703
Total paid	**4,348,165**	**42,251**	**274,525**	**33,012**	**579,140**	**11,704,084**	**750,122**	**169,982**	**17,901,281**
(Amount ceded in re-insurance) :									
(a) By death	(75,800)	-	(84,676)	(3,338)	(305,273)	(133,286)	(50)	(596)	(603,019)
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits - Health	-	-	(2,000)	(13,290)	-	-	-	-	(15,290)
Total ceded	**(75,800)**	**-**	**(86,676)**	**(16,628)**	**(305,273)**	**(133,286)**	**(50)**	**(596)**	**(618,309)**
Amount accepted in re-insurance :									
(a) By death	-	-	-	-	-	-	-	-	-
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Paid	**4,272,365**	**42,251**	**187,849**	**16,384**	**273,867**	**11,570,798**	**750,072**	**169,386**	**17,282,972**

* Including claim investigation expenses amounting to Rs. 15,362

Particulars	YEAR ENDED MARCH 31, 2011								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	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 (18) 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	-	-	-	(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

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, 2012	As at March 31, 2011
Authorised Capital		
3,000,000,000 (2011: 3,000,000,000) Equity Shares of Rs 10 each	30,000,000	30,000,000
Issued and Subscribed Capital		
1,944,691,234 (2011: 1,840,898,668) Equity Shares of Rs 10 each	19,446,912	18,408,987
Called up Capital		
1,944,691,234 (2011: 1,840,898,668) Equity Shares of Rs 10 each	19,446,912	18,408,987
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	**19,446,912**	**18,410,000**

Of the above 1,356,814,514 (2011:1,356,764,514) 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)

Shareholders	As as March 31, 2012		As at March 31, 2011	
	Shares of Rs. 10 each fully paid up	% of Holding	Shares of Rs. 10 each fully paid up	% of Holding
Promoters				
·Indian	1,356,814,514	69.77%	1,356,764,514	73.70%
·Foreign	505,619,720	26.00%	478,633,654	26.00%
Others*	82,257,000	4.23%	5,500,500	0.30%
Total	**1,944,691,234**	**100%**	**1,840,898,668**	**100%**

* Out of above, 76,600,000 (2011: Nil) equity share of Rs 10 each shall not be transferable till 30 September 2013

SCHEDULE 6
RESERVE AND SURPLUS

Particulars	As at March 31, 2012	As at March 31, 2011
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	1,822,667	1,351,828
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	**1,822,667**	**1,351,828**

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, 2012	As at March 31, 2011
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULE 8
INVESTMENTS SHAREHOLDERS (IN INDIA)

[Refer to Note I (5), II (7) and II (8) on Schedule 16]

Particulars	As at March 31, 2012	As at March 31, 2011
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	7,245,009	5,987,783
Other Approved Securities	2,050,639	708,449
Other Approved investments		
(a) Shares		
(aa) Equity	766,411	111,419
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	2,520,293	1,679,909
(e) Other Securities		
Deposits with Bank	850,000	250,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	5,952,097	3,061,932
Other Investments		
Equity Shares	126,365	12,788
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	6,546	-
Other Approved Securities	-	-
Other Approved investments		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	310,099	805,367
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	50,002	-
(e) Other Securities		
Certificate of Deposits	1,356,182	433,796
Deposits with Bank	452,239	147,422
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	196,264	-
Other Investments	-	-
Total	**21,882,146**	**13,198,865**
Aggregate Amount of Investments other than listed equity securities and derivative instruments	20,810,857	13,069,788
Aggregate Market Value of Investments other than listed equity securities and derivative instruments	20,280,421	12,861,492

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 (5), II (7) and II (8) on Schedule 16]

Particulars	As at March 31, 2012	As at March 31, 2011
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills *	27,146,862	19,798,339
Other Approved Securities	5,662,186	4,550,661
Other Approved Investments		
(a) Shares		
(aa) Equity	614,036	9,274
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	3,676,437	2,730,895
(e) Other Securities		
Deposits with Bank	90,000	90,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	10,693,411	8,015,062
Other Investments		
Equity Shares	169,502	552
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	88,104	-
Other Approved Securities	-	-
Other Approved Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	315,393	653,613
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	49,928	99,946
(e) Other Securities		
Certificate of Deposits	1,199,941	195,523
Reverse Repo	794,514	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	1,111,487	325,921
Other Investments		
Total	**51,611,801**	**36,469,786**
Aggregate Amount of Investments other than listed equity securities and derivative instruments	50,640,063	36,458,396
Aggregate Market Value of Investments other than listed equity securities and derivative instruments	48,653,795	35,482,286

* Includes Rs. 106,065 (2011 : Rs 106,264) of securities under section 7 of Insurance Act, 1938 [Refer to Note II (7) 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 (5), II (7) and II (8) on Schedule 16]

Particulars	As at March 31, 2012	As at March 31, 2011
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	2,057,692	2,868,522
Other Approved Securities	1,905,049	174,165
Other Approved Investments		
(a) Shares		
(aa) Equity	51,009,967	45,684,554
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	4,032,469	3,048,069
(e) Other Securities		
Deposits with Bank	2,495,000	898,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	15,007,273	10,894,646
Other Investments		
Equity Shares	7,003,844	4,403,865
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	1,598,479	201,815
Other Approved Securities	-	-
Other Approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	323,466	1,262,038
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	486,762	1,409,555
(e) Other Securities		
Commercial Paper	249,807	246,678
Certificate of Deposits	4,725,687	13,473,899
Deposits with Bank	1,365,800	410,149
Reverse Repo	703,545	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	3,427,889	1,735,220
Other Investments		
Net Current Assets	2,263,905	1,984,381
Total	**98,656,634**	**88,695,556**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 9

LOANS

[Refer to Note I (15) on Schedule 16]

Particulars	As at March 31, 2012	As at March 31, 2011
SECURITY -WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities, etc.	-	-
(c) Loans against policies	158,655	116,222
(d) Others	-	-
Unsecured	-	-
Total	**158,655**	**116,222**
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	158,655	116,222
(f) Others	-	-
Total	**158,655**	**116,222**
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	158,655	116,222
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	**158,655**	**116,222**
MATURITY- WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	158,655	116,222
Total	**158,655**	**116,222**

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 (6) on Schedule 16]

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	As at Additions for the year	As at Sale/ Disposal for the year	As at March 31, 2012	As at April 1, 2011	As at For the Year**	As at On Sales / Disposal*	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	1,101,538	97,440	-	1,198,978	739,172	141,841	-	881,013	317,965	362,366
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	1,474,891	17,768	392,268	1,100,391	980,673	75,335	345,297	710,711	389,680	494,218
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	481,878	7,083	106,280	382,681	280,918	19,418	93,809	206,527	176,154	200,960
Information Technology equipment (Including communication networks and servers)	1,199,509	46,773	193,105	1,053,177	1,024,712	90,163	184,417	930,458	122,719	174,797
Vehicles	48,872	19,211	10,087	57,996	22,115	10,237	6,886	25,466	32,530	26,757
Office equipment	588,947	13,986	140,951	461,982	466,047	41,364	129,695	377,716	84,266	122,900
Others	-	-	-	-	-	-	-	-	-	-
Total	4,895,635	202,261	842,691	4,255,205	3,513,637	378,358	760,104	3,131,891	1,123,314	1,381,998
Capital Work in Progress (including Capital advances)									76,085	20,016
Grand Total	4,895,635	202,261	842,691	4,255,205	3,513,637	378,358	760,104	3,131,891	1,199,399	1,402,014
Previous year	5,368,983	383,530	856,878	4,895,635	2,707,676	1,591,149	785,188	3,513,637	1,402,014	

* Note : Assets retired from active use and held for disposal during the year Gross Block : Rs 39,815 (2011 : Rs 1,070,818), Accumulated Depreciation Rs 21,064 (2011 : Rs. 1,000,401)

** Reversal of Rs 142,829 (2011: Nil) towards accelerated depreciation. Reversal is on account of lower charge during office consolidation process.

SCHEDULE 11
CASH AND BANK BALANCES

Particulars	As at March 31, 2012	As at March 31, 2011
Cash [Including Insurance Stamp Rs 575 (2011 : Rs 6,032]	145,382	157,962
Balances with banks in India*		
(a) Deposit Accounts		
(aa) Short-term fixed deposit (i.e. maturing in 12 months)	-	-
(bb) Others	-	-
(b) Current accounts [Including Remittances in Transit Rs 580,452 (2011: Rs. 370,218)]	2,458,587	1,766,915
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others -	-	
Total	**2,603,969**	**1,924,877**
*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, 2012		As at March 31, 2011
ADVANCES				
Reserve deposit with ceding companies		-		-
Application money for investments		-		-
Prepayments		193,759		459,809
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		4,496		21,893
Others				
-Advances to suppliers	301,023		367,442	
Less : Provision for doubtful expenses	26,870	274,153	16,647	350,795
-Advances to employees for imprest, travel, etc.	37,095		40,949	
Less : Provision for doubtful expenses	27,209	9,886	25,983	14,966
Total (A)		**482,294**		**847,463**
OTHER ASSETS				
Income accrued on investments		1,856,400		1,172,190
Outstanding Premiums		1,824,170		837,799
Agents' Balances	205,419		83,996	
Less : Provision for doubtful expenses	24,301	181,118	16,329	67,667
Foreign Agencies Balances		-		-
Due from other entities carrying on insurance business (including reinsurers)		279,802		395,150
Due from subsidiaries / holding company		-		-
Deposits with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938) *		-		-
Others:				
- Service Tax Unutilised Credit		681,387		1,067,107
- Security and other deposits		381,559		453,138
Total (B)		**5,204,436**		**3,993,051**
Total (C) = (A) + (B)		**5,686,730**		**4,840,514**

* (Refer to Note II (7) on Schedule 16)

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 13
CURRENT LIABILITIES

Particulars	As at March 31, 2012	As at March 31, 2011
Agents' balances	674,577	745,137
Balance due to other insurance companies	278,090	333,070
Deposits held on reinsurance companies	-	-
Premium received in advance	-	-
Unallocated premium	801,083	750,208
Sundry creditors (Refer to Note II (31) on Schedule 16)	5,610,941	4,519,789
Due to holding company	5,913	3,634
Claims Outstanding (includes pending investigation) *	517,186	528,169
Annuities Due	-	-
Due to Officers/ Directors	-	-
Unclaimed Amount- Policyholders **	2,138,372	1,163,135
Funds for Discontinued Policies: ***		
- Discontinued on account of non-payment of premium(including Rs 20,301 (2011 : Rs 200) transferred for current financial year)	20,501	200
Others:		
-Proposal / Policyholder deposits	884,846	1,117,243
-Payable to Policyholder	2,031,359	1,337,882
-Withholding Tax Deducted at Source	250,393	303,890
-Service Tax Liability	-	-
-Other Statutory liabilities	27,435	32,638
Total	**13,240,696**	**10,834,995**

* Includes Claims incurred but not reported Rs 289,972 (2011 : Rs 247,029)

** (Refer to Note II (34) on Schedule 16)

*** (Refer to Note II (35) on Schedule 16)

SCHEDULE 14
PROVISIONS

Particulars	As at March 31, 2012	As at March 31, 2011
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 compensated absences*	59,432	2,212
- Provision for wealth tax	452	377
Total	**59,884**	**2,589**

*(Refer to Note I (8) & II (26) on Schedule 16)

SCHEDULE 15
MISCELLANEOUS EXPENDITURE(To the extent not written off or adjusted)

Particulars	As at March 31, 2012	As at March 31, 2011
Discount Allowed in issue of shares/ debentures	-	-
Others		
- Deferred Employee Compensation*	703,257	755,927
Total	**703,257**	**755,927**

*(Refer to Note I (9) & II (10) on Schedule 16)

ANNEXURE TO REVENUE ACCOUNT-BREAK UP OF UNIT LINKED BUSINESS (UL)

Revenue Account for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees)

Policyholders' Account (Technical Account)

Particulars	Schedule	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)
Premiums earned – net											
(a) Premium		1,438,075	25,033,337	26,471,412	6,610	3,046,810	3,053,420	-	216,435	216,435	29,741,267
(b) Reinsurance ceded		(189,628)	-	(189,628)	(353)	-	(353)	-	-	-	(189,981)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		222,600	2,521,602	2,744,202	18,933	229,546	248,479	1	45,241	45,242	3,037,923
(b) Profit on sale/redemption of investments		615	4,163,735	4,164,350	-	115,588	115,588	(1)	19,003	19,002	4,298,940
(c) Loss on sale/redemption of investments		(1)	(3,675,924)	(3,675,925)	1	(104,845)	(104,844)	(2)	(16,088)	(16,090)	(3,796,859)
(d) Unrealised gain/(loss)		(1)	(3,457,864)	(3,457,865)	-	(236,360)	(236,360)	1	(599)	(598)	(3,694,823)
(e) Amortisation of discount/(premium)		891	-	891	(361)	-	(361)	-	-	-	530
(f) App/Exp Adj Account		(1)	(146,846)	(146,847)	-	(11,826)	(11,826)	208	(174)	34	(158,639)
Other income:											
(a) Linked Income	UL1	4,736,902	(4,736,902)	-	627,470	(627,470)	-	10,789	(10,789)	-	-
(b) Contribution from the Shareholders' Account		-	-	-	-	-	-	73,881	-	73,881	73,881
(c) Others		747	0	747	68	0	68	24	0	24	839
TOTAL (A)		**6,210,199**	**19,701,138**	**25,911,337**	**652,368**	**2,411,443**	**3,063,811**	**84,901**	**253,029**	**337,930**	**29,313,078**
Commission Paid		692,837	-	692,837	39,651	-	39,651	57	-	57	732,545
Operating Expenses related to Insurance Business		1,258,501	567,119	1,825,620	95,511	46,370	141,881	83,673	1,016	84,689	2,052,190
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-	-
Provision for doubtful debts		3,156	-	3,156	279	-	279	76	-	76	3,511
Bad debts written off		4	-	4	-	-	-	-	-	-	4
TOTAL (B)		**1,954,498**	**567,119**	**2,521,617**	**135,441**	**46,370**	**181,811**	**83,806**	**1,016**	**84,822**	**2,788,250**
Benefits Paid (Net)	UL2	698,318	10,872,480	11,570,798	816	749,256	750,072	1,095	168,291	169,386	12,490,256
Interim Bonus Paid		-	-				-			-	
Change in Valuation Liability		455,326	8,261,539	8,716,865	(3,000)	1,615,817	1,612,817	-	83,722	83,722	10,413,404
TOTAL (C)		**1,153,644**	**19,134,019**	**20,287,663**	**(2,184)**	**2,365,073**	**2,362,889**	**1,095**	**252,013**	**253,108**	**22,903,660**
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		**3,102,057**	**-**	**3,102,057**	**519,111**	**-**	**519,111**	**-**	**-**	**-**	**3,621,168**
APPROPRIATIONS											
Transfer to Shareholders' Account		-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-
Total (D)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Policyholders' Account (Technical Account)

Particulars	Schedule	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)
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)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Schedules annexure 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, 2012			
	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	1,022,672	88,321	5,729	**1,116,722**
Policy Administration charge	1,644,325	390,596	5,060	**2,039,981**
Surrender charge	326,888	142,834	-	**469,722**
Switching charge	120	8	-	**128**
Mortality charge	1,742,897	5,711	-	**1,748,608**
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
TOTAL (UL-1)	**4,736,902**	**627,470**	**10,789**	**5,375,161**

* (net of service tax, if any)

Schedule-UL1
Linked Income (recovered from linked funds)*

Particulars	YEAR ENDED MARCH 31, 2011			
	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (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)

Schedules annexure 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, 2012									
		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	805,736	154,246	959,982	866	20,195	21,061	1,691	-	1,691	982,734
(b)	Claims by Maturity		448,487	448,487		36,251	36,251	-	56,367	56,367	541,105
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits										
	- Surrender	-	10,269,747	10,269,747	-	692,710	692,710	-	111,924	111,924	11,074,381
	- Survival	-	-	-	-	-	-	-	-	-	-
	- Others	25,868	-	25,868	-	100	100	-	-	-	25,968
	Sub Total (A)	831,604	10,872,480	11,704,084	866	749,256	750,122	1,691	168,291	169,982	12,624,188
2.	Amount Ceded in reinsurance										
(a)	Claims by Death	133,286	-	133,286	50	-	50	596	-	596	133,932
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits										
	- Surrender	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	133,286	-	133,286	50	-	50	596	-	596	133,932
	TOTAL (A) - (B)	698,318	10,872,480	11,570,798	816	749,256	750,072	1,095	168,291	169,386	12,490,256
Benefits paid to claimants:											
In India		831,604	10,872,480	11,704,084	866	749,256	750,122	1,691	168,291	169,982	12,624,188
Outside India		-	-	-	-	-	-	-	-	-	-
	TOTAL (UL2)	831,604	10,872,480	11,704,084	866	749,256	750,122	1,691	168,291	169,982	12,624,188

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

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, 2012

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN		ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFEMONEYM104	ULIF01628/04/09 LIFESECPLS104
Sources of Funds												
Policyholders' Funds:												
Policyholder contribution	F-1	4,494,120	376,757	38,926,828	1,256,416	20,500,418	313,123	4,458,705	32,200	6,643	262,251	244,924
Revenue Account		1,041,598	135,594	12,383,853	228,445	4,533,066	61,469	260,476	4,533	768	22,664	22,527
Total		**5,535,718**	**512,351**	**51,310,681**	**1,484,861**	**25,033,484**	**374,592**	**4,719,181**	**36,733**	**7,411**	**284,915**	**267,451**
Application of Funds												
Investments	F-2	5,345,104	503,287	49,905,596	1,479,104	24,713,484	369,389	4,564,037	36,828	7,087	282,939	265,248
Current Assets	F-3	300,469	76,084	2,084,539	198,785	701,966	5,571	169,218	10,039	3,458	2,170	63,450
Less: Current Liabilities and Provisions	F-4	109,855	67,020	679,454	193,028	381,966	368	14,074	10,134	3,134	194	61,247
Net current assets		**190,614**	**9,064**	**1,405,085**	**5,757**	**320,000**	**5,203**	**155,144**	**(95)**	**324**	**1,976**	**2,203**
Total		**5,535,718**	**512,351**	**51,310,681**	**1,484,861**	**25,033,484**	**374,592**	**4,719,181**	**36,733**	**7,411**	**284,915**	**267,451**
Net Asset Value (NAV) per Unit:		23.06	20.04	30.24	16.82	15.91	12.43	13.57	13.80	13.35	11.36	11.80
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)		5,535,718	512,351	51,310,681	1,484,861	25,033,484	374,592	4,719,181	36,733	7,411	284915	267,451
(b) Number of Units outstanding		240,102,250	25,563,796	1,696,598,329	88,263,949	1,573,810,323	30,142,864	347,828,040	2,661,229	555,145	25,078,403	22,672,070
(c) NAV per Unit (a)/(b) (Rs.)		23.06	20.04	30.24	16.82	15.91	12.43	13.57	13.80	13.35	11.36	11.80

Form A-BS(UL)
Fund Balance Sheet as at March 31, 2012

Particulars	Schedule	Funds											
		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	Total
SFIN		ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Sources of Funds													
Policyholders' Funds:													
Policyholder contribution	F-1	961,145	97,934	3,383,748	426,585	2,511,922	141,660	351,156	110,230	39	45,093	388	78,902,285
Revenue Account		98,908	13,099	444,103	54,344	313,143	41,799	62,236	26,879	47	4,724	74	19,754,349
Total		**1,060,053**	**111,033**	**3,827,851**	**480,929**	**2,825,065**	**183,459**	**413,392**	**137,109**	**86**	**49,817**	**462**	**98,656,634**
Application of Funds													
Investments	F-2	1,037,296	107,689	3,755,125	478,099	2,789,653	175,375	396,708	134,603	92	45,550	436	96,392,729
Current Assets	F-3	68,652	15,961	78,520	73,585	40,473	17,352	65,463	2,509	1	12,477	26	3,990,768
Less: Current Liabilities and Provisions	F-4	45,895	12,617	5,794	70,755	5,061	9,268	48,779	3	7	8,210	-	1,726,863
Net current assets		**22,757**	**3,344**	**72,726**	**2,830**	**35,412**	**8,084**	**16,684**	**2,506**	**(6)**	**4,267**	**26**	**2,263,905**
Total		**1,060,053**	**111,033**	**3,827,851**	**480,929**	**2,825,065**	**183,459**	**413,392**	**137,109**	**86**	**49,817**	**462**	**98,656,634**
Net Asset Value (NAV) per Unit:		15.98	15.46	17.67	14.89	9.68	16.46	15.13	15.24	14.23	12.06	13.13	
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)		1,060,053	111,033	3,827,851	480,929	2,825,065	183,459	413,392	137,109	86	49,817	462	98,656,634
(b) Number of Units outstanding		66,346,720	7,181,685	216,629,465	32,288,666	291,713,574	11,143,635	27,324,456	8,995,972	6,072	4,130,218	35,152	
(c) NAV per Unit (a)/(b) (Rs.)		15.98	15.46	17.67	14.89	9.68	16.46	15.13	15.24	14.26	12.06	13.12	
Significant accounting policies and notes to the accounts	16												

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, 2011

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN		ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFEMONEYM104	ULIF01628/04/09 LIFESECPLS104
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)		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		194,682,711	23,149,180	1,610,782,953	70,262,343	1,330,493,539	26,265,427	195,630,936	2,185,359	398,925	16,707,473	8,524,190
(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											
		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	Total
SFIN		ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
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)		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	13.41	11.22	13.28	

Significant accounting policies and notes to the accounts 16

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, 2012

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN		ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFEMONEYM104	ULIF01628/04/09 LIFESECPLS104
Income from investments												
Interest income		225,465	31,238	1,350,165	99,202	26,543	3,286	92,591	1,904	387	113	14,025
Dividend income		16,464	555	358,127	-	271,096	4,244	26,102	93	8	-	-
Profit on sale of investment		104,100	6,204	2,570,416	32,420	1,405,465	11,320	28,732	390	96	-	4,254
Loss on sale of investment		(89,935)	(6,587)	(2,086,180)	(18,416)	(1,412,648)	(12,317)	(45,156)	(384)	(93)	(285)	(2,187)
Profit on inter fund transfer/ sale of investment		-	5	114	7	-	4	-	1	-	-	205
loss on inter fund transfer/ sale of investment		-	(241)	(524)	(30)	(617)	(99)	(2)	(4)	(1)	(2)	(219)
Miscellaneous Income		-	-	-	-	-	-	-	-	-	-	-
Unrealised Gain/loss*		(9,009)	1,907	(1,997,472)	(250)	(1,407,447)	(8,934)	(55,856)	(351)	19	18,676	852
Appropriation / Expropriation		(3,497)	(134)	(77,283)	(60)	(58,586)	(521)	(6,749)	(7)	(1)	(5)	(5)
Total (A)		**243,588**	**32,947**	**117,363**	**112,873**	**(1,176,194)**	**(3,017)**	**39,662**	**1,642**	**415**	**18,497**	**16,925**
Fund management expenses		52,890	4,177	613,888	11,529	285,259	4,296	45,429	562	92	2,886	1,662
Service tax on FMC		6,686	645	68,289	1,781	31,732	478	5,054	58	10	321	257
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-
Appropriation / Expropriation		-	-	-	-	-	-	-	-	-	-	-
Total (B)		**59,576**	**4,822**	**682,177**	**13,310**	**316,991**	**4,774**	**50,483**	**620**	**102**	**3,207**	**1,919**
Net Income for the year (A-B)		**184,012**	**28,125**	**(564,814)**	**99,563**	**(1,493,185)**	**(7,791)**	**(10,821)**	**1,022**	**313**	**15,290**	**15,006**
Add: Fund revenue account at the beginning of the period		857,586	107,469	12,948,667	128,882	6,026,251	69,260	271,297	3,511	455	7,374	7,521
Fund revenue account at the end of the year Mar 31, 2012		**1,041,598**	**135,594**	**12,383,853**	**228,445**	**4,533,066**	**61,469**	**260,476**	**4,533**	**768**	**22,664**	**22,527**

Form A-RA(UL)
FUND REVENUE ACCOUNT YEAR ENDED MARCH 31, 2012

Particulars	Schedule	Funds											
		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	Total
SFIN		ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Income from investments													
Interest income		42,850	6,118	82,121	31,651	5,640	9,471	27,087	4,290	5	2,688	12	**2,056,852**
Dividend income		3,526	125	25,435	-	32,076	648	-	1,035	1	-	4	**739,539**
Profit on sale of investment		5,672	1,012	43,446	10,056	55,157	6,487	6,587	4,611	7	637	7	**4,297,076**
Loss on sale of investment		(8,890)	(860)	(41,996)	(5,152)	(47,706)	(4,078)	(4,683)	(5,036)	(1)	(558)	-	**(3,793,148)**
Profit on inter fund transfer/ sale of investment		-	22	20	204	-	59	397	3	-	208	-	**1,249**
loss on inter fund transfer/ sale of investment		(6)	(16)	-	(203)	(15)	(1,036)	(323)	(292)	(1)	(79)	(1)	**(3,711)**
Miscellaneous Income		-	-	-	-	-	-	-	-	-	-	-	**-**
Unrealised Gain/loss*		4,197	(480)	(81,242)	940	(159,774)	(630)	1,518	(1,545)	(6)	84	(19)	**(3,694,822)**
Appropriation / Expropriation		(600)	(23)	(4,713)	(18)	(6,472)	(149)	-	-	-	(23)	(1)	**(158,847)**
Total (A)		**46,749**	**5,898**	**23,071**	**37,478**	**(121,094)**	**10,772**	**30,583**	**3,066**	**5**	**2,957**	**2**	**(555,812)**
Fund management expenses		9,903	802	41,991	3,716	31,910	1,487	2,648	1,322	1	268	4	**1,116,722**
Service tax on FMC		1,252	124	4,671	574	3,550	243	491	194	-	50	1	**126,461**
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-	**-**
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-	**-**
Appropriation / Expropriation		-	-	-	-	-	-	(17)	(191)	-	-	-	**(209)**
Total (B)		**11,155**	**926**	**46,662**	**4,290**	**35,460**	**1,730**	**3,122**	**1,325**	**1**	**318**	**5**	**1,242,975**
Net Income for the year (A-B)		**35,594**	**4,972**	**(23,591)**	**33,188**	**(156,554)**	**9,042**	**27,461**	**1,741**	**4**	**2,639**	**(3)**	**(1,798,787)**
Add: Fund revenue account at the beginning of the period		63,314	8,127	467,694	21,156	469,697	32,757	34,775	25,138	43	2,085	77	21,553,136
Fund revenue account at the end of the year Mar 31, 2012		**98,908**	**13,099**	**444,103**	**54,344**	**313,143**	**41,799**	**62,236**	**26,879**	**47**	**4,724**	**74**	**19,754,349**

*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, 2011

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN		ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFEMONEYM104	ULIF01628/04/09 LIFESECPLS104
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:	F5	-	-	-	-	-	-	-	-	-	-	-
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	Schedule	Funds											
		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	Total
SFIN		ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
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:	F5	-	-	-	-	-	-	-	-	-	-	-	-
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)

SCHEDULE: F-1
POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Funds										
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
Opening 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
Add: Additions during the year*	1,112,848	95,145	3,734,382	407,777	4,114,786	70,031	2,085,805	8,634	3,512	112,369	217,537
Less: Deductions during the year*	99,635	48,218	1,208,797	117,319	336,896	22,558	52,182	2,237	1,480	20,512	58,170
Closing balance	**4,494,120**	**376,757**	**38,926,828**	**1,256,416**	**20,500,418**	**313,123**	**4,458,705**	**32,200**	**6,643**	**262,251**	**244,924**

* Additions represents units creation and deductions represent units cancellation including cancellation for charges.

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Funds											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Opening balance	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**
Add: Additions during the year*	329,708	39,141	1,018,873	164,266	627,564	83,619	135,338	14,977	-	36,013	88	**14,412,413**
Less: Deductions during the year*	57,334	6,412	184,338	54,029	155,233	125,893	61,506	22,645	92	16,905	157	**2,652,548**
Closing balance	**961,145**	**97,934**	**3,383,748**	**426,585**	**2,511,922**	**141,660**	**351,156**	**110,230**	**39**	**45,093**	**388**	**78,902,285**

* Additions represents units creation and deductions represent units cancellation including cancellation for charges.

SCHEDULE: F-1
POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED 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
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
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
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
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
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**

* 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 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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Opening balance	334,414	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*	465,075	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*	110,718	10,219	172,239	41,023	321,633	9,294	34,118	38,224	4	2,106	33	**5,205,622**
Closing balance	**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**

* Additions represents units creation and deductions represent units cancellation including cancellation for charges.

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F-2
INVESTMENTS AS AT MARCH 31, 2012

Particulars	Funds										
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
Approved Investments											
Government Bonds	1,228,988	262,609	1,788,537	768,920	-	-	108,831	19,536	4,240	282,939	167,421
Corporate Bonds	335,590	56,352	3,114,187	173,371	66,418	7,081	264,582	1,942	984	-	17,051
Infrastructure Bonds	1,372,849	97,667	8,843,341	301,012	96,007	5,978	812,919	4,840	-	-	49,709
Equity	1,385,214	57,360	26,975,239	-	21,042,417	307,447	2,513,804	5,546	425	-	-
Money Market - CP	19,985	999	132,398	14,988	49,961	-	19,985	-	-	-	1,499
Money Market - CD	450,115	4,667	2,312,643	48,013	673,595	747	300,285	1,664	844	-	4,538
Mutual Funds	23,347	-	180,057	-	-	-	54,373	-	-	-	-
Deposit with Bank	323,000	17,450	2,570,800	172,800	200,000	13,000	179,700	2,800	500	-	25,000
REPO	-	-	427,090	-	49,578	-	26,574	68	59	-	30
Total	5,139,088	497,104	46,344,292	1,479,104	22,177,976	334,253	4,281,053	36,396	7,052	282,939	265,248
Other Investments											
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-
Equity	206,016	6,183	3,561,304	-	2,535,508	35,136	282,984	432	35	-	-
Money Market	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
Total	206,016	6,183	3,561,304	-	2,535,508	35,136	282,984	432	35	-	-
GRAND TOTAL	5,345,104	503,287	49,905,596	1,479,104	24,713,484	369,389	4,564,037	36,828	7,087	282,939	265,248
% of Approved Investments to Total	96%	99%	93%	100%	90%	90%	94%	99%	100%	100%	100%
% of Other Investments to Total	4%	1%	7%	0%	10%	10%	6%	1%	0%	0%	0%

INVESTMENTS AS AT MARCH 31, 2012

Particulars	Funds											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Approved Investments												
Government Bonds	235,610	57,736	98,470	251,238	-	42,280	217,053	1,295	39	25,355	122	5,561,219
Corporate Bonds	134,410	3,777	220,173	60,843	8,081	6,468	35,223	8,369	18	4,246	64	4,519,230
Infrastructure Bonds	200,578	23,826	686,996	94,612	32,538	46,882	90,827	27,941	-	9,983	-	12,798,505
Equity	251,395	11,445	1,809,478	-	2,174,253	46,034	-	66,299	25	-	243	56,646,624
Money Market - CP	1,998	-	-	6,995	-	-	-	-	-	999	-	249,807
Money Market - CD	99,043	908	500,153	10,619	292,709	9,089	7,805	7,434	-	817	-	4,725,688
Mutual Funds	-	-	65,689	-	-	-	-	-	-	-	-	323,466
Deposit with Bank	55,900	9,900	164,800	53,792	-	14,000	45,800	7,400	8	4,150	-	3,860,800
REPO	30,342	-	64,749	-	101,436	1,388	-	2,231	-	-	-	703,545
Total	1,009,276	107,592	3,610,508	478,099	2,609,017	166,141	396,708	120,969	90	45,550	429	89,388,884
Other Investments												
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Equity	28,020	97	144,617	-	180,636	9,234	-	13,634	2	-	7	7,003,845
Money Market	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	28,020	97	144,617	-	180,636	9,234	-	13,634	2	-	7	7,003,845
GRAND TOTAL	1,037,296	107,689	3,755,125	478,099	2,789,653	175,375	396,708	134,603	92	45,550	436	96,392,729
% of Approved Investments to Total	97%	100%	96%	100%	94%	95%	100%	90%	98%	100%	98%	93%
% of Other Investments to Total	3%	0%	4%	0%	6%	5%	0%	10%	2%	0%	2%	7%

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

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
SFIN	ULIF00325/06/ 04LIFECONSER104	ULIF00125/06/ 04LIFEGROWTH104	ULIF00425/06/ 04LIFESECURE104	ULIF01108/02 /07LIFEGRWSUP104	ULIF01108/02 /07LIFEGRWSUP104	ULIF01311/02/ 08LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFEMONEYM104	ULIF01628/04/09 LIFESECPLS104
Approved Investments											
Government Bonds	938,065	220,197	621,176	554,953	-	-	18,431	14,665	2,806	176,441	56,951
Corporate Bonds	351,957	44,254	3,226,174	216,078	63,997	7,190	152,968	227	794	-	10,872
Infrastructure Bonds	637,224	64,400	6,050,395	152,963	160,933	11,998	291,553	2,825	-	-	5,170
Equity	1,154,395	37,932	25,157,177	-	18,831,176	243,572	1,189,247	6,180	477	-	-
Money Market	822,996	45,849	9,426,899	121,031	1,302,266	36,668	675,262	3,846	760	-	16,142
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
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
Other Investments											
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-
Equity	86,831	2,445	2,186,313	-	1,558,654	32,102	150,388	695	72	-	-
Money Market	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
Total	86,831	2,445	2,186,313	-	1,558,654	32,102	150,388	695	72	-	-
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
% of Approved Investments to Total	98%	99%	95%	100%	93%	90%	94%	98%	99%	100%	100%
% of Other Investments to Total	2%	1%	5%	0%	7%	10%	6%	2%	1%	0%	0%

INVESTMENTS AS AT MARCH 31, 2011

Particulars	Funds											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Approved Investments												
Government Bonds	166,245	39,125	-	172,824	-	61,549	170,303	13,256	79	17,246	190	3,244,502
Corporate Bonds	83,830	1,706	138,894	61,519	8,201	26,671	52,497	5,670	36	4,004	86	4,457,625
Infrastructure Bonds	83,487	8,782	389,549	38,594	32,369	34,048	33,740	21,586	-	2,976	-	8,022,592
Equity	170,820	6,600	1,446,933	-	1,930,068	48,008	-	68,951	53	-	243	50,291,832
Money Market	165,979	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	31,000	2,500	50,000	12,000	-	7,000	18,000	-	-	700	-	1,308,149
Total	701,361	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	18,742	247	140,864	-	208,472	9,268	-	8,757	4	-	9	4,403,863
Money Market	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	18,742	247	140,864	-	208,472	9,268	-	8,757	4	-	9	4,403,863
GRAND TOTAL	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
% of Approved Investments to Total	97%	100%	95%	100%	92%	96%	100%	94%	98%	100%	98%	95%
% of Other Investments to Total	3%	0%	5%	0%	8%	4%	0%	6%	2%	0%	2%	5%

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F-3
CURRENT ASSETS AS AT MARCH 31, 2012

Particulars	Funds										
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
Accrued Interest	120,932	14,537	755,950	56,712	10,965	1,372	65,145	863	184	-	9,383
Cash & Bank Balance	5,952	(292)	10,800	(586)	7,630	855	21,479	279	5	1,069	1,706
Dividend Receivable	406	12	7,437	-	5,979	65	269	-	-	-	-
Receivable for Sale of Investments	133,162	51,093	1,152,936	140,447	583,412	1,890	-	8,653	3,119	-	50,240
Unit Collection A/c#	40,017	10,734	157,416	2,212	93,980	1,389	82,325	244	150	1,101	2,121
Other Current Assets (for Investments)											
Appropriation (Expropriation) Asset	-	-	-	-	-	-	-	-	-	-	-
Total	300,469	76,084	2,084,539	198,785	701,966	5,571	169,218	10,039	3,458	2,170	63,450

CURRENT ASSETS AS AT MARCH 31, 2012

Particulars	Funds										
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Accrued Interest	23,925	3,307	52,518	18,945	1,976	5,233	14,788	2,344	1	1,512	6	1,160,598
Cash & Bank Balance	3,306	276	10,605	3,487	2,113	2,059	405	150	-	27	-	71,325
Dividend Receivable	4	-	376	-	717	16	-	15	-	-	-	15,296
Receivable for Sale of Investments	31,696	10,044	7,104	50,237	23,841	10,044	50,241	-	-	8,471	20	2,316,650
Unit Collection A/c#	9,721	2,334	7,917	916	11,826	-	29	-	-	2,467	-	426,899
Other Current Assets (for Investments)												
Appropriation (Expropriation) Asset	-	-	-	-	-	-	-	-	-	-	-	-
Total	68,652	15,961	78,520	73,585	40,473	17,352	65,463	2,509	1	12,477	26	3,990,768

Represents inter fund receivables or payables, if any

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
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
Accrued Interest	67,894	10,702	435,025	28,539	5,465	768	20,410	539	89	-	1,811
Cash & Bank Balance	3,153	950	32,565	155	5,796	95	903	27	10	35	93
Dividend Receivable	486	18	10,155	-	8,073	69	201	-	-	-	-
Receivable for Sale of Investments	38,644	2,585	398,113	-	203,189	-	5,577	-	-	-	-
Unit Collection A/c#	44,617	4,819	328,635	4,118	157,165	4,487	93,992	323	57	1,287	1,224
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	3,497	134	77,283	60	58,586	521	6,749	7	1	5	5
Total	158,291	19,208	1,281,776	32,872	438,274	5,940	127,832	896	157	1,327	3,133

CURRENT ASSETS AS AT MARCH 31, 2011

Particulars	Funds											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Accrued Interest	10,734	1,284	20,438	7,473	1,907	3,869	6,806	1,719	2	639	5	626,118
Cash & Bank Balance	261	49	619	98	428	74	121	1,093	1	73	1	46,600
Dividend Receivable	3	-	409	-	927	44	-	11	-	-	-	20,396
Receivable for Sale of Investments	5,177	-	39,175	-	3,649	3,284	30,886	671	-	2,768	-	733,718
Unit Collection A/c#	15,207	195	27,139	5,284	13,733	-	253	-	-	-	-	702,535
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	600	23	4,713	18	6,472	149	(17)	(191)	-	23	1	158,639
Total	31,982	1,551	92,493	12,873	27,116	7,420	38,049	3,303	3	3,503	7	2,288,006

Represents inter fund receivables or payables, if any

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F-4
CURRENT LIABILITIES AS AT MARCH 31, 2012

Particulars	Funds										
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
Payable for Purchase of Investments	109,855	67,020	679,454	190,427	381,966	368	14,074	10,010	3,134	-	60,534
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	2,601	-	-	-	124	-	194	713
Appropriation (Expropriation) Liability	-	-	-	-	-	-	-	-	-	-	-
Total	**109,855**	**67,020**	**679,454**	**193,028**	**381,966**	**368**	**14,074**	**10,134**	**3,134**	**194**	**61,247**

CURRENT LIABILITIES AS AT MARCH 31, 2012

Particulars	Funds											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
Payable for Purchase of Investments	45,895	12,612	5,062	69,096	5,061	9,265	48,779	-	7	8,210	-	1,720,829
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	5	732	1,659	-	3	-	3	-	-	-	6,034
Appropriation (Expropriation) Liability	-	-	-	-	-	-	-	-	-	-	-	-
Total	**45,895**	**12,617**	**5,794**	**70,755**	**5,061**	**9,268**	**48,779**	**3**	**7**	**8,210**	**-**	**1,726,863**

Represents inter fund receivables or payables, if any

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
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
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											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
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**

Represents inter fund receivables or payables, if any

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F-5
OTHER EXPENSES AS AT MARCH 31, 2012

Particulars	Funds										
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

OTHER EXPENSES AS AT MARCH 31, 2012

Particulars	Funds											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
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, 2011

Particulars	Funds										
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
SFIN	ULIF00225/06/04 LIFEBALANC104	ULIF00325/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGRWSUP104	ULIF01311/02/08 LIFEHIGHGR104	ULIF01425/03/08 LIFEDYNOPP104	ULIF01004/10/06 AMSRGUADYN104	ULIF00904/10/06 AMSRGUAINC104	ULIF01528/04/09 LIFESECPLS104	ULIF01628/04/09 LIFEMONEYM104
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											
	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	Total
SFIN	ULIF00625/11/05 PENSBALANC104	ULIF00725/11/05 PENSCONSER104	ULIF00525/11/05 PENSGROWTH104	ULIF00825/11/05 PENSSECURE104	ULIF01213/08/07 PENSGRWSUP104	ULGF00217/04/06 GRATBALANC104	ULGF00317/04/06 GRATCONSER104	ULGF00117/04/06 GRATGROWTH104	ULGF00523/01/07 SANNBALANC104	ULGF00623/01/07 SANNCONSER104	ULGF00423/01/07 SANNGROWTH104	
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, 2012

(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, 2012. 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 generally accepted in India, in compliance with 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.

1) 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 (5) 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 computed on weighted average basis on the date of sale. Sale consideration for the purpose of realised gain/loss excludes interest accrued till transaction settlement date and is net of brokerage and taxes, if any.

In case of listed shares /mutual fund units for non linked business, 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.

2) **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.

3) **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. Clawback of the commission paid, if any, in future is accounted in the year in which it is recovered.

4) **Benefits Paid**
Claims payable include the direct costs of settlement if any. Reinsurance recoverable thereon, if any, is accounted for in the same period as the related claim. An additional claims 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.

Death and other claims are accounted for, when notified. Surrenders / withdrawal under non linked policies are accounted on the receipt of the consent from the insured. 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.

5) **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 (non-linked), 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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Valuation - Shareholder's Investments and Non-linked Policyholder's 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 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 equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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. Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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. Transfers of investments between unit linked funds are effected at market price as at previous day closing.

6) 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 and software licences are stated at cost less amortisation. Significant improvements to software are capitalised and amortised over the remaining useful life of original software.

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 over twelve months from the month 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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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

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.

7) **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 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. 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.

8) **Employee's Benefits**

Short Term Employee Benefits

All employee's benefits payable within twelve months including salaries & bonuses, short term compensated absences and other benefits like insurance for employees are accounted on undiscounted basis during the accounting period in which the related services are rendered.

Long Term Employee Benefits

Company's contributions towards Provident Fund, a defined benefit 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, Absences being defined benefit plans, is accounted for on the basis of independent actuarial valuations carried out as per 'Projected Unit Credit Method' at the balance sheet date. Actuarial gains / losses related thereof are expensed/recognized.

9) **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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

10) **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 currency 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.

11) **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 constitutes 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. Other than the above assets, liabilities, revenues and expenses, 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
Annualized 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.

12) **Contribution to Policyholders' Account (Technical Account)**

Contribution to Policyholders' Account (Technical Account), if any, is made as decided by the Board of Directors and approved by the Shareholders.

13) **Taxation**

Direct Taxes

Income Tax expense comprises of current tax and deferred tax charge or credit, as applicable. The differences 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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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.

14) **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.

15) **Loans**

Loans are stated at historical cost, subject to provision for impairment, if any.

16) **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.

17) **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 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.

18) **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, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

II NOTES TO ACCOUNTS

1) Contingent Liability

Particulars	As At March 31, 2012	As At March 31, 2011
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	46,831	14,993
Statutory demands/ liabilities in dispute, not provided for	-	-
Reinsurance obligations to the extent not provided for in accounts	-	-
Others *	51,033	62,645
Total	**97,864**	**77,638**

* Represents potential liability in respect of repudiated Policyholders claims

2) 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% (2011: 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% (2011: 0.80%) for participating business and 1.8% (2011: 1.80%) for non-participating business. A gross unit growth rate of 7.75% pa (2011: 7.75% pa) has been used which was reduced by a margin of adverse deviation of 1.30% (2011: 1.30%) pa. 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 2.50% (2011: 2.50%).

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 is 100% of the base table (2011: 95%) whereas the long term mortality assumption converges to 70% (2011: 70%) of the base table. The mortality assumption for the major unit-linked products is 80% (2011: 80%) of the base table in year 1 and 70% (2011: 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% (2011: 10%) for participating business and 25% (2011: 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% (2011: 95% to 300%) of these tables have been used which were further increased by a margin for adverse deviation of 25% (2011: 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% (2011: 10%) for participating policies and 10% (2011: 10%) for non-participating and health policies.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Inflation:
An assumption of 6.50% pa (2011: 6.50% pa) for expense inflation has been used.

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 for valuation purposes in general are set at levels below the current experience. These rates were further reduced by margins for adverse deviation of 20% (2011: 20%) for participating policies, 50% (2011: 50%) for non-participating policies and 20% (2011: 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.

3) Restructured Assets
The total of loan assets, standard assets, sub-standard assets and doubtful assets which are subject to restructuring is Rs Nil (2011:Rs. Nil).

4) Encumbrances
The assets of the Company are free from all encumbrances.

5) Commitments

Particulars	As At March 31, 2012	As At March 31, 2011
Estimated amount of contracts remaining to be executed on fixed assets (net of advances)	69,554	19,738
Commitments made and outstanding for investments and loans.	-	-
Total	**69,554**	**19,738**

6) 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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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.

7) **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, 2012	As At March 31, 2011
10.18% Government of India Security 2026 (Face value Rs. 100,000) in lieu of deposit with Reserve Bank of India*	106,065	106,264
Total	**106,065**	**106,264**

*This is the constituent subsidiary general ledger account maintained with HSBC Bank, Mumbai, India under intimation to IRDA

8) **Value of unsettled contracts relating to investment**

Value of contracts in relation to investments, for:

Particulars	As At March 31, 2012	As At March 31, 2011
(a) Purchases where deliveries are pending	3,032,907	624,923
(b) Sales where payments are overdue	-	-
Total	**3,032,907**	**624,923**

9) **Managerial Remuneration**

Managerial remuneration details are as below:

Particulars	2011-12	2010-11
Salary and Allowances	77,475	59,785
Contribution to Provident Fund	1,565	1,565
Value of Perquisites	240	7,158
Total	**79,280**	**68,508**

Notes:

(i) The above figures do not include provision for employee benefits, which are actuarially determined for the Company as a whole.

(ii) The remuneration, as approved by IRDA within requirements of Section 34A of the Insurance Act, 1938, amounting to Rs 30,000 (2011: Rs 30,000) has been charged to Policyholders Revenue Account and the balance, in excess, as required is debited to Shareholder Account.

(iii) 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, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

10) **Employee Stock Option Plans (ESOPs)**

During the year Rs.11,834 (2011: Rs. 25,010) has been accrued as ESOP cost in the Revenue account/Profit & Loss account as applicable.

Date of Grant	ESOP 2004 28-Sep-04	ESOP 2006 9-Mar-07	ESOP 2009 (I) 28-Aug-09	ESOP 2009 (II) 1-Sep-10
No. of options granted (No. in '000)	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			

A summary of status of Company's Employee Stock Option Plans is as given below:

Particulars	As At March 31, 2012 (No.) in'000	As At March 31, 2011 (No.) in'000
Outstanding at the beginning of the year	24,010	24,160
Add: Granted during the year	-	4,190
Less: Forfeited/lapsed during the year	739	2,800
Exercised during the year	206	1,540
Outstanding at the end of the year	**23,065**	**24,010**

Had the Company used the fair value of the options to value its Employee Stock Option Plans, the profit in profit and loss account (Shareholders' Account) would have been lower by Rs 55,673 (2011: Rs 90,140) and basic earning per share and dilutive earning per share would have been Rs 2.43 (2011: Rs 1.01) and Rs. 2.40 (2011: Rs 0.99) 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%

11) **Percentage of Business sector-wise**

Percentage of policies written business sector - wise is as below:

Particulars	2011-12		
	Policy Nos.	First year Premium Income*	No of Lives covered
Total Business	572,371	19,080,963	3,314,840
Rural Sector	131,055	2,816,939	-
As % of Total Business	22.9%	14.76%	-
Social Sector	-	118,679	1,504,223
As % of Total Business	-	0.62%	45.38%

* excluding premium due & unpaid Rs.63,807

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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

12) **Percentage of risk-retained and risk-reinsured**

The extent of risk retained and reinsured is given below:

Particulars	Premium		Sum Assured	
	2011-12	2010-11	2011-12	2010-11
Individual Business :				
Risk retained	99.31%	99.39%	76.52%	77.75%
Risk reinsured	0.69%	0.61%	23.48%	22.25%
Group Business :				
Risk retained	87.03%	71.69%	47.39%	70.15%
Risk reinsured	12.97%	28.31%	52.61%	29.85%

13) **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:

	2012	2011
Lease rentals for non-cancelable leases paid during the year	8,756	192,123
Lease obligations for non-cancelable lease		
Within one year of the balance sheet date	9,761	30,063
Due in a period between one year and five years	4,151	12,970
Due after five years	-	3,885

14) **Claims outstanding**

Claims, which are settled and unpaid for more than 6 months as on balance sheet date amount to Rs Nil (2011-Rs Nil).

15) 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('000): 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.840,534 (2011: Rs 701,108) in Profit and Loss Account (Shareholder's Account). This includes Rs.704,557 towards amortization of the total consideration on a straight line basis over the tenure of the agreement and prepaid balance of Rs.135,977, which is charged off on an accelerated basis.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

16) During the year, the Company has received an innovation grant of Rs Nil (2011: Rs 2,760) 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 :

a) Employees remuneration and welfare benefits
b) Legal, professional and consultancy charges
c) Advertisement and publicity

17) Contributions from Shareholders' Fund to Non Participating Policyholders' Funds

The Company has transferred amount aggregating to Rs 93,861 (2011: Rs 118,292) from the Shareholder's Account (Profit & Loss Account) to the non participating business segments, in Policyholder's Account (revenue Account), to fund the deficits in respective segments.

18) 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.

19) Appropriation/Expropriation

In accordance with the Unit Linked guidelines issued by IRDA effective October 1, 2009, the Company has followed the Appropriation/Expropriation method for calculating the Net Asset Value ('NAV') upto August 17, 2011. This method provides for adjusting the NAV on account of the 'Dealing Costs'. The same has been discontinued w.e.f. August 18, 2011 as per IRDA circular no – IRDA/F&I/CIR/INV/187/08/2011 and accordingly the amount of Rs.158,639 accrued till March 31, 2011 has been reversed in the current year.

20) Policy Liabilities

The movement of policy liabilities (forming part of Policyholders funds) for the year ended March 31, 2012 is as follows:

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group Linked	Individual Pension	Linked Group	Linked	
At start 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
Add : Change in valuation of liability against life policies in force, Net	9,319,026	19,357	998,893	1,750	1,006,471	8,716,865	1,612,817	83,722	21,758,901
Add : Policyholder Bonus provided	2,088,885	15,377	-	-	-	-	-		2,104,262
At end of Year	40,804,921	456,607	2,630,466	13,145	1,481,338	92,113,599	8,309,626	784,325	146,594,027

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			Linked Policies			Total
	Individual Life	Pension	Individual Life	Health	Group	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

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

21) (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 business 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 business. Investment of shareholder funds constitutes 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.

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, 2012 is given below:

Particulars	Participating Policies		Non-Participating Policies			Linked Policies				
	Individual Life	Pension	Individual Life	Health	Group	Individual Life	Pension	Group	Shareholders' Funds	Total
Segmental Shareholders' / Policyholders' account										
Revenue										
Premium earned – net	29,820,893	73,531	2,092,053	57,766	1,612,875	26,281,784	3,053,067	216,435	-	63,208,404
Income from Investments	3,052,960	51,545	177,777	1,857	62,394	(371,194)	10,676	47,590	1,500,286	4,533,891
Other Income	16,823	1	170	20,230	55	747	68	73,905	144,208	256,207
Unallocated Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue (net)	**32,890,676**	**125,077**	**2,270,000**	**79,853**	**1,675,324**	**25,911,337**	**3,063,811**	**337,930**	**1,644,494**	**67,998,502**
Expenses										
Commission	4,691,929	630	326,087	10,142	37,243	692,837	39,651	57	-	5,798,576
Operating Expenses including provision for doubtful debts and bad debts written off	9,629,371	3,186	551,463	51,577	275,772	1,828,780	142,160	84,765	1,063,981	13,631,055
Provision for Tax - Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-
Benefits Paid (Net)	4,272,365	42,251	187,849	16,384	273,867	11,570,798	750,072	169,386	-	17,282,972
Interim Bonus	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force (Net)	11,407,911	34,734	998,893	1,750	1,006,471	8,716,865	1,612,817	83,722	-	23,863,163
Net Contribution to policyholders fund	-	-	-	-	-	-	-	-	93,861	93,861
Provisions (other than taxation) for diminution in the value of investments(Net)	-	-	-	-	-	-	-	-	-	-
Total Expenses	**30,001,576**	**80,801**	**2,064,292**	**79,853**	**1,593,353**	**22,809,280**	**2,544,700**	**337,930**	**1,157,842**	**60,669,627**
Segment Operating Results	**2,889,100**	**44,276**	**205,708**	**-**	**81,971**	**3,102,057**	**519,111**	**-**	**486,652**	**7,328,875**
Transfer (to Shareholder)/from Policyholders	(201,282)	(1,548)	(205,708)	-	(81,971)	(3,102,057)	(519,111)	-	4,111,677	-
Unallocated other income	-	-	-	-	-	-	-	-	-	-
Shareholder expenses	-	-	-	-	-	-	-	-	-	-
Net Operating Profit/(Loss)										**7,328,875**
SEGMENTAL BALANCE SHEET										
Segment assets										
Investments	43,948,200	689,386	2,517,304	23,749	1,347,725	92,418,006	8,539,740	784,325	21,882,146	172,150,581
Loan	158,655	-	-	-	-	-	-	-	-	158,655
Net Fixed Assets	949,951	758	25,114	5,359	45,828	152,910	13,480	5,999	-	1,199,399
Advances and Other Assets	3,676,997	14,049	(21,987)	33,976	300,815	1,302,386	111,445	17,614	237,053	5,672,348
Total Segment Assets	**48,733,803**	**704,193**	**2,520,431**	**63,084**	**1,694,368**	**93,873,302**	**8,664,665**	**807,938**	**22,119,199**	**179,180,983**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Participating Policies		Non-Participating Policies			Linked Policies				
	Individual Life	Pension	Individual Life	Health	Group	Individual Life	Pension	Group	Shareholders' Funds	Total
Debit Balance in Profit and Loss Account										
(Shareholders' Account)	-	-	-		-	-	-	-	3,697,751	3,697,751
Deficit in the Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Unallocated Assets										
Cash and Bank Balances	-	-	-		-	-	-	-	-	2,603,969
Advances and Other Assets	-	-	-		-	-	-	-	-	14,382
Total Assets										**185,497,085**
Segment Liabilities										
Policy Liabilities	40,804,921	456,607	2,630,466	13,145	1,481,338	92,113,599	8,309,626	784,325	-	146,594,027
Current Liabilities	8,535,030	10,651	356,584	39,258	425,593	3,230,206	340,151	52,830	-	12,990,303
Fair Value Change Account	14,392	-	50	-	-	-	-	-	19,486	33,928
Total Segment Liabilities	**49,354,353**	**467,258**	**2,987,100**	**52,403**	**1,906,931**	**95,343,805**	**8,649,777**	**837,155**	**19,486**	**159,618,258**
Segment Reserves	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	1,822,667
Equity Capital	-	-	-	-	-	-	-	-	-	19,446,912
Employee Share Based Payment Plan Outstanding	-	-	-	-	-	-	-	-	-	758,122
Funds For Future Appropriations	4,023,320	220,786								4,244,106
Unallocated Liabilities										
Current Liabilities	-	-	-	-	-	-	-	-	-	250,393
Provisions	-	-	-	-	-	-	-	-	-	59,884
Deferred Expenditure	-	-	-	-	-	-	-	-	-	(703,257)
Total Liabilities										**185,497,085**
Other Information										
Capital Expenditure during the year	204,648	163	5,411	1,155	9,817	32,941	2,904	1,291	-	258,330
Depreciation for the year	433,361	66	23,162	2,490	14,707	40,409	2,230	4,762	-	521,187
Non-cash expenditure other than depreciation										
Liabilities to Policyholders	11,407,911	34,734	998,893	1,750	1,006,471	8,716,865	1,612,817	83,722	-	23,863,163
Unallocated preliminary expenses										-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(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				
	Individual Life	Pension	Individual Life	Health	Group	Individual Life	Pension	Group	Shareholders' Funds	Total
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
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**
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
Fair Value Change Account	950	-	1,146	-	-	2	-	-	54,416	56,513
Total Segment Liabilities	**34,596,220**	**430,138**	**1,932,843**	**50,996**	**660,790**	**87,582,613**	**7,288,988**	**721,475**	**54,416**	**133,318,482**
Segment Reserves	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	1,351,828

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Participating Policies		Non-Participating Policies			Linked Policies				
	Individual Life	Pension	Individual Life	Health	Group	Individual Life	Pension	Group	Shareholders' Funds	Total
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										

22) The ratios as prescribed by IRDA are given below:

	Ratios	2011 – 2012	2010 – 2011
(a)	New Business Premium Income Growth (segment wise)		
	(Current Year New Business Premium as a % of Previous Year New Business Premium)		
	Individual Life – Participating	132.38%	232.53%
	Pension – Participating	99.61%	90.57%
	Individual Life - Non Participating	167.60%	121.72%
	Health Insurance	84.20%	32.41%
	Group	154.35%	215.64%
	Individual Linked	34.64%	54.04%
	Linked Pension	12.42%	185.22%
	Linked Group	156.73%	35.72%
(b)	Net Retention Ratio	98.91%	98.69%
	(Net premium as a % of gross premium)		
(c)	Ratio of Expenses of Management	28.74%	34.13%
	(Expenses of Management as a % of Gross Premium)		
(d)	Commission Ratio	9.07%	9.29%
	(Gross Commission as a % of Gross Premium)		
(e)	Ratio of Policy holders' liabilities to shareholders' funds	271.66%	294.33%
	(Policyholders' Liability as a % of Shareholders' Fund)		
(f)	Growth rate of Shareholders' Fund	52.60%	20.89%
	(Increase/ (Decrease) in Shareholders' Fund over previous year as a % of Shareholders' Funds of Previous year)		
(g)	Ratio of Policyholders' Surplus to Policyholders' liability	17.43%	14.14%
	(Policyholders' Surplus as a % of Policyholders' Liability) (Refer to Note II (17) on Schedule 16)		
(h)	Change in net worth (over previous year)	52.60%	20.89%
	(Increase/ (Decrease) in Net Worth over previous year as a % of Net Worth of Previous year)		
(i)	Profit after tax / Total Income	79.89%	46.71%
	(Refer to Note II (17) on Schedule 16)		
(j)	(Total Real Estate+Loans)/ Cash & Invested assets	NA	NA
(k)	Total Investments/(Capital + Total Surplus)	335.74%	379.81%
(l)	Total Affiliated Investments/(Capital + Total Surplus)	NA	NA

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Notes for calculation of above Ratios

1) Expenses of Management include operating expenses and commission, other than those directly related to insurance business.
2) 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).
3) Policyholders' surplus is the amount available for Appropriation, in Revenue Account (Technical).
4) 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.
5) Net Worth = Shareholders Funds + Insurance Reserves-Deficit in the Revenue Account (Technical) as appearing in Balance Sheet.
6) Profit After Tax and total income are as disclosed in the Profit and Loss Account (Non - Technical).

23) Related Parties Disclosures

During the year ended 31st March 2012, 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 yearend, 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 2012

	Holding Company (a)	Fellow Subsidiaries (b)	Shareholders with Significant Influence (c)	Key Management Personnel (d)	Enterprises over which key management personnel have significant influence (e)	Total
Capital Contribution	-	-	736,753	-	-	**736,753**
Sale of Assets	-	-	-	-	-	**-**
Receiving of Services *	2,622	46,525	612,661	79,280	4,223	**745,311**
Reimbursement of Expenses	114	16,206	1,176	-	-	**17,496**
Rendering of Services	26,737	10,882	-	-	17	**37,636**
Recovery of Expenses	-	-	4,492	-	-	**4,492**
Voluntary Contribution **	-	-	-	-	20,000	**20,000**
Management Contracts including for deputation of employees	-	-	-	-	-	**-**
Balance receivable/(payable) as on March 31, 2012	**(5,913)**	**596**	**1,995**	-	**(2,648)**	

* Amount charged to Profit & Loss Account Rs.840,534 (Refer to Note II (15) on Schedule 16)

** Represents payment to Max India Foundation

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Description of relationship	Name of Party
(a) Holding Company	Max India Limited
(b) Fellow Subsidiaries	Pharmax Corporation Limited Max Healthcare Institute Limited Alps Hospital Limited Max Neeman Medical International Limited Max Bupa Health Insurance Company Limited
(c) Shareholder with significant influence	New York Life Enterprises (Formerly known as 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	New Delhi House Services Limited, Max India Foundation.

Summary of Related Parties Transactions for the year ended March 31st 2011

	Holding Company (a)	Fellow Subsidiaries (b)	Shareholders with Significant Influence (c)	Key Management Personnel (d)	Enterprises over which key management personnel have significant influence (e)	Total
Capital Contribution	-	-	15,800	-	-	**15,800**
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 (15) 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 Limited Max Healthcare Institute Limited Alps Hospital Limited Max Neeman Medical International Limited Max UK Ltd, UK Max Bupa Health Insurance Company Limited
(c) Shareholder with significant influence	New York Life Enterprises (Formerly known as 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	New Delhi House Services Limited, Max India Foundation.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

24) Summary of Financial Statements forming part of Notes to Accounts (Rs in lakhs) is given below:

	Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
	POLICYHOLDERS' A/C					
1	Gross Premium Income	639,053	581,263	486,054	385,726	271,460
2	Net Premium Income (Net of Re-insurance ceded)	632,084	573,621	480,086	381,903	269,255
3	Income from Investments (Net of losses)	30,336	99,082	198,965	(21,832)	22,411
4	Other Income (Miscellaneous Income)	181	243	46	95	36
5	Contribution from the Shareholders' a/c	939	1,183	5,862	37,158	17,913
6	**Total Income (2+3+4+5)**	**663,540**	**674,129**	**684,959**	**397,324**	**309,615**
7	Commission	57,986	53,990	42,121	39,158	38,446
8	Brokerage	-	-	-	-	-
9	Operating Expenses related to Insurance Business	125,671	144,367	150,481	161,034	86,634
10	Provision for Tax - Fringe Benefit Tax	-	-	-	794	469
11	**Total Expenses (7+8+9+10)**	**183,657**	**198,357**	**192,602**	**200,986**	**125,549**
12	Payments to Policyholders (includes Bonus to Policyholders)	172,830	123,679	58,917	22,082	13,601
13	Increase in Actuarial Liability	238,632	310,200	418,570	175,796	166,034
14	Surplus/Deficit from Operations	68,421	41,893	14,870	(1,540)	4,431
	SHAREHOLDERS' A/C					
15	Total Income under Shareholders' Account	16,445	8,557	3,985	3,385	2,168
16	Profit/(loss) before Tax	45,983	19,406	(2,091)	(39,302)	(15,693)
17	Provision for Tax	-	-	-	-	-
18	**Profit/ loss after tax**	**45,983**	**19,406**	**(2,091)**	**(39,302)**	**(15,693)**
19	Profit/ loss carried to Balance Sheet	(36,977)	(82,960)	(102,366)	(100,275)	(60,973)
	MISCELLANEOUS					
20	**Policyholders' account:**					
	Total Funds (Including Fund for Future Appropriation)	1,508,526	1,242,465	923,345	500,233	327,077
	Total Investments (Including Linked)	1,502,684	1,251,654	929,083	503,853	330,226
	Yield on Investments (%) (Controlled Funds)	8.50%	8.16%	8.26%	8.31%	7.92%
	Yield on Investments (%) (Unit Linked Funds)	-0.59%	10.08%	46.17%	-13.56%	11.27%
	Shareholders' account:					
	Total Funds	176,462	115,637	95,652	78,592	43,568
	Total Investments	218,821	131,989	83,013	52,291	41,673
	Yield on Investments (%)	8.94%	8.29%	6.06%	7.47%	6.51%
21	Yield on Total Investments	2.96%	9.41%	29.74%	-3.90%	9.24%
22	Paid up Equity capital (including Share Premium)	212,696	197,618	197,296	178,243	103,243
23	Weighted Average Number of Shares	1,868,419	1,839,878	1,784,120	1,423,255	802,924
24	Net Worth	176,462	115,637	95,652	78,592	43,568
25	Total Assets	1,684,988	1,358,103	1,018,997	578,825	370,646
26	Earning per share - Basic (Face Value : Rs 10 each) in Rs.	2.46	1.05	(0.12)	(2.76)	(1.95)
27	Earning per share - Diluted (Face Value : Rs 10 each) in Rs.	2.43	1.04	(0.12)	(2.76)	(1.95)
28	Book Value per Share: Rs 10 Paid up	9.30	6.10	5.20	4.41	4.22

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

25) Earnings per equity share :

	Particulars	2011 – 2012	2010 – 2011
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	4,598,329	1,940,605
2	Weighted average number of equity shares for earnings per equity share		
	a) For basic earnings per equity share	1,868,418,561	1,839,878,083
	b) For diluted earnings per equity share (as per 2a)	1,868,418,561	1,839,878,083
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	23,065,000	22,402,452
	Weighted average number of equity shares for diluted earnings equity share	1,891,483,561	1,862,280,535
3	**Earning per equity share**		
	a) Basic (in Rs.)	2.46	1.05
	b) Diluted (in Rs.)	2.43	1.04

26) Employee Benefits – Disclosures as per AS 15 (Revised)

i. Defined Contribution Plan

a. Employee State Insurance

During the year, the Company has recognised the following amounts in the Revenue account / Profit and Loss account:

Employee State Insurance	2011–2012	2010–2011
Employers Contribution to Employee State Insurance	4,101	6,225

ii. Defined benefit Plans

a. Provident Fund

The Company contributes to the employee provident trust "Max India Limited Employees Provident Fund Trust" which is managed by the holding company and as per guidance note on AS – 15, Employee Benefits (Revised) 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.

The above mentioned contributions and shortfall, if any is charged to Revenue account / Profit and Loss account.

Pending the issuance of the Guidance Note from the Actuarial Society of India, the company's actuary had expressed his inability to reliably measure the provident fund liability as at March 31, 2011. However the Company had duly provided for the shortfall in the interest liability payable by the Provident Fund Trust.

Consequent to issuance of the Guidance Note from the Actuarial Society of India during the current year, the Company has carried out an independent actuarial valuation to measure the liability towards aforesaid interest shortfall. As per actuarial certificate there is no shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the 'liability on account of interest rate guarantee is Nil.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

During the year, the Company has recognised the following amounts in the Revenue account / Profit and Loss account:

Provident Fund	**2011-2012**	**2010-2011**
Employers Contribution to Provident Fund	133,637	165,979

b. Gratuity

Change in Defined Benefit Obligation	**2011-2012**	**2010-2011**
Opening Present value obligation	128,068	115,602
Interest cost	10,566	9,537
Past Service cost	-	-
Current service cost	46,338	54,982
Benefits Paid	(14,109)	(17,617)
Actuarial (gain)/ loss on Obligations	(30,502)	(34,436)
Closing Present value obligation	**140,360**	**128,068**

Changes in the Fair value of Plan Assets	**2011-2012**	**2010-2011**
Opening Fair value of Plan Assets	165,996	139,684
Expected return on Plan Assets	13,695	11,524
Contributions	9,343	28,659
Benefits Paid	(14,109)	(17,616)
Actuarial gain/ (loss) on Obligations	(9,311)	3,745
Closing Fair value of Plan Assets	**165,613**	**165,996**
Expenses Recognised		
Current service cost	46,338	54,982
Past Service cost	-	-
Interest cost	10,566	9,537
Expected return on Plan Assets	(13,695)	(11,524)
Net Actuarial (gain)/ loss recognised during the year	(21,191)	(38,181)
Total Expense recognised in Profit & Loss Account	**22,018**	**14,814**
Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets		
Closing Present value obligation	140,360	128,068
Closing Fair value of Plan Assets	165,613	165,996
Net asset/ (liability) recognised in Balance Sheet	**25,253**	**37,928**
Major categories of plan assets:		
Insurer Managed Funds	**165,613**	**165,996**
Estimate towards contribution for next year	**48,169**	**48,044**
Experience Adjustments		
Experience adjustments on plan liabilities (Gain)/ Loss	**(8,605)**	**(35,105)**
Experience adjustments on plan assets Gain/(Loss)	**(9,310)**	**3,416**
Actuarial Assumptions:		
Discount Rate (per annum)	8.75%	8.25%
Rate of increase in compensation levels *	7.00%	8.00%
Rate of return on plan assets **	8.75%	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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Other Employee benefits:

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). Based on an independent actuarial valuation, the Company has recognised expense towards Compensated Absences at Rs.57,220 (2011 Rs.- 227).

iii. Other long term benefits

During the year, the Company has recognised the following expense in the Revenue account and Profit and Loss account: Deferred compensation (Long Term Incentive Plan): Rs.395,778 (2011 - Rs. 558,877)

27) Disclosures For ULIP Business

a) Performance of the Fund (Absolute Growth %)

Fund Name	SFIN	Year of Inception	2011-2012	Year 2010-2011	2009-2010	Since inception
Balanced	ULIF00225/06/04LIFEBALANC104	2004-05	3.46%	7.92%	26.44%	130.56%
Conservative	ULIF00325/06/04LIFECONSER104	2004-05	6.10%	6.96%	18.89%	100.42%
Growth	ULIF00125/06/04LIFEGROWTH104	2004-05	-1.29%	8.16%	45.80%	202.43%
Secured	ULIF00425/06/04LIFESECURE104	2004-05	7.96%	5.99%	6.71%	68.23%
Pension Balanced	ULIF00625/11/05PENSBALANC104	2005-06	3.56%	7.06%	18.30%	59.77%
Pension Conservative	ULIF00725/11/05PENSCONSER104	2005-06	5.34%	6.58%	11.01%	54.61%
Pension Growth	ULIF00525/11/05PENSGROWTH104	2005-06	-1.36%	8.68%	42.38%	76.70%
Pension Secured	ULIF00825/11/05PENSSECURE104	2005-06	8.22%	5.83%	6.51%	48.95%
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	2006-07	4.39%	10.84%	18.97%	64.63%
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	2006-07	8.01%	6.22%	6.69%	51.29%
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	2006-07	1.28%	10.12%	29.02%	52.41%
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	2006-07	2.90%	6.37%	9.86%	38.03%
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	2006-07	5.11%	4.85%	9.05%	33.49%
Growth Super	ULIF01108/02/07LIFEGRWSUP104	2007-08	-6.97%	11.13%	82.08%	59.06%
High Growth	ULIF01311/02/08LIFEHIGHGR104	2007-08	-2.54%	11.53%	70.40%	24.27%
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	2007-08	-6.60%	10.03%	70.12%	-3.16%
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	2007-08	1.56%	4.51%	13.84%	42.30%
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	2007-08	7.50%	7.48%	4.39%	20.62%
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	2007-08	-1.02%	8.07%	22.77%	31.33%
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	2008-09	-1.56%	8.42%	42.14%	35.68%
Money Market	ULIF01528/04/09LIFEMONEYM104	2009-10	6.78%	4.32%	2.00%	13.61%
Secure Plus	ULIF01628/04/09LIFESECPLS104	2009-10	8.03%	6.29%	2.73%	17.96%

b) Investment Management

- o Activities outsourced : None
- o Fee paid for various activities charged to Policyholders' Account : Nil
- o Basis of payment of fees : Nil

c) Related party transactions – Fund wise details

- o Brokerage, custodian fee or any other payments and receipts made to/from related parties (as defined in AS 18 issued by ICAI) : Nil

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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

d) Provision for doubtful debts on assets of the respective Fund :Nil

e) Unclaimed redemptions of units : :Nil

f) Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2012

Fund Name	SFIN	Highest NAV	Lowest NAV	Closing NAV
Balanced	ULIF00225/06/04LIFEBALANC104	23.27	21.74	23.06
Conservative	ULIF00325/06/04LIFECONSER104	20.04	18.79	20.04
Growth	ULIF00125/06/04LIFEGROWTH104	30.97	27.57	30.24
Secured	ULIF00425/06/04LIFESECURE104	16.82	15.56	16.82
Growth Super	ULIF01108/02/07LIFEGRWSUP104	17.36	13.79	15.91
High Growth	ULIF01311/02/08LIFEHIGHGR104	13.01	10.64	12.43
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	14.07	12.30	13.57
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	13.91	13.14	13.80
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	13.38	12.60	13.35
Money Market	ULIF01528/04/09LIFEMONEYM104	11.36	10.64	11.36
Secure Plus	ULIF01628/04/09LIFESECPLS104	11.80	10.92	11.80
Pension Balanced	ULIF00625/11/05PENSBALANC104	16.08	15.16	15.98
Pension Conservative	ULIF00725/11/05PENSCONSER104	15.49	14.57	15.46
Pension Growth	ULIF00525/11/05PENSGROWTH104	18.18	16.12	17.67
Pension Secured	ULIF00825/11/05PENSSECURE104	14.89	13.77	14.89
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	10.53	8.39	9.68
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	16.60	15.52	16.46
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	15.13	14.01	15.13
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	15.49	13.99	15.24
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	14.41	13.32	14.23
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	12.06	11.18	12.06
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	13.44	12.05	13.13

Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2011

Fund Name	SFIN	Highest NAV	Lowest NAV	Closing NAV
Balanced	ULIF00225/06/04LIFEBALANC104	22.42	20.45	22.28
Conservative	ULIF00325/06/04LIFECONSER104	18.89	17.69	18.89
Growth	ULIF00125/06/04LIFEGROWTH104	31.98	27.43	30.64
Secured	ULIF00425/06/04LIFESECURE104	15.58	14.70	15.58
Growth Super	ULIF01108/02/07LIFEGRWSUP104	18.55	14.52	17.10
High Growth	ULIF01311/02/08LIFEHIGHGR104	13.93	10.95	12.75
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	14.36	12.35	13.78
Guaranteed Fund - Dynamic	ULIF01004/10/06AMSRGUADYN104	13.50	12.61	13.41
Guaranteed Fund - Income	ULIF00904/10/06AMSRGUAINC104	12.70	12.12	12.70

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Money Market	ULIF01528/04/09LIFEMONEYM104	10.64	10.20	10.64
Secure Plus	ULIF01628/04/09LIFESECPLS104	10.92	10.28	10.92
Pension Balanced	ULIF00625/11/05PENSBALANC104	15.75	14.26	15.43
Pension Conservative	ULIF00725/11/05PENSCONSER104	14.68	13.77	14.68
Pension Growth	ULIF00525/11/05PENSGROWTH104	18.77	16.01	17.91
Pension Secured	ULIF00825/11/05PENSSECURE104	13.76	13.01	13.76
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	11.30	8.88	10.37
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	15.80	14.14	15.77
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	14.01	13.19	14.01
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	15.43	13.19	15.05
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	14.34	13.16	14.01
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	11.22	10.44	11.22
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	13.91	11.98	13.27

g) **Expenses Charged to Fund %**

Annualized expense ratio to average daily assets of the Fund

Fund Name	SFIN	Ratios as at March 31, 2012	Ratios as at March 31, 2011
Balanced	ULIF00225/06/04LIFEBALANC104	1.24%	1.23%
Conservative	ULIF00325/06/04LIFECONSER104	1.04%	1.03%
Secured	ULIF00425/06/04LIFESECURE104	1.04%	1.03%
Growth	ULIF00125/06/04LIFEGROWTH104	1.39%	1.38%
Growth Super	ULIF01108/02/07LIFEGRWSUP104	1.39%	1.38%
High Growth	ULIF01311/02/08LIFEHIGHGR104	1.39%	1.38%
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	1.39%	1.38%
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	1.88%	1.87%
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	1.65%	1.65%
Money Market	ULIF01528/04/09LIFEMONEYM104	1.39%	1.39%
Secure Plus	ULIF01628/04/09LIFESECPLS104	1.04%	1.03%
Pension Balanced	ULIF00625/11/05PENSBALANC104	1.24%	1.23%
Pension Conservative	ULIF00725/11/05PENSCONSER104	1.04%	1.03%
Pension Secured	ULIF00825/11/05PENSSECURE104	1.04%	1.03%
Pension Growth	ULIF00525/11/05PENSGROWTH104	1.39%	1.39%
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	1.39%	1.38%
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	0.99%	0.98%
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	0.89%	0.87%
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	1.09%	1.08%
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	0.99%	0.98%
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	0.89%	0.88%
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	1.09%	1.08%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

h) Ratio of gross income (including unrealized gains) to average daily net assets.

Fund Name	SFIN	Ratios as at March 31, 2012	Ratios as at March 31, 2011
Balanced	ULIF00225/06/04LIFEBALANC104	5.06%	7.44%
Conservative	ULIF00325/06/04LIFECONSER104	7.10%	6.75%
Secured	ULIF00425/06/04LIFESECURE104	8.81%	5.94%
Growth	ULIF00125/06/04LIFEGROWTH104	0.24%	7.72%
Growth Super	ULIF01108/02/07LIFEGRWSUP104	-5.15%	9.89%
High Growth	ULIF01311/02/08LIFEHIGHGR104	-0.88%	10.12%
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	1.09%	7.21%
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	4.96%	6.32%
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	6.74%	4.93%
Money Market	ULIF01528/04/09LIFEMONEYM104	8.01%	4.44%
Secure Plus	ULIF01628/04/09LIFESECPLS104	9.17%	6.15%
Pension Balanced	ULIF00625/11/05PENSBALANC104	5.19%	5.99%
Pension Conservative	ULIF00725/11/05PENSCONSER104	6.62%	6.52%
Pension Secured	ULIF00825/11/05PENSSECURE104	9.08%	5.86%
Pension Growth	ULIF00525/11/05PENSGROWTH104	0.69%	7.80%
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	-4.74%	8.86%
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	6.16%	10.40%
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	8.67%	6.18%
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	2.34%	9.69%
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	4.00%	4.38%
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	8.28%	7.41%
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	0.63%	7.39%

i) Fund-wise disclosure of appreciation and/or (depreciation) in value of investments segregated class-wise

Fund Name	SFIN	Bonds	Equity	Government Securities	Money Market	Total
Balanced	ULIF00225/06/04LIFEBALANC104	(5,643)	62,261	(18,400)	9,703	**47,921**
Conservative	ULIF00325/06/04LIFECONSER104	291	2,680	(1,266)	204	**1,909**
Secured	ULIF00425/06/04LIFESECURE104	1,020	-	(6,570)	1,377	**(4,173)**
Growth	ULIF00125/06/04LIFEGROWTH104	(85,402)	1,711,075	(30,608)	79,057	**1,674,122**
Growth Super	ULIF01108/02/07LIFEGRWSUP104	2,988	1,063,996	-	24,613	**1,091,597**
High Growth	ULIF01311/02/08LIFEHIGHGR104	(565)	30,998	-	18	**30,451**
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	(3,838)	38,277	(1,401)	6,809	**39,847**
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	107	(48)	5	28	**92**
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	(4)	(11)	1	16	**2**
Money Market	ULIF01528/04/09LIFEMONEYM104	-	-	-	5,004	**5,004**
Secure Plus	ULIF01628/04/09LIFESECPLS104	1,572	-	(1,129)	137	**580**
Pension Balanced	ULIF00625/11/05PENSBALANC104	2,403	12,633	(2,079)	1,822	**14,779**
Pension Conservative	ULIF00725/11/05PENSCONSER104	51	882	(415)	1	**519**
Pension Secured	ULIF00825/11/05PENSSECURE104	1,249	-	(2,109)	636	**(224)**
Pension Growth	ULIF00525/11/05PENSGROWTH104	1,422	136,888	(726)	8,906	**146,490**
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	(799)	202,004	-	4,931	**206,136**
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	(765)	2,055	(228)	11	**1,073**
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	2,196	-	(2,234)	4	**(34)**
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	(217)	6,250	(10)	10	**6,033**
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	0	3	(0)	-	**3**
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	139	-	(131)	90	**98**
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	(2)	19	0	0	**18**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

j) **Statement of Industry Wise Disclosure of Investments (with exposure of 5% and above)**

Industry	Security Name	Amount	Percentage of Fund
BALANCED FUND	SFIN: ULIF00225/06/04LIFEBALANC104		
BANKING SERVICES	CANARA BANK CD 14 MARCH 2013	143,910	
	ICICI BANK LTD	108,333	
	9.90 CANARA BANK FD 16 DECEMBER 2013	100,000	
	STATE BANK OF HYDERABAD 16 OCTOBER 2012	94,774	
	HOUSING DEVELOPMENT FINANCE CORP BANK	77,595	
	STATE BANK OF HYDERABAD CD 26 MARCH 2013	63,473	
	STATE BANK OF HYDERABAD 20 SEPTEMBER 2012	63,061	
	9.5% NABARD 15 OCTOBER 2012	52,783	
	STATE BANK OF INDIA	50,329	
	10.05% CANARA BANK FD 21 FEB 2013	50,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	50,000	
	PUNJAB NATIONAL BANK CD 04 JUNE 2012	49,088	
	AXIS BANK LTD	45,626	
	9.95% CANARA BANK FD 14 MAR 2013	40,000	
	7.8% NABARD 16 AUGUST 2013	39,708	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	39,184	
	10.84% HDFC BANK 23 MAY 2022.	32,637	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	30,000	
	9.75% YES BANK 11 JUNE 2012	30,000	
	9.40% NABARD NCD 30 MARCH 2014	29,827	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	28,002	
	9.4% NABARD NCD 13 SEP 2016	26,893	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	23,000	
	6.95% NHB NCD 24 MAY 2013	19,792	
	JAMMU & KASHMIR BANK LTD	17,393	
	10.40% PNB SR1 31 DECMBER PERPATUAL BOND	12,431	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	11,619	
	PUNJAB NATIONAL BANK LTD	9,902	
	INDIAN BANK LTD	8,540	
	CANARA BANK CD 28 MARCH 2013	7,806	
	BANK OF MAHARASHTRA	7,482	
	ORIENTAL BANK OF COMMERCE	7,393	
	SYNDICATE BANK	7,341	
	PUNJAB & SIND BANK	6,029	
	UNION BANK OF INDIA	4,421	
	VIJAYA BANK LTD	4,109	
	UNITED BANK OF INDIA	3,987	
	CANARA BANK LTD	3,403	
	UNITED COMMERCIAL BANK	871	
	FEDERAL BANK LIMITED	299	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

BANKING SERVICES TOTAL		1,401,043	25.31%
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	286,495	
	7.83% GOI 11 APRIL 2018	165,536	
	7.40% GOI 03 MAY 2012	137,504	
	9.40% GOI 11 SEPTEMBER 2012	100,408	
	7.59% GOI 12 APRIL 2016	65,725	
	7.02% GOI 17 AUGUST 2016	36,807	
	7.38% GOI 03 SEPTEMBER 2015	30,955	
	7.99% GOI 09 JULY 2017	21,461	
	7.80 GOI 11 APRIL 2021	11,863	
	11.83% GOI 12 NOVEMBER 2014	10,745	
	8.19 CGL 16 JANUARY 2020	1,550	
	8.13% GOI 21 SEPTEMBER 2022	3	
GOVERNMENT OF INDIA TOTAL		869,052	15.70%
OTHER FINANCIAL SERVICES	0.00 HDFC 06 FEBRUARY 2017	119,328	
	9.95 IDFC 14 JANUARY 2014	100,360	
	9.5 LIC HOUSING FINANCEL LTD 20 DECEMBER 2016	69,978	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	64,525	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	49,908	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	44,456	
	9.90 HOUSING DEV FINANCE CORP LTD 19 NOVEMBER 2012	39,911	
	9.9% HDFC LTD 11 MAR 2014	30,080	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	29,475	
	8.95% HDFC 19 OCT 2020	29,045	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	26,512	
	HOUSING DEVELOPMENT FINANCE CORP LTD	23,012	
	9.75 HOUSING DEVELOPMENT FINANCE CORPORATION 07 DECEMBER 2016	20,175	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	19,785	
	8.48% IDFC 28 SEPTEMBER 2013	14,734	
	INFRASTRUCTURE DEV FIN CO LTD	14,358	
	11.15% HDFC 06 AUGUST 2018	10,714	
	9.84 IDFC LTD 24 JULY 2013	10,007	
	10% IDFC 22 MAY 2012	10,001	
	9.72 INFRASTRUCTURE DEV FINANCE CORP LTD 05 NOVEMBER 2013	9,990	
	9.50% HDFC 27 FEBRUARY 2013	9,947	
	7.5% IDFC LTD 10 JUNE 2013	9,741	
	9.50% HDFC 28 FEBRUARY 2013	4,974	
	DEWAN HOUSING FINANCE CORP LTD	1,914	
	8.9% IDFC 19 NOVEMBER 2025	953	
OTHER FINANCIAL SERVICES TOTAL		763,884	13.80%

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(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	149,836	
	9.55 POWER FINANCE CORPORATION LTD 13 JANUARY 2015	59,831	
	8.7% PFC 14 MAY 2015	53,650	
	9.42 POWER FINANCE CORPORATION LTD 20 MARCH 2020	48,808	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	45,231	
	9.51 POWER FINANCE CORPORATION LIMITED 15 APRIL 2015	29,886	
	POWER FINANCE CORP LTD	16,233	
	RELIANCE ENERGY LTD	5,132	
	PTC INDIA LIMITED	614	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		409,222	7.39%
STATE GOVERNMENT	8.76 MAHARASHTRA SDL 22 FEB 2022	136,827	
	9.23 GUJRAT SDL 23 NOVEMBER 2021	70,410	
	9.19 TAMILNADU SDL 09 NOV 2021	40,130	
	8.71 TAMILNADU SDL 08 FEBRUARY 2022	29,226	
	8.69 KARNATAKA SDL 08 FEBRUARY 2022	29,216	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	22,375	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	19,414	
	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	9,676	
	8.75 TAMILNADU SDL 22 FEB 2022	2,663	
STATE GOVERNMENT TOTAL		359,937	6.50%
OTHERS	RELIANCE INDUSTRIES LTD	141,304	
	INFOSYS TECHNOLOGIES LTD	123,704	
	TATA CONSULTANCY SERVICES LTD	61,181	
	BHARTI AIRTEL LTD	55,969	
	MAHINDRA & MAHINDRA LTD	46,731	
	OIL & NATURAL GAS CORP LTD	41,497	
	DEN NETWORKS LIMITED	38,857	
	0% SUNDARAM FINANCE 26 APRIL 2013	36,096	
	10.10 INDIAN HOTELS LTD 18 NOVEMBER 2021	35,960	
	LARSEN & TOUBRO LTD	31,731	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	29,916	
	9.25% DR REDDYS LAB 24 MAR 2014	29,709	
	ITC LTD	29,370	
	PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	28,348	
	BAJAJ AUTO LTD NEW SHS	27,143	
	10.5% SHRIRAM TRANSPORT 22 AUG 2014	25,339	
	9.84 TATA SONS LIMITED 08 DECEMBER 2014	25,091	
	HINDUSTAN UNILEVER LTD	24,811	
	BHARAT EARTH MOVERS LTD	24,058	
	TATA LIQUID SUPER HIGH INV FUND - APPRECIATION	23,347	
	10.75% RIL 08 DECEMBER 2018	23,213	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

TATA STEEL LTD	22,426
CAIRN INDIA LTD	20,588
PIDILITE INDUSTRIES LIMITED	20,302
9.80% GE SHIPPING 3 JULY 2019	20,214
KOTAK MAHINDRA PRIME CP 04 APRIL 2012	19,985
8.25% RELIANCE CAPITAL 03 MAY 2013	19,644
8.95 LT 26 MAY 2020	19,394
MARUTI UDYOG LTD	19,038
9.64% PGC LTD 31 MAY 2015	18,742
LUPIN LIMITED	18,420
NTPC LTD	17,045
GRASIM LTD	16,401
BRITANNIA INDUSTRIES LTD	15,640
COAL INDIA LTD	15,546
RELIANCE COMMUNICATIONS LTD	15,513
JINDAL STEEL & POWER LTD	15,237
POWER GRID CORPORATION OF INDIA LTD	14,824
9.15% LARSEN AND TOUBRO 5 JANUARY 2019	14,682
TATA POWER LIMITED	14,139
HINDALCO INDUSTRIES LTD	13,315
BHARAT HEAVY ELECTRICALS LTD	11,939
CADILA HEALTHCARE LIMITED	11,650
IPCA LABORATORIES LIMITED	11,495
GMR IFRASTRUCTURE LTD	11,217
11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	10,590
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	10,293
11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	10,238
MARICO LTD	9,800
SHREE CEMENT LTD	9,658
8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	9,590
EXIDE INDUSTRIES LTD	9,163
10% TATA CHEMICALS 2 JULY 2019	9,128
IDEA CELLULAR LTD	9,024
8.85% TATA SONS 30 OCTOBER 2016	7,900
CESC LTD	7,743
JAGRAN PRAKASHAN LTD	7,743
DR REDDYS LABORATORIES LIMITED	7,412
HINDUSTAN ZINC LTD	7,189
WIPRO LTD	7,137
HINDUSTAN PETROLEUM CORPORATION LIMITED	6,891
NIIT TECHNOLOGIES LTD	6,814
ASIAN PAINTS (INDIA) LTD	6,358
NAGARJUNA CONS CO LTD	6,145
MADRAS CEMENT	6,129

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	2% TATA MOTORS 31 MARCH 2013	5,896	
	ZYLOG SYSTEMS LIMITED	5,218	
	GAIL (INDIA) LIMITED	5,211	
	NIIT LTD	5,138	
	ANSAL PROPERTIES & INFRASTRUCTURE LIMITED	4,270	
	GILLETTE INDIA LTD	3,986	
	RADICO KHAITAN LTD	3,969	
	JAIPRAKASH ASSOCIATES LTD	3,701	
	MADHUCON PROJECTS LTD	3,073	
	JAIPRAKASH POWER VENTURE LIMITED	3,071	
	PANTALOON RETAIL INDIA LTD	2,850	
	SESA GOA LTD	2,609	
	ALSTOM PROJECT INDIA LIMITED	2,559	
	BALRAMPUR CHINI MILLS LTD	2,454	
	OIL INDIA LIMITED	2,370	
	SUN PHARMACEUTICAL INDUSTRIES LTD	2,259	
	PHILLIPS CARBON BLACK LTD	2,182	
	TATA CHEMICALS LTD	1,848	
	STEEL AUTHORITY OF INDIA LTD	1,772	
	VARDHMAN TEXTILES LTD	1,578	
	ASHOKA BUILDCON LTD	1,347	
	MULTI COMMODITY EXCHANGE OF INDIA LTD	1,273	
	MANGALAM CEMENT LTD	926	
	CLARIS LIFESCIENCES LTD	851	
	TIME TECHNOPLAST LIMITED	836	
	GUJARAT STATE PETRONET LTD	765	
	THE INDIAN HOTELS CO. LTD	700	
	IVRCL INFRASTRUCTURES & PROJECTS LTD	662	
	TATA MOTORS LIMITED	551	
	BHARAT ELECTRONICS LTD	534	
	SHREE RENUKA SUGARS LIMITED	442	
	GREAT EASTERN SHIPPING CO LTD	423	
	BAJAJ HOLDINGS AND INVESTMENT LTD	332	
	EICHER MOTORS LTD	199	
	GREAVES COTTON LTD	131	
	STERLITE INDUSTRIES (INDIA) LTD	100	
	APOLLO TYRES LTD	80	
	VARDHMAN SPECIAL STEELS LTD	80	
	USHA MARTIN LIMITED	6	
	NET CURRENT ASSETS	190,614	
OTHERS TOTAL		1,732,582	31.30%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

FUND TOTAL		**5,535,718**	**100.00%**
CONSERVATIVE FUND	SFIN: ULIF00325/06/04LIFECONSER104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	105,817	
	7.17% GOI 14 JUNE 2015	50,631	
	7.83% GOI 11 APRIL 2018	26,377	
	7.59% GOI 12 APRIL 2016	25,204	
	6.85% GOI 05 APRIL 2012	16,497	
	7.99% GOI 09 JULY 2017	10,701	
	7.80 GOI 11 APRIL 2021	4,745	
GOVERNMENT OF INDIA TOTAL		239,972	46.84%
OTHER FINANCIAL SERVICES	0.00 HDFC 06 FEBRUARY 2017	15,299	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	13,483	
	9.72 INFRASTRUCTURE DEV FINANCE CORP LTD 05 NOVEMBER 2013	4,995	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	4,946	
	9.9% HDFC LTD 11 MAR 2014	4,011	
	7.5% IDFC LTD 10 JUNE 2013	3,896	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	2,948	
	8.98% HDFC 26 NOV 2020	2,909	
	7.95% IDFC 04 MAY 2014	2,902	
	INFRASTRUCTURE DEV FIN CO LTD	1,124	
	10% IDFC 22 MAY 2012	1,000	
	9.50% HDFC 28 FEBRUARY 2013	995	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	982	
	HOUSING DEVELOPMENT FINANCE CORP LTD	673	
OTHER FINANCIAL SERVICES TOTAL		60,162	11.74%
BANKING SERVICES	10.84% HDFC BANK 23 MAY 2022.	9,475	
	10% STATE BANK OF TRAVANCORE 27 JAN 2013	5,700	
	JAMMU & KASHMIR BANK LTD	5,634	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	4,898	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	4,667	
	ICICI BANK LTD	3,904	
	10% STATE BANK OF TRAVANCORE FD 14 JAN 2013	3,750	
	9.85 BANK OF INDIA FD 22 JUNE 2013	3,000	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	3,000	
	HOUSING DEVELOPMENT FINANCE CORP BANK	2,763	
	STATE BANK OF INDIA	2,442	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	2,000	
	AXIS BANK LTD	1,043	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	968	
	PUNJAB NATIONAL BANK LTD	463	
	UNITED BANK OF INDIA	355	
	VIJAYA BANK LTD	248	
	PUNJAB & SIND BANK	168	
	CANARA BANK LTD	95	
	BANK OF MAHARASHTRA	69	
BANKING SERVICES TOTAL		54,644	10.67%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	10.30 IL&FS 22 MAR 2022	19,939
	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	7,991
	9.15% LARSEN AND TOUBRO 11 MAY 2020	7,845
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	6,251
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	6,031
	8.95 LT 26 MAY 2020	5,818
	INFOSYS TECHNOLOGIES LTD	5,509
	8.25% RELIANCE CAPITAL 03 MAY 2013	4,911
	8.75 TAMILNADU SDL 22 FEB 2022	4,877
	8.69 KARNATAKA SDL 08 FEBRUARY 2022	4,869
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	4,864
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	4,842
	0% SUNDARAM FINANCE 26 APRIL 2013	4,512
	RELIANCE INDUSTRIES LTD	4,110
	10.90% RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LTD 06 JAN 2014	4,068
	PIDILITE INDUSTRIES LIMITED	3,652
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	2,912
	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	2,903
	TATA CONSULTANCY SERVICES LTD	2,624
	8.54% MAHARASHTRA SDL 19 JAN 2021	2,212
	DEN NETWORKS LIMITED	2,117
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	2,048
	9.68 TATA SONS LIMITED 10 JANUARY 2017	2,013
	ITC LTD	1,891
	6.10% NPC 15 MARCH 2014	1,876
	LARSEN & TOUBRO LTD	1,501
	2% TATA MOTORS 31 MARCH 2013	1,179
	MAHINDRA & MAHINDRA LTD	1,159
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	1,156
	HINDALCO INDUSTRIES LTD	1,139
	MARICO LTD	1,044
	TATA STEEL LTD	1,024
	JINDAL STEEL & POWER LTD	1,012
	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	999
	CAIRN INDIA LTD	997
	8.85% TATA SONS 30 OCTOBER 2016	987
	BHARTI AIRTEL LTD	977
	MARUTI UDYOG LTD	881
	GRASIM LTD	841
	GMR IFRASTRUCTURE LTD	753
	OIL & NATURAL GAS CORP LTD	748
	BHARAT HEAVY ELECTRICALS LTD	739
	NTPC LTD	603

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	DR REDDYS LABORATORIES LIMITED	582	
	BHARAT EARTH MOVERS LTD	549	
	PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	537	
	CADILA HEALTHCARE LIMITED	531	
	GILLETTE INDIA LTD	527	
	WIPRO LTD	523	
	TATA CHEMICALS LTD	500	
	POWER FINANCE CORP LTD	461	
	HINDUSTAN ZINC LTD	438	
	POWER GRID CORPORATION OF INDIA LTD	433	
	BRITANNIA INDUSTRIES LTD	427	
	SUN PHARMACEUTICAL INDUSTRIES LTD	350	
	BAJAJ AUTO LTD NEW SHS	336	
	EXIDE INDUSTRIES LTD	332	
	ASIAN PAINTS (INDIA) LTD	324	
	JAGRAN PRAKASHAN LTD	300	
	RELIANCE COMMUNICATIONS LTD	289	
	ANSAL PROPERTIES & INFRASTRUCTURE LIMITED	282	
	IPCA LABORATORIES LIMITED	282	
	NIIT LTD	281	
	NAGARJUNA CONS CO LTD	265	
	COAL INDIA LTD	256	
	HINDUSTAN UNILEVER LTD	205	
	GAIL (INDIA) LIMITED	203	
	IDEA CELLULAR LTD	148	
	BALRAMPUR CHINI MILLS LTD	141	
	NIIT TECHNOLOGIES LTD	131	
	PHILLIPS CARBON BLACK LTD	111	
	JAIPRAKASH ASSOCIATES LTD	106	
	LUPIN LIMITED	53	
	ZYLOG SYSTEMS LIMITED	45	
	CLARIS LIFESCIENCES LTD	40	
	MADHUCON PROJECTS LTD	33	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	30	
	TATA POWER LIMITED	30	
	ASHOKA BUILDCON LTD	3	
	NET CURRENT ASSETS	9,065	
OTHERS TOTAL		157,573	30.75%
FUND TOTAL		**512,351**	**100.00%**
DYNAMIC OPPORTUINITIES FUND	SFIN: ULIF01425/03/08LIFEDYNOPP104		
BANKING SERVICES	ICICI BANK LTD	201,021	
	STATE BANK OF INDIA	135,372	
	AXIS BANK LTD	105,651	
	HOUSING DEVELOPMENT FINANCE CORP BANK	103,489	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	IDBI BANK CD 08 AUG 2012	58,127	
	CANARA BANK CD 14 MARCH 2013	54,632	
	PUNJAB NATIONAL BANK CD 15 MARCH 2013	54,541	
	CANARA BANK CD 28 MARCH 2013	45,381	
	STATE BANK OF HYDERABAD CD 26 MARCH 2013	45,338	
	STATE BANK OF HYDERABAD 20 SEPTEMBER 2012	42,265	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	39,184	
	9.85 BANK OF INDIA FD 22 JUNE 2013	30,000	
	10.05% CANARA BANK FD 21 FEB 2013	30,000	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	30,000	
	9.40% NABARD NCD 30 MARCH 2014	29,827	
	9.4% NABARD NCD 13 SEP 2016	20,917	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	20,000	
	9.75% YES BANK 11 JUNE 2012	20,000	
	6.95% NHB NCD 24 MAY 2013	19,792	
	CANARA BANK LTD	19,270	
	ORIENTAL BANK OF COMMERCE	16,723	
	10.84% HDFC BANK 23 MAY 2022.	15,792	
	PUNJAB & SIND BANK	14,134	
	PUNJAB NATIONAL BANK LTD	12,025	
	10.15% CANARA BANK FD 21 MARCH 2013	10,000	
	9.95% CANARA BANK FD 14 MAR 2013	10,000	
	10% STATE BANK OF TRAVANCORE FD 08 FEB 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 10 FEB 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 09 FEB 2013	9,900	
	JAMMU & KASHMIR BANK LTD	8,868	
	BANK OF MAHARASHTRA	8,632	
	FEDERAL BANK LIMITED	8,445	
	UNION BANK OF INDIA	3,815	
	SYNDICATE BANK	2,703	
	INDIAN BANK LTD	2,406	
	BANK OF BARODA LTD	2,070	
	INDIAN OVERSEAS BANK	1,697	
	UNITED COMMERCIAL BANK	344	
BANKING SERVICES TOTAL		1,252,161	26.53%
OTHER FINANCIAL SERVICES	HOUSING DEVELOPMENT FINANCE CORP LTD	102,005	
	9.5 LIC HOUSING FINANCEL LTD 20 DECEMBER 2016	79,975	
	9.75 HOUSING DEVELOPMENT FINANCE CORPORATION 07 DECEMBER 2016	50,436	
	9.72 INFRASTRUCTURE DEV FINANCE CORP LTD 05 NOVEMBER 2013	43,956	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	39,927	
	9.90 HOUSING DEV FINANCE CORP LTD 19 NOVEMBER 2012	39,911	
	INFRASTRUCTURE DEV FIN CO LTD	36,720	
	9.55% IDFC NCD 12 APRIL 2013	29,852	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	29,475	
	7.95% IDFC 04 MAY 2014	24,184	
	8.2% LIC HOUSING FINANCE LTD 31 AUG 2012	19,845	
	8.35% HDFC NCD 19 JULY 2015	19,286	
	8.48% IDFC 28 SEPTEMBER 2013	18,663	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	7,856	
	8.98% HDFC 26 NOV 2020	4,848	
	11.15% HDFC 06 AUGUST 2018	4,286	
	DEWAN HOUSING FINANCE CORP LTD	3,589	
OTHER FINANCIAL SERVICES TOTAL		554,814	11.76%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	168,323	
	TATA CONSULTANCY SERVICES LTD	133,185	
	WIPRO LTD	15,282	
COMPUTER SOFTWARE TOTAL		316,791	6.71%
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	59,934	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	59,303	
	9.55 POWER FINANCE CORPORATION LTD 13 JANUARY 2015	39,888	
	9.61 POWER FINANCE CORP LTD 29 JUNE 2021	38,239	
	8.7% PFC 14 MAY 2015	24,386	
	POWER FINANCE CORP LTD	17,495	
	RELIANCE ENERGY LTD	9,907	
	8.5% PFC 15 DECEMBER 2014	9,732	
	PTC INDIA LIMITED	7,675	
	8.45% PFC 17 SEPTEMBER 2014	4,867	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		271,426	5.75%
OTHERS	RELIANCE INDUSTRIES LTD	186,167	
	LARSEN & TOUBRO LTD	180,662	
	BHARTI AIRTEL LTD	104,969	
	ITC LTD	89,852	
	BAJAJ AUTO LTD NEW SHS	75,096	
	OIL & NATURAL GAS CORP LTD	71,242	
	MAHINDRA & MAHINDRA LTD	67,499	
	TATA STEEL LTD	61,941	
	COAL INDIA LTD	56,875	
	TATA LIQUID SUPER HIGH INV FUND- APPRECIATION	54,373	
	CAIRN INDIA LTD	50,252	
	SUN PHARMACEUTICAL INDUSTRIES LTD	49,016	
	JINDAL STEEL & POWER LTD	44,593	
	BHARAT HEAVY ELECTRICALS LTD	40,032	
	7.70% SAIL 11 MAY 2019	38,498	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	POWER GRID CORPORATION OF INDIA LTD	36,681
	STERLITE INDUSTRIES (INDIA) LTD	36,602
	MARUTI UDYOG LTD	35,316
	NTPC LTD	30,300
	9.68 TATA SONS LIMITED 10 JANUARY 2017	30,194
	9.23 GUJRAT SDL 23 NOVEMBER 2021	30,176
	HINDUSTAN UNILEVER LTD	30,118
	9.70 CADILA LTD 14 JULY 2016	30,059
	9.25% DR REDDYS LAB 24 MAR 2014	29,698
	8.76 MAHARASHTRA SDL 22 FEB 2022	29,320
	8.71 TAMILNADU SDL 08 FEBRUARY 2022	29,226
	9.64% PGC LTD 31 MAY 2015	27,489
	GAIL (INDIA) LIMITED	27,090
	91 DAYS T-BILL 04 MAY 2012	26,574
	10.10 INDIAN HOTELS LTD 18 NOVEMBER 2021	25,686
	HINDALCO INDUSTRIES LTD	25,299
	HINDUSTAN PETROLEUM CORPORATION LIMITED	25,156
	DR REDDYS LABORATORIES LIMITED	24,707
	IDEA CELLULAR LTD	22,625
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	22,170
	CESC LTD	21,328
	10.48% GRASIM 16 DECEMBER 2013	20,203
	9.23 RAJASTHAN SDL 23 NOVEMBER 2021	20,110
	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	19,985
	PIDILITE INDUSTRIES LIMITED	18,187
	8.8% POWER GRID CORP LTD 29 SEPTEMBER 2014	17,164
	LUPIN LIMITED	17,076
	CADILA HEALTHCARE LIMITED	16,986
	NESTLE INDIA LTD	16,207
	JAIPRAKASH ASSOCIATES LTD	15,934
	10.5% SHRIRAM TRANSPORT 22 AUG 2014	15,203
	PANTALOON RETAIL INDIA LTD	14,310
	TATA POWER LIMITED	13,729
	2% TATA MOTORS 31 MARCH 2013	11,793
	2% TATA MOTORS 31 MARCH 2014	11,706
	BRITANNIA INDUSTRIES LTD	11,614
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	11,509
	10% TATA CHEMICALS 2 JULY 2019	10,142
	8.95 LT 26 MAY 2020	9,697
	HINDUSTAN ZINC LTD	9,463
	IPCA LABORATORIES LIMITED	8,450
	RADICO KHAITAN LTD	7,078
	JAGRAN PRAKASHAN LTD	6,082
	CLARIS LIFESCIENCES LTD	5,458

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	5,119
9.80% GE SHIPPING 3 JULY 2019	5,054
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	4,926
COROMANDEL INTERNATIONAL LTD	4,255
GREAT EASTERN SHIPPING CO LTD	4,229
BOSCH LTD	4,114
8.25% RELIANCE CAPITAL 03 MAY 2013	3,929
STEEL AUTHORITY OF INDIA LTD	3,770
TATA CHEMICALS LTD	3,467
GRASIM LTD	3,415
SHREE CEMENT LTD	3,219
ASIAN PAINTS (INDIA) LTD	3,080
IVRCL INFRASTRUCTURES & PROJECTS LTD	3,051
TATA MOTORS LIMITED	2,753
GREAVES COTTON LTD	2,628
BHARAT EARTH MOVERS LTD	2,517
MOIL LIMITED	2,503
ALSTOM PROJECT INDIA LIMITED	2,454
BALRAMPUR CHINI MILLS LTD	2,290
BHARAT ELECTRONICS LTD	2,287
RELIANCE COMMUNICATIONS LTD	2,101
MARICO LTD	2,051
OIL INDIA LIMITED	1,911
VARDHMAN TEXTILES LTD	1,578
EXIDE INDUSTRIES LTD	1,492
PATEL ENGINEERING LTD	1,356
UNITED PHOSPHORUS LIMITED	1,301
MULTI COMMODITY EXCHANGE OF INDIA LTD	1,273
BAJAJ HOLDINGS AND INVESTMENT LTD	1,223
JAIPRAKASH POWER VENTURE LIMITED	1,223
NATIONAL HYDROELECTRIC POWER CORPORATION LTD	1,185
MADRAS CEMENT	1,184
THERMAX LTD	1,161
APOLLO TYRES LTD	1,083
MANGALAM CEMENT LTD	1,035
SHREE RENUKA SUGARS LIMITED	947
SINTEX INDUSTRIES LTD	604
USHA MARTIN LIMITED	538
JAYPEE INFRATECH LIMITED	531
GUJARAT STATE PETRONET LTD	432
UNICHEM LABORATORIES LTD	249
JSW ENERGY LIMITED	184
VARDHMAN SPECIAL STEELS LTD	80
PHILLIPS CARBON BLACK LTD	56

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	MADHUCON PROJECTS LTD	45	
	NET CURRENT ASSETS	155,144	
OTHERS TOTAL		2,323,989	49.25%
FUND TOTAL		**4,719,181**	**100.00%**
GROUP GRATUITY BALANCED FUND	SFIN: ULGF00217/04/06GRATBALANC104		
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	16,084	
	7.40% GOI 03 MAY 2012	14,980	
	7.59% GOI 12 APRIL 2016	1,939	
	7.80 GOI 11 APRIL 2021	1,480	
	8.19 CGL 16 JANUARY 2020	975	
	7.99% GOI 09 JULY 2017	7	
GOVERNMENT OF INDIA TOTAL		35,465	19.33%
BANKING SERVICES	10.05% CANARA BANK FD 21 FEB 2013	4,000	
	STATE BANK OF HYDERABAD 16 OCTOBER 2012	3,966	
	CANARA BANK CD 28 MARCH 2013	3,177	
	9.85 BANK OF INDIA FD 22 JUNE 2013	3,000	
	ICICI BANK LTD	2,989	
	10% STATE BANK OF TRAVANCORE FD 21 JAN 2013	2,400	
	HOUSING DEVELOPMENT FINANCE CORP BANK	2,059	
	10% STATE BANK OF TRAVANCORE 10 JAN 2013	2,000	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	1,946	
	STATE BANK OF INDIA	1,782	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	1,600	
	10.15% CANARA BANK FD 21 MARCH 2013	1,000	
	FEDERAL BANK LIMITED	640	
	AXIS BANK LTD	499	
	CANARA BANK LTD	476	
	JAMMU & KASHMIR BANK LTD	322	
	BANK OF BARODA LTD	215	
	ORIENTAL BANK OF COMMERCE	90	
BANKING SERVICES TOTAL		32,160	17.53%
OTHER FINANCIAL SERVICES	9.55% IDFC NCD 12 APRIL 2013	9,951	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	4,913	
	11.15% HDFC 06 AUGUST 2018	3,214	
	0.00 HDFC 06 FEBRUARY 2017	3,060	
	7.95% IDFC 04 MAY 2014	2,902	
	HOUSING DEVELOPMENT FINANCE CORP LTD	2,526	
	9.6% HDFC LTD 07 APRIL 2016	2,000	
	9.9% HDFC LTD 11 MAR 2014	1,003	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	998	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	982	
	INFRASTRUCTURE DEV FIN CO LTD	473	
OTHER FINANCIAL SERVICES TOTAL		32,020	17.45%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	6,992	
	8.7% PFC 14 MAY 2015	4,877	
	9.38% REC LTD 06 SEP 2016	2,986	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	2,010	
	9.45% REC 04 APRIL 2013	994	
	PTC INDIA LIMITED	614	
	POWER FINANCE CORP LTD	323	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		18,797	10.25%
OTHERS	BHARTI AIRTEL LTD	6,587	
	8.69 KARNATAKA SDL 08 FEBRUARY 2022	4,869	
	SUN PHARMACEUTICAL INDUSTRIES LTD	3,342	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	3,071	
	RELIANCE INDUSTRIES LTD	2,978	
	HINDUSTAN UNILEVER LTD	2,805	
	TATA CONSULTANCY SERVICES LTD	2,180	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	1,946	
	INFOSYS TECHNOLOGIES LTD	1,940	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	1,670	
	OIL & NATURAL GAS CORP LTD	1,637	
	91 DAYS T-BILL 04 MAY 2012	1,388	
	BAJAJ AUTO LTD NEW SHS	1,340	
	DR REDDYS LABORATORIES LIMITED	1,324	
	MAHINDRA & MAHINDRA LTD	1,301	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	1,217	
	IDEA CELLULAR LTD	1,057	
	BRITANNIA INDUSTRIES LTD	1,044	
	9.68 TATA SONS LIMITED 10 JANUARY 2017	1,006	
	BHARAT ELECTRONICS LTD	991	
	7.70% SAIL 11 MAY 2019	962	
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	959	
	ITC LTD	855	
	WIPRO LTD	815	
	NTPC LTD	767	
	HINDUSTAN ZINC LTD	761	
	IPCA LABORATORIES LIMITED	754	
	JAGRAN PRAKASHAN LTD	742	
	LARSEN & TOUBRO LTD	691	
	LUPIN LIMITED	680	
	COAL INDIA LTD	671	
	JINDAL STEEL & POWER LTD	572	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	STERLITE INDUSTRIES (INDIA) LTD	517	
	TATA STEEL LTD	495	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	469	
	CADILA HEALTHCARE LIMITED	403	
	GRASIM LTD	307	
	ASIAN PAINTS (INDIA) LTD	292	
	MARUTI UDYOG LTD	277	
	CAIRN INDIA LTD	250	
	GREAVES COTTON LTD	219	
	POWER GRID CORPORATION OF INDIA LTD	216	
	NESTLE INDIA LTD	190	
	MARICO LTD	190	
	HINDALCO INDUSTRIES LTD	110	
	EXIDE INDUSTRIES LTD	74	
	NET CURRENT ASSETS	8,084	
OTHERS TOTAL		65,017	35.44%
FUND TOTAL		**183,459**	**100.00%**
GROUP GRATUITY CONSERVATIVE FUND	SFIN: ULGF00317/04/06GRATCONSER104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	110,098	
	7.59% GOI 12 APRIL 2016	19,970	
	7.83% GOI 11 APRIL 2018	11,934	
	7.80 GOI 11 APRIL 2021	9,490	
	7.99% GOI 09 JULY 2017	6,926	
	7.49% GOI 16 APRIL 2017	5,549	
	6.85% GOI 05 APRIL 2012	4,999	
	11.83% GOI 12 NOVEMBER 2014	1,164	
GOVERNMENT OF INDIA TOTAL		170,129	41.15%
BANKING SERVICES	10.05% CANARA BANK FD 21 FEB 2013	15,000	
	9.75% YES BANK FD 13 JUNE 2012	10,000	
	9.4 NABARD LTD 19 JULY 2016	8,967	
	CANARA BANK CD 28 MARCH 2013	7,806	
	10% STATE BANK OF TRAVANCORE FD 01 FEB 2013	5,000	
	10% STATE BANK OF TRAVANCORE FD 02 FEB 2013	4,900	
	10% STATE BANK OF TRAVANCORE 27 JAN 2013	3,900	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	3,000	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	2,939	
	9.85 BANK OF INDIA FD 22 JUNE 2013	2,000	
	10% STATE BANK OF TRAVANCORE FD 14 JAN 2013	2,000	
BANKING SERVICES TOTAL		65,511	15.85%
OTHER FINANCIAL SERVICES	9.9% HDFC LTD 11 MAR 2014	10,027	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	6,987	
	7.45 LIC HOUSING FINANCE LTD 21 JULY 2012	6,952	
	0 HDFC NCD 14 JUNE 2016	6,572	
	7.30 LIC HOUSING FINANCE LIMITED 06 MAY 2013	5,837	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	0.00 HDFC 06 FEBRUARY 2017	5,100	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	4,815	
	9.75 HOUSING DEVELOPMENT FINANCE CORPORATION 07 DECEMBER 2016	3,026	
	9.55% IDFC NCD 12 APRIL 2013	2,985	
	9.70% LIC HOUSING FINANCE 07 APRIL 2013	1,993	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	982	
OTHER FINANCIAL SERVICES TOTAL		55,277	13.37%
STATE GOVERNMENT	8.69 KARNATAKA SDL 08 FEBRUARY 2022	14,072	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	12,647	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	9,707	
	8.36% HARYANA SDL 08 APRIL 2021	9,530	
	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	968	
STATE GOVERNMENT TOTAL		46,923	11.35%
OTHERS	9.15% LARSEN AND TOUBRO 5 JANUARY 2019	16,640	
	10.30 IL&FS 22 MAR 2022	13,327	
	0% SUNDARAM FINANCE 26 APRIL 2013	8,122	
	8.25% RELIANCE CAPITAL 03 MAY 2013	5,893	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	4,793	
	9.64% POWER FINANCE CORP LTD 29 JUNE 2014	3,989	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	3,088	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	3,015	
	NET CURRENT ASSETS	16,684	
OTHERS TOTAL		75,551	18.28%
FUND TOTAL		**413,392**	**100.00%**
GROUP GRATUITY GROWTH FUND	SFIN: ULGF00117/04/06GRATGROWTH104		
BANKING SERVICES	HOUSING DEVELOPMENT FINANCE CORP BANK	6,015	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	4,000	
	ICICI BANK LTD	3,960	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	3,059	
	STATE BANK OF HYDERABAD 16 OCTOBER 2012	2,833	
	10% STATE BANK OF TRAVANCORE FD 21 JAN 2013	2,400	
	9.4% NABARD NCD 13 SEP 2016	1,992	
	6.95% NHB NCD 24 MAY 2013	1,979	
	BANK OF BARODA LTD	1,572	
	STATE BANK OF INDIA	1,562	
	CANARA BANK CD 28 MARCH 2013	1,543	
	10.84% HDFC BANK 23 MAY 2022.	1,053	
	10% STATE BANK OF TRAVANCORE 10 JAN 2013	1,000	
	9.4 NABARD LTD 19 JULY 2016	996	
	FEDERAL BANK LIMITED	640	
	CANARA BANK LTD	476	
	AXIS BANK LTD	416	
	ORIENTAL BANK OF COMMERCE	335	
	UNION BANK OF INDIA	141	
BANKING SERVICES TOTAL		35,971	26.24%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	8.7% PFC 14 MAY 2015	4,877	
	9.64% POWER FINANCE CORP LTD 29 JUNE 2014	3,989	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	1,005	
	8.45% PFC 17 SEPTEMBER 2014	973	
	PTC INDIA LIMITED	614	
	POWER FINANCE CORP LTD	185	
	RURAL ELECTRIFICATION CORPORATION LIMITED	103	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		11,747	8.57%
CELLULAR MOBILE PHONE SERVICE	BHARTI AIRTEL LTD	7,785	
	IDEA CELLULAR LTD	2,411	
CELLULAR MOBILE PHONE SERVICE TOTAL		10,195	7.44%
OTHER FINANCIAL SERVICES	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	1,965	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	1,926	
	11.15% HDFC 06 AUGUST 2018	1,071	
	9.9% HDFC LTD 11 MAR 2014	1,003	
	9.72 INFRASTRUCTURE DEV FINANCE CORP LTD 05 NOVEMBER 2013	999	
	9.50% HDFC 28 FEBRUARY 2013	995	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	982	
	INFRASTRUCTURE DEV FIN CO LTD	608	
	HOUSING DEVELOPMENT FINANCE CORP LTD	337	
OTHER FINANCIAL SERVICES TOTAL		9,885	7.21%
DRUGS, MEDICINES AND ALLIED PRODUCTS	SUN PHARMACEUTICAL INDUSTRIES LTD	3,482	
	9.25% DR REDDYS LAB 24 MAR 2014	1,980	
	DR REDDYS LABORATORIES LIMITED	1,412	
	LUPIN LIMITED	1,165	
	IPCA LABORATORIES LIMITED	503	
	CADILA HEALTHCARE LIMITED	313	
DRUGS, MEDICINES AND ALLIED PRODUCTS TOTAL		8,854	6.46%
REFINERY	RELIANCE INDUSTRIES LTD	5,786	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	1,670	
REFINERY TOTAL		7,455	5.44%
OTHERS	HINDUSTAN UNILEVER LTD	4,729	
	OIL & NATURAL GAS CORP LTD	3,458	
	ITC LTD	3,242	
	BAJAJ AUTO LTD NEW SHS	2,938	
	NESTLE INDIA LTD	2,714	
	91 DAYS T-BILL 04 MAY 2012	2,231	
	INFOSYS TECHNOLOGIES LTD	2,153	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	MAHINDRA & MAHINDRA LTD	2,073	
	9.15% LARSEN AND TOUBRO 11 MAY 2020	1,961	
	0% SUNDARAM FINANCE 26 APRIL 2013	1,805	
	BRITANNIA INDUSTRIES LTD	1,690	
	TATA CONSULTANCY SERVICES LTD	1,663	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	1,563	
	COAL INDIA LTD	1,348	
	8.8% POWER GRID CORP LTD 29 SEPTEMBER 2014	1,226	
	MARUTI UDYOG LTD	1,079	
	GRASIM LTD	1,038	
	9.68 TATA SONS LIMITED 10 JANUARY 2017	1,006	
	BHARAT ELECTRONICS LTD	991	
	7.59% GOI 12 APRIL 2016	969	
	7.70% SAIL 11 MAY 2019	962	
	LARSEN & TOUBRO LTD	916	
	STERLITE INDUSTRIES (INDIA) LTD	856	
	HINDUSTAN ZINC LTD	794	
	JAGRAN PRAKASHAN LTD	715	
	WIPRO LTD	697	
	BHARAT HEAVY ELECTRICALS LTD	625	
	ASIAN PAINTS (INDIA) LTD	622	
	TATA STEEL LTD	613	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	610	
	POWER GRID CORPORATION OF INDIA LTD	575	
	NTPC LTD	521	
	CAIRN INDIA LTD	501	
	MARICO LTD	483	
	TATA POWER LIMITED	429	
	EXIDE INDUSTRIES LTD	370	
	7.17% GOI 14 JUNE 2015	325	
	TATA CHEMICALS LTD	3	
	NET CURRENT ASSETS	2,506	
OTHERS TOTAL		53,001	38.66%
FUND TOTAL		**137,109**	**100.00%**
GROUP SUPERANNUATION			
BALANCED FUND	SFIN: ULGF00523/01/07SANNBALANC104		
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	15	
	8.19 CGL 16 JANUARY 2020	10	
	7.99% GOI 09 JULY 2017	9	
	8.13% GOI 21 SEPTEMBER 2022	4	
	7.40% GOI 03 MAY 2012	1	
GOVERNMENT OF INDIA TOTAL		39	45.10%
BANKING SERVICES	10% STATE BANK OF TRAVANCORE 10 JAN 2013	8	
	HOUSING DEVELOPMENT FINANCE CORP BANK	5	
	STATE BANK OF INDIA	2	
BANKING SERVICES TOTAL		15	17.70%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

BISCUITS	8.25% BRITANNIA 22 MARCH 2013	8	
BISCUITS TOTAL		8	9.10%
SECURITIES AND STOCK TRADERS	10.30 IL&FS 22 MAR 2022	7	
SECURITIES AND STOCK TRADERS TOTAL		7	8.50%
OTHERS	LARSEN & TOUBRO LTD	4	
	9.25% DR REDDYS LAB 24 MAR 2014	3	
	ITC LTD	3	
	HINDUSTAN UNILEVER LTD	2	
	OIL & NATURAL GAS CORP LTD	2	
	BHARTI AIRTEL LTD	2	
	RELIANCE INDUSTRIES LTD	2	
	MARUTI UDYOG LTD	1	
	BHARAT HEAVY ELECTRICALS LTD	1	
	NTPC LTD	1	
	STERLITE INDUSTRIES (INDIA) LTD	1	
	NET CURRENT ASSETS	(6)	
OTHERS TOTAL		17	19.60%
FUND TOTAL		**86**	**100.00%**
GROUP SUPERANNUATION CONSERVATIVE FUND	SFIN: ULGF00623/01/07SANNCONSER104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	20,762	
	6.85% GOI 05 APRIL 2012	500	
	7.80 GOI 11 APRIL 2021	332	
GOVERNMENT OF INDIA TOTAL		21,594	43.35%
OTHER FINANCIAL SERVICES	0.00 HDFC 06 FEBRUARY 2017	1,020	
	9.75% HDFC LTD 08 MAR 2016	1,008	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	998	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	995	
	7.5% IDFC LTD 10 JUNE 2013	974	
	7.30 LIC HOUSING FINANCE LIMITED 06 MAY 2013	973	
OTHER FINANCIAL SERVICES TOTAL		5,968	11.98%
BANKING SERVICES	9.85 BANK OF INDIA FD 22 JUNE 2013	2,000	
	10% STATE BANK OF TRAVANCORE FD 31 JAN 2013	1,500	
	CANARA BANK CD 28 MARCH 2013	817	
	10% STATE BANK OF TRAVANCORE 10 JAN 2013	600	
	10% STATE BANK OF TRAVANCORE FD 14 JAN 2013	50	
BANKING SERVICES TOTAL		4,967	9.97%
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.61 POWER FINANCE CORP LTD 29 JUNE 2021	3,019	
	9.42 POWER FINANCE CORPORATION LTD 20 MARCH 2020	996	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		4,015	8.06%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

STATE GOVERNMENT	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	2,140	
	8.36% HARYANA SDL 08 APRIL 2021	943	
	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	532	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	146	
STATE GOVERNMENT TOTAL		3,761	7.55%
FINANCIAL LEASING	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	999	
	9.25% RELIANCE CAPITAL 02 NOVEMBER 2012	994	
	0% SUNDARAM FINANCE 26 APRIL 2013	902	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	260	
FINANCIAL LEASING TOTAL		3,156	6.34%
OTHERS	10.30 IL&FS 22 MAR 2022	1,049	
	9.25% DR REDDYS LAB 24 MAR 2014	1,039	
OTHERS	NET CURRENT ASSETS	4,267	
OTHERS TOTAL		6,356	12.76%
FUND TOTAL		**49,817**	**100.00%**
GROUP SUPERANNUATION GROWTH FUND	SFIN: ULGF00423/01/07SANNGROWTH104		
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	87	
	91 DAYS T BILL 06 APRIL 2012	24	
	91 DAY TRESURAY BILL 25 MAY 2012	5	
	8.13% GOI 21 SEPTEMBER 2022	3	
	7.40% GOI 03 MAY 2012	2	
GOVERNMENT OF INDIA TOTAL		122	26.42%
BANKING SERVICES	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	30	
	HOUSING DEVELOPMENT FINANCE CORP BANK	13	
	BANK OF BARODA LTD	12	
	ICICI BANK LTD	11	
	PUNJAB NATIONAL BANK LTD	9	
	AXIS BANK LTD	2	
BANKING SERVICES TOTAL		77	16.71%
DRUGS, MEDICINES AND ALLIED PRODUCTS	SUN PHARMACEUTICAL INDUSTRIES LTD	40	
DRUGS, MEDICINES AND ALLIED PRODUCTS TOTAL		40	8.64%
BISCUITS	8.25% BRITANNIA 22 MARCH 2013	34	
BISCUITS TOTAL		34	7.35%
TOBACCO PRODUCTS	ITC LTD	30	
TOBACCO PRODUCTS TOTAL		30	6.59%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	23	
	TATA CONSULTANCY SERVICES LTD	4	
COMPUTER SOFTWARE TOTAL		26	5.73%
CONSTRUCTION OF UTILITY PROJECTS	LARSEN & TOUBRO LTD	22	
	JAIPRAKASH ASSOCIATES LTD	1	
CONSTRUCTION OF UTILITY PROJECTS TOTAL		24	5.10%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	OIL & NATURAL GAS CORP LTD	16	
	RELIANCE INDUSTRIES LTD	15	
	HINDUSTAN UNILEVER LTD	11	
	BHARAT HEAVY ELECTRICALS LTD	10	
	MARUTI UDYOG LTD	9	
	BHARTI AIRTEL LTD	7	
	NTPC LTD	6	
	HOUSING DEVELOPMENT FINANCE CORP LTD	3	
	STERLITE INDUSTRIES (INDIA) LTD	2	
	COAL INDIA LTD	1	
	NET CURRENT ASSETS	26	
OTHERS TOTAL		108	23.45%
FUND TOTAL		**462**	**100.00%**
GROWTH FUND	SFIN: ULIF00125/06/04LIFEGROWTH104		
BANKING SERVICES	ICICI BANK LTD	1,987,327	
	HOUSING DEVELOPMENT FINANCE CORP BANK	1,595,113	
	STATE BANK OF INDIA	936,980	
	ORIENTAL BANK OF COMMERCE CD 27 SEPTEMBER 2012	478,365	
	ORIENTAL BANK OF COMMERCE CD 13 DECEMBER 2012	468,087	
	AXIS BANK LTD	406,816	
	9.90 STATE BANK OF TRAVANCORE FD 30 JUNE 2013	376,000	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	327,400	
	JAMMU & KASHMIR BANK LTD	318,888	
	9.90 CANARA BANK FD 11 DECEMBER 2013	300,000	
	9.90 CANARA BANK FD 12 DECEMBER 2013	300,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	283,000	
	8.85% STATE BANK OF INDIA 04 OCT 2021	243,245	
	STATE BANK OF PATIALA CD 12 OCTOBER 2012	238,296	
	STATE BANK OF MYSORE CD 19 OCTOBER 2012	236,844	
	IDBI BANK CD 20 DECEMBER 2012	233,740	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	226,500	
	CENTRAL BANK CD 11 MARCH 2013	220,220	
	BANK OF MAHARASHTRA	218,842	
	9.90 CANARA BANK FD 16 DECEMBER 2013	200,000	
	INDIAN OVERSEAS BANK CD 06 DECEMBER 2012	187,547	
	9.5% NABARD 15 OCTOBER 2012	174,284	
	ORIENTAL BANK OF COMMERCE	164,723	
	10.84% HDFC BANK 23 MAY 2022.	162,130	
	10.35% YES BANK SFD 14 MAY 2012	150,000	
	INDIAN BANK LTD	146,666	
	VIJAYA BANK LTD	143,245	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	138,124	
	10.05% CANARA BANK FD 21 FEB 2013	104,000	
	PUNJAB & SIND BANK	103,083	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	9.75% YES BANK 11 JUNE 2012	102,000	
	SYNDICATE BANK	101,952	
	9.95% CANARA BANK FD 14 MAR 2013	100,000	
	9.4% NABARD NCD 13 SEP 2016	99,602	
	9.40% NABARD NCD 30 MARCH 2014	99,425	
	9.18 NABARD 07 FEBRUARY 2017	98,802	
	9.5% CANARA BANK FD 28 APRIL 2019	95,000	
	FEDERAL BANK LIMITED	94,970	
	STATE BANK OF MYSORE CD 15 NOVEMBER 2012	94,363	
	UNITED BANK OF INDIA	88,535	
	UNITED COMMERCIAL BANK	77,372	
	6.95% NHB NCD 24 MAY 2013	77,191	
	PUNJAB NATIONAL BANK LTD	74,948	
	10.40% PNB SR1 31 DECMBER PERPATUAL BOND	70,443	
	INDIAN OVERSEAS BANK	63,128	
	STATE BANK OF HYDERABAD 20 SEPTEMBER 2012	60,090	
	10.30 % YES BANK NCD 25 JULY 2021	56,624	
	9.65% NABARD 22 SEPTEMBER 2014	49,789	
	9.50% EXIM BANK 12 DECEMBER 2013	49,772	
	VIJAYA BANK CD 24 AUG 12	48,267	
	CANARA BANK CD 14 DECEMBER 2012	46,545	
	UNION BANK OF INDIA	44,537	
	9.95% AXIS BANK 28 MARCH 2019	43,805	
	9.4 NABARD LTD 19 JULY 2016	29,889	
	9.40 NABARD 31 JULY 2015	7,950	
	KOTAK MAHINDRA BANK LTD	7,452	
	10% STATE BANK OF TRAVANCORE FD 24 JAN 2013	6,900	
	8.75% HDFC BANK 25 MAY 2014	5,890	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	5,810	
	9.20 IDBI BANK LIMITED PERPETUAL 31 DECEMBER 2099	5,470	
	BANK OF BARODA LTD	761	
	CANARA BANK LTD	451	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	279	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	10	
BANKING SERVICES TOTAL		12,877,486	25.10%
OTHER FINANCIAL SERVICES	9.9% HDFC LTD 11 MAR 2014	328,870	
	INFRASTRUCTURE DEV FIN CO LTD	317,435	
	9.55% IDFC NCD 12 APRIL 2013	278,618	
	9.75 HOUSING DEVELOPMENT FINANCE CORPORATION 07 DECEMBER 2016	252,182	
	9.75 LIC HOUSING FINANCEL LTD 30 NOVEMBER 2016	252,167	
	9.48 LIC HOUSING LTD 11 JANUARY 2013	248,715	
	7.45 LIC HOUSING FINANCE LTD 21 JULY 2012	239,360	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	238,612	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	9.84 IDFC LTD 24 JULY 2013	205,147	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	201,414	
	9.45% HDFC 11JAN 2013	198,930	
	8.35% HDFC NCD 19 JULY 2015	173,578	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	162,240	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	153,717	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	132,290	
	9.90 HOUSING DEV FINANCE CORP LTD 19 NOVEMBER 2012	119,733	
	DEWAN HOUSING FINANCE CORP LTD	119,687	
	9.75% ICICI HOUSING FINANCE (TIER II) 24 APRIL 2019	111,961	
	11.25% HDFC 4 SEPTEMBER 2018	107,662	
	8.98% HDFC 26 NOV 2020	104,728	
	9.90 LIC HOUSING FINANCE LTD 11 NOVEMBER 2021	102,391	
	9.85 LIC HOUSING FINANCE LTD 16 MAR 2014	100,187	
	9.9% HDFC 19 DECEMBER 2013	100,147	
	9.32% HDFC 17 DECEMBER 2012	99,404	
	HOUSING DEVELOPMENT FINANCE CORP LTD	99,164	
	10.10% HDFC 13 SEPTEMBER 2017	87,060	
	9.50% HDFC 28 FEBRUARY 2013	85,548	
	8.9% HDFC 18 AUGUST 2020	82,097	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	78,970	
	8.48% IDFC 28 SEPTEMBER 2013	56,970	
	8.95% LIC HOUSING FINANCE 15 SEPTEMBER 2020	52,294	
	8.2% LIC HOUSING FINANCE LTD 31 AUG 2012	50,605	
	9.56 LIC HOUSING FINANCE LTD 19 JANUARY 2017	50,105	
	10.25% HDFC 29 MAY 2012	50,024	
	7.4% IDFC 22 APRIL 2012	49,931	
	9.5% HDFC 10 DEC 2017	49,797	
	9.35% LIC HOUSING FINANCE 23 NOVEMBER 2014	49,728	
	7.76 LIC HOUSING FINANCE 06 NOV 2012	49,307	
	9.70% LIC HOUSING FINANCE 07 APRIL 2013	47,836	
	9.70% HDFC 19 JULY 2017	44,345	
	0 HDFC NCD 14 JUNE 2016	39,434	
	9.50% HDFC 27 FEBRUARY 2013	34,816	
	9.75% HDFC LTD 08 MAR 2016	30,249	
	10% IDFC 22 MAY 2012	30,003	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	25,259	
	7.5% IDFC LTD 10 JUNE 2013	22,403	
	11.15% HDFC 06 AUGUST 2018	20,357	
	7.95% IDFC 04 MAY 2014	17,412	
	9.6% HDFC LTD 07 APRIL 2016	1,000	
OTHER FINANCIAL SERVICES TOTAL		5,553,887	10.82%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	2,067,775	
	TATA CONSULTANCY SERVICES LTD	724,959	
	WIPRO LTD	248,584	
	ZYLOG SYSTEMS LIMITED	188,621	
	NIIT TECHNOLOGIES LTD	131,733	
COMPUTER SOFTWARE TOTAL		3,361,672	6.55%
REFINERY	RELIANCE INDUSTRIES LTD	2,576,760	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	273,683	
	11.45% RIL 25 NOVEMBER 2013	102,378	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	73,712	
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	56,584	
	10.75% RIL 08 DECEMBER 2018	4,221	
REFINERY TOTAL		3,087,337	6.02%
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	8.7% PFC 14 MAY 2015	334,581	
	11.5% REC 26 NOVEMBER 2013	256,137	
	9.44% POWER FINANCE CORP 23 SEP 2021	248,181	
	RELIANCE ENERGY LTD	231,094	
	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	211,768	
	9.61 POWER FINANCE CORP LTD 29 JUNE 2021	201,259	
	POWER FINANCE CORP LTD	182,133	
	11% PFC 15 SEP 2018	159,786	
	9.62 POWER FINANCE CORP LTD 29 JUNE 2016	100,384	
	9.48 REC LTD 10 AUG 2021	99,831	
	9.41% POWER FINANCE CORP LTD 01 SEP 2016	99,641	
	9.42 POWER FINANCE CORPORATION LTD 20 MARCH 2020	99,608	
	8.95% PFC 30 MARCH 2015	98,298	
	PTC INDIA LIMITED	78,231	
	10.75% REC 24 JULY 2013	50,544	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	50,257	
	8.94% PFC 15 JANUARY 2013	49,547	
	9.64% POWER FINANCE CORP LTD 29 JUNE 2014	41,889	
	9.45% REC 04 APRIL 2013	38,772	
	8.45% PFC 17 SEPTEMBER 2014	37,964	
	9.46% POWER FINANCE CORP LTD 01 AUG 2026	31,844	
	9.38% REC LTD 06 SEP 2016	4,977	
	6.7% RELINFRA 19 AUGUST 2018	4,306	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		2,711,032	5.28%
OTHERS	ITC LTD	1,104,497	
	BHARTI AIRTEL LTD	917,693	
	OIL & NATURAL GAS CORP LTD	625,160	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

TATA STEEL LTD	624,575
LARSEN & TOUBRO LTD	573,211
MAHINDRA & MAHINDRA LTD	548,072
GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	538,752
HINDUSTAN UNILEVER LTD	534,978
CAIRN INDIA LTD	531,208
BAJAJ AUTO LTD NEW SHS	487,070
SESA GOA LTD	449,932
MARUTI UDYOG LTD	439,623
JINDAL STEEL & POWER LTD	437,419
SUN PHARMACEUTICAL INDUSTRIES LTD	436,750
POWER GRID CORPORATION OF INDIA LTD	423,983
HINDALCO INDUSTRIES LTD	398,983
IPCA LABORATORIES LIMITED	386,289
COAL INDIA LTD	364,106
GRASIM LTD	359,000
BHARAT HEAVY ELECTRICALS LTD	334,538
8.35% CAIRN INDIA 12 JULY 2012	298,933
NTPC LTD	285,658
0% SUNDARAM FINANCE 26 APRIL 2013	285,162
91 DAYS T BILL 08 JUNE 2012	275,301
CESC LTD	241,532
TATA POWER LIMITED	238,451
PIDILITE INDUSTRIES LIMITED	236,535
HINDUSTAN ZINC LTD	234,456
LUPIN LIMITED	232,448
RADICO KHAITAN LTD	216,954
JAGRAN PRAKASHAN LTD	209,258
BRITANNIA INDUSTRIES LTD	207,862
8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	204,333
9.70 CADILA LTD 14 JULY 2016	200,393
RELIANCE COMMUNICATIONS LTD	195,143
8.66 TAMILNADU SDL 25 JANUARY 2022	194,198
8.95 LT 26 MAY 2020	185,212
9.23 RAJASTHAN SDL 23 NOVEMBER 2021	180,993
7.02% GOI 17 AUGUST 2016	180,652
BIRLA SUN LIFE CASH PLUS - INSTL. PREM. - GROWTH	180,057
MARICO LTD	167,490
GMR IFRASTRUCTURE LTD	166,473
NAGARJUNA CONS CO LTD	163,167
CLARIS LIFESCIENCES LTD	162,025
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	161,106
9.19 TAMILNADU SDL 09 NOV 2021	160,520
9.68 TATA SONS LIMITED 10 JANUARY 2017	159,021

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

IDEA CELLULAR LTD	152,925
91 DAYS T-BILL 04 MAY 2012	151,789
9.15% LARSEN AND TOUBRO 5 JANUARY 2019	146,824
SHREE CEMENT LTD	143,872
JAIPRAKASH ASSOCIATES LTD	133,142
KOTAK MAHINDRA PRIME CP 04 APRIL 2012	132,398
GILLETTE INDIA LTD	132,203
TIME TECHNOPLAST LIMITED	129,265
GAIL (INDIA) LIMITED	119,075
CADILA HEALTHCARE LIMITED	118,167
DR REDDYS LABORATORIES LIMITED	117,663
TATA CHEMICALS LTD	114,476
9.25% DR REDDYS LAB 24 MAR 2014	114,197
BHARAT EARTH MOVERS LTD	113,132
BALRAMPUR CHINI MILLS LTD	112,816
DEN NETWORKS LIMITED	112,520
2% TATA MOTORS 31 MARCH 2013	109,671
9.80% GE SHIPPING 3 JULY 2019	105,115
10.75% SHRIRAM TRANSPORT 24 AUG 2016	103,705
9.23 GUJRAT SDL 23 NOVEMBER 2021	100,586
9.22 TAMILNADI SDL 23 NOVEMBER 2021	100,577
9.84 TATA SONS LIMITED 08 DECEMBER 2014	100,363
8.83 GOI 12 DECEMBER 2041	99,045
10.5% SHRIRAM TRANSPORT 22 AUG 2014	98,316
7.32% GOI 20 OCTOBER 2014	97,950
7.9% ADITYA BIRLA NUVO 10 MAY 2013	97,734
10% TATA CHEMICALS 2 JULY 2019	97,361
9.05% BIRLA CORPORATION LTD 13 OCTOMBER 2020	96,608
PANTALOON RETAIL INDIA LTD	95,416
7.17% GOI 14 JUNE 2015	93,350
IVRCL INFRASTRUCTURES & PROJECTS LTD	93,095
10.90% RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LTD 06 JAN 2014	91,539
MADRAS CEMENT	90,775
9.21 PUNJAB SDL 23 NOVEMBER 2021	90,419
EXIDE INDUSTRIES LTD	82,529
MANGALAM CEMENT LTD	77,810
PHILLIPS CARBON BLACK LTD	77,722
8.66 ANDHRA PRADESH SDL 06 JULY 2021	77,657
TATA MOTORS LIMITED	76,535
BAJAJ HOLDINGS AND INVESTMENT LTD	72,548
ANSAL PROPERTIES & INFRASTRUCTURE LIMITED	71,723
10.48% GRASIM 16 DECEMBER 2013	69,699
NIIT LTD	66,561

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

JAIPRAKASH POWER VENTURE LIMITED	61,572
JK CEMENT LIMITED	61,427
EICHER MOTORS LTD	60,426
7.70% SAIL 11 MAY 2019	55,823
ASHOKA BUILDCON LTD	53,878
THE INDIAN HOTELS CO. LTD	52,898
STEEL AUTHORITY OF INDIA LTD	51,200
9.40% GOI 11 SEPTEMBER 2012	50,204
10.05% MARICO NCD 30 SEPTEMBER 2013	50,051
9.47% PGC 31 MARCH 2013	49,741
9.35% POWERGRID CORP LTD 29 AUG 2016	49,717
9.35% POWERGRID CORP LTD 29 AUG 2018	49,433
9.35% POWERGRID CORP LTD 29 AUG 2019	49,377
8.90% PGC 25 FEBRUARY 2017	48,875
8.69 GUJRAT SDL 08 FEBRUARY 2022	48,569
12.60% GOI 23 NOVEMBER 2018	48,047
8.64% PGC 08 JULY 2019	47,599
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	46,319
7.99% GOI 09 JULY 2017	45,754
MADHUCON PROJECTS LTD	43,405
JAYPEE INFRATECH LIMITED	42,229
8.71 TAMILNADU SDL 08 FEBRUARY 2022	38,967
VARDHMAN TEXTILES LTD	36,885
SUN TV NETWORK LIMITED	36,498
STERLITE INDUSTRIES (INDIA) LTD	36,371
7.83% GOI 11 APRIL 2018	32,459
BOSCH LTD	28,742
8.25% RELIANCE CAPITAL 03 MAY 2013	27,501
BHARAT ELECTRONICS LTD	26,343
8.60 ANDHRA PRADESH SDL 22 JUNE 2021	25,981
182 DAYS T BILL 11 MAY 2012	22,600
GREAT EASTERN SHIPPING CO LTD	22,022
USHA MARTIN LIMITED	21,603
PATEL ENGINEERING LTD	21,246
8.85% TATA SONS 30 OCTOBER 2016	19,749
7.37% GOI 16 APRIL 2014	19,680
MOIL LIMITED	17,518
MULTI COMMODITY EXCHANGE OF INDIA LTD	15,082
COROMANDEL INTERNATIONAL LTD	14,786
8.07% GOI 15 JANUARY 2017	14,703
GUJARAT STATE PETRONET LTD	14,459
GREAVES COTTON LTD	12,167
SHREE RENUKA SUGARS LIMITED	11,289
7.80 GOI 11 APRIL 2021	11,236

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	91 DAYS T BILL 06 APRIL 2012	10,454	
	8.16% TAMILNADU SDL 07 JULY 2020	10,186	
	JYOTI STRUCTURES LIMITED	8,366	
	8.37% PUNJAB SDL 22 DEC 2020	8,146	
	ALSTOM PROJECT INDIA LIMITED	6,649	
	8.25% BRITANNIA 22 MARCH 2013	6,594	
	8.26% GOI 02 AUGUST 2027	5,784	
	UNITED PHOSPHORUS LIMITED	5,204	
	APOLLO TYRES LTD	5,098	
	OIL INDIA LIMITED	5,095	
	JSW ENERGY LIMITED	4,531	
	6.35% GOI 2 JAN 2020	4,351	
	7.49% GOI 16 APRIL 2017	4,306	
	7.27% GOI 03 SEPTEMBER 2013	3,958	
	ULTRATECH CEMENT LTD	3,029	
	7.46% GOI 28 AUGUST 2017	2,756	
	8.53% TAMIL NADU SDL 27 OCT 2020	1,349	
	VARDHMAN SPECIAL STEELS LTD	1,211	
	91 DAYS TBILL 18 MAY 2012	1,177	
	THERMAX LTD	1,031	
	7.59% GOI 12 APRIL 2016	892	
	91 DAY TRESURAY BILL 25 MAY 2012	587	
	GUJRAT NRE COKE LTD DIFFERENTIAL VOTING RIGHTS	267	
	91 DAYS T BILL 27 APRIL 2012	253	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	240	
	8.51% GUJARAT SDL 27 OCT 2020	192	
	NET CURRENT ASSETS	1,405,085	
OTHERS TOTAL		23,719,267	46.23%
FUND TOTAL		**51,310,681**	**100.00%**
GROWTH SUPER FUND	SFIN: ULIF01108/02/07LIFEGRWSUP104		
BANKING SERVICES	ICICI BANK LTD	1,516,376	
	HOUSING DEVELOPMENT FINANCE CORP BANK	1,280,806	
	STATE BANK OF INDIA	756,902	
	AXIS BANK LTD	419,399	
	JAMMU & KASHMIR BANK LTD	249,741	
	UNITED BANK OF INDIA CD 12 DECEMBER 2012	233,982	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	233,350	
	9.90 CANARA BANK FD 12 DECEMBER 2013	200,000	
	IDBI BANK CD 08 AUG 2012	184,069	
	BANK OF MAHARASHTRA	151,491	
	ORIENTAL BANK OF COMMERCE	103,710	
	VIJAYA BANK LTD	92,965	
	FEDERAL BANK LIMITED	86,813	
	INDIAN BANK LTD	82,242	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	PUNJAB & SIND BANK	76,665	
	PUNJAB NATIONAL BANK LTD	74,831	
	UNITED BANK OF INDIA	60,460	
	SYNDICATE BANK	59,913	
	UNITED COMMERCIAL BANK	40,762	
	UNION BANK OF INDIA	33,280	
	INDIAN OVERSEAS BANK	26,770	
	STATE BANK OF HYDERABAD 16 OCTOBER 2012	22,193	
	KOTAK MAHINDRA BANK LTD	873	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	130	
BANKING SERVICES TOTAL		5,987,726	23.92%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	1,722,064	
	TATA CONSULTANCY SERVICES LTD	601,420	
	WIPRO LTD	231,346	
	ZYLOG SYSTEMS LIMITED	103,821	
	NIIT TECHNOLOGIES LTD	90,813	
COMPUTER SOFTWARE TOTAL		2,749,464	10.98%
REFINERY	RELIANCE INDUSTRIES LTD	1,977,432	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	177,151	
	10.75% RIL 08 DECEMBER 2018	14,772	
REFINERY TOTAL		2,169,355	8.67%
OTHERS	ITC LTD	938,840	
	BHARTI AIRTEL LTD	723,158	
	TATA STEEL LTD	530,601	
	LARSEN & TOUBRO LTD	490,942	
	MAHINDRA & MAHINDRA LTD	476,507	
	OIL & NATURAL GAS CORP LTD	475,570	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	450,971	
	HINDUSTAN UNILEVER LTD	397,885	
	CAIRN INDIA LTD	377,556	
	MARUTI UDYOG LTD	352,875	
	JINDAL STEEL & POWER LTD	342,945	
	BAJAJ AUTO LTD NEW SHS	338,164	
	SUN PHARMACEUTICAL INDUSTRIES LTD	330,099	
	SESA GOA LTD	317,361	
	POWER GRID CORPORATION OF INDIA LTD	289,937	
	COAL INDIA LTD	278,058	
	BHARAT HEAVY ELECTRICALS LTD	275,394	
	TATA POWER LIMITED	251,754	
	IPCA LABORATORIES LIMITED	235,916	
	INFRASTRUCTURE DEV FIN CO LTD	231,698	
	NTPC LTD	229,592	
	HINDALCO INDUSTRIES LTD	228,836	
	GRASIM LTD	213,064	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

HINDUSTAN ZINC LTD	209,595
LUPIN LIMITED	192,486
PIDILITE INDUSTRIES LIMITED	188,615
SHREE CEMENT LTD	168,536
HOUSING DEVELOPMENT FINANCE CORP LTD	167,174
CESC LTD	155,684
RADICO KHAITAN LTD	151,511
POWER FINANCE CORP LTD	144,825
BRITANNIA INDUSTRIES LTD	141,718
RELIANCE COMMUNICATIONS LTD	138,683
IDEA CELLULAR LTD	138,445
JAIPRAKASH ASSOCIATES LTD	127,741
JAGRAN PRAKASHAN LTD	127,091
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	126,889
GMR IFRASTRUCTURE LTD	125,504
DR REDDYS LABORATORIES LIMITED	125,403
CADILA HEALTHCARE LIMITED	112,152
PANTALOON RETAIL INDIA LTD	103,003
RELIANCE ENERGY LTD	100,694
CLARIS LIFESCIENCES LTD	100,050
BHARAT EARTH MOVERS LTD	99,834
NAGARJUNA CONS CO LTD	96,584
MARICO LTD	84,472
GAIL (INDIA) LIMITED	83,151
BALRAMPUR CHINI MILLS LTD	81,710
STERLITE INDUSTRIES (INDIA) LTD	80,487
DEWAN HOUSING FINANCE CORP LTD	79,670
8.2% LIC HOUSING FINANCE LTD 31 AUG 2012	78,388
TIME TECHNOPLAST LIMITED	76,559
TATA CHEMICALS LTD	74,664
DEN NETWORKS LIMITED	73,888
IVRCL INFRASTRUCTURES & PROJECTS LTD	71,144
GILLETTE INDIA LTD	60,493
PHILLIPS CARBON BLACK LTD	58,578
EXIDE INDUSTRIES LTD	55,675
TATA MOTORS LIMITED	54,224
KOTAK MAHINDRA PRIME CP 04 APRIL 2012	49,961
91 DAYS T-BILL 04 MAY 2012	49,578
PTC INDIA LIMITED	49,120
STEEL AUTHORITY OF INDIA LTD	48,042
JAIPRAKASH POWER VENTURE LIMITED	47,762
MADRAS CEMENT	46,436
THE INDIAN HOTELS CO. LTD	42,580
JK CEMENT LIMITED	40,497

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	EICHER MOTORS LTD	39,867	
	NIIT LTD	38,330	
	ANSAL PROPERTIES & INFRASTRUCTURE LIMITED	38,158	
	BAJAJ HOLDINGS AND INVESTMENT LTD	37,005	
	0% SUNDARAM FINANCE 26 APRIL 2013	36,096	
	ASHOKA BUILDCON LTD	33,423	
	MANGALAM CEMENT LTD	32,710	
	GREAT EASTERN SHIPPING CO LTD	30,525	
	MOIL LIMITED	30,030	
	VARDHMAN TEXTILES LTD	29,315	
	BOSCH LTD	24,686	
	SUN TV NETWORK LIMITED	24,332	
	MADHUCON PROJECTS LTD	23,249	
	BHARAT ELECTRONICS LTD	20,433	
	9.15% LARSEN AND TOUBRO 5 JANUARY 2019	17,619	
	JSW ENERGY LIMITED	16,269	
	10.48% GRASIM 16 DECEMBER 2013	15,152	
	PATEL ENGINEERING LTD	14,798	
	ALSTOM PROJECT INDIA LIMITED	12,807	
	GUJARAT STATE PETRONET LTD	12,328	
	USHA MARTIN LIMITED	10,173	
	JAYPEE INFRATECH LIMITED	9,555	
	SHREE RENUKA SUGARS LIMITED	8,203	
	GREAVES COTTON LTD	7,214	
	COROMANDEL INTERNATIONAL LTD	6,865	
	UNITED PHOSPHORUS LIMITED	6,505	
	MULTI COMMODITY EXCHANGE OF INDIA LTD	6,363	
	OIL INDIA LIMITED	5,607	
	JYOTI STRUCTURES LIMITED	3,348	
	ULTRATECH CEMENT LTD	3,029	
	APOLLO TYRES LTD	2,788	
	TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	1,363	
	VARDHMAN SPECIAL STEELS LTD	895	
	GUJRAT NRE COKE LTD DIFFERENTIAL VOTING RIGHTS	357	
	9.25% DR REDDYS LAB 24 MAR 2014	267	
	NESTLE INDIA LTD	255	
	NET CURRENT ASSETS	320,000	
OTHERS TOTAL		14,126,938	56.43%
FUND TOTAL		**25,033,484**	**100.00%**
GUARANTEED DYNAMICFUND	SFIN: ULIF01004/10/06AMSRGUADYN104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	9,238	
	7.17% GOI 14 JUNE 2015	8,541	
	7.99% GOI 09 JULY 2017	488	
	8.19 CGL 16 JANUARY 2020	390	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	7.38% GOI 03 SEPTEMBER 2015	293	
	8.15% GOI FCI 16 OCT 2022	96	
	7.59% GOI 12 APRIL 2016	48	
	8.13% GOI 21 SEPTEMBER 2022	5	
GOVERNMENT OF INDIA TOTAL		19,099	51.99%
BANKING SERVICES	10% STATE BANK OF TRAVANCORE FD 28 JAN 2013	1,400	
	10% STATE BANK OF TRAVANCORE FD 31 JAN 2013	1,000	
	CANARA BANK CD 28 MARCH 2013	998	
	9.4 NABARD LTD 19 JULY 2016	996	
	STATE BANK OF MYSORE CD 19 OCTOBER 2012	666	
	9.75% SBI 16 MARCH 2021	653	
	10% STATE BANK OF TRAVANCORE 27 JAN 2013	300	
	AXIS BANK LTD	296	
	STATE BANK OF INDIA	220	
	UNION BANK OF INDIA	162	
	PUNJAB NATIONAL BANK LTD	153	
	HOUSING DEVELOPMENT FINANCE CORP BANK	143	
	BANK OF BARODA LTD	135	
	ICICI BANK LTD	133	
	10% STATE BANK OF TRAVANCORE FD 14 JAN 2013	100	
BANKING SERVICES TOTAL		7,354	20.02%
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER	6.10% NPC 15 MARCH 2014	1,876	
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER TOTAL		1,876	5.11%
OTHERS	10.30 IL&FS 22 MAR 2022	1,102	
	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	999	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	968	
	RELIANCE INDUSTRIES LTD	608	
	HINDUSTAN UNILEVER LTD	413	
	LARSEN & TOUBRO LTD	363	
	INFOSYS TECHNOLOGIES LTD	298	
	ITC LTD	272	
	MAHINDRA & MAHINDRA LTD	246	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	243	
	OIL & NATURAL GAS CORP LTD	233	
	POWER GRID CORPORATION OF INDIA LTD	216	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	194	
	HOUSING DEVELOPMENT FINANCE CORP LTD	189	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	188	
	IPCA LABORATORIES LIMITED	184	
	IDEA CELLULAR LTD	178	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	INFRASTRUCTURE DEV FIN CO LTD	169	
	TATA CONSULTANCY SERVICES LTD	164	
	BAJAJ AUTO LTD NEW SHS	158	
	STERLITE INDUSTRIES (INDIA) LTD	149	
	LUPIN LIMITED	132	
	BHARAT HEAVY ELECTRICALS LTD	126	
	BHARTI AIRTEL LTD	96	
	NTPC LTD	81	
	HINDALCO INDUSTRIES LTD	80	
	GRASIM LTD	79	
	COAL INDIA LTD	78	
	SUN PHARMACEUTICAL INDUSTRIES LTD	71	
	91 DAYS T-BILL 04 MAY 2012	68	
	EXIDE INDUSTRIES LTD	53	
	WIPRO LTD	37	
	MARUTI UDYOG LTD	36	
	JINDAL STEEL & POWER LTD	27	
	NET CURRENT ASSETS	(95)	
OTHERS TOTAL		8,404	22.88%
FUND TOTAL		**36,733**	**100.00%**
GUARANTEED INCOME FUND	SFIN: ULIF00904/10/06AMSRGUAINC104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	2,796	
	7.17% GOI 14 JUNE 2015	1,267	
	10% GOI 30 MAY 2014	68	
	8.13% GOI 21 SEPTEMBER 2022	5	
GOVERNMENT OF INDIA TOTAL		4,136	55.82%
BANKING SERVICES	10% STATE BANK OF TRAVANCORE 10 JAN 2013	500	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	463	
	STATE BANK OF MYSORE CD 19 OCTOBER 2012	381	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	370	
	AXIS BANK LTD	29	
	HOUSING DEVELOPMENT FINANCE CORP BANK	18	
	UNION BANK OF INDIA	13	
	PUNJAB NATIONAL BANK LTD	9	
	ICICI BANK LTD	8	
BANKING SERVICES TOTAL		1,791	24.17%
OTHERS	8.25% BRITANNIA 22 MARCH 2013	326	
	10.30 IL&FS 22 MAR 2022	262	
	91 DAYS T-BILL 04 MAY 2012	59	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	58	
	INFOSYS TECHNOLOGIES LTD	52	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	44	
	OIL & NATURAL GAS CORP LTD	42	
	RELIANCE INDUSTRIES LTD	41	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	BHARAT HEAVY ELECTRICALS LTD	28	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	26	
	ITC LTD	25	
	IDEA CELLULAR LTD	25	
	LARSEN & TOUBRO LTD	22	
	IPCA LABORATORIES LIMITED	17	
	WIPRO LTD	15	
	NTPC LTD	14	
	MARUTI UDYOG LTD	14	
	INFRASTRUCTURE DEV FIN CO LTD	14	
	MAHINDRA & MAHINDRA LTD	13	
	HINDUSTAN UNILEVER LTD	12	
	COAL INDIA LTD	12	
	STERLITE INDUSTRIES (INDIA) LTD	12	
	ASIAN PAINTS (INDIA) LTD	6	
	SUN PHARMACEUTICAL INDUSTRIES LTD	6	
	GRASIM LTD	5	
	CAIRN INDIA LTD	4	
	BHARTI AIRTEL LTD	3	
	BAJAJ AUTO LTD NEW SHS	3	
	NET CURRENT ASSETS	324	
OTHERS TOTAL		1,483	20.01%
FUND TOTAL		**7,411**	**100.00%**
HIGH GROWTH FUND	SFIN:ULIF01311/02/08LIFEHIGHGR104		
BANKING SERVICES	ICICI BANK LTD	22,420	
	HOUSING DEVELOPMENT FINANCE CORP BANK	13,438	
	STATE BANK OF INDIA	10,568	
	AXIS BANK LTD	9,732	
	JAMMU & KASHMIR BANK LTD	5,055	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	5,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	5,000	
	10% STATE BANK OF TRAVANCORE FD 24 JAN 2013	3,000	
	FEDERAL BANK LIMITED	2,005	
	ORIENTAL BANK OF COMMERCE	1,473	
	SYNDICATE BANK	1,444	
	BANK OF BARODA LTD	1,353	
	8.75% HDFC BANK 25 MAY 2014	982	
	UNION BANK OF INDIA	931	
	INDIAN OVERSEAS BANK	891	
	PUNJAB NATIONAL BANK LTD	828	
	VIJAYA BANK LTD	804	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	747	
	UNITED BANK OF INDIA	741	
	BANK OF MAHARASHTRA	734	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	PUNJAB & SIND BANK	285	
	UNITED COMMERCIAL BANK	99	
BANKING SERVICES TOTAL		87,528	23.37%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	25,997	
	TATA CONSULTANCY SERVICES LTD	10,676	
	WIPRO LTD	6,154	
	ZYLOG SYSTEMS LIMITED	1,128	
COMPUTER SOFTWARE TOTAL		43,955	11.73%
DRUGS, MEDICINES AND ALLIED PRODUCTS	LUPIN LIMITED	7,916	
	SUN PHARMACEUTICAL INDUSTRIES LTD	5,403	
	IPCA LABORATORIES LIMITED	4,299	
	DR REDDYS LABORATORIES LIMITED	3,971	
	CADILA HEALTHCARE LIMITED	3,337	
DRUGS, MEDICINES AND ALLIED PRODUCTS TOTAL		24,926	6.65%
OTHERS	RELIANCE INDUSTRIES LTD	16,138	
	ITC LTD	10,301	
	HINDUSTAN UNILEVER LTD	10,128	
	TATA STEEL LTD	8,954	
	OIL & NATURAL GAS CORP LTD	8,941	
	BHARTI AIRTEL LTD	8,709	
	SUNDARAM FINANCE LIMITED	8,466	
	IDEA CELLULAR LTD	7,252	
	LARSEN & TOUBRO LTD	6,342	
	MAHINDRA & MAHINDRA LTD	5,637	
	SHREE CEMENT LTD	5,145	
	BAJAJ AUTO LTD NEW SHS	4,952	
	JINDAL STEEL & POWER LTD	4,797	
	COAL INDIA LTD	4,351	
	POWER GRID CORPORATION OF INDIA LTD	4,222	
	MARUTI UDYOG LTD	4,210	
	PIDILITE INDUSTRIES LIMITED	4,093	
	HINDUSTAN ZINC LTD	4,090	
	10.48% GRASIM 16 DECEMBER 2013	4,041	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	3,797	
	STERLITE INDUSTRIES (INDIA) LTD	3,669	
	BRITANNIA INDUSTRIES LTD	3,478	
	JK CEMENT LIMITED	3,273	
	CAIRN INDIA LTD	3,222	
	TATA CHEMICALS LTD	3,145	
	JAIPRAKASH ASSOCIATES LTD	3,064	
	WABCO TVS	3,008	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	2,984	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

BHARAT HEAVY ELECTRICALS LTD	2,533
NESTLE INDIA LTD	2,315
ALSTOM PROJECT INDIA LIMITED	2,272
DEWAN HOUSING FINANCE CORP LTD	2,153
RADICO KHAITAN LTD	2,104
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	2,059
9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	2,021
POWER FINANCE CORP LTD	1,930
INFRASTRUCTURE DEV FIN CO LTD	1,890
BALRAMPUR CHINI MILLS LTD	1,889
NTPC LTD	1,823
GREAVES COTTON LTD	1,695
IVRCL INFRASTRUCTURES & PROJECTS LTD	1,692
EVEREST INDUSTRIES LIMITED	1,674
JAGRAN PRAKASHAN LTD	1,615
ULTRATECH CEMENT LTD	1,515
HINDALCO INDUSTRIES LTD	1,488
CESC LTD	1,223
BHARAT ELECTRONICS LTD	1,220
BHARAT EARTH MOVERS LTD	1,220
RELIANCE COMMUNICATIONS LTD	1,093
MARICO LTD	1,052
HOUSING DEVELOPMENT FINANCE CORP LTD	976
8.45% PFC 17 SEPTEMBER 2014	973
MADRAS CEMENT	803
RELIANCE ENERGY LTD	737
EXIDE INDUSTRIES LTD	730
TIME TECHNOPLAST LIMITED	669
ASIAN PAINTS (INDIA) LTD	648
PANTALOON RETAIL INDIA LTD	612
COROMANDEL INTERNATIONAL LTD	541
GRASIM LTD	525
GUJARAT STATE PETRONET LTD	505
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	493
OIL INDIA LIMITED	484
GMR IFRASTRUCTURE LTD	466
PHILLIPS CARBON BLACK LTD	448
THERMAX LTD	428
BOSCH LTD	411
JAIPRAKASH POWER VENTURE LIMITED	408
VARDHMAN TEXTILES LTD	402
RURAL ELECTRIFICATION CORPORATION LIMITED	399
EICHER MOTORS LTD	399
STEEL AUTHORITY OF INDIA LTD	377

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	ASHOKA BUILDCON LTD	321	
	NIIT LTD	229	
	GAIL (INDIA) LIMITED	226	
	SHREE RENUKA SUGARS LIMITED	189	
	PTC INDIA LIMITED	154	
	MULTI COMMODITY EXCHANGE OF INDIA LTD	127	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	121	
	DEN NETWORKS LIMITED	106	
	TATA POWER LIMITED	101	
	MADHUCON PROJECTS LTD	45	
	TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	42	
	NET CURRENT ASSETS	5,203	
OTHERS TOTAL		218,182	58.25%
FUND TOTAL		**374,592**	**100.00%**
MONEY MARKET FUND	SFIN: ULIF01528/04/09LIFEMONEYM104		
GOVERNMENT OF INDIA	91 DAYS T BILL 06 APRIL 2012	135,656	
	182 DAYS T BILL 11 MAY 2012	76,523	
	91 DAYS TBILL 18 MAY 2012	54,890	
	91 DAY TRESURAY BILL 25 MAY 2012	12,674	
	91 DAYS T BILL 27 APRIL 2012	3,196	
GOVERNMENT OF INDIA TOTAL		282,939	99.31%
OTHERS	NET CURRENT ASSETS	1,976	
OTHERS TOTAL		1,976	0.69%
FUND TOTAL		**284,915**	**100.00%**
PENSION BALANCED FUND	SFIN: ULIF00625/11/05PENSBALANC104		
BANKING SERVICES	CENTRAL BANK OF INDIA 28 DECEMBER 2012	32,669	
	STATE BANK OF HYDERABAD CD 26 MARCH 2013	27,203	
	10.84% HDFC BANK 23 MAY 2022.	21,056	
	10.05% CANARA BANK FD 21 FEB 2013	20,000	
	STATE BANK OF HYDERABAD 20 SEPTEMBER 2012	19,168	
	PUNJAB NATIONAL BANK CD 15 MARCH 2013	18,180	
	ICICI BANK LTD	15,607	
	HOUSING DEVELOPMENT FINANCE CORP BANK	12,502	
	9.90 STATE BANK OF TRAVANCORE FD 30 JUNE 2013	10,000	
	9.40% NABARD NCD 30 MARCH 2014	9,942	
	10% SBT FD 07 FEBRUARY 2013	9,900	
	6.95% NHB NCD 24 MAY 2013	9,896	
	JAMMU & KASHMIR BANK LTD	8,227	
	STATE BANK OF INDIA	6,887	
	10.15% CANARA BANK FD 21 MARCH 2013	6,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	5,000	
	9.75% YES BANK 11 JUNE 2012	5,000	
	UNION BANK OF INDIA	4,922	
	AXIS BANK LTD	4,145	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	INDIAN BANK LTD	3,789	
	CANARA BANK CD 14 MARCH 2013	1,823	
	BANK OF BARODA LTD	1,549	
	BANK OF MAHARASHTRA	1,370	
	INDIAN OVERSEAS BANK	472	
	ORIENTAL BANK OF COMMERCE	341	
	CANARA BANK LTD	238	
BANKING SERVICES TOTAL		255,885	24.14%
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	67,409	
	7.17% GOI 14 JUNE 2015	39,659	
	7.83% GOI 11 APRIL 2018	38,620	
	7.59% GOI 12 APRIL 2016	15,510	
	7.80 GOI 11 APRIL 2021	2,373	
	8.19 CGL 16 JANUARY 2020	1,950	
	8.83 GOI 12 DECEMBER 2041	1,355	
GOVERNMENT OF INDIA TOTAL		166,877	15.74%
OTHER FINANCIAL SERVICES	8.28% LIC HOUSING FINANCE 29 JUNE 2015	17,335	
	0.00 HDFC 06 FEBRUARY 2017	15,299	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	12,124	
	9.72 INFRASTRUCTURE DEV FINANCE CORP LTD 05 NOVEMBER 2013	9,990	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	9,982	
	9.90 HOUSING DEV FINANCE CORP LTD 19 NOVEMBER 2012	9,978	
	7.95% IDFC 04 MAY 2014	9,674	
	HOUSING DEVELOPMENT FINANCE CORP LTD	9,049	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	6,874	
	9.55% IDFC NCD 12 APRIL 2013	4,975	
	8.98% HDFC 26 NOV 2020	4,848	
	INFRASTRUCTURE DEV FIN CO LTD	3,240	
	11.15% HDFC 06 AUGUST 2018	3,214	
	9.84 IDFC LTD 24 JULY 2013	3,002	
	9.70% HDFC 19 JULY 2017	1,008	
OTHER FINANCIAL SERVICES TOTAL		120,592	11.38%
STATE GOVERNMENT	9.21 PUNJAB SDL 23 NOVEMBER 2021	20,093	
	8.69 KARNATAKA SDL 08 FEBRUARY 2022	19,477	
	8.75 TAMILNADU SDL 22 FEB 2022	9,754	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	9,707	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	4,864	
	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	4,838	
STATE GOVERNMENT TOTAL		68,734	6.48%
AUTOMOBILE	2% TATA MOTORS 31 MARCH 2013	27,123	
	2% TATA MOTORS 31 MARCH 2014	23,411	
	MAHINDRA & MAHINDRA LTD	4,397	
	MARUTI UDYOG LTD	2,701	
AUTOMOBILE TOTAL		57,632	5.44%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	31,965	
	9.61 POWER FINANCE CORP LTD 29 JUNE 2021	10,063	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	10,051	
	8.45% PFC 17 SEPTEMBER 2014	3,894	
	RURAL ELECTRIFICATION CORPORATION LIMITED	205	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		56,178	5.30%
OTHERS	ITC LTD	35,440	
	91 DAYS T-BILL 04 MAY 2012	30,342	
	INFOSYS TECHNOLOGIES LTD	22,300	
	0% SUNDARAM FINANCE 26 APRIL 2013	17,146	
	TATA CONSULTANCY SERVICES LTD	16,347	
	RELIANCE INDUSTRIES LTD	14,272	
	10.10 INDIAN HOTELS LTD 18 NOVEMBER 2021	10,274	
	9.15% LARSEN AND TOUBRO 11 MAY 2020	9,806	
	OIL & NATURAL GAS CORP LTD	9,491	
	SUN PHARMACEUTICAL INDUSTRIES LTD	7,264	
	BHARTI AIRTEL LTD	7,197	
	PIDILITE INDUSTRIES LIMITED	6,368	
	BAJAJ AUTO LTD NEW SHS	6,245	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	5,617	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	5,209	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	5,119	
	10.90% RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LTD 06 JAN 2014	5,086	
	9.84 TATA SONS LIMITED 08 DECEMBER 2014	5,018	
	9.25% DR REDDYS LAB 24 MAR 2014	4,950	
	BOSCH LTD	4,526	
	BHARAT EARTH MOVERS LTD	3,857	
	9.64% PGC LTD 31 MAY 2015	3,748	
	JINDAL STEEL & POWER LTD	3,628	
	LARSEN & TOUBRO LTD	3,160	
	BHARAT HEAVY ELECTRICALS LTD	3,126	
	SUNDARAM FINANCE LIMITED	3,075	
	9.80% GE SHIPPING 3 JULY 2019	3,032	
	8.25% RELIANCE CAPITAL 03 MAY 2013	2,947	
	DEN NETWORKS LIMITED	2,940	
	8.95 LT 26 MAY 2020	2,909	
	WIPRO LTD	2,732	
	COAL INDIA LTD	2,727	
	CAIRN INDIA LTD	2,488	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	RADICO KHAITAN LTD	2,471	
	HINDALCO INDUSTRIES LTD	2,394	
	UNICHEM LABORATORIES LTD	2,327	
	TATA STEEL LTD	2,123	
	10.5% SHRIRAM TRANSPORT 22 AUG 2014	2,027	
	9.68 TATA SONS LIMITED 10 JANUARY 2017	2,013	
	STERLITE INDUSTRIES (INDIA) LTD	1,999	
	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	1,998	
	TATA POWER LIMITED	1,907	
	TATA CHEMICALS LTD	1,813	
	MANGALAM CEMENT LTD	1,711	
	IPCA LABORATORIES LIMITED	1,676	
	JAIPRAKASH POWER VENTURE LIMITED	1,630	
	NTPC LTD	1,409	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	1,386	
	JAIPRAKASH ASSOCIATES LTD	1,324	
	COROMANDEL INTERNATIONAL LTD	1,135	
	EXIDE INDUSTRIES LTD	1,123	
	GUJARAT STATE PETRONET LTD	1,071	
	CADILA HEALTHCARE LIMITED	1,029	
	UNITED PHOSPHORUS LIMITED	1,015	
	BRITANNIA INDUSTRIES LTD	949	
	WABCO TVS	943	
	SINTEX INDUSTRIES LTD	863	
	APOLLO TYRES LTD	723	
	HINDUSTAN UNILEVER LTD	677	
	GILLETTE INDIA LTD	504	
	GRASIM LTD	460	
	MARICO LTD	380	
	LUPIN LIMITED	355	
	GREAT EASTERN SHIPPING CO LTD	337	
	JAGRAN PRAKASHAN LTD	303	
	PHILLIPS CARBON BLACK LTD	231	
	ALSTOM PROJECT INDIA LIMITED	210	
	NAGARJUNA CONS CO LTD	180	
	AMARA RAJA BATTRIES LIMITED	175	
	EVEREST INDUSTRIES LIMITED	70	
	IVRCL INFRASTRUCTURES & PROJECTS LTD	33	
	TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	26	
	MADHUCON PROJECTS LTD	11	
	NATIONAL HYDROELECTRIC POWER CORPORATION LTD	7	
	NET CURRENT ASSETS	22,757	
OTHERS TOTAL		334,156	31.52%
FUND TOTAL		**1,060,053**	**100.00%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

PENSION CONSERVATIVE FUND	SFIN:ULIF00725/11/05PENSCONSER104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	17,377	
	7.83% GOI 11 APRIL 2018	12,339	
	7.17% GOI 14 JUNE 2015	9,496	
	7.99% GOI 09 JULY 2017	5,365	
	7.59% GOI 12 APRIL 2016	4,353	
	7.80 GOI 11 APRIL 2021	1,186	
	6.85% GOI 05 APRIL 2012	1,000	
GOVERNMENT OF INDIA TOTAL		51,116	46.04%
BANKING SERVICES	9.5% NABARD 15 OCTOBER 2012	2,988	
	JAMMU & KASHMIR BANK LTD	2,801	
	10% STATE BANK OF TRAVANCORE FD 31 JAN 2013	2,400	
	10% STATE BANK OF TRAVANCORE 10 JAN 2013	2,000	
	9.90 STATE BANK OF TRAVANCORE FD 30 JUNE 2013	2,000	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	1,500	
	10.84% HDFC BANK 23 MAY 2022.	1,053	
	9.85 BANK OF INDIA FD 22 JUNE 2013	1,000	
	10.15% CANARA BANK FD 21 MARCH 2013	1,000	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	980	
	CANARA BANK CD 28 MARCH 2013	908	
	CANARA BANK LTD	476	
	STATE BANK OF INDIA	444	
	ICICI BANK LTD	227	
	AXIS BANK LTD	199	
BANKING SERVICES TOTAL		19,976	17.99%
OTHER FINANCIAL SERVICES	9.9% HDFC LTD 11 MAR 2014	3,008	
	0.00 HDFC 06 FEBRUARY 2017	2,040	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	1,996	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	1,926	
	9.50% HDFC 28 FEBRUARY 2013	995	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	989	
	7.95% IDFC 04 MAY 2014	967	
	HOUSING DEVELOPMENT FINANCE CORP LTD	118	
OTHER FINANCIAL SERVICES TOTAL		12,039	10.84%
STATE GOVERNMENT	8.69 KARNATAKA SDL 08 FEBRUARY 2022	3,895	
	8.75 TAMILNADU SDL 22 FEB 2022	975	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	973	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	777	
STATE GOVERNMENT TOTAL		6,620	5.96%
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	6,031	
	RELIANCE ENERGY LTD	7	

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Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		6,038	5.44%
OTHERS	10.30 IL&FS 22 MAR 2022	2,099	
	RELIANCE INDUSTRIES LTD	1,563	
	INFOSYS TECHNOLOGIES LTD	1,450	
	ITC LTD	1,103	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	968	
	6.10% NPC 15 MARCH 2014	938	
	LARSEN & TOUBRO LTD	687	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	625	
	OIL & NATURAL GAS CORP LTD	612	
	COAL INDIA LTD	487	
	BHARAT EARTH MOVERS LTD	327	
	GILLETTE INDIA LTD	232	
	SUN PHARMACEUTICAL INDUSTRIES LTD	182	
	NTPC LTD	155	
	HINDALCO INDUSTRIES LTD	129	
	BHARTI AIRTEL LTD	97	
	BHARAT HEAVY ELECTRICALS LTD	69	
	TATA POWER LIMITED	50	
	ASIAN PAINTS (INDIA) LTD	42	
	ALSTOM PROJECT INDIA LIMITED	36	
	TATA CONSULTANCY SERVICES LTD	19	
	BRITANNIA INDUSTRIES LTD	9	
	TATA CHEMICALS LTD	8	
	STERLITE INDUSTRIES (INDIA) LTD	7	
	MARICO LTD	4	
OTHERS	NET CURRENT ASSETS	3,344	
OTHERS TOTAL		15,244	13.73%
FUND TOTAL		**111,033**	**100.00%**
PENSION GROWTH FUND	SFIN: ULIF00525/11/05PENSGROWTH104		
BANKING SERVICES	ICICI BANK LTD	121,373	
	HOUSING DEVELOPMENT FINANCE CORP BANK	110,507	
	STATE BANK OF HYDERABAD 16 OCTOBER 2012	95,250	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	93,340	
	STATE BANK OF HYDERABAD CD 26 MARCH 2013	90,676	
	STATE BANK OF INDIA	87,229	
	PUNJAB NATIONAL BANK CD 15 MARCH 2013	72,722	
	AXIS BANK LTD	56,221	
	STATE BANK OF HYDERABAD 20 SEPTEMBER 2012	52,711	
	9.90 STATE BANK FD OF TRAVANCORE FD 27 JUNE 2013	50,000	
	CANARA BANK CD 28 MARCH 2013	49,919	
	CANARA BANK CD 14 MARCH 2013	45,535	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	9.75% YES BANK 11 JUNE 2012	30,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	30,000	
	9.40% NABARD NCD 30 MARCH 2014	29,827	
	9.5% NABARD 15 OCTOBER 2012	21,910	
	CANARA BANK LTD	21,005	
	10.05% CANARA BANK FD 21 FEB 2013	20,000	
	6.95% NHB NCD 24 MAY 2013	19,792	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	19,592	
	BANK OF BARODA LTD	15,285	
	9.95% CANARA BANK FD 14 MAR 2013	10,000	
	10% STAE BANK OF TRAVANCORE FD 25 JAN 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 26 JAN 2013	9,900	
	ORIENTAL BANK OF COMMERCE	8,623	
	JAMMU & KASHMIR BANK LTD	7,735	
	PUNJAB NATIONAL BANK LTD	5,550	
	9.90 STATE BANK OF TRAVANCORE FD 30 JUNE 2013	5,000	
	INDIAN BANK LTD	4,880	
	PUNJAB & SIND BANK	3,223	
	FEDERAL BANK LIMITED	2,577	
	INDIAN OVERSEAS BANK	2,546	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	968	
BANKING SERVICES TOTAL		1,203,798	31.45%
OTHER FINANCIAL SERVICES	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	54,038	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	48,153	
	9.90 HOUSING DEV FINANCE CORP LTD 19 NOVEMBER 2012	39,911	
	7.95% IDFC 04 MAY 2014	38,694	
	HOUSING DEVELOPMENT FINANCE CORP LTD	37,271	
	0.00 HDFC 06 FEBRUARY 2017	30,597	
	9.84 IDFC LTD 24 JULY 2013	30,021	
	9.72 INFRASTRUCTURE DEV FINANCE CORP LTD 05 NOVEMBER 2013	29,970	
	9.75 HOUSING DEVELOPMENT FINANCE CORPORATION 07 DECEMBER 2016	27,236	
	8.48% IDFC 28 SEPTEMBER 2013	24,556	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	19,963	
	11.15% HDFC 06 AUGUST 2018	10,714	
	9.55% IDFC NCD 12 APRIL 2013	9,951	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	9,819	
	INFRASTRUCTURE DEV FIN CO LTD	7,290	
	9.70% HDFC 19 JULY 2017	5,039	
	9.9% HDFC LTD 11 MAR 2014	5,013	
	9.50% HDFC 28 FEBRUARY 2013	4,974	
	10% IDFC 22 MAY 2012	2,000	
OTHER FINANCIAL SERVICES TOTAL		435,211	11.37%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	178,052	
	TATA CONSULTANCY SERVICES LTD	86,358	
	WIPRO LTD	9,722	
	POLARIS SOWTWARE LABS LIMITED	1,874	
COMPUTER SOFTWARE TOTAL		276,005	7.21%
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES	9.63 POWER FINANCE CORPORATION 15 DECEMBER 2014	79,913	
	8.5% PFC 15 DECEMBER 2014	38,926	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	32,164	
	9.51 POWER FINANCE CORPORATION LIMITED 15 APRIL 2015	19,924	
	POWER FINANCE CORP LTD	17,250	
	RELIANCE ENERGY LTD	6,968	
	8.7% PFC 14 MAY 2015	4,877	
COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLD INDUSTRIES TOTAL		200,022	5.23%
OTHERS	RELIANCE INDUSTRIES LTD	161,364	
	ITC LTD	102,209	
	TATA LIQUID SUPER HIGH INV FUND- APPRECIATION	65,689	
	91 DAYS T-BILL 04 MAY 2012	64,749	
	LARSEN & TOUBRO LTD	63,328	
	BHARTI AIRTEL LTD	61,528	
	JINDAL STEEL & POWER LTD	48,028	
	OIL & NATURAL GAS CORP LTD	43,822	
	9.21 PUNJAB SDL 23 NOVEMBER 2021	40,186	
	TATA STEEL LTD	36,626	
	SUN PHARMACEUTICAL INDUSTRIES LTD	36,477	
	HINDALCO INDUSTRIES LTD	34,200	
	BAJAJ AUTO LTD NEW SHS	33,895	
	10.10 INDIAN HOTELS LTD 18 NOVEMBER 2021	30,823	
	NTPC LTD	29,860	
	9.15% LARSEN AND TOUBRO 11 MAY 2020	29,419	
	8.76 MAHARASHTRA SDL 22 FEB 2022	29,320	
	7.83% GOI 11 APRIL 2018	28,965	
	NESTLE INDIA LTD	28,571	
	0% SUNDARAM FINANCE 26 APRIL 2013	27,072	
	COAL INDIA LTD	26,365	
	BHARAT HEAVY ELECTRICALS LTD	25,835	
	ASIAN PAINTS (INDIA) LTD	24,205	
	LUPIN LIMITED	23,430	
	2% TATA MOTORS 31 MARCH 2014	23,411	
	MAHINDRA & MAHINDRA LTD	22,755	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	22,644	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

HINDUSTAN ZINC LTD	22,407
2% TATA MOTORS 31 MARCH 2013	21,227
STERLITE INDUSTRIES (INDIA) LTD	21,188
TATA POWER LIMITED	20,708
MARUTI UDYOG LTD	20,258
9.84 TATA SONS LIMITED 08 DECEMBER 2014	20,073
9.70 CADILA LTD 14 JULY 2016	20,039
IPCA LABORATORIES LIMITED	18,180
POWER GRID CORPORATION OF INDIA LTD	17,851
HINDUSTAN UNILEVER LTD	17,655
PIDILITE INDUSTRIES LIMITED	13,786
MARICO LTD	12,183
BRITANNIA INDUSTRIES LTD	12,130
JAIPRAKASH ASSOCIATES LTD	11,532
EXIDE INDUSTRIES LTD	11,087
10.75% RIL 08 DECEMBER 2018	10,552
10.5% SHRIRAM TRANSPORT 22 AUG 2014	10,136
10.48% GRASIM 16 DECEMBER 2013	10,101
8.25% RELIANCE CAPITAL 03 MAY 2013	9,822
8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	9,590
MANGALAM CEMENT LTD	9,433
HINDUSTAN PETROLEUM CORPORATION LIMITED	9,108
CAIRN INDIA LTD	8,375
9.80% GE SHIPPING 3 JULY 2019	8,086
SHREE CEMENT LTD	8,049
THERMAX LTD	7,490
NATIONAL HYDROELECTRIC POWER CORPORATION LTD	7,389
CADILA HEALTHCARE LIMITED	6,333
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	6,176
9.68 TATA SONS LIMITED 10 JANUARY 2017	6,039
GAIL (INDIA) LIMITED	5,832
DEN NETWORKS LIMITED	5,293
10% TATA CHEMICALS 2 JULY 2019	5,071
ALSTOM PROJECT INDIA LIMITED	5,035
BHARAT EARTH MOVERS LTD	4,866
COROMANDEL INTERNATIONAL LTD	4,561
TATA CHEMICALS LTD	4,246
GREAT EASTERN SHIPPING CO LTD	4,033
JAGRAN PRAKASHAN LTD	3,857
JAYPEE INFRATECH LIMITED	3,830
BAJAJ HOLDINGS AND INVESTMENT LTD	3,261
UNITED SPIRITS LTD	2,879
VARDHMAN TEXTILES LTD	2,761
ASHOKA BUILDCON LTD	2,666

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	DR REDDYS LABORATORIES LIMITED	2,647	
	GRASIM LTD	2,627	
	GUJARAT STATE PETRONET LTD	2,607	
	PANTALOON RETAIL INDIA LTD	2,525	
	NAGARJUNA CONS CO LTD	2,285	
	CESC LTD	2,274	
	RADICO KHAITAN LTD	1,985	
	PHILLIPS CARBON BLACK LTD	1,864	
	PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	1,657	
	MULTI COMMODITY EXCHANGE OF INDIA LTD	1,273	
	GREAVES COTTON LTD	1,095	
	APOLLO TYRES LTD	996	
	8.85% TATA SONS 30 OCTOBER 2016	987	
	MADHUCON PROJECTS LTD	943	
	PATEL ENGINEERING LTD	905	
	BHARAT ELECTRONICS LTD	837	
	UNICHEM LABORATORIES LTD	831	
	IVRCL INFRASTRUCTURES & PROJECTS LTD	725	
	UNITED PHOSPHORUS LIMITED	651	
	USHA MARTIN LIMITED	200	
	VARDHMAN SPECIAL STEELS LTD	139	
	JAIPRAKASH POWER VENTURE LIMITED	88	
	NET CURRENT ASSETS	72,726	
OTHERS TOTAL		1,712,815	44.75%
FUND TOTAL		**3,827,851**	**100.00%**
PENSION GROWTH SUPER FUND	SFIN:ULIF01213/08/07PENSGRWSUP104		
BANKING SERVICES	HOUSING DEVELOPMENT FINANCE CORP BANK	188,542	
	ICICI BANK LTD	119,693	
	STATE BANK OF INDIA	95,661	
	PUNJAB NATIONAL BANK CD 15 MARCH 2013	81,812	
	CENTRAL BANK OF INDIA 28 DECEMBER 2012	68,138	
	AXIS BANK LTD	62,094	
	STATE BANK OF MYSORE CD 15 NOVEMBER 2012	47,181	
	INDIAN OVERSEAS BANK CD 06 DECEMBER 2012	46,887	
	CANARA BANK CD 14 MARCH 2013	27,340	
	CANARA BANK LTD	24,504	
	BANK OF BARODA LTD	22,656	
	STATE BANK OF HYDERABAD 16 OCTOBER 2012	19,050	
	FEDERAL BANK LIMITED	12,158	
	ORIENTAL BANK OF COMMERCE	9,981	
	INDIAN BANK LTD	9,272	
	JAMMU & KASHMIR BANK LTD	7,667	
	PUNJAB NATIONAL BANK LTD	6,244	
	INDIAN OVERSEAS BANK	5,422	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	UNION BANK OF INDIA	4,389	
	PUNJAB & SIND BANK	2,614	
	STATE BANK OF HYDERABAD 20 SEPTEMBER 2012	2,300	
BANKING SERVICES TOTAL		863,605	30.57%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	209,048	
	TATA CONSULTANCY SERVICES LTD	94,483	
	WIPRO LTD	31,240	
COMPUTER SOFTWARE TOTAL		334,772	11.85%
REFINERY	RELIANCE INDUSTRIES LTD	169,626	
	HINDUSTAN PETROLEUM CORPORATION LIMITED	5,009	
REFINERY TOTAL		174,635	6.18%
TOBACCO PRODUCTS	ITC LTD	165,584	
TOBACCO PRODUCTS TOTAL		165,584	5.86%
OTHERS	91 DAYS T-BILL 04 MAY 2012	101,436	
	LARSEN & TOUBRO LTD	72,102	
	BHARTI AIRTEL LTD	70,486	
	OIL & NATURAL GAS CORP LTD	57,074	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	51,361	
	HOUSING DEVELOPMENT FINANCE CORP LTD	45,246	
	BAJAJ AUTO LTD NEW SHS	40,842	
	JINDAL STEEL & POWER LTD	40,675	
	SUN PHARMACEUTICAL INDUSTRIES LTD	36,802	
	TATA STEEL LTD	35,428	
	NTPC LTD	32,616	
	BHARAT HEAVY ELECTRICALS LTD	32,200	
	HINDUSTAN UNILEVER LTD	32,176	
	HINDALCO INDUSTRIES LTD	30,763	
	STERLITE INDUSTRIES (INDIA) LTD	30,347	
	MAHINDRA & MAHINDRA LTD	28,518	
	HINDUSTAN ZINC LTD	27,972	
	TATA POWER LIMITED	27,966	
	PIDILITE INDUSTRIES LIMITED	26,651	
	JAIPRAKASH ASSOCIATES LTD	22,146	
	MARUTI UDYOG LTD	20,691	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	19,650	
	LUPIN LIMITED	18,533	
	POWER GRID CORPORATION OF INDIA LTD	18,085	
	EXIDE INDUSTRIES LTD	14,964	
	CAIRN INDIA LTD	14,719	
	SHREE CEMENT LTD	14,307	
	IPCA LABORATORIES LIMITED	13,393	
	CADILA HEALTHCARE LIMITED	13,316	
	COAL INDIA LTD	12,444	
	MARICO LTD	10,834	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

RADICO KHAITAN LTD	10,235
8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	9,893
GREAVES COTTON LTD	9,535
MANGALAM CEMENT LTD	9,433
COROMANDEL INTERNATIONAL LTD	9,088
GRASIM LTD	8,680
10.48% GRASIM 16 DECEMBER 2013	8,081
RELIANCE ENERGY LTD	8,032
ASHOKA BUILDCON LTD	8,024
AMARA RAJA BATTRIES LIMITED	7,967
BRITANNIA INDUSTRIES LTD	7,895
TATA CHEMICALS LTD	7,817
GREAT EASTERN SHIPPING CO LTD	7,781
SUNDARAM FINANCE LIMITED	7,516
POWER FINANCE CORP LTD	7,382
ALSTOM PROJECT INDIA LIMITED	6,895
UNITED PHOSPHORUS LIMITED	6,580
ASIAN PAINTS (INDIA) LTD	6,478
THERMAX LTD	6,347
INFRASTRUCTURE DEV FIN CO LTD	5,940
NATIONAL HYDROELECTRIC POWER CORPORATION LTD	5,891
GUJARAT STATE PETRONET LTD	5,485
JAGRAN PRAKASHAN LTD	5,397
JAYPEE INFRATECH LIMITED	5,366
DEN NETWORKS LIMITED	5,293
IVRCL INFRASTRUCTURES & PROJECTS LTD	5,131
BHARAT EARTH MOVERS LTD	5,055
GAIL (INDIA) LIMITED	4,703
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	3,426
BAJAJ HOLDINGS AND INVESTMENT LTD	3,261
GILLETTE INDIA LTD	2,887
DR REDDYS LABORATORIES LIMITED	2,647
MADHUCON PROJECTS LTD	2,323
NAGARJUNA CONS CO LTD	2,228
PHILLIPS CARBON BLACK LTD	2,153
10% IDFC 22 MAY 2012	2,000
USHA MARTIN LIMITED	1,845
JSW ENERGY LIMITED	1,839
PANTALOON RETAIL INDIA LTD	1,760
SINTEX INDUSTRIES LTD	1,467
BLUE STAR LTD	1,382
UNITED SPIRITS LTD	1,081
TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	1,057
MULTI COMMODITY EXCHANGE OF INDIA LTD	1,021

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	9.50% HDFC 28 FEBRUARY 2013	995	
	PATEL ENGINEERING LTD	905	
	NESTLE INDIA LTD	690	
	KEC INTERNATIONAL LIMITED	265	
	JAIPRAKASH POWER VENTURE LIMITED	88	
	EVEREST INDUSTRIES LIMITED	79	
	NET CURRENT ASSETS	35,412	
OTHERS TOTAL		1,286,469	45.54%
FUND TOTAL		**2,825,065**	**100.00%**
PENSION SECURED FUND	SFIN:ULIF00825/11/05PENSSECURE104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	123,333	
	7.59% GOI 12 APRIL 2016	54,771	
	7.83% GOI 11 APRIL 2018	16,751	
	6.85% GOI 05 APRIL 2012	14,497	
	7.80 GOI 11 APRIL 2021	4,745	
	7.17% GOI 14 JUNE 2015	97	
GOVERNMENT OF INDIA TOTAL		214,195	44.54%
BANKING SERVICES	CANARA BANK CD 28 MARCH 2013	10,619	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	9,243	
	10.84% HDFC BANK 23 MAY 2022.	8,422	
	9.75% YES BANK 11 JUNE 2012	8,000	
	10.05% CANARA BANK FD 21 FEB 2013	7,000	
	10% STATE BANK OF TRAVANCORE FD 21 JAN 2013	5,100	
	9.75% YES BANK FD 13 JUNE 2012	5,000	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	5,000	
	9.90 STATE BANK OF TRAVANCORE FD 30 JUNE 2013	5,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	5,000	
	10% STATE BANK OF TRAVANCORE FD 02 FEB 2013	5,000	
	10% STATE BANK OF TRAVANCORE FD 01 FEB 2013	4,900	
	10% STATE BANK OF TRAVANCORE 10 JAN 2013	3,792	
BANKING SERVICES TOTAL		82,077	17.07%
OTHER FINANCIAL SERVICES	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	16,969	
	0.00 HDFC 06 FEBRUARY 2017	15,299	
	7.30 LIC HOUSING FINANCE LIMITED 06 MAY 2013	11,674	
	9.55% IDFC NCD 12 APRIL 2013	8,956	
	9.75% HDFC LTD 08 MAR 2016	5,041	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	2,984	
	8.98% HDFC 26 NOV 2020	2,909	
	7.5% IDFC LTD 10 JUNE 2013	1,948	
OTHER FINANCIAL SERVICES TOTAL		65,780	13.68%
STATE GOVERNMENT	8.69 KARNATAKA SDL 08 FEBRUARY 2022	9,739	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	9,728	
	8.36% HARYANA SDL 08 APRIL 2021	9,530	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	4,854	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	1,935	
	8.59 TAMIL NADU SDL 08 JUNE 2021	1,258	
STATE GOVERNMENT TOTAL		37,043	7.70%
FINANCIAL LEASING	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	6,995	
	0% SUNDARAM FINANCE 26 APRIL 2013	6,317	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	4,167	
	8.25% RELIANCE CAPITAL 03 MAY 2013	3,929	
	9.25% RELIANCE CAPITAL 02 NOVEMBER 2012	2,983	
	10.5% SHRIRAM TRANSPORT 22 AUG 2014	1,014	
FINANCIAL LEASING TOTAL		25,404	5.28%
OTHERS	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	20,103	
	10.30 IL&FS 22 MAR 2022	15,734	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	6,779	
	9.25% DR REDDYS LAB 24 MAR 2014	4,950	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	2,048	
	8.7% PFC 14 MAY 2015	1,951	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	1,029	
	9.75% G.E. SHIPING 20 AUGUST 2019	1,008	
	NET CURRENT ASSETS	2,830	
OTHERS TOTAL		56,431	11.73%
FUND TOTAL		**480,929**	**100.00%**
SECURE PLUS FUND	SFIN:ULIF01628/04/09LIFESECPLS104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	106,156	
	7.83% GOI 11 APRIL 2018	16,452	
	7.59% GOI 12 APRIL 2016	10,906	
	7.80 GOI 11 APRIL 2021	4,745	
	7.99% GOI 09 JULY 2017	3,931	
	6.85% GOI 05 APRIL 2012	2,500	
GOVERNMENT OF INDIA TOTAL		144,690	54.10%
OTHER FINANCIAL SERVICES	0 HDFC NCD 14 JUNE 2016	8,763	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	7,985	
	7.30 LIC HOUSING FINANCE LIMITED 06 MAY 2013	7,783	
	0.00 HDFC 06 FEBRUARY 2017	7,139	
	9.55% IDFC NCD 12 APRIL 2013	2,985	
	9.84 IDFC LTD 24 JULY 2013	2,001	
	7.45 LIC HOUSING FINANCE LTD 21 JULY 2012	1,986	
	9.75% HDFC LTD 08 MAR 2016	1,008	
OTHER FINANCIAL SERVICES TOTAL		39,652	14.83%
BANKING SERVICES	9.85 BANK OF INDIA FD 22 JUNE 2013	6,000	
	9.75% YES BANK FD 13 JUNE 2012	5,000	
	10% STATE BANK OF TRAVANCORE FD 31 JAN 2013	5,000	
	CANARA BANK CD 28 MARCH 2013	4,538	
	10% STATE BANK OF TRAVANCORE FD 14 JAN 2013	4,000	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	3,000	
	9.90 STATE BANK OF TRAVANCORE FD 30 JUNE 2013	2,000	
	9.75% SBI 16 MARCH 2021	1,355	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

BANKING SERVICES TOTAL		30,893	11.55%
STATE GOVERNMENT	8.69 KARNATAKA SDL 08 FEBRUARY 2022	5,843	
	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	4,864	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	4,854	
	8.36% HARYANA SDL 08 APRIL 2021	2,868	
	8.11 ANDRA PRADESH SDL 23 JUNE 2020	1,786	
	8.60 ANDHRA PRADESH SDL 22 JUNE 2021	1,548	
	8.59 TAMIL NADU SDL 08 JUNE 2021	967	
STATE GOVERNMENT TOTAL		22,731	8.50%
OTHERS	10.30 IL&FS 22 MAR 2022	8,395	
	9.61 POWER FINANCE CORP LTD 29 JUNE 2021	5,031	
	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	5,026	
	0% SUNDARAM FINANCE 26 APRIL 2013	2,707	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	1,563	
	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	1,499	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	1,024	
	10.90% RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LTD 06 JAN 2014	1,017	
	9.25% DR REDDYS LAB 24 MAR 2014	990	
	91 DAYS T-BILL 04 MAY 2012	30	
	NET CURRENT ASSETS	2,202	
OTHERS TOTAL		29,484	11.02%
FUND TOTAL		**267,451**	**100.00%**
SECURED FUND	SFIN: ULIF00425/06/04LIFESECURE104		
GOVERNMENT OF INDIA	7.40% GOI 03 MAY 2012	314,375	
	7.83% GOI 11 APRIL 2018	108,329	
	7.59% GOI 12 APRIL 2016	91,124	
	6.85% GOI 05 APRIL 2012	59,988	
	7.80 GOI 11 APRIL 2021	42,705	
	7.17% GOI 14 JUNE 2015	19,373	
	7.38% GOI 03 SEPTEMBER 2015	17,577	
	7.99% GOI 09 JULY 2017	2,917	
GOVERNMENT OF INDIA TOTAL		656,387	44.21%
BANKING SERVICES	CANARA BANK CD 28 MARCH 2013	48,013	
	10.84% HDFC BANK 23 MAY 2022.	44,217	
	9.75% YES BANK FD 13 JUNE 2012	30,000	
	9.85 BANK OF INDIA FD 22 JUNE 2013	25,000	
	10.05% CANARA BANK FD 22 FEB 2013	20,000	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	15,000	
	10% STATE BANK OF TRAVANCORE FD 15 FEB 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 04 FEB 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 19 JAN 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 17 JAN 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 18 JAN 2013	9,900	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	10% STATE BANK OF TRAVANCORE FD 03 FEB 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 20 JAN 2013	9,900	
	10% STATE BANK OF TRAVANCORE FD 28 JAN 2013	8,500	
	9.95% AXIS BANK 28 MARCH 2019	7,131	
	9.75% YES BANK 11 JUNE 2012	5,000	
	9.05 ORIENTAL BANK OF COMMERCE PERPETUAL 31 DECEMBER 2099	2,851	
BANKING SERVICES TOTAL		275,013	18.52%
OTHER FINANCIAL SERVICES	0.00 HDFC 06 FEBRUARY 2017	40,796	
	9.60% LIC HOSING FINANCE LTD 20 JULY 2015	39,927	
	7.30 LIC HOUSING FINANCE LIMITED 06 MAY 2013	22,376	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	17,176	
	9.75% HDFC LTD 08 MAR 2016	13,108	
	8.98% HDFC 26 NOV 2020	10,667	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	9,947	
	7.5% IDFC LTD 10 JUNE 2013	9,741	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	9,631	
	10% IDFC 22 MAY 2012	5,000	
	9.50% HDFC 27 FEBRUARY 2013	4,974	
	9.75% ICICI HOUSING FINANCE (TIER II) 24 APRIL 2019	2,017	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	982	
OTHER FINANCIAL SERVICES TOTAL		186,340	12.55%
STATE GOVERNMENT	8.71 ANDHRA PRADESH SDL 08 FEBRUARY 2022	32,594	
	8.36% HARYANA SDL 08 APRIL 2021	24,777	
	8.69 KARNATAKA SDL 08 FEBRUARY 2022	19,477	
	8.66 ANDHRA PRADESH SDL 06 JULY 2021	15,328	
	8.75 TAMILNADU SDL 22 FEB 2022	15,217	
	8.80 KERALA SDL 21 DECEMBER 2021	5,139	
STATE GOVERNMENT TOTAL		112,532	7.58%
FINANCIAL LEASING	0% SUNDARAM FINANCE 26 APRIL 2013	25,267	
	8.25% RELIANCE CAPITAL 03 MAY 2013	19,644	
	11.60 SRIRAM TRANSPORT FIN CO LTD 11 JULY 2016	16,149	
	KOTAK MAHINDRA PRIME CP 04 APRIL 2012	14,988	
FINANCIAL LEASING TOTAL		76,048	5.12%
OTHERS	9.70 POWER FINANCE CORPORATION 15 DECEMBER 2018	61,313	
	10.30 IL&FS 22 MAR 2022	43,025	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	24,210	
	8.95 LT 26 MAY 2020	19,394	
	9.80% GE SHIPPING 3 JULY 2019	10,107	
	8.7% PFC 14 MAY 2015	9,755	
	9.25% DR REDDYS LAB 24 MAR 2014	2,920	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	2,059	
	NET CURRENT ASSETS	5,757	
OTHERS TOTAL		178,540	12.02%
FUND TOTAL		**1,484,861**	**100.00%**
		98,656,634	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

28) Statement showing Controlled Fund

(Rs. in crores)

		2011- 2012	2010-2011
1	**Computation of Controlled fund as per the Balance Sheet**		
	Policyholders' Fund (Life Fund)		
	Participating		
	Individual Assurance	4,080	2,940
	Individual Pension	46	42
	Any other (Pl. Specify)	-	-
	Non-participating		
	Individual Assurance	263	163
	Group Assurance	148	47
	Individual Annuity	-	-
	Health Assurance	1	1
	Linked		
	Individual Assurance	9,211	8,340
	Group Assurance	78	70
	Individual Pension	831	670
	Group Superannuation	-	-
	Group Gratuity	-	-
	Any other (Pl. Specify)	-	-
	Funds for Future Appropriations	424	151
	Total (A)	**15,082**	**12,424**
	Shareholders'' Fund		
	Paid up Capital	1,945	1,841
	Reserves & Surpluses	182	135
	Fair Value Change	3	6
	Employee Stock Option Plan Outstanding	76	80
	Total (B)	**2,206**	**2,062**
	Misc. expenses not written off	(70)	(76)
	Credit / (Debit) from P&L A/c.	(370)	(829)
	Total (C)	**(440)**	**(905)**
	Total shareholders' funds (B+C)	1,766	1,157
	Controlled Fund (Total (A+B+C))	**16,848**	**13,581**
2	**Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account**		
	Opening Balance of Controlled Fund	13,581	10,190
	Add: Inflow		
	Income		
	Premium Income	6,391	5,813
	Less: Reinsurance ceded	70	77
	Net Premium	**6,321**	**5,736**
	Investment Income	303	991
	Other Income	2	2
	Funds transferred from Shareholders' Accounts	9	12
	Total Income	**6,635**	**6,741**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

		2011- 2012	2010-2011
	Less: Outgo		
	(i) Benefits paid (Net)	1,728	1,237
	(ii) Interim Bonus Paid	-	-
	(iii) Change in Valuation of Liability	2,386	3,102
	(iv) Commission	580	540
	(v) Operating Expenses	1,257	1,443
	(vi) Provision for Taxation		
	(a) FBT	-	-
	(b) I.T.	-	-
	Total Outgo	**5,951**	6,322
	Surplus of the Policyholders' Fund	**684**	419
	Less: transferred to Shareholders' Account	411	330
	Net Flow in Policyholders' account	273	89
	Add: Net income in Shareholders' Fund	460	194
	Net In Flow / Outflow	733	283
	Add: change in valuation Liabilities	2,386	3,102
	Add: Increase in Paid up Capital	104	2
	Closing Balance of Controlled Fund	16,804	13,577
	As Per Balance Sheet	**16,848**	13,581
	Difference, if any	46	4
	- ESOP	(4)	1
	-FV Change	(3)	2
	- Reserves & Surplus	48	1
	-Misc Expenditure	5	0
3	**Reconciliation with Shareholders' and Policyholders' Fund**		
	Policyholders' Funds		
3.1	**Policyholders' Funds - Traditional-PAR and NON-PAR**	**2011- 2012**	**2010-2011**
	Opening Balance of the Policyholders' Fund	3,345	2,530
	Add: Surplus of the Revenue Account	273	89
	Add: change in valuation Liabilities	1,345	726
	Total	**4,962**	3,345
	As per Balance Sheet	4,962	3,345
	Difference, if any	-	-
3.2	**Policyholders' Funds - Linked**		
	Opening Balance of the Policyholders' Fund	9,079	6,703
	Add: Surplus of the Revenue Account *	-	-
	Add: change in valuation Liabilities	1,041	2,376
	Total	10,120	9,079
	As per Balance Sheet	10,120	9,079
	Difference, if any *	-	-
	Shareholders'' Funds		
	Opening Balance of Shareholders' Fund	1,156	956
	Add: net income of Shareholders' account (P&L)	460	194
	Add: Infusion of Capital	104	2
	Closing Balance of the Shareholders' fund	1,720	1,152
	As per Balance Sheet	1,766	1,156
	Difference, if any **	46	4

*Surplus in Linked Fund transferred to Shareholders

**Represents change in Fair value Change, Reserves & Surplus, Employee Stock Option & Expenditure

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

29) Additional information related to expenses incurred under following activities included under respective heads in Schedule-3:

Heads	2011- 2012	2010-2011
Outsourcing Expenses	117,466	685,504
Business Development	88	173
Marketing Support	85	613

30) 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.

31) 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, 2012.

32) Comparatives

a) Change in valuation of Unlisted Equity Shares:

Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, in the value of such investment determined separately for each individual investment. Consequent to the change the valuation of the shares in the unit linked fund would be lower by Rs.2,778.

b) Change in classification of Provident Fund (PF) Contribution in accordance with AS 15 (Revised):

Contribution to PF trust has been recognized as a defined benefit plan as against the defined contribution plan last year. The resultant impact of the change for the current year is Nil.

33) Disclosures on penalties forming part of Financial Statements under circular No.005/IRDA/F&A/CIR/MAY-09

For the year ended March 31, 2012

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	Appointment of Corporate Agent	500	500*	
Service Tax Authorities	Penalty U/s 76 & 77	4,641	4,641**	
Income Tax Authorities		NIL		
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				

*request for reconsideration has been filed with IRDA.

**Rs.2,811 paid under protest.

Overview

The Big Picture

Operating Review

Financial Review

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

For the year ended March 31, 2011

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority		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				
Any other Central/State/Local Government / Statutory Authority				

34) Disclosures on unclaimed amounts; forming part of Financial Statements under circular No. IRDA/F&A/CIR/CMP/174/11/2010

2011-12

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	8,282	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise.	530,976	69,511	-	-	-	-	-	-
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.	362,086	92,852	11,704	1,252	1,155	1,354	6	65
Cheques issued but not encashed by the policyholder / insured.	1,237,028	293,901	65,633	65,758	41,537	29,552	15,590	39,789
Total	**2,138,372**	**456,264**	**77,337**	**67,010**	**42,692**	**30,907**	**15,596**	**39,854**

*** Out of the total amount Rs. 1,408,712 pertains to amount lying within 0 - 1 month**

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 within 0 - 1 month

Schedules annexed to and forming part of financial statements for the year ended March 31, 2012

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

35) Disclosures forming part of Financial Statements as required under IRDA (Treatment of Discontinued Linked Insurance Policies) regulations, 2010

Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011	
	Count	%	Count	%
Policies discontinued during the year			-	-
Max New York Life - Shiksha Plus II	950	66.29%	62	0.45%
Max New York Life Flexi Fortune (5 Pay)	54	3.77%	-	-
Max New York Life Flexi Fortune (15 Pay)	39	2.72%	-	-
Max New York Life - Shiksha Plus II (5 Pay)	211	14.72%	-	-
Max New York Life Flexi Fortune (10 Pay)	102	7.12%	-	-
Max New York Life Shubh Invest	64	4.47%	-	-
Max New York Life Top Gear	0	0.00%	-	-
Max New York Life Fast Track (5 Pay)	11	0.77%	-	-
Max New York Life Fast Track (10 Pay)	2	0.14%	-	-

Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011	
Policies Revived during the year	Count	%	Count	%
Max New York Life - Shiksha Plus II	4	16.67%	-	-
Max New York Life Flexi Fortune (5 Pay)	0	0.00%	-	-
Max New York Life Flexi Fortune (15 Pay)	0	0.00%	-	-
Max New York Life - Shiksha Plus II (5 Pay)	15	62.50%	-	-
Max New York Life Flexi Fortune (10 Pay)	4	16.67%	-	-
Max New York Life Shubh Invest	1	4.17%	-	-
Max New York Life Top Gear	0	0.00%	-	-
Max New York Life Fast Track (5 Pay)	0	0.00%	-	-
Max New York Life Fast Track (10 Pay)	0	0.00%	-	-
	Rs.		Rs.	
Amount Charged on account on discontinued policies	1,196	-	13	-

36) Subsequent to the Balance Sheet date, Japan's MS & AD insurance group, signed a definitive tripartite agreement with New York Life Insurance and Max India Limited to acquire 26 per cent stake in Max New York Life Insurance Company Limited. The stake of New York Life Insurance would be transferred post regulatory approvals.

37) Previous year figures have been regrouped where necessary to conform to this year's classification.

Signatures to Schedules 1 to 16

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH — Chairman
GARY BENNETT — Director
MARIELLE THERON — Director
SANCHIT MAINI — Appointed Actuary

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

Gurgaon
May 10, 2012

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

With respect to the operations of the Max New York Life Company Limited (Company) for the financial year April 1, 2011 to March 31, 2012 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, 2012 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 2012-13.

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, 2012 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 25,167 lakhs in aggregate as at March 31, 2012.

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 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.

	2011-12	2010-11	2009-10	2008-09	2007-08
Average Claim Settlement time (in days)	10	8	8	5	9

11. Details regarding Claims registered and not settled

	Linked Business			Traditional Business	Total	
Period	**No. of claims**	**Amount**	**No. of claims**	**Amount**	**No. of claims**	**Amount**
Upto 30 Days	15	5,133	113	52,541	128	57,674
30 Days to 6 months	7	3,940	60	29,203	67	33, 143
6 months to 1 year	-	-	-	-	-	-
1 year – 5 years	3	765	1	1,196	4	1,961
5 years & above	-	-	-	-	-	-
Grand Total	**25**	**9,838**	**174**	**82,940**	**199**	**92,778**

12. 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, unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment 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 price obtained from Credit Rating Information Services of India Ltd. (CRISIL) Debt securities other than Government Securities are valued on the basis of CRISIL Bond Valuer. 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). Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. Mutual fund units are taken at the previous day's net asset values.

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

13. 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.

14. Schedule of payments, which have been made to the individuals, firms, companies and organizations in which Directors are interested.

Entity in which Director is interested	Name of the Director	Interested as	Amount of Payment During the Year2011-12	Amount of Payment During the Year2010-11
Pharmax Corporation Limited	Analjit Singh	Relative of interested Party	19,699	18,594
Max India Foundation	Analjit Singh	Relative of interested Party	20,000	15,000
New Delhi House Services Ltd	Analjit Singh	Relative of interested Party	4,485	3,881
Indian School Of Business	Analjit Singh	Director	80,000	-
Max India Limited	Analjit Singh	Executive Chairman	-	2,563
	Anuroop Singh	Vice Chairman		
	Rahul Khosla*	Managing Director		
	Onkar Goswami	Director		
Max Bupa Health Insurance Company Limited	Analjit Singh	Chairman	40,709	-
	Anuroop Singh	Director		
	Rahul Khosla	Director		
Max Health Care Institute Limited	Analjit Singh	Chairman	43	511
	Anuroop Singh	Vice Chairman		
	Leo Puri	Director		
New York Life Enterprises	Gary Bennett	Director	18,505	19,800
	Richard L. Mucci	Director		

*appointed w.e.f. February 1, 2012

15. 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.

a. 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.

b. 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.

c. 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.

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

d. The financial statements have been prepared on a going concern basis.

e. The Company has set up an internal audit system commensurate with the size and nature of the business and the same is operating effectively.

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

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 10, 2012

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 10, 2012

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
GARY BENNETT	Director
MARIELLE THERON	Director
SANCHIT MAINI	Appointed Actuary
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

Gurgaon
May 10, 2012

Max Bupa Health Insurance
Company Limited

MAX

Directors' Report

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

BUSINESS HIGHLIGHTS

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

(RS. '000)

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

INDUSTRY OVERVIEW

The Health Insurance sector has been the fastest growing segment in the non-life insurance business over the last 5 years. The total Health Insurance premium in FY 2011 -12 reached Rs. 13,094 crores from Rs. 11,137 crores in FY 2010-11, registering 18% growth. During the year, a number of new regulations and guidelines from the perspective of the protection of policyholders' interest were issued by the regulator (IRDA). These regulations & guidelines may have some impact on the business activities of the company. The key guidelines & regulations released were:

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

PHILOSOPHY

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

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

OPERATIONS

Max Bupa brings together Bupa's global health insurance and customer service expertise with Max India's understanding and experience of the Indian health and insurance sectors. The Company offers quality health insurance services through a dedicated team of over 850 people and network of 12 offices across cities, namely - Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Surat, Ludhiana, Jaipur, Kochi, Kolkata and Pune.

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

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

HEALTH INSURANCE PRODUCTS

Max Bupa has its flagship product 'Heartbeat' for the retail

Directors' Report

customers, offerting comprehensive heatlh insurance cover ranging from Rs 2 Lacs to Rs 50 Lacs for both individuals and families. 'Heartbeat' gradually created a niche for itself through its focus on health care and unique service offering.

In Februar 2102, an enhanced version of 'Heartbeat' was launched in the market. One of the key new features includes High Deductible Top Up option on an annual aggregate basis and a two year policy tenure option for customers.

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

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

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

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

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

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

DIRECTORS

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

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

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

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

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

CORPORATE GOVERNANCE

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

The Board of Directors of the Company presently (as on March 31, 2102) comprises of six non-executive directors, one independent director and one whole time director.

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

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

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

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

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

DIVIDEND

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

CAPITAL

During the year, the paid up equity share capital of the Company

Directors' Report

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

SOLVENCY

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

DEPOSITS

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

RURAL & SOCIAL SECTOR OBLIGATIONS

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

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

AUDITORS

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

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

ADDITIONAL INFORMATION

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

The information in accordance with the provision of section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 for the year ended March 31, 2012 is provided hereunder:

a. **CONSERVATION OF ENERGY:**

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

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

c. **TECHNOLOGY ABSORPTION:**

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

Directors' Report

d. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

(RS. IN THOUSANDS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
i) Foreign Exchange Earnings	Nil	Nil
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	Nil	21801
- Trading Goods	Nil	Nil
Others	13922	15936

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

New Delhi	**Anthony Maxwell Coleman**	**Damien Marimon**
May 1, 2012	Director	CEO & Director

Directors' Report

ANNEXURES

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

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

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

* appointed as Whole time Director w.e.f. May 19, 2011
** appointed as Additional Director w.e.f July 13, 2011
*** ceased to be a Director w.e.f. July 13, 2011
**** appointed as Additional Director w.e.f. October 14, 2011
***** ceased to be a Director w.e.f. November 21, 2011

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

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

*inducted as a member w.e.f. July 13, 2011
**ceased to be a member w.e.f. July 13, 2011
***inducted as member w.e.f. October 14, 2011

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

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

* inducted as member w.e.f. July 13, 2011
**ceased to be member w.e.f. July 13, 2011
***inducted as member w.e.f. October 14, 2011

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

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

* inducted as member w.e.f. July 13, 2011
**ceased to be a member w.e.f. July 13, 2011
***inducted as member w.e.f. October 14, 2011
**** ceased to be member w.e.f. November 21, 2011

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

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

*inducted as member w.e.f. October 14, 2011

Directors' Report

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	4	4
Leo Puri*	4	3
William Stephen Ward	4	3
Anthony Maxwell Coleman	4	4
Rahul Khosla**	4	1

*ceased to be a member w.e.f. November 21, 2011
**inducted as member w.e.f. October 14, 2011

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

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

*ceased to be member and Chairman w.e.f. November 21, 2011
**inducted as member w.e.f. October 14, 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. Rahul Khosla Nominee-Max India	Non Executive	Chartered Accountant
Mr. Dean Allan Holden Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Mr. William Stephen Ward Nominee-Bupa Singapore	Non Executive	Chartered Secretary
Mr. James Gorden Wheaton Nominee-Bupa Singapore	Non Executive	Chartered Accountant,
Mr. Anthony Maxwell Coleman	Independent	MBA Fellow of Institute of Actuaries (Australia), Fellow of Institute of Actuaries (UK)
Mr. Damien Marmion	Whole time Director	MBA, MBBS

For and on behalf of the Board of Directors

New Delhi May 1, 2012	**Anthony Maxwell Coleman** Director	**Damien Marimon** CEO & Director

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, 2012, the Revenue Account, the Profit and Loss account and the Receipts and Payment account, for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

Further to our comments in the Annexure referred to above, we report that:-

a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;

b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;

c) As the Company's accounting system is centralized; no returns for the purposes of our audit are prepared at the branches and other offices;

d) The Balance Sheet, the Revenue account, Profit and Loss account and the Receipts and Payment account referred to in this report are in agreement with the books of account;

e) The actuarial valuation of liabilities in respect of claims Incurred but Not Reported ('IBNR') and those Incurred but Not Enough Reported ('IBNER') at March 31, 2012 has been duly certified by the appointed actuary. The appointed actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDA and the Actuarial Society of India in concurrence with the IRDA. We have relied upon the appointed actuary's certificate in this regard; and

f) On the basis of the written representations received from the directors, as at March 31, 2012 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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

a) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders / directions issued by IRDA in this behalf;

b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Act and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;

c) The Balance Sheet, the Revenue account, the Profit and Loss account and the Receipts and Payment account referred to in this report are in compliance with the accounting standards referred to under sub section 3C of section 211 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by IRDA;

d) The Balance Sheet, Revenue account, Profit and Loss account and Receipts and Payment account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development

Auditors' Report

Act, 1999 and the Act to the extent applicable, and in a manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as, applicable to insurance companies :-

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

ii. In the case of the Revenue Account, of the deficit for the year ended on that date;

iii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and

iv. In the case of the Receipts and Payment Account, of the receipts and payments for the year ended on that date.

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

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

For and on behalf of	For and on behalf of
V Sahai Tripathi & Co	**Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants	Chartered Accountants
(Mahesh Sahai)	**(K.N. Gupta)**
Partner	**Partner**
M.N.-006730	**M.N.- 009169**
FRN: 000262N	**FRN: 000038N**

New Delhi
1st May, 2012

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, 2012)

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

a) We have verified the cash balances, to the extent consider necessary, and securities relating to the Company's investments by actual inspection or on the basis of certificates/confirmations received from custodian and/or Depository Participants appointed by the Company, as the case may be;

b) The Company is not a trustee of any trust;

c) No part of the assets of the policyholder's funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938, relating to the application and investments of the policyholder's funds.

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ('The Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

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

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

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

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

New Delhi
1st May, 2012

Revenue Account for the year ended March 31, 2012

FORM B-RA

(RS. '000)

S. No.	Particulars	Schedule	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
1	Premiums earned (Net)	1	509183	81463
2	Profit/ Loss on sale/redemption of Investments		-	-
3	Others		-	-
4	Interest, Dividend and Rent – Gross		41807	11424
	Total (A)		550990	92887
1	Claims Incurred (Net)	2	285888	40607
2	Commission	3	54969	13896
3	Operating Expenses related to Insurance Business	4	1493976	1266787
	Total (B)		1834833	1321290
	Operating Profit/(Loss) from Miscellaneous Business [C= (A - B)]		(1283843)	(1228403)
	Appropriations			
	Transfer to Shareholders' Account		(1283843)	(1228403)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	Total (C)		(1283843)	(1228403)
	SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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

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

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

For V. 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
1st May, 2012

For and on behalf of the Board of Directors

DAMIEN MARMION
Chief Executive Officer
& Director

ANTHONY MAXWELL COLEMAN
Director

NEERAJ BASUR
Chief Financial Officer

SANDEEP SETH
Company Secretary

Profit and Loss Account for the year ended March 31, 2012 FORM B-PL

(RS. '000)

S. No.	Particulars	Schedule	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
1	**Operating Profit/(Loss)**			
	(a) Miscellaneous Insurance		(1283843)	(1228403)
2	**Income From Investments**			
	(a) Interest, Dividend and Rent – Gross		76372	59589
	(b) Profit on sale of investments		19961	8398
	Less: Loss on sale of investments		-	-
3	**Other Income**			
	(a) Gain/(Loss) on Foreign Exchange Fluctuation		(1279)	(1165)
	(b) Liabilities no longer required written back		133	2057
	Total (A)		(1188656)	(1159524)
4	**Provisions (Other than Taxation)**			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		-	-
	(c) Others		-	-
5	**Other Expenses**			
	(a) Expenses other than those related to Insurance Business		-	-
	(b) Bad debts written off		-	-
	(c) Others		-	2950
	Total (B)		-	2950
	Profit/(Loss) Before Tax		(1188656)	(1162474)
	Provision for Taxation			
	(a) Fringe Benefit Tax		-	-
	Profit/(Loss) After Tax		(1188656)	(1162474)
	Appropriations			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer to any Reserves or Other Accounts		-	-
			-	-
Balance of Profit/(Loss) brought forward from last year			(1592053)	(429579)
Balance carried forward to Balance Sheet			(2780709)	(1592053)
Basic and Diluted Earning per Share of Rs. 10/- each			(3.95)	(5.62)

The Schedules referred to above form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date

For V. SAHAI TRIPATHI & CO.
Chartered Accountants

MAHESH SAHAI
Partner
Membership No. F 06730
FR No. 000262N

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

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

New Delhi
1st May, 2012

For and on behalf of the Board of Directors

DAMIEN MARMION
Chief Executive Officer
& Director

ANTHONY MAXWELL COLEMAN
Director

NEERAJ BASUR
Chief Financial Officer

SANDEEP SETH
Company Secretary

Balance Sheet as at March 31, 2012

FORM B-BS

(RS. '000)

Particulars	Schedule	As at March 31, 2012	As at March 31, 2011
SOURCES OF FUNDS			
Share Capital	5	3520000	2710000
Share Application Money		325000	-
Reserves and Surplus	6	-	-
Fair Value Change Account		620	977
Borrowings	7	-	-
Total		3845620	2710977
Application of Funds			
Investments	8	1532983	1262607
Loans	9	-	-
Fixed Assets	10	214873	213245
Current Assets:			
Cash and Bank Balances	11	384455	66786
Advances and Other Assets	12	153564	144733
Sub-total (A)		538019	211519
Current Liabilities	13	672458	408788
Provisions	14	548506	159659
Sub-total (B)		1220964	568447
Net Current Assets (C) = (A - B)		(682945)	(356928)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		2780709	1592053
Total		3845620	2710977
CONTINGENT LIABILITIES			
1 Partly paid up investments		-	-
2 Claims, other than against policies, not acknowledged as debts by the Company		-	-
3 Underwriting commitments outstanding (in respect of shares and securities)		-	-
4 Guarantees given by or on behalf of the Company		-	-
5 Statutory demands/liabilities in dispute, not provided for		-	-
6 Reinsurance obligations to the extent not provided for in the accounts		-	-
7 Others		1554	-
Total		1554	-

The Schedules referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

For V. 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
1st May, 2012

For and on behalf of the Board of Directors

DAMIEN MARMION
Chief Executive Officer
& Director

ANTHONY MAXWELL COLEMAN
Director

NEERAJ BASUR
Chief Financial Officer

SANDEEP SETH
Company Secretary

Receipt and Payment Account for the year ended March 31, 2012

(RS. '000)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	1146206	293726
Other Receipts	-	-
Payments to the re-insurers, net of commissions and claims	(42770)	(12961)
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(232959)	(17324)
Payments of commission and brokerage	(76067)	(27995)
Payments of Other Operating Expenses	(1388995)	(1077918)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	(6305)	(10507)
Income Taxes Paid (Net)	-	-
Service tax paid	(6562)	(4117)
Other Payments	-	-
Cash Flows before Extraordinary Items	(607451)	(857096)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	(607451)	(857096)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(75478)	(128897)
Proceeds from sale of fixed assets	300	990
Purchases of investments (Net)	(63071)	(271383)
Loans disbursed	-	-
Sales of investments	-	-
Repayments received	-	-
Rents/Interests/ Dividends received	118486	91720
Investments in money market instruments and in liquid mutual funds (Net)	(190117)	(83592)
Expenses related to investments	-	-
Net cash flow from investing activities	(209880)	(391163)
Cash flows from financing activities:		
Proceeds from Share Capital	-	-
Share Application Money	1135000	1200000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	1135000	1200000
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase/(decrease) in cash and cash equivalents:	317669	(48260)
Cash and cash equivalents at the beginning of the year	66786	115046
Cash and cash equivalents at the end of the year	384455	66786
Net increase/(decrease) in cash and cash equivalents:	317669	(48260)

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

For V. SAHAI TRIPATHI & CO.
Chartered Accountants

MAHESH SAHAI
Partner
Membership No. F 06730
FR No. 000262N

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

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

New Delhi
1st May, 2012

For and on behalf of the Board of Directors

DAMIEN MARMION
Chief Executive Officer
& Director

ANTHONY MAXWELL COLEMAN
Director

NEERAJ BASUR
Chief Financial Officer

SANDEEP SETH
Company Secretary

Schedules forming part of financial statements

(RS. '000)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
SCHEDULE – 1		
PREMIUM EARNED [NET]		
Premium from direct business written*	990846	255349
Add: Premium on reinsurance accepted	889	-
Less : Premium on reinsurance ceded	99085	25460
Net Premium	892650	229889
Less: Adjustment for change in reserve for unexpired risks	383467	148426
Total Premium Earned (Net)	509183	81463
* Net of Service Tax		
SCHEDULE – 2		
CLAIMS INCURRED [NET]		
Claims paid		
Direct	221186	16042
Add: Re-insurance accepted	321	-
Less: Re-insurance Ceded	22085	1604
Net Claims paid	199422	14438
Add: Claims Outstanding at the end of the year	112642	26176
Less: Claims Outstanding at the beginning	26176	7
Total Claims Incurred	285888	40607
SCHEDULE – 3		
COMMISSION		
Commission paid		
Direct	72390	18988
Add: Re-insurance accepted	227	-
Less: Commission on Re-insurance Ceded	17648	5092
Net Commission	54969	13896
Break Up of expenses incurred to procure business:		
Agents	55983	16920
Brokers	16407	2068
Corporate Agency	–	-
Referral	–	-
	72390	18988

Schedules forming part of financial statements

(RS. '000)

Particulars	For the Year Ended March 31, 2012			For the Year Ended March 31, 2011		
	Health	Others	Total	Health	Others	Total
SCHEDULE – 1A						
PREMIUM EARNED [NET]						
Premium from direct business written*	990846	–	990846	255349	-	255349
Add: Premium on reinsurance accepted	889	–	889	-	-	-
Less : Premium on reinsurance ceded	99085	–	99085	25460	-	25460
Net Premium	892650	–	892650	229889	-	229889
Less: Adjustment for change in reserve for unexpired risks	383467	–	383467	148426	-	148426
Total Premium Earned (Net)	509183	–	509183	81463	–	81463
* Net of Service Tax						
SCHEDULE – 2A						
CLAIMS INCURRED [NET]						
Claims paid						
Direct	221186	–	221186	16042	-	16042
Add: Re-insurance accepted	321	–	321	-	-	-
Less: Re-insurance Ceded	22085	–	22085	1604	-	1604
Net Claims paid	199422	–	199422	14438	-	14438
Add: Claims Outstanding at the end of the year	112642	–	112642	26176	-	26176
Less: Claims Outstanding at the beginning	26176	–	26176	7	-	7
Total Claims Incurred	285888	–	285888	40607	–	40607
SCHEDULE – 3A						
COMMISSION						
Commission paid						
Direct	72390	–	72390	18988	-	18988
Add: Re-insurance accepted	227	–	227	-	-	-
Less: Commission on Re-insurance Ceded	17648	–	17648	5092	-	5092
Net Commission	54969	–	54969	13896	-	13896
Break Up of expenses incurred to procure business:						
Agents	55983	–	55983	16920	-	16920
Brokers	16407	–	16407	2068	-	2068
Corporate Agency	–	–	–	-	-	-
Referral	–	–	–	-	-	-
	72390	–	72390	18988	-	18988

Schedules forming part of financial statements

(RS. '000)

Particulars		For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
SCHEDULE – 4			
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS			
1	Employees' remuneration and welfare benefits	635790	447647
2	Travel, conveyance and vehicle running expenses	67250	39564
3	Training expenses	35143	16581
4	Rents, rates and taxes	145247	145507
5	Repairs	45994	30390
6	Printing and stationery	16698	7186
7	Communication	42863	27426
8	Legal and professional charges	159847	129099
9	Auditors' fees, expenses etc		
	(a) as auditor	1067	800
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters	-	-
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity		
	(i) Tax Audit Fees	60	50
10	Advertisement and publicity	274808	371448
11	Interest and bank charges	6428	1958
12	Others		
	(a) Business and Sales Promotion	1464	194
	(b) Membership and Subscription	2347	1271
	(c) Loss on Disposal of Fixed Assets	318	4332
	(d) Miscellaneous Expenses*	1097	570
13	Depreciation	57555	42764
	Total	1493976	1266787

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

Schedules forming part of financial statements

(RS. '000)

Particulars		For the Year Ended March 31, 2012			For the Year Ended March 31, 2011	
	Health	Others	Total	Health	Others	Total
SCHEDULE – 4A						
OPERATION EXPENSES RELATED TO INSURANCE BUSINESS						
1 Employees' remuneration and welfare benefits	635790	–	635790	447647	-	447647
2 Travel, conveyance and vehicle running expenses	67250	–	67250	39564	-	39564
3 Training expenses	35143	–	35143	16581	-	16581
4 Rents, rates and taxes	145247	–	145247	145507	-	145507
5 Repairs	45994	–	45994	30390	-	30390
6 Printing and stationery	16698	–	16698	7186	-	7186
7 Communication	42863	–	42863	27426	-	27426
8 Legal and professional charges	159847	–	159847	129099	-	129099
9 Auditors' fees, expenses etc						
(a) as auditor	1067	–	1067	800	-	800
(b) as adviser or in any other capacity, in respect of						
(i) Taxation matters	–	–	-	-	-	-
(ii) Insurance matters	–	–	-	-	-	-
(iii) Management services; and	–	–	-	-	-	-
(c) in any other capacity						
(i) Tax Audit Fees	60		60	50	-	50
10 Advertisement and publicity	274808	–	274808	371448	-	371448
11 Interest and bank charges (net of cancellation charges)	6428	–	6428	1958	-	1958
12 Others				-		
(a) Business and Sales Promotion	1464	–	1464	194	-	194
(b) Membership and Subscription	2347	–	2347	1271	-	1271
(c) Loss on Disposal of Fixed Assets	318	–	318	4332	-	4332
(d) Miscellaneous Expenses*	1097	–	1097	570	-	570
13 Depreciation	57555	–	57555	42764	-	42764
Total	1493976	–	1493976	1266787	-	1266787

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

Schedules forming part of financial statements

(RS. '000)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	SCHEDULE -5		
	SHARE CAPITAL		
1	**Authorised Capital**		
	700000000 Equity Shares of Rs 10 each	7000000	7000000
	(Previous year 700000000 Equity Shares of Rs.10 each)		
2	**Issued Capital**		
	352000000 Equity Shares of Rs 10 each	3520000	2710000
	(Previous year 271000000 Equity Shares of Rs.10 each)		
3	**Subscribed Capital**		
	352000000 Equity Shares of Rs 10 each	3520000	2710000
	(Previous year 271000000 Equity Shares of Rs.10 each)		
4	**Called-up Capital**		
	352000000 Equity Shares of Rs 10 each	3520000	2710000
	(Previous year 271000000 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	-	-
	Total	3520000	2710000

Out of the above, 260480000 (Previous year 200540000) 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, 2012		As at March 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	260480000	74.00%	200540000	74.00%
- Foreign	91520000	26.00%	70460000	26.00%
Others	-	-	-	-
Total	352000000	100.00%	271000000	100.00%

Schedules forming part of financial statements

(RS. '000)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
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 and 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, 2012	As at March 31, 2011
	SCHEDULE -8		
	INVESTMENTS		
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	245420	195664
2	Other Approved Securities	97424	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	49943	-
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	49950	-
5	Other than Approved Investments	-	-
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	294616	403419
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	36690	62653
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	444380	317236
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	248265	200770
5	Other than Approved Investments*	66295	82865
	Total	**1532983**	1262607

* in mutual funds

Notes:

a. Long Term Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs. 98782 thousand (Previous year classified under Short Term Government Securities - Rs.101021 thousand). Market value of such investments as at March 31st, 2012 is Rs. 98950 thousands (Previous year classified under Short Term Government Securities - Rs. 100460 thousand)

b. Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs.1532983 thousands (Previous year Rs. 1262607). Market value of such investments as at March 31st, 2012 is Rs. 1530329 thousands (Previous year Rs. 1258576 thousands)

Schedules forming part of financial statements

(RS. '000)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
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, 2011	Additions	Deductions	As at March 31, 2012	Upto March 31, 2011	For The Year	On Sales/ Adjustments	To date March 31, 2012	As at March 31, 2012	As at March 31, 2011
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles										
	a) Softwares	91251	43325	-	134576	18535	27421	-	45956	88620	72716
	b) Website	2533	-	-	2533	532	633	-	1165	1368	2001
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-
4	Leasehold Property	73204	10144	-	83348	8396	10141	-	18537	64811	64808
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	18021	2875	492	20404	6549	4079	462	10166	10238	11472
7	Information Technology Equipment	33702	14,052	291	47463	7568	10232	87	17713	29750	26134
8	Vehicles	-	-	-	-	-	-	-	-	-	-
9	Office Equipment	21010	4691	502	25199	5579	5049	203	10425	14774	15431
10	Others	-	-	-	-	-	-	-	-	-	-
	Total	239721	75087	1285	313523	47159	57555	752	103962	209561	192562
11	Work in progress	20683	-	15371	5312					5312	20683
	Grand total	260404	75087	16,656	318835	47159	57555	752	103962	214873	213245
	Previous year	131600	163977	35173	260404	5534	42764	1139	47159	213245	

Notes:

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

Schedules forming part of financial statements

(RS. '000)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
SCHEDULE – 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	10061	312
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	352784	55108
	(bb) Others	5705	2784
	(b) Current Accounts	15905	8582
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	384455	66786
Balances with non-scheduled banks included in 2 and 3 above is Nil (Previous year Nil)			
SCHEDULE – 12			
ADVANCES AND OTHER ASSETS			
ADVANCES			
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	10085	5929
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	711
6	Others (to be specified)		
	(a) Advance to Suppliers	15707	398
	(b) Other advances	100	643
	Total (A)	25892	7681
OTHER ASSETS			
1	Income accrued on investments*	29176	32409
2	Outstanding Premiums	-	-
3	Agents' Balances	665	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	13470	3135
6	Due from subsidiaries/ holding	-	-
7	Deposit with Reserve Bank of India	-	-
	[Pursuant to section 7 of Insurance Act, 1938]	-	-
8	Others		
	(a) Rent and other deposits**	64380	62292
	(b) Service tax on input services (net)	19940	39187
	(c) Cenvat credit on capital goods	41	29
	Total (B)	127672	137052
	Total (A+B)	153564	144733

* Income Accrued on Investments includes interest on deposits also.

** Includes deposits of Rs. 2200 thousands (Previuos year Rs. 700 thousands) with bank for providing guarantee to network hospitals

Schedules forming part of financial statements

(RS. '000)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
SCHEDULE – 13			
CURRENT LIABILITIES			
1	Agents' balances	15598	3001
2	Balances due to other insurance companies	38335	10573
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	4794	171
5	Unallocated premium	59684	12296
6	Sundry creditors*	370803	335327
7	Due to subsidiaries/ holding company	17196	1952
8	Claims Outstanding	112642	26176
9	Unclaimed amount of policyholers/insured**	82	131
10	Due to Officers/ Directors	193	-
11	Others		
	(a) Tax deducted payable	49325	19029
	(b) Other statutory dues	3806	132
	Total	672458	408788

* Includes creditors for capital expenditure of Rs. 18870 thousands (Previous year Rs. 28992 thousands)

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

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
SCHEDULE – 14			
PROVISIONS			
1	Reserve for Unexpired Risk	533028	149561
2	For taxation (less advance tax paid and taxes deducted at source)	50	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others		
	For employee benefits		
	(a) Gratuity	942	843
	(b) Leave Encashment	14385	9255
	(c) Superannuation	101	-
	Total	548506	159659
SCHEDULE – 15			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	Total	-	-

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Schedules forming part of financial statements

SCHEDULE 16
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2012

A. BACKGROUND

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

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

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

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

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and 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, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India except otherwise stated and current practices prevailing within the Insurance Industry in India.

(b) Use of Estimates

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

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

(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 re-valued on availability of further information.

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

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

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

(j) **Reinsurance ceded**

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

(k) **Allocation of Investment Income**

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

(l) **Investments**

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

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued up to the date of purchase.

Debt securities, including Government securities are considered as held to maturity and are accordingly stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on constant yield basis.

Listed and actively traded securities are measured at fair value as at the Balance Sheet date. For the purpose of calculation of fair value, the lowest of the last quoted closing price of the stock exchanges where the securities are listed is taken. Unrealized gain/losses due to change in fair value of listed securities is credited/debited to 'Fair Value Change Account'.

Unlisted Securities are stated at cost.

The realized gain or loss on the listed and actively traded securities and mutual funds is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a first in first out basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such loss or gain is transferred to revenue on the trade date.

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

(m) Fair Value Change Account

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

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

(n) Long/Short Term Investments

Investments maturing within twelve months from the balance sheet date and investments made with specific intention to dispose off within twelve months are classified as Short Term Investments. Other Investments are classified as Long Term Investments.

(o) Fixed Assets and Depreciation

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

Depreciation on assets is charged on the Straight-Line Method on a pro-rata basis at the rate and in the manner prescribed under Schedule XIV to the Companies Act, 1956. However, if the management's estimate of the useful life of an asset is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of useful life/remaining life.

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

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

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

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

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

(p) Impairment of Assets

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

(q) Taxation

Tax expense comprises of current and deferred tax. Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance sheet date. Deferred tax assets are recognized only to an extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future tax assets can be realized.

(r) Employee Benefits

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

(a) Defined Contribution Plan

a. Certain employees of the Company are participants of a defined superannuation plan. The Company makes contributions under the superannuation plan to "Max Bupa Health Insurance Limited Employees Superannuation Trust" based on a specified percentage of each covered employee's salary.

b. The Company makes monthly contributions to the "Max India Limited Employees Provident Fund Trust" which is based on a specified percentage of the covered employees' salary. The fund is administered through trustees and the Company's contribution thereto is charged to Revenue Account.

(b) Defined Benefit Plans

a. The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the 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-accumulated compensated absences are accounted for as and when availed / encashed.

c. Deferred compensation, which is a long term employee benefit is provided for based on the independent actuarial valuation carried out as at the Balance Sheet date and charged to Revenue Account or/and Profit and Loss Account, as applicable based on services rendered by employees.

(s) Provisions and Contingent Liabilities

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

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

(t) Earnings per Share (EPS)

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

(u) Leases

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

(v) Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the Balance Sheet date are translated at rates prevailing at the year end. Net gains or losses on account of exchange differences either on settlement or on translation of transactions, are recognized in the Revenue account or/and Profit and Loss Account, as applicable.

(w) Allocation of Operating Expenses

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

(x) Service Tax

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

Schedules forming part of financial statements

C. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

(RS. '000)

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

2. Actuarial Assumptions

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

3. Encumbrances

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

4. Estimated Amount of Commitments made and Outstanding for:

(RS. '000)

Particulars	As at 31.03.2012	As at 31.03.2011
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	1746	2842

5. Claims, less Reinsurance paid to Claimants:

(RS. '000)

Class of Business	In India		Outside India	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Health	199422	14438	-	-

6. Age-wise Breakup of Claims Outstanding*:

(RS. '000)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Health	360	2	16274	6911

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

7. Claims Settled and Remaining Unpaid for a period of more than six months:

(RS. '000)

Class of Business	As at 31.03.2012	As at 31.03.2011
Health	-	-

Schedules forming part of financial statements

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

(RS. '000)

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

Ageing of Pending Claims

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

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

(RS. '000)

Class of Business	In India		Outside India	
	For the year ended 31.03.2012	For the year ended 31.03.2011	For the year ended As at 31.03.2012	For the year ended As at 31.03.2011
Health	892650	229889	-	-

(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 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
Health	90%	90%	10%	10%

11. **Value of Contacts in relation to Investments:**

(RS. '000)

Particulars	As at 31.03.2012	As at 31.03.2011
Purchase where deliveries are pending	-	-
Sales where payments are overdue	-	-

Schedules forming part of financial statements

12. Age-wise Analysis of the Unclaimed Amount of the Policyholders (Pursuant to IRDA Circular No. IRDA/F&I/CIR/CMP/174/11/2010 dated November 04, 2010)

(RS. '000)

Particulars	Total Amount	Age-wise Analysis (in months) 1-6	7-12	13-18	19-24	25-30	31-36	>36
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	82 (287)	82 (287)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the insured / policyholders on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	- (4)	- (4)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Cheques issued but not encashed by the policyholder/ insured	14792 (6539)	13149# (6468)	1171* (71)	416* (-)	56* (-)	- (-)	- (-)	- (-)

Figures in brackets are for previous year,

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

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

13. Reserve for Unexpired Risk (URR)

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

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

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

16. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 102366 thousand (Previous year Rs. 144541 thousand)

Schedules forming part of financial statements

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

(RS. '000)

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

*Face value of Rs. 100000 thousands

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

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

(RS. '000)

Particulars	Year ended 31.03.2012	Year Ended 31.03.2011
Salaries & Allowances	9742	-
Contribution to Provident and other funds	580	-
Perquisites	4678	-
Total	**15000**	**–**

19. **Chief Executive Officer's Remuneration**

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

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

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

(RS. '000)

Particulars	Year ended 31.03.2012	Year Ended 31.03.2011
Travelling	863	676
Remuneration	1714	6119
Software License Fees	9975	7277
Purchase of Fixed Assets	–	21801
Professional fees	1016	1864
Others	354	-
Total	**13922**	37737

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

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

22. Foreign Currency Exposures

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

(RS. '000)

Particulars	As at 31.03.2012	As at 31.03.2011
Payable in **Indian Rupee**	**13699**	6669
Payable in **GBP**	**167**	93

23. Related Parties & Transactions

S. No.	Description of Relationship	Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Max New York Life Insurance Company Limited
		Max Healthcare Institute Limited
		Max Medical Services Limited
		Alps Hospital Limited
		Neeman Medical International BV, Netherlands
		Neeman Medical International NV, Netherlands
		Max Neeman Medical International, Inc, USA
		Max Neeman Medical International Limited
		Pharmax Corporation Limited
		Max Ateev Limited
		Max UK Ltd, UK
		Max Healthstaff International Limited
		Hometrail Estate Private Limited
		Hometrail Buildtech Private Limited
(c)	Shareholders with significant influence	Bupa Singapore Holdings Pte Ltd,
		Bupa Finance Plc., UK
(d)	Key Management Personnel	Dr. Damien Marmion (Chief Executive Officer and Whole Time Director)

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)	(-)
2	Fixed Assets Purchased	-	-	-	-
		(-)	(-)	(124)	(-)
3	Investments Purchased	-	-	-	-
		(-)	(-)	(-)	(-)
4	Income and Reimbursements				
	- Premium Received	2116	-	42893	-
		(-)	(-)	(-)	(-)
	- Reimbursement of Expenses	296	49380	-	-
		(190)	(340)	(-)	(-)
5	Expenses				
	- Service received	-	-	1541	-
		(-)	(-)	(78)	(-)
	- Other Expenses	15841	53812	-	-
		(1871)	(7671)	(-)	(-)
	- Remuneration	-	-	-	15000
		(-)	(-)	(-)	(15000)
	- Claims	-	-	10726	-
		(-)	(-)	(1431)	(-)
6	Equity Contribution	839900	295100	-	-
		(888000)	(312000)	(-)	(-)
7	Amount Outstanding				
	Other Receivable	26	-	-	-
		(-)	(-)	(-)	(-)
	Other Payable	17222	16301	5826	(193)
		(1677)	(8085)	(178)	(-)

Figures in brackets are for previous year

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.

(RS. '000)

Health Segment	As at 31.03.2012	As at 31.03.2011
Segmental Revenue	991735	255349
Segmental Result	(1283844)	(1228403)
Segmental Liabilities	1220964	568447
Segment Assets	1069677	706835

b) Geographical Segment

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

25. Employee Benefits

A. Defined Contribution Plans – Provident Fund

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

(RS. '000)

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

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

B. Defined Benefit Plans – Gratuity

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

i. Assumptions Used:

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

Schedules forming part of financial statements

ii. **Change in benefit obligations:**

(RS. '000)

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

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

(RS. '000)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Fair Value of Plan Assets at beginning of year	4655	3221
Contributions	1912	1567
Actual Return on Plan Assets	483	213
Benefits Paid	-	(346)
Fair Value of Plan Assets at end of year	7050	4655

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

(RS. '000)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Current Service Cost	3256	2521
Interest Cost	453	192
Actual Return on Plan Assets	(302)	(213)
Actuarial (Gain)/loss on obligation	(1396)	798
Amount recognized in Profit & Loss Account	2011	3298

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

(RS. '000)

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

Schedules forming part of financial statements

vi. **Balance Sheet Reconciliation:**

(RS. '000)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Opening Net Liability/(Asset)	843	(888)
Expenses recognized in Profit & Loss Account	2011	3298
Liability transfer in/(out)	-	-
Contribution Paid	1912	1567
Closing Net Liability/(Asset)	942	843

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

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

C. **Other Long Term Benefits:**

The Company has recognized expense towards cost of accumulating compensated absences of Rs. 8796 thousand (Previous year Rs. 6708 thousand) and long term incentives of Rs. 36223 thousand (Previous year Rs.19578 thousand) on an accrual basis based on the actuarial valuation done by an independent consulting actuary.

26. **Deferred Tax**

The Company has carried out its tax computation in accordance with the mandatory Accounting Standard, AS-22 on 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to Rs. 852242 thousand (Previous year Rs. 484416 thousand) on account of accumulated losses. However as a principle of prudence, and as there is no virtual certainty supported by convincing evidence on the date of the Balance Sheet, that there will be sufficient taxable income available to realize such assets in near future, the Company has not provided for deferred tax assets for the year ended 31st March 2012.

27. **Earnings Per Share**

Basic earnings per equity share have been computed by dividing net profit (loss) after tax by the weighted average number of equity shares outstanding for the year.

	Particulars	Units	Year ended 31.03.2012	Year Ended 31.03.2011
a.	Net profit/(loss) after tax	Rs in '000s	(1188656)	(1162474)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	300648	206970
c.	Basic/Diluted earnings per share **(a/b)**	Rs.	(3.95)	(5.62)

Overview

The Big Picture

Operating Review

Financial Review

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 31.03.2012	Year Ended 31.03.2011
Outsourcing Expenses	**53076**	4225
Marketing Support	**274808**	383719
Business Promotion	**1464**	194

29. Expenses of Management

As per the IRDA's Order No.: IRDA/F&A/ORD/EMT/203/12/2010 dated 08-Mar-2010, the Company has been exempted for necessary compliances required u/s 40C(1) of the Insurance Act, 1938 read with Rule 17E of the Insurance Rules, 1939 for the first five years of its operations (i.e. for the full financial year from 2010-11 to 2014-15)

30. Sector Wise Business

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

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

31. Disclosure of Fire and Marine Revenue accounts:

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

32. Micro Small and Medium Enterprises

There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2012 and March 31, 2011. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

33. Penal Actions Details by Various Government Authorities

IRDA circular no 005/IRDA/F&A/CIR/MAY-09 requires disclosure as per given format in respect of penal actions taken by various Government Authorities.

(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	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-

Schedules forming part of financial statements

(RS. '000)

SN	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
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	-	-	-	-

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

(RS. '000)

SN	Particulars	2011-2012	2010-2011
1	Gross Premium Written	991735	255349
2	Net Earned Premium Income	509183	81463
3	Income from Investments (net)	41807	11424
4	Other Income	-	-
5	Total Income	550990	92887
6	Commission (Net of Reinsurance)	54969	13896
7	Brokerage	-	-
8	Operating Expenses	1493976	1266787
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	285888	40607
10	Operating Profit/Loss	(1283843)	(1228403)
11	Total Income under Shareholders Account	95187	65929
12	Profit /(loss) before tax	(1188656)	(1162474)
13	Provision for Tax	-	-
14	Profit/(Loss) after tax	(1188656)	(1162474)
15	Miscellaneous	-	-
16	Policyholder's Account:	Not Applicable being General Insurance Company	
	a) Total funds		
	b) Total Investments		
	c) Yield on Investments		
17	Shareholder's Account:	Not Applicable being General Insurance Company	
	a) Total funds		
	b) Total Investments		
	c) Yield on Investments		
18	Paid Up Equity Capital	3520000	2710000
19	Net Worth*	1064910	1118924
20	Total Assets	2285875	1687371
21	Yield on total investments	8.50%	6.35%
22	Earning Per Share** (Rs.)	(3.95)	(5.62)
23	Book value per Share (Rs.)	3.03	4.13
24	Total Dividend	-	-
25	Dividend Per share	-	-

Schedules forming part of financial statements

* Including Fair Value Change Account

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

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

Performance Ratios	2011-2012 (in times)	2010-2011 (in times)
Gross Premium Growth Rate	3.88	200.39
Gross Premium to Shareholders Funds Ratio	0.9305	0.2282
Growth Rate of Shareholders Funds	(0.05)	0.04
Net Retention Ratio	0.90	0.90
Net Commission Ratio	0.06	0.06
Expenses of Management to Gross Direct Premium	1.51	4.97
Combined Ratio	1.71	5.03
Technical Reserves to Net Premium Ratio	0.7233	0.7669
Underwriting Balance Ratios	(1.44)	(5.36)
Operating Profit Ratio	(1.33)	(5.07)
Liquid Assets to Liability Ratio	2.97	7.56
Net Earning Ratio	(1.33)	(5.07)
Return on Net Worth	(1.12)	(1.04)
Reinsurance Ratio	0.10	0.10
Claims incurred	0.56	0.50

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

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

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

37. Risk Management Architecture

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

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

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

Schedules forming part of financial statements

ii. Continuous Risk Assessment Process – To ensure that key risks are identified and mitigation plans are reviewed, improved and implemented on a quarterly basis through 'Operations Risk Group', a group comprising of functional heads across the company

iii. Quarterly Risk Reporting – To ensure comprehensive monitoring mechanism, deliverables of quarterly risk assessment exercise are reviewed by Risk Committee of the Board. These include

   a. Key Risks Summary: Top-down view of Leadership team on key risks faced by the business and their mitigation plans

   b. Risk Templates: Management's bottoms up assessment of key risks within each category of risks with residual risk rating. The ratings are assigned on the basis of assessment of key risks against the risk appetite approved by the Risk Committee and the Board

   c. Risk Heat Map: Summarized view of risk ratings across all risk categories

iv. Continuous Internal Audit - monitoring of process internal controls by management for system effectiveness and review of risk management procedures.

38. 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.

39. Comparative Figures

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

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

As per our report

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
1st May, 2012

For and on behalf of the Board of Directors

DAMIEN MARMION
Chief Executive Officer
& Director

ANTHONY MAXWELL COLEMAN
Director

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 2012:

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

	FY 2011-12		FY 2010-11	
	No. of claims	**Amount Involved (RS. '000)**	No. of claims	Amount Involved (RS. '000)
1 month	710	47650	99	3899
1-3 months	131	7223	34	2630
3-6 Months	27	1330	6	382
6 Months – 1 Year	1	400	1	2
1 Year – 5 Years	-	-	-	-
5 Years & above	-	-	-	-

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

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

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

Management Report

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

(Rs. '000)

SN	Name of the Director	Entitity in which Director is interested	Interested as	Nature of Payment	Amount of Payment during the Financial Year
1	Analjit Singh, Anuroop Singh	Max Healthcare Institute Limited	Director	Pre-employment medical checkups	20
			Director	claims paid	6786
2	Analjit Singh, Anuroop Singh	Max New York Life Insurance Company Limited	Director	Insurance Premium	1085
3	James Gordon Wheaton & William Stephen Ward	Bupa (Asia) Limited	Director	Software License Fee	9975

13. It is hereby confirmed:
    a. That the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the insurance industry and there are no material departures.
    b. That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating Profit or Loss of the Company for the year
    c. That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and Companies Act 1956 (1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
    d. That the management has prepared the financial statements on a going concern basis.
    e. That the management has ensured that the internal audit system is in commensurate with the size and nature of business and is operating effectively.
    f. All the expenses which have been incurred in relation to Miscellaneous- " Health " Insurance business, has been appropriately reported in Revenue Account.

As per our report

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
1st May, 2012

For and on behalf of the Board of Directors

DAMIEN MARMION
Chief Executive Officer & Director

ANTHONY MAXWELL COLEMAN
Director

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 2 (Year)

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

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Others
Nil	810000

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

Total Liabilities	Total Assets
3845620	3845620

Sources of Fund

Paid-up Capital	Reserve and Surplus
3520000	-
Share Application Money	Fair Value Change Account
325000	620
Secured Loans	
-	
Unsecured Loans	Deferred Tax Liability
-	-

Application of Funds

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

IV Performance of Company (Amount in Rs. Thousand)

	Turnover (Total Income)		Total Expenditure
	646177		1834833
+ -	Profit/Loss before tax	+ -	Profit/Loss after tax
✓ (-)	1188656	✓ (-)	1188656

	Earning per share in Rs. Basic and Diluted	Dividend Rate (%)
+ - ✓ (-)	3.95	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

HEALTHCARE

Max Healthcare
Institute Limited

MAX

Directors' Report

Your Directors are pleased to present the Eleventh Annual Report and Audited Accounts for the year ended March 31, 2012. The Company made great strides in the latter half of the year 2011-12 and launched three green-field hospitals located at North Delhi, Mohali, and Bhatinda, thereby enhancing the network bed capacity by 700 beds. Two of the new hospitals are focused on providing high quality holistic tertiary care to Cancer patients, in addition to other key clinical specialties. At the same time, the existing hospitals continued to add depth and width to their offerings and highly talented medical fraternity at Max Healthcare performed path-breaking procedures and used innovative therapies to truly deliver excellence in medical care to its patients.

The network hospitals reported marked increase in patient footfalls and resultant bed occupancies. The network gross revenues increased by 20% from Rs. 685 crore in 2010-11 to Rs. 823 crore in 2011-12. The Company was successful in enhancing its value preposition and made significant gains through increased share of Daycare surgeries, and higher share of hi-end clinical procedures.

MAX HEALTHCARE Network

Particulars	FY 2012	FY 2011
Gross Revenue (Rs. Lacs)	82,344	68,545
Key Relationships:		
Clinicians	1,700	1,250
Employees	4,500	3,500
Patient Base	1.40 mn.	1.14 mn.
Corporate Clients	460	402

On a stand-alone basis, the Company's Income from Healthcare services grew by 15%. There has been slight increase in material cost to revenue ratio due to business mix change and cost increase in some of the imported drugs, consumables and implants. A large cost increase both in Employee Costs and Other Expenses is attributed to new hospital launched in North Delhi. The Company incurred a cash loss during the current year due to start up losses incurred by the new hospital (s) launched during the year. These start-up losses are incidental to the business model employed by the Company and are common in the initial phase of any hospital. The Company, given its brand equity, is confident of ramping up the new hospital sooner, and thereby improving the cash flow from operations.

All the key operating parameters have shown significant improvements during the year. The Operational Highlights are detailed as under:

OPERATIONAL HIGHLIGHTS (NETWORK)

- Average Revenue per Occupied Bed day is a measure of bed productivity. It increased by 9.4% from Rs. 21,558 in 2010-11 to Rs. 23, 585 in 2011-12. This growth is primarily driven by the company's effort to upgrade its service portfolio and focus more on high-end surgeries.

(Rs. in lacs)

Profit / (Loss) Statement – Consolidated	FY 2012	FY 2011
Revenue from operations	46,047	40,368
Other income	5,131	45,317
Total	51178	45317
Expenses		
Material Expense	18640	15,252
Change in Stock	(431)	141
Employee benefit expense	11,473	8,920
Other expense	19,019	15,927
Total	48,701	40,240
EBITDA	2,477	5,077
Depreciation and amortisation expense	1,896	1,468
Finance cost	3,870	3,552
Profit/(Loss) before tax	(3,289)	57
Tax expense	-	-
Profit/(Loss) after tax	(3,289)	57

- Bed Occupancy improved marginally from 67.8% in 2010-11 to 68.6% in 2011-12. This is a significant achievement in a year when more than 250 operational beds have been added to the existing network. For the existing hospital, the bed occupancy increased from 67.8% in 2010-11 to 70.9% in 2011-12
- Average Length of Stay (ALOS) is a representation of patient turnaround time. Max Healthcare is committed to reduce recovery time by employing latest clinical techniques. The standard has been maintained at ~3.6 days in 2011-12 despite increased number of complicated procedures and higher acuity of patients treated by the Network hospitals. Faster turnaround in cases results in lower cost of treatment for patients.
- Surgical Medical Revenue ratio is an important measure of maturity of clinical programmes and service offerings. Max Healthcare is focused on upgrading its service offerings to handle tertiary level cases. The ratio of surgical revenue in total In Patient revenue improved from 58% in 2010-11 to 62% in 2011-12.
- Revenue from CoE Specialties also increased significantly during the year. The share of CoE in total In Patient revenue increased by 400 basis points from 55% in 2010-11 to 59% in 2011-12.

Directors' Report

NEW HOSPITALS:

During 2011-12, Max Healthcare launched 3 new high end multi-specialty hospitals. These are located at Shalimar Bagh, New Delhi; Phase VI, Mohali & Mansa Road, Bathinda in Punjab. The hospitals, in line with ethos of Max Group, offer best clinical care in a patient centric manner. The hospitals house state-of-the-art Cath Lab, OTs with HEPA, EHR, Nuclear Medicine and Gama Camera. Mohali and Bhatinda Hospitals are also equipped with the most advanced equipments like LINAC for Radiotherapy, MRI and CT scan machines for providing a holistic care to Cancer patients.

Mohali Hospital: This is a 200 bed facility located on national highway (NH-5) providing high end medical care to the residents of tri-city of Chandigarh, Mohali, and Panchkula. The hospital has been set up as Public Private Partnership with Govt. of Punjab and opened its door to general public in September 2011. The facility offers comprehensive treatment in Cardiology, Oncology, Neurology, Orthopedics, Mother and Child Care and also offers Daycare surgeries.

Bathinda Hospital: This is a 200 bed facility in industrial town of Bathinda, Punjab. The hospital has been set up as Public Private Partnership with Govt. Of Punjab, and was commissioned in September, 2011. The facility is an advanced centre for Oncology, and also offers comprehensive high end care in Cardiology, Orthopedics, Neurosciences, Urology, Mother and Child Care, ENT, Dialysis, and Day Care surgeries.

Shalimar Bagh Hospital: This 300 bed hospital is situated in North Delhi, and is the second Max hospital in that region. It was commissioned in November, 2011 and offers high end tertiary care services in the medical specialties of Cardiology, Orthopaedics, Neurosciences, Mother and Child Care, Urology, ENT, Dialysis, Plastic / Reconstructive Surgery, Dentistry, and Ophthalmology.

In addition to the above, the Company has recently commissioned a 204 bedded hospital in Dehradun, Uttarakhand. This is the Company's first hospital in the Uttrakhand region and is also planned to cater to the growing needs of medical tourism.

Max Super Speciality Hospital at Shalimar Bagh, Mohali and Bhatinda have been certified with 'Gold' rating by Indian Green Building Council under LEED rating system for Green Buildings. A Green building is a resource-efficient and environment-friendly building equipped with eco-friendly, energy and water efficient equipments and non-toxic and recycled materials. Max Healthcare has been consciously focusing on energy conservation, and most of our hospitals buildings are certified Green Building – a first of its kind for Hospitals in India.

SERVICE QUALITY AND MEDICAL EXCELLENCE

Max Healthcare is the country's leading provider of standardized, seamless and world-class healthcare services. It is committed to the highest standards of medical and service excellence designed to keep patient safety and patient's interest as supreme. This is executed through the MHC Model of Healthcare Excellence. Max has successfully implemented the "Medical Excellence Model" through its clinical team of expert physicians and nurses who work together in an integrated manner. The pillars of this model include;

- Clinical governance
- Credentialing and clinical privileging of physicians & nurses
- Use of standardized, evidenced based protocols
- Patient and Staff Safety
- Infection control
- A culture of audit and continuous professional development

Apart for medical excellence the MHC team strives to provide the best medical treatment along with excellent 'in room' hospitality and catering services in a hygienic and air conditioned environment to make the patients experience convenience and comfort. The process performance on service excellence and medical quality parameters is tracked and reviewed against preset targets to identify opportunities for improvement. The constant focus on these areas is delivering results with Patient satisfaction index showing good improvement during the year.

EXCELLENCE IN TRAINING, EDUCATION, AND RESEARCH

The clinical team at MHC comprises 1,692 renowned clinicians, ably supported by well qualified and caring paramedics and nurses. The Company is focused on being the preferred employer of choice to clinical fraternity and gives a lot of emphasis on training, education and research initiatives.

Services portfolio enhancement was a continuous activity at Max Healthcare and all hospitals expanded their service portfolio by adding new procedures and undertook hi-end cases at various hospitals. In particular, Saket Hospital added MAMBS micro site, Bariatric Clinic and Bariatric Support Group.

Max Healthcare doctors conducted Ankle Replacement

Directors' Report

Surgery via Star Implants. The technique is a breakthrough in the field of Orthopedics (foot and ankle treatments) which enables ankle replacement where no cement is used allowing better bone in-growth stabilization and bone preservation. The technique was deployed for the 1st time in India and delivers precision in treatment, enhances recovery hence leads to greater patient convenience.

Max Healthcare doctors performed 8 cases on 3-D mapping at Punjab Institute of Cardiology, Lahore. The event was witnessed by cardiologists around the continent. The team also carried out the first ever Renal Denervation Therapy for uncontrolled hypertension in India, by using the DynaCT and NaviX 3D Mapping for greater accuracy. This is a first of its kind in the world.

Laser TURP surgery on 102 year old patient was performed in Shalimar Bagh hospital. This surgery was widely covered by the media.

Surgeons in the Department of MAMBS (Minimal Access, Metabolic, and Bariatric Surgery) and Gastrointestinal Surgery at Max Hospital, Mohali have evolved a revolutionary technique wherein routine laparoscopic surgery can be done through single incision in the umbilicus without the use of special instruments. All these advantages mentioned above increase the comfort of patient and decrease the cost of surgery considerably. This technique is fast becoming a gold standard in the hands of experienced surgeons.

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.

INCREASE SHARE CAPITAL OF THE COMPANY

Increase in Authorised Capital

During the year under review, the Authorised Share Capital of the Company stood increased from INR 7500 million to INR 10,500 million divided into (i) 500,000,000 (Five hundred million) Ordinary equity shares having a nominal value of Rs.10/- each (ii) 15,000,000 (Fifteen million) Compulsorily Convertible Preference Shares having a nominal value of Rs. 100/- each, (iii) 15,000,000 (Fifteen million) Redeemable and Non-Convertible Preference Shares having a nominal value of Rs.100/- each, and (iv) 250,000,000 (Two hundred and fifty million) Cumulative Preference Shares having a nominal value of Rs.10/- each."

Allotment of equity shares to Tedo Beleggings 163 Proprietary Limited, a wholly-owned subsidiary of Life Healthcare Group Proprietary Limited, South Africa

The Company allotted 102,799,670 equity shares of Rs.10/- each at a premium of Rs.40.24335194 per equity share for an aggregate consideration of Rs. 516.50 crore constituting 26% of total paid up equity share capital of the Company to Tedo Beleggings 163 Proprietary Limited, a wholly-owned subsidiary of Life Healthcare Group Proprietary Limited, South Africa on January 25, 2012.

Allotment of equity shares arising from exercise of ESOPs

During the year under review, the Company allotted 17,50,000 equity shares of Rs. 10/- each arising from exercise of stock option by the option-holders under Company's ESOP Plan - 2006.

With above allotments, the paid up equity share capital of the Company stood increased from Rs. 290,83,36,750 to Rs. 3,953,833,450.

During the year under review, the Company also redeemed (i) 125,000,000 Cumulative Preference Shares of Rs. 10/- allotted to International Finance Corporation, USA and (ii) 1,50,00,000 Redeemable Preference Shares of Rs.100/- each allotted to Max India Limited.

CHANGES IN SHAREHOLDING PATTERN

During the year under review, Max India Limited acquired the entire 47,617,924 equity shares of the Company constituting 16.37% of the paid up equity capital held by Warburg Pincus Group in the Company. Max India Limited also acquired 14,285,715 equity shares of the Company held by two Overseas Bodies Corporates. With the above acquisitions, Max India's holding in the Company stands at 71.17% as of date.

DIRECTORS

The following changes have taken place in the composition of the Board since the last annual general meeting:

Dr. Pradeep Chowbey and Dr. S.K.S. Marya were appointed as Vice Chairmen of the Company November 1, 2011. Dr. Pervez Ahmed resigned as the Managing Director of the Company effective November 1, 2011. Mr. Leo Puri resigned from the Board as a nominee director of Warburg Pincus Group effective October 4, 2011. Mr. Puri was then appointed as an Additional Director of the Company, holding independent non executive position on the Board effective October 4, 2011. Due to pre-occupation, Mr. Leo Puri has since resigned from the Board on July 9, 2012.

Directors' Report

Your Directors place on record, their appreciation for the valuable contribution made by Dr. Pervez Ahmed and Mr. Leo Puri during their association with the Company.

Dr. Peter Harper and Dr. S.K.S. Marya have been co-opted as additional directors on the Board effective October 31, 2011 and November 1, 2011, respectively. In terms of Articles of Association of the Company, Life Healthcare Group (Proprietary) Limited has nominated Mr. C.M.D. Flemming and Mr. Jonathan Lowick as additional directors of the Company effective July 19, 2012. Further, Max India Limited has nominated Mr. Rahul Khosla and Dr. Omkar Goswami as additional directors of the Company effective July 19, 2012.

The Company have received notices under Section 257 of the Companies Act, 1956 proposing the candidatures of Dr. Peter Harper, Dr. S.K.S. Marya, Mr. C.M.D. Flemming, Mr. Jonathan Lowick, Mr. Rahul Khosla and Dr. Omkar Goswami for being appointed as Directors of the Company.

In accordance with the provisions of the Companies Act, 1956 ('the Act') and the Company's Articles of Association, Mr. Anuroop Singh, Mr. Analjit Singh and Mr. K. Narasimha Murthy 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. S.S.H. Rehman, Dr. Omkar Goswami and Mr. Jonathan Lowick. 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, Dr. R.P. Soonawala and Mr. C.M.D. Flemming. 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), Dr. K.M. Fock, Dr. Omkar Goswami, Dr. Pradeep K. Chowbey, Dr. S.K.S.Marya and Mr. Jonathan Lowick. 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. R.P. Soonawala Dr. Pradeep K. Chowbey, Dr. S.K.S. Marya and Mr. C.M.D. Flemming. 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. Pradeep K. Chowbey, Dr. S.K.S. Marya and Mr. Jonathan Lowick. 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, 2012, 14,25,000 stock options are outstanding under the Employees Stock Plan.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, 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 Companies Act, 1956 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 Companies Act, 1956 read with the Companies

Directors' Report

(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. in lakhs)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
i) Foreign Exchange Earnings	18.70	0.38
ii) Foreign Exchange Outgo CIF Value of Imports		
-Capital Goods	9.93	2.00
- Trading Goods	0.07	0.89
Others	1.48	1.58

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 2012, Max Healthcare in its network of hospitals had a base of over 1,728 physicians, including several doctors of international repute, around 2205 nurses and 851 paramedic staff. The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 are given in a separate annexure to this Report.

SUBSIDIARY COMPANIES

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiaries of the Company as of March 31, 2012 is annexed to this Report as Annexure-A.

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 Companies Act, 1956 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 **Analjit Singh**
July 25, 2012 **Chairman**

Annexure - 'A'

MAX HEALTHCARE INSTITUTE LIMITED
STATEMENT REGARDING SUBSIDARY COMPANIES PURSUANT TO SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

Name of the Subsidary Company	Financial Year to which Accounts relate	Holding Companie's interest at the close of Financial year of Subsidary Company		Net Aggregate amount of Subsidary 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 Subsidary 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			Holding Company's Interest as at 31.03.2012 incorporating changes since close of financial year/period of Subsidary Company
		(i) Shareholding	(ii) Extent of Holding	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	31.03.2012	3,41,42,535 Equity Shares of Rs. 10 each	100%	(1,092.43)	(1,315.57)	NIL	NIL	100%
Alps Hospital Limited #	31.03.2012	50,000 Equity Share of Rs. 10 each	100%	(708.06)	(702.44)	NIL	NIL	100%
Hometrail Buildtech Private Limited	31.03.2012	1,10,10,000 Equity Share of Rs. 10 each	100%	(1,344.37)	(10.84)	NIL	NIL	100%
Hometrail Estate Private Limited	31.03.2012	1,24,10,000 Equity Share of Rs. 10 each	100%	(1,617.00)	(14.13)	NIL	NIL	100%

holding through subsidary Max Medical Services Limited
Figures in brackets indicate loss.

For and on behalf of the Board of Directors

New Delhi
July 25, 2012

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, 2012 and also the statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 14, 2012

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 301of 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 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 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.

(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 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 but it has incurred cash losses in the current year. In the immediately preceding financial year, the Company had not incurred cash loss.

Auditors' Report

(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 financial year.

(xx) The Company has not raised any money by public issue during the financial 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 financial year.

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

per Manoj Gupta
Partner
Membership No.: 83906

Gurgaon
May 14, 2012

Balance Sheet as at March 31, 2012

(Rs in lacs)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	52,038	54,083
Reserves and surplus	4	24,554	(7,500)
		76,592	46,583
Share application money pending for allotment		-	2,500
Non-current liabilities			
Long-term borrowings	5	21,304	23,031
Long-term provisions	6	291	304
Other long term liabilities	7	117	-
		21,712	23,335
Current liabilities			
Short-term borrowings	8	6,978	8,346
Trade payables	9	8,751	5,986
Other current liabilities	9	7,617	4,352
Short-term provisions	6	7,568	11,047
		30,914	29,731
TOTAL		129,218	102,149
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	36,213	23,036
Intangible assets	11	2,127	225
Capital work-in- progress		6,625	6,029
Intangible assets under development		160	1,061
Non-current investments	12	24,476	2,518
Long-term loans and advances	13	26,876	42,769
		96,477	75,638
Current assets			
Current investments	14	-	2,000
Inventories	15	1,072	641
Trade receivables	16	15,765	11,427
Cash and bank balances	17	7,292	2,726
Short-term loans and advances	13	8,184	9,368
Other current assets	18	428	349
		32,741	26,511
TOTAL		129,218	102,149
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements.

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 14, 2012

For and on behalf of the Board of Directors of Max Healthcare Institute Limited

DR. PRADEEP CHOWBEY	Director
DR. SKS MARYA	Director
DR. AJAY BAKSHI	Chief Executive Officer
YOGESH SAREEN	Chief Financial Officer
LALJI KUMAR	Company Secretary

New Delhi
May 14, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Rs in lacs)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
INCOME			
Revenue from operations	19	46,047	40,368
Other income	20	5,131	4,949
Total		51,178	45,317
EXPENSES			
Purchase of pharmacy drugs consumable & implants		18,640	15,252
(Increase)/decrease in inventory of pharmacy, drugs and consumables		(431)	141
Employee benefit expense	21	11,473	8,920
Other expenses	22	19,019	15,927
Total		48,701	40,240
Earnings before interest, tax, depreciation and amortisation (EBITDA)		2,477	5,077
Depreciation and amortisation expense	23	1,896	1,468
Finance cost	24	3,870	3,552
Profit/(Loss) before tax		(3,289)	57
Tax expense		-	-
Profit/(Loss) after tax		(3,289)	57
Earnings per equity share	26		
Basic [Nominal value of shares Rs.10 (Previous year Rs.10)]		(1.06)	0.02
Diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]		(1.06)	0.02
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements.

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 14, 2012

For and on behalf of the Board of Directors of Max Healthcare Institute Limited

DR. PRADEEP CHOWBEY	Director
DR. SKS MARYA	Director
DR. AJAY BAKSHI	Chief Executive Officer
YOGESH SAREEN	Chief Financial Officer
LALJI KUMAR	Company Secretary

New Delhi
May 14, 2012

Cash Flow Statement for the year ended March 31, 2012

(Rs in lacs)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Cash flow from operating activities		
Net Profit / (loss) before tax	(3,289)	57
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	1,896	1,468
Interest expense	3,602	3,392
Interest income	(4,518)	(4,378)
Net loss /discard on sale of fixed assets	242	209
Net profit on sale of current investments	(101)	(118)
Provision for doubtful debts	241	159
Provision for doubtful advances	34	1
Debit balances written off	102	-
Liabilities no longer required written back	(152)	(134)
Employee stock option expense	263	116
Operating Profit /Loss Before Working Capital Changes	(1,680)	772
Movement in working capital :		
Increase/ (decrease) in trade payables	2,895	(918)
Increase/ (decrease) in provisions	(169)	413
Increase/ (decrease) in other current liabilities	2,594	(81)
Increase in other long term liabilities	117	-
Decrease / (increase) in inventories	(431)	141
Decrease / (increase) in trade receivables	(4,579)	1,525
Decrease / (increase) in long-term loans and advances	118	(6,878)
Decrease in short-term loans and advances	69	6,939
Increase in other current assets	(125)	(90)
Cash generated / used in from operations	(1,191)	1,823
Direct taxes paid (net of refunds)	(417)	(573)
Net cash flow from /(used in) operating activities (A)	(1,608)	1,250
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(16,112)	(7,595)
Proceeds from sale of fixed assets	15	8
Purchase of non- current investments	(21,800)	-
Purchase of current investments	(16,100)	(5,822)
Proceeds from sale/maturity of current investments	18,201	10,815
Loand & advances given to subsidiaries	15,123	(4,966)
Loas & advances given to other healthcare providers	(297)	(1,512)
Interest received	5,937	3,072
Investment in deposits with original maturity for more than 3 months but less than 12 months and margin money	(3,022)	(2,037)
Redemption of deposits with original maturity for more than 3 months but less than 12 months and margin money	3,539	3,500
Net cash flow used in investing activities (B)	(14,516)	(4,537)

Cash Flow Statement for the year ended March 31, 2012

(Rs in lacs)

		For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from financing activities			
Proceeds from share application money		-	2,500
Proceeds from issuance of share capital		51,825	5,369
Share issue expenses		(631)	(5)
Proceeds from issuance of compulsorily convertible preference share		12,500	-
Redemption of cumulative convertible preference shares		(20,293)	-
Redemption of compulsorily convertible preference share		(16,189)	-
Proceeds from long -term borrowings		2,097	27
Repayment of long -term borrowings		(3,189)	(2,424)
Proceeds / repayments of short -term borrowings		(1,368)	1,834
Interest paid		(3,545)	(3,394)
Net cash flow from financing activities	**(C)**	21,207	3,907
Net Increase in cash and cash equivalents (A + B + C)		5,083	620
Cash and cash equivalents at the beginning of the year		1,179	559
Cash and cash equivalents at the end of the year		6,262	1,179
Components of cash and cash equivalent			
Cash on hand		33	53
Cheques/drafts on hand		119	415
Balances With banks -			
in current account		491	511
in deposit account		5,619	200
Total cash and cash equivalents (refer note 17)		6,262	1,179

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 14, 2012

For and on behalf of the Board of Directors of Max Healthcare Institute Limited

DR. PRADEEP CHOWBEY	Director
DR. SKS MARYA	Director
DR. AJAY BAKSHI	Chief Executive Officer
YOGESH SAREEN	Chief Financial Officer
LALJI KUMAR	Company Secretary

New Delhi
May 14, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate Information**

The Company has a network of healthcare facilities in the National Capital Region, comprising of primary care clinics, secondary care hospitals/med centres and tertiary care facilities.

In current year, another secondary care facility has been operationalised at Shalimar Bagh in New Delhi and the Company is currently expanding by setting up healthcare facilities at Dehradun in North India.

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.

The Company had also entered into long term service contracts with other healthcare service providers and downstream subsidiaries to provide support/services to them in their hospital operations.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies(Accounting Standards)Rules, 2006(as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on the accrual basis and under historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements.The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments,estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities,at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing fixed asset beyond its previously asssessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised

Notes to Financial Statements for the year ended March 31, 2012

(d) **Depreciation on tangible fixed assets**

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 shorter of the estimated useful life of the asset or the respective lease term.

Assets costing Rs. 5,000 or below are depreciated at the rate of 100%.

Other surgical instruments are depreciated over useful life of four years.

(e) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of two to six years.

Cost of internally generated intangible assets

Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

(i) the technical feasibility of completing the intangible asset so that it will be available for use.

(ii) its intention to complete the asset

(iii) its ability to use the asset

(iv) how the asset will generate future economic benefits

(v) the availability of adequate resources to complete the development and to use the asset

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The cost of internally generated intangible asset includes sum of expenditure incurred from the time the intangible asset first meet the development criteria and comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each financial year end.

(f) **Leases**

Where the company is 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 inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight –line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Lease in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as

Notes to Financial Statements for the year ended March 31, 2012

finance lease. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight – line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(g) 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 includes interest and amortisation of ancilliary costs incurred in connection with arrangement of borrowings.

(h) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation of detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units (CGU)to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining useful life.

An assessments is made at each reporting date as to whether is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation. Had no impairment loss been recognized loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees, and duties.

Notes to Financial Statements for the year ended March 31, 2012

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Current investments are carried in the financial statements 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 value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) 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. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects value added taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company.Hence,they are excluded from revenue.

Income from Services

Revenue from healthcare services are recognised 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.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss account.

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.

Incentive Income

Benefits under "Served from India Scheme" available for foreign exchange earned under prevalent scheme of Government of India are accrued when the right to receive these benefits as per the terms of the scheme is established and accrued to the extent there is no significant uncertainty about the measurability and ultimate utilization.

(l) Foreign currency translation

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.

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. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rates that existed when the values were determined.

Notes to Financial Statements for the year ended March 31, 2012

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.

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.

(m) Retirement and other employee benefits

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 statement of profit and 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.

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 statement of profit and loss account of the year. The Company does not have any other obligation to the fund other than the contribution payable.

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 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.

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.

(n) 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.

Notes to Financial Statements for the year ended March 31, 2012

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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.

(o) Employee stock compensation cost

Employees of the company receive remuneration in the form of share based payment transaction, whereby employees render services as a consideration for equity instruments or cash (equity settled transactions with a cash alternative). Stock options are measured in accordance with the Guidance Note on Accounting for Employee Share-based Payments using the intrinsic value method and recognised, together with a corresponding increase in the "Provision for employee stock options outstanding" in Provisions. The expense or credit recognised in the statement of profit and loss account for a year represents the movement in the cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefit expense.

(p) 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

(q) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(r) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(s) Cash & 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.

(t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

3. Share Capital

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Authorised		
500,000,000 (Previous year: 350,000,000) equity shares of Rs.10/- each	50,000	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: 15,000,000) compulsorily convertible preference shares of Rs.100/- each	15,000	15,000
15,000,000 (Previous year: Nil) redeemable and non-convertible preference shares of Rs.100/- each	15,000	-
	105,000	75,000
Issued, subscribed and fully paid-up		
3,953,833,45 (Previous year 290,833,675) equity shares of Rs.10/- each	39,538	29,083
125,000,000 (Previous year: 250,000,000) 2% cumulative convertible preference shares of Rs.10/- each	12,500	25,000
	52,038	54,083

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Equity shares				
At the beginning of the year	290,833,675	29,083	237,144,548	23,714
Issued during the year	102,799,670	10,280	53,389,127	5,339
Issued during the year - ESOP	1,750,000	175	300,000	30
Outstanding at the end of the year	395,383,345	39538	290,833,675	29,083

	March 31, 2012		March 31, 2011	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Cumulative preference shares				
At the beginning of the year	250,000,000	25,000	250,000,000	25,000
Redeemed during the year	(125,000,000)	(12,500)	-	-
Outstanding at the end of the year	125,000,000	12,500	250,000,000	25,000

	March 31, 2012		March 31, 2011	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Reedemable preference shares				
At the beginning of the year	-	-	-	-
Issued during the year	15,000,000	15,000	-	-
Redemeed during the year	(15,000,000)	(15,000)	-	-
Outstanding at the end of the year	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2012

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Terms of conversion/redemption of 2% cumulative convertible preference shares

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), amounting to Rs. 30,000 Lacs, as detailed below:

i. 9,090,909 nos., 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 nos., 8 years 2% Cumulative Partially Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25,000 lacs.

During the year the Company has redeemed 125,000,000 preference shares at GIRR 11.25% amounting to Rs. 20,293 Lacs. Further on remaining 125,000,000 preference shares, the Company has provided GIRR of 9.25% of Rs. 6,961 Lacs in Provisions and disclosed 2% as Dividend in contingent liabilities.

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

iii. Premium paid on Preference Shares already redeemed or to be redeemed.

In the event of liquidation of the Company before conversion/ redemption of preference shares, the holders of preference shares will have priority over equity shares in payment of dividend and repayment of capital.

3.4 Terms of compulsorily convertible preference share and redeemable preference shares

During the year ended March 31, 2012, the Company issued 15,000,000 compulsorily convertible preference (CCPS) to Max India Limited (Holding Company) with guaranteed rate of return (GRR) of 12% from the date of investment.

Notes to Financial Statements for the year ended March 31, 2012

Subsequent to above, the CCPS have been reorganised into 15,000,000 redeemable preference shares of Rs.100/- each with a GRR of 12% from the date of reclassification of CCPS to redeemable preference shares till the date of redemption either by way of dividend or redemption premium.

The Company have redemeed the entire redeemable preference share capital of Rs.15,000 Lacs on February 22, 2012 at a redemption premium of Rs.1,189 Lacs.

3.5 Share held by holding company

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Max India Limited		
274,249,908 (March 31, 2011: 219,489,127) equity shares of Rs. 10 each fully paid	27,425	21,949
	27,425	21,949

3.6 Details of shareholder holding more than 5% shares in the company.

	March 31, 2012		March 31, 2011	
	No. of Shares	% held	No. of Shares	% held
Equity Shares of Rs. 10 each fully paid				
Max India Limited, Holding company	274,249,908	69.36%	219,489,127	75.5%
Tedo Beleggings Proprietary Limited	102,799,670	26.00%	-	-
Madison Holding Limited	-	-	14,933,962	5.1%
Melany Holding Limited	-	-	14,933,962	5.1%
Parkville Holdings Ltd.	-	-	17,750,000	6.1%
Cumulative Convertible Preference Shares of Rs. 10 each				
International Finance Corporation	125,000,000	100%	250,000,000	100%

3.7 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note no. 28

Notes to Financial Statements for the year ended March 31, 2012

4. Reserves and surplus

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Capital reserve	1	1
	1	1
Securities premium account		
At the beginning of the year	3,515	13,635
Add: premium on issue of equity shares	41,370	-
Add: premium on issue of ESOPs exercised	390	43
Less: provision for GIRR on cumulative convertible preference shares	(4,597)	(10,158)
Less: provision for GRR on redeemable preference shares	(1,189)	-
Less: share issue expenses	(631)	(5)
Closing balance	38,858	3,515
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(11,016)	(11,073)
Profit/(Loss) for the year	(3,289)	57
Net Surplus/ (deficit) in the statement of profit and loss	(14,305)	(11,016)
Total reserves and surplus	24,554	(7,500)

Notes to Financial Statements for the year ended March 31, 2012

5. Long term borrowings

(Rs in lacs)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Term Loans (secured)				
From financial institutions	19,339	22,962	3,622	2,977
From non-banking financial institution	1,352	-	196	-
Deferred Payment Liabilities (unsecured)				
Deferred payment liabilities	296	-	81	-
Finance lease obligation (unsecured)	209	-	60	-
Vehicle loans (secured)	108	69	71	40
	21,304	23,031	4,030	3,017
The above amount includes				
Secured borrowings	20,799	23,031	3,889	3,017
Unsecured borrowings	505	-	141	-
Amount disclosed under the head "current liabilities" (note 9)			(4,030)	(3,017)
	21,304	23,031	-	-

5.1 Term loans from financial institutions include:

(i) Rs.5,625 lacs (March 31, 2011: Rs.6,375 lacs) from Export Import Bank of India repayable in 15 half yearly installments starting from December, 2008.

(ii) Rs. 4,376 lacs (March 31, 2011: Rs. 6,124 lacs) from Housing Developing Finance Corporation Limited repayable in 14 half yearly installments starting from December, 2007.

(iii) Rs. 5,460 lacs (March 31, 2011: Rs.5,940 lacs) from Housing Developing Finance Corporation Limited repayable in 72 half yearly installments starting from April, 2010.

(iv) Rs. 7,500 lacs (March 31, 2011: Rs. 7,500 lacs) from Housing Developing Finance Corporation Limited repayable in 20 quarterly installments starting from June, 2013.

The above loans are secured by following: {(i), (ii) and (iii) are secured by (a) to (f) and (iv) is secured by (a) to (e) }

(a) Equitable mortgage of the immovable properties of the Company.

(b) First charge on the whole of movable fixed assets (excluding vehicles) including medical equipments (except assets having exclusive charge in favour of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited.

(c) 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).

(d) Pledge of the Company's shareholding in its subsidiary, namely Max Medical Services Limited and pledge of the Max Medical Services Limited's shareholding in Alps Hospital Limited.

(e) Corporate guarantees by the holding company.

(f) Equitable mortgage of specific immovable property of a society

Notes to Financial Statements for the year ended March 31, 2012

5.2 Term loan from non-banking financial institutions

Loan of Rs.1,208 lacs (March 31,2011:Rs. Nil) and loan of Rs. 3,40 lacs (March 31, 2011: Rs. Nil) repayble in 28 quarterly installments from December 2011 and February 2012 are secured by way of exclusive charge over the medical equipment acquired through this facility.

5.3 Finance lease obligation is repayable in 20 quaterly installments from December 2011.

5.4 Vehicle Loans Rs. 179 Lacs (March 31, 2011 Rs. 109 Lacs) are repayble over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

6. Provisions

(Rs in lacs)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for leave encashment	-	-	450	525
Provision for gratuity (refer note 27)	290	267	67	65
Provision for employee stock options (refer note 28)	1	37	87	297
Other provisions				
Provision for guaranteed IRR on cumulative convertible preference shares	-	-	6,961	10,158
Provision for income tax(net of advance tax)	-	-	1	1
Provision for wealth tax	-	-	2	1
	291	304	7,568	11,047

7. Other long term liabilities

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Lease equalisation reserve	117	-
	117	-

8. Short term borrowings

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Cash credit from banks (secured)	1,978	3,346
Short term loan from bank (unsecured)	5,000	5,000
	6,978	8,346
The above amount includes		
Secured borrowings	1,978	3,346
Unsecured borrowings	5,000	5,000
	6,978	8,346

Cash credits from banks is secured by way of first pari – passu charge on stocks, book debts and other current assets, present and future of the company. The cash credits are repayable on demand.

Notes to Financial Statements for the year ended March 31, 2012

9. Current Liabilities

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Trade Payables dues of other than micro and small enterprises*	8,751	5,986
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	3,970	3,017
Current maturity of finance lease obligation (refer note 5)	60	-
Interest accrued but not due on borrowings	81	24
Others		
Capital Creditors	2,506	591
Advance from customers	148	127
Statutory dues	795	554
Security deposits	57	39
	7,617	4,352
	16,368	10,338

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of act on them.Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

SCHEDULE-10
TANGIBLE ASSETS

(Rs. in lacs)

	Leasehold land	Building	Leasehold improvements	Medical equipments	Plant and equipments	Office equipments	Furniture and fixtures	Vehicles	Other surgical instruments (refer note 10.5)	Total
Gross block										
At April 1, 2010	6,256	6,462	2,491	8,921	2,482	1,817	907	339	655	30,330
Additions	-	130	-	563	128	298	26	48	270	1,463
Deletions/ Adjustments	-	-	-	(24)	(38)	(29)	(5)	(23)	(187)	(306)
At March 31, 2011	**6,256**	**6,592**	**2,491**	**9,460**	**2,572**	**2,086**	**928**	**364**	**738**	**31,487**
Additions	-	6,952	22	3,447	2,005	745	786	184	312	14,453
Deletions/ Adjustments	-	-	-	(137)	(26)	(1)	-	(100)	(143)	(407)
Borrowing Cost	-	695	-	-	-	-	-	-	-	695
At March 31, 2012	**6,256**	**14,239**	**2,513**	**12,770**	**4,551**	**2,830**	**1,714**	**448**	**907**	**46,228**
Depreciation										
At April 1 2010	-	405	1,736	2,952	611	961	394	77	60	7,196
Charge for the year	-	106	191	653	119	147	61	33	34	1,344
Deletions/ Adjustments	-	-		(13)	(12)	(26)	(4)	(15)	(19)	(89)
At March 31, 2011	**-**	**511**	**1,927**	**3,592**	**718**	**1,082**	**451**	**95**	**75**	**8,451**
Charge for the year		148	92	770	160	226	88	37	**193**	1,714
Deletions/ Adjustments	-	-	-	(92)	(11)	(2)	-	(31)	(14)	(150)
At March 31, 2012	**-**	**659**	**2,019**	**4,270**	**867**	**1,306**	**539**	**101**	**254**	**10,015**
Net Block										
At March 31, 2011	**6,256**	**6,081**	**564**	**5,868**	**1,854**	**1,004**	**477**	**269**	**663**	**23,036**
At March 31, 2012	**6,256**	**13,580**	**494**	**8,500**	**3,684**	**1,524**	**1,175**	**347**	**653**	**36,213**

Notes to Financial Statements for the year ended March 31, 2012

10.1 Land is under perpetual lease.

10.2 The borrowing cost capitalised during the year ended March 31,2012 was Rs.382 lacs (March 31, 2011; Rs. 318 Lacs). The Company has capitalised cumulative borrowing cost of Rs. 695 lacs during the year & shown the same as "Borrowing Cost" above.

10.3 Medical Equipment includes medical equipment given on an operating lease:

(Rs in lacs)

	March 31, 2012	March 31, 2011
Gross Block	660	660
Depreciation charge for the year	47	47
Accumulated depreciation	464	417
Net book value	196	243

10.4 Medical Equpment incudes medical equipment taken on finance lease:

(Rs in lacs)

	March 31, 2012	March 31, 2011
Gross Block	378	-
Depreciation charge for the year	9	-
Accumulated depreciation	9	-
Net book value	369	-

10.5 During the current year, the company has reclassified inventory of surgical instruments to fixed assets as "other surgical instruments". The adjustment does not have any impact on the net profit/loss of the company.

11. Intangible Assets

(Rs in lacs)

	Computer Software	Total
Gross Block		
At April 1, 2010	673	673
Additions	64	64
At March 31, 2011	**737**	737
Additions	2,084	2,084
At March 31, 2012	**2,821**	2,821
Amortization		
At April 1, 2010	388	388
Charge for the year	124	124
At March 31, 2011	**512**	512
Charge for the year	182	182
At March 31, 2012	**694**	694
Net Block		
At March 31, 2011	**225**	225
At March 31, 2012	**2,127**	2,127

Notes to Financial Statements for the year ended March 31, 2012

12. Non-current investments

(Rs in lacs)

	Non - Current	
	As at March 31, 2012	As at March 31, 2011
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in wholly owned subsidiaries :		
Max Medical Services Limited		
34,142,535 (March 31, 2011: 14,142,535) equity shares of Rs.10/- each fully paid-up	12,094	2,094
Hometrail Estate Private Limited		
1,24,10,000 (March 31, 2011: 10,000) equity shares of Rs.10/- each fully paid-up	6,201	1
Hometrail Buildtech Private Limited		
1,10,10,000 (March 31, 2011: 10,000) equity shares of Rs.10/- each fully paid-up	5,501	1
Investment in joint ventures		
Nova Medical Centers NCR Region Private Limited		
6,800,262 (March 31, 2011::4,220,000) equity shares of Rs.10/- each fully paid-up	680	422
Aggregate value of unquoted investments	24,476	2,518

13. Loans and advances

(Rs in lacs)

	Non - Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital advances				
Unsecured, considered good	1,279	2,228	-	-
Security deposits				
Unsecured, considered good	905	897	40	-
Loans and advances to related parties				
Unsecured, considered good	12,490	27,613	3,299	5,805
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	623	697
Unsecured, considered doubtful	-	-	35	2
Less: Provision for doubtful advances	-	-	(35)	(2)
Intercorporate deposits				
Unsecured, considered good	11,747	11,450	1,908	776
Other loans and advances				
Prepaid expenses	20	12	243	257
Lease rent receivable from subsidiary	435	569	133	154
Advance income tax (net of provision) for taxation	-	-	1,918	1,501
Share application money pending allotment	-	-	20	178
	26,876	42,769	8,184	9,368

Notes to Financial Statements for the year ended March 31, 2012

14. Current Investments

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
Nil (March 31, 2011: 142,557) units of Rs.1000/- each in DSP - Black Rock Liquidity Fund - Institutional Plan Growth	-	2,000
	-	2,000

15. Inventories (valued at lower of cost and net realizable value)

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Stock of Pharmacy, drugs and consumables	1,072	641
	1,072	641

16. Trade Receivables

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	8,940	6,867
Doubtful	1,055	814
	9,995	7,681
Provision for doubtful receivables	(1,055)	(814)
	8,940	6,867
Other receivables		
Unsecured, considered good	6,825	4,560
	6,825	4,560
	15,765	11,427

Notes to Financial Statements for the year ended March 31, 2012

17. Cash and bank balances

(Rs in lacs)

	Current	
	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks:		
in current accounts	491	511
Deposits with original maturity of less than three months	5,619	200
Cheques/drafts on hand	119	415
Cash on hand	33	53
	6,262	1,179
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	124	1,037
Margin money deposits	906	510
	1,030	1,547

Margin money deposits given as security

Rs. 500 Lacs (March 31, 2011: Rs. 500 Lacs) to secure short term borrowing from Yes Bank Limited.

Rs.10 Lacs (March 31, 2011: Rs.10 Lacs) to secure bank guarantee issued to customer.

Rs. 0.31 Lacs (March 31, 2011: 0.25 Lacs) to secure bank guarantee given to sales tax authorities.

Rs.396 Lacs (March 31, 2011: Nil) to secure letter of credits.

18. Other Assets

(Rs in lacs)

	Current	
	As at March 31, 2012	As at March 31, 2011
Interest accrued on deposits	9	54
Unbilled revenue	419	295
	428	349

19. Revenue from operations

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from healthcare services	32,325	29,394
Sale of pharmacy and pharmaceuticals supplies	11,843	9,372
Other operating revenue		
Income earned from medical service	1,474	1,255
Income earned from hospital advisory serrveces	197	173
Sponsorship and educational income	208	174
	46,047	40,368

Notes to Financial Statements for the year ended March 31, 2012

20. Other Income

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income on		
Bank deposits	219	160
Loans to subsidiaries	2,640	2,717
Assets given on finance lease to subsidiary	193	156
Loans to other healthcare service providers	1,440	1,314
Income tax refund	26	31
Lease rentals	48	48
Profit on sale of current investments	101	118
Liabilities/provisions no longer required written back	152	134
Income from laundry services	152	118
Gain on foreign exchange fluctuation	–	4
Other non-operating income	160	149
	5,131	4,949

21. Employee benefit expense

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	10,316	7,981
Contribution to provident and other funds	392	316
Employee stock option scheme	263	116
Gratuity expense (refer note 27)	99	158
Staff welfare expenses	403	349
	11,473	8,920

i. The Company has paid remuneration to directors 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 for which the Company is in the process of obtaining the necessary approval from the Central Government.

ii. In view of aforesaid, the cumulative excess amount of Rs. 1,219 lacs (Previous year Rs. 817 lacs) received by the concerned Directors till March 31, 2012 is held in trust. Subsequent to balance sheet date, approval for Rs. 298 lacs was received from the the central government.

iii. During the year, Dr. Pervez Ahmed, Ex-Chief Executive Officer and Managing Director of the company, was paid Rs. 339 lacs as severance fee for loss of office on November 1, 2011 pursuant to separation agreement entered with him.

Notes to Financial Statements for the year ended March 31, 2012

22. Other expenses

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Professional and consultancy fee	8,165	7,109
Outside lab investigation	173	199
Patient catering expenses	427	417
Rent	1,063	1,061
Insurance	178	151
Rates and taxes	57	55
Facility maintenance expenses	1,869	1,479
Power and fuel	1,070	801
Repairs and maintenance:		
Building	169	218
Plant and equipments	385	384
Others	455	362
Printing and stationery	315	262
Travelling and conveyance	584	401
Communication	208	168
Legal and professional	826	785
IT support expense	566	306
Watch and ward	198	159
Directors' fee	13	12
Advertisement and publicity	428	325
Software expenses	6	5
Recruitment expenses	222	64
Charity and donation*	665	632
Equipment hiring charges	26	19
Provision for doubtful debts	241	159
Provision for doubtful advances	34	1
Debit balances written off	102	-
Net loss on sale/disposal of fixed assets	242	209
Loss on foreign exchange fluctuation	60	-
Miscellaneous expenses	272	184
	19,019	15,927

Payment to auditor (include in legal and professional fee)

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fee	22	22
Reimbursement of expenses	1	-
	23	22

*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 proposed to be established in the "Knowledge City "at Mohali, with an equal contribution from each of the founder supporters. out of the total commitment of Rs. 5,000 lacs from Max India Group, the Board of Directors recommended a contribution an amount not exceeding Rs. 1,667 lacs to this initiative over a period of 3-4 years, subject to the shareholders approval. During the year, the company has contributed balance sum of Rs.584 lacs (March 31, 2011: Rs. 550 lacs) under the head Charity and donation.

Notes to Financial Statements for the year ended March 31, 2012

23. Depreciation and amortization expense

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	1,714	1,344
Amortization of intangible assets	182	124
	1,896	1,468

24. Finance Cost

(Rs in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	3,602	3,392
Bank charges	103	105
Option fees	165	55
	3,870	3,552

25. 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'.

26. Earing per share

(Rs in lacs)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Basic EPS		
Profit/(Loss) after tax (Rs. in Lacs)	(3,289)	57
Weighted average number of equity shares outstanding during the year (No.s)	310,328,424	260,151,926
Basic Earnings Per Share (Rs.)	(1.06)	0.02
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	1,479,740	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	311,808,164	-
Diluted Earnings Per Share (Rs.) *	(1.05)	-
Equivalent number of equity shares that can be issued in lieu of 2% cumulative convertible preference shares	22,230,099	13,753,099
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	334,038,263	273,905,025
Diluted Earnings Per Share (Rs.) *	(0.98)	0.02
Equivalent number of equity shares that can be issued in lieu of share application money	-	1,896,683
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	-	275,801,708
Diluted Earnings Per Share (Rs.)	-	0.02
Equivalent number of equity shares that can be issued in lieu of Compulsorily convertible preference shares	28,965,848	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	340,774,012	-
Diluted Earnings Per Share (Rs.) *	(0.97)	-

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

Notes to Financial Statements for the year ended March 31, 2012

27. 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 the form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(Rs in lacs)

	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	87	83
Interest cost on benefit obligation	30	18
Expected return on plan assets	(4)	(5)
Net actuarial(gain)/ loss recognized in the year	(14)	62
Past service cost	-	-
Net benefit expense	99	158
Actual return on plan assets	(4)	(4)

Balance sheet
Benefit asset/ liability

(Rs in lacs)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	407	378
Fair value of plan assets	50	46
Funded Status	(357)	(332)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(357)	(332)

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

(Rs in lacs)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	378	242
Acquisition Adjustment (Employees transferred from parent company)	2	-
Interest cost	30	18
Current service cost	87	83
Benefits paid	(76)	(26)
Actuarial (gains) / losses on obligation	(14)	61
Closing defined benefit obligation	407	378

Notes to Financial Statements for the year ended March 31, 2012

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

(Rs in lacs)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening fair value of plan assets	46	53
Expected return	4	5
Contributions by employer	-	-
Benefits paid	-	(11)
Actuarial gains / (losses) on plan assets		(1)
Closing fair value of plan assets	50	46

The Company expects to contribute Rs. Nil to gratuity in 2012-13.

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

(Rs in lacs)

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
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, 2012	March 31, 2011
	%	%
Discount rate	8.6	7.90
Expected rate of return on assets	9.15	8.15
Retirement Age	60 Years	60 years
Employee turnover	27	30

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 four years are as follows:

(Rs in lacs)

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	407	378	242	124	97
Plan assets	50	46	53	63	61
Surplus / (deficit)	(357)	(332)	(189)	(61)	(36)
Experience adjustments on plan liabilities	(62)	(18)	(11)	10	(3)
Experience adjustments on plan assets	-	(1)	-	-	-

Notes to Financial Statements for the year ended March 31, 2012

28. Employee 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.

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 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, 2012		March 31, 2011	
	No. of options	Weighted Average exercise price (Rs.)	No. of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	3,044,500	10	3,405,000	10
Granted during the Year	925,000	25	259,500	10
Forfeited during the year	259,500	10		10
Exercised during the year	2,285,000	10	620,000	10
Outstanding at the end of the year	1,425,000	20	3,044,500	10
Exercisable at the end of the year	–	–	1,535,000	10

The weighted average share price for the period over which stock options were exercised was Rs. 32.30. Weighted average fair value of options granted on the date of grant is Rs.17.51 (Previous year Rs. 15.78).

	March 31, 2012		March 31, 2011	
	No. of options	Weighted Average remaining life in years	No. of options	Weighted Average remaining life in years
27-Feb-09	–	–	535,000	0.91
7-Dec-09	500,000	1.68	2,250,000	1.46
1-Sep-10	–	–	259,500	2.42
1-Mar-12	925,000	3.87	-	-

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.

Particulars		March 31, 2012	March 31, 2011
A.	Stock Price Now (in Rupees)	32.3	23.56
B.	Exercise Price (X) (in Rupees)	25	10
C.	Expected Volatility (Standard Dev - Annual)	45.60%	38.02%
D.	Historical Volatility	45.60%	38.02%
E.	Life of the options granted (Vesting and exercise period) in years	3.96 Years	3 Years
F.	Expected Dividend	Nil	Nil
G.	Average Risk- Free Interest Rate	8.24%	7.63%
H.	Expected Dividend Rate	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2012

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

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:

	For the year ended March 31, 2012	For the year ended March 31, 2011
Net Profit after tax as reported	(3,289)	57
Add: Employee stock compensation under intrinsic value method	263	116
Less: Employee stock compensation under fair value method	(100)	(222)
Proforma profit	(3,126)	(49)
Earnings Per Share		
Basic		
- As reported	(1.06)	0.02
- Proforma	(1.01)	(0.02)
Diluted		
- As reported	(1.06)	0.02
- Proforma	0.92	(0.31)

29. Leases

29.1. Finance lease:company as lessor

i. 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 (MLP) receivable as at the balance sheet date.

(Rs in lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Total Gross Investment in Lease	1,854	2,201
Less: Unearned Income	1,285	1,478
Less: Unguaranteed Residual Value	70	70
Present value of minimum lease payments discounted at 17.63%	499	653

iii. Gross investment in lease for the period as at March 31,2012

(Rs in lacs)

Particulars	March 31, 2012		March 31, 2011	
	Gross investment in lease	Present value of MLP	Gross investment in lease	Present value of MLP
Within one year	353	133	347	154
After one year but not more than five years	1,431	366	1,426	429
More than five years	-	-	358	70

29.2. Operating lease: company as lessor

i. 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 period of two year with option to renew for a further term with mutual consent. There is no escalation clause in the lease agreement.

Notes to Financial Statements for the year ended March 31, 2012

ii. The total of future minimum lease payments under non-cancellable leases is as follows:

(Rs in lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Not later than one year	48	12
Later than one year and not later than five year	12	-
Later than five year	-	-
Total	60	12

29.3. Finance lease:company as lessee

i. The Company has finance lease for certain medical equipments for a period of 5 years commencing from December 31, 2011. Upon the expiry of terms, the absolute and unencumbered ownership of the equipment shall be vest with the company at the guaranteed residual value.

Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows: (Rs in lacs)

Particulars	March 31, 2012		March 31, 2011	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	80	60	-	-
After one year but not more than five years	239	209	-	-
More than five years	-	-	-	-
Total	319	269	-	-

29.4. Operating lease: company as lessee

The Company has entered into operating lease agreements for hospitals, premises office spaces and accommodation for its employees under operating lease agreements.

Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows: (Rs in lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Not later than one year	1,160	439
Later than one year and not later than five year	4,204	229
Later than five year	30,433	-
Total	35,797	668

Notes to Financial Statements for the year ended March 31, 2012

30. Capitalisation of Expenditure

During the year company has capitalised the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(Rs in lacs)

Particulars	March 31, 2012	March 31, 2011
Opening Balances	1,224	436
Add:		
Insurance	12	15
Travelling and conveyance	40	5
Legal & Professional	94	64
Power and Fuel Expense	102	91
Salaries, wages and bonus	324	253
Interest	382	318
Miscellaneous Expenses	611	42
Total	2,789	1,224
Less: Capitalised during the year	1,855	-
Preoperative expenses pending capitalisation	934	1,224

31. Capital and other commitments

a. Capital commitments

(Rs in lacs)

	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,878	14,015
Less: Capital advances	1,279	2,228
Balance value of contracts	4,599	11,787

b. Commitments relating to lease arrangements, refer note 29

32. Interest in a joint venture

The Company holds 34% interest in Nova Medical Centres NCR Region Private Ltd., a joint controlled entity which is involved in the business of operating multispeciality day care surgical centres in the National Capital Region. However, as at March 31, 2012, due to incremental capital contribution by other ventures, the company's effective interest was reduced to 22.14%.

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, are as follows :

(Rs in lacs)

	March 31, 2012	March 31, 2011
Assets	829	413
Liabilities	(829)	(413)
Revenue	468	114
Depreciation	(119)	(13)
Other Expenses	(905)	(288)
Loss before tax	(556)	(187)

Notes to Financial Statements for the year ended March 31, 2012

33. Related party disclosures

Names of related parties where control exists 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 Pharmax Corporation Limited Max Neeman Medical International Limited, Max Bupa Health Insurance Company Limited
Joint Ventures	Nova Medical Centres NCR Region Private Limited
Key Management Personnel	Mr. Analjit Singh Dr. Pervez Ahmed Dr. R.P. Soonawala Dr. S. K. S. Marya 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. Analijit Singh) Mrs. Nira Singh (wife of Mr. Veer Singh).
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.

Notes to Financial Statements for the year ended March 31, 2012

Transaction with related paties during the year

(Rs in lacs)

Particulars	March 31, 2012	March 31, 2011
Capital work in progress		
Subsidiaries		
Max Medical Services Limited	-	11
Fellow Subsidiaries		
Pharmax Corporation Limited	-	21
Enterprise over which key management personnel have significant influence		
Malsi Estates Limited	-	207
New Delhi House Services Limited	-	19
Loans and advances taken		
Holding Company		
Max India Limited	4,800	-
Repayment of loans and advances taken		
Holding Company		
Max India Limited	4,800	-
Loans and advances given		
Subsidiaries		
Max Medical Services Limited	266	1,728
Hometrail Estate Private Limited	2,068	1,750
Hometrail Buildtech Private Limited	2,056	1,662
Repayment of loans and advances given		
Subsidiaries		
Hometrail Estate Private Limited	4,882	-
Hometrail Buildtech Private Limited	4,655	-
Max Medical Services Limited	10,000	-
Interest income		
Subsidiaries		
Max Medical Services Limited	2,558	2,636
Alps Hosiptal Limited	275	238
Interest expense		
Holding Company		
Max India Limited	84	-
Sale of drugs, pharmaceuticals & medical supplies		
Subsidiaries		
Alps Hosiptal Limited	957	810
Others	211	-
Enterprise over which key management personnel have significant influence		
Max India Foundation	-	3
Lease rentals		
Subsidiaries		
Alps Hosiptal Limited	202	219

Notes to Financial Statements for the year ended March 31, 2012

Transaction with related paties during the year

(Rs in lacs)

Particulars	March 31, 2012	March 31, 2011
Services rendered		
Holding Company		
Max India Limited	-	8
Subsidiaries		
Alps Hosiptal Limited	717	639
Others	7	-
Fellow Subsidiaries		
Max Bupa Health Insurance Company Limited	94	6
Max Neeman Medical International Limited	82	42
Joint Venture		
Nova Medical Centers NCR Region Private Limited	3	1
Enterprise over which key management personnel have significant influence		
Max India Foundation	-	2
Relatives Of Key Management Personnel	-	1
Purchase of fixed assets		
Subsidiaries		
Alps Hosiptal Limited	28	-
Reimbursement of expenses received		
Holding Company		
Max India Limited	10	-
Subsidiaries		
Max Medical Services Limited	28	85
Alps Hosiptal Limited	151	206
Joint Venture		
Nova Medical Centers NCR Region Private Limited	-	1
Services received		
Holding Company		
Max India Limited	375	373
Fellow Subsidiaries		
Max New York Life Insurance Company Limited	43	-
Pharmax Corporation Limited	375	387
Malsi Estates Limited	353	-
Max Bupa Health Insurance Company Limited	165	-
Enterprise over which key management personnel have significant influence		
New Delhi House Services Limited	179	154
Max India Foundation	-	7
Purchase of goods		
Subsidiaries		
Max Medical Services Limited	223	196
Expenses incurred by related party on our behalf		
Holding Company		
Max India Limited	165	49
Subsidiaries		
Alps Hosiptal Limited	-	2
Fellow Subsidiaries		
Pharmax Corporation Limited	126	3

Notes to Financial Statements for the year ended March 31, 2012

Transaction with related paties during the year

(Rs in lacs)

Particulars	March 31, 2012	March 31, 2011
Max New York Life Insurance Company Limited	5	-
Salary		
Relatives Of Key Management Personnel		
Ms. Piya Singh	5	5
Director's remuneration		
Key Management Personnel		
Dr. Pervez Ahmed	234	345
Dr. Pradeep Chowbey	68	65
Dr. R.P. Soonawala	21	32
Dr. SKS Maurya	154	-
Employee Benefit Funds		
Co's contribution to superannuation	8	8
Company's contribution to PF trust	356	308
Charity and donation		
Enterprise over which key management personnel have significant influence		
Max India Foundation	-	67
Issue of preference shares		
Holding Company		
Max India Limited	15,000	-
Redemption of preference shares		
Holding Company		
Max India Limited	15,000	-
Premium on redemption of preference shares		
Holding Company		
Max India Limited	1,189	-
Issue of equity shares		
Holding Company		
Max India Limited	-	5,339
Investment		
Subsidiaries		
Max Medical Services Limited	10,000	-
Hometrail Estate Private Limited	6,200	-
Hometrail Buildtech Private Limited	5,500	-
Joint Venture		
Nova Medical Centers NCR Region Private Limited	258	422
Share application money received		
Holding Company		
Max India Limited	-	2,500
Share application money given		
Joint Venture		
Nova Medical Centers NCR Region Private Limited	20	178

Notes to Financial Statements for the year ended March 31, 2012

Balance outstanding at the year end

(Rs in lacs)

Particulars	March 31, 2012	March 31, 2011
Investment		
Subsidiaries		
Max Medical Services Limited	12,094	-
Hometrail Estate Private Limited	6,201	-
Hometrail Buildtech Private Limited	5,501	-
Joint Venture		
Nova Medical Centers NCR Region Private Limited	680	422
Corporate Guarantee		
Holding Company		
Max India Limited	36,500	39,000
Loan and advances		
Subsidiaries		
Max Medical Services Limited	11,725	21,459
Alps Hosiptal Limited	653	653
Hometrail Estate Private Limited	-	2,830
Hometrail Buildtech Private Limited	-	2,611
Interest Receivable		
Subsidiaries		
Max Medical Services Limited	3,289	5,637
Others	9	169
Lease Receivable		
Subsidiaries		
Alps Hosiptal Limited	2,119	1,868
Other Loans and advances		
Subsidiaries		
Max Medical Services Limited	103	135
Hometrail Estate Private Limited	16	-
Hometrail Buildtech Private Limited	12	-
Fellow Subsidiaries		
Max Bupa Health Insurance Company Limited	2	-
Trade Payables		
Holding Company		
Max India Limited	(2,168)	(1,838)
Subsidiaries		
Max Medical Services Limited	(29)	(76)
Fellow Subsidiaries		
Pharmax Corporation Limited	-	14
Enterprise over which key management personnel have significant influence		
New Delhi House Services Limited	(7)	(7)
Max India Foundation	(61)	(8)

Notes to Financial Statements for the year ended March 31, 2012

Balance outstanding at the year end

(Rs in lacs)

Particulars	March 31, 2012	March 31, 2011
Superannuation & PF Fund	**(1)**	(27)
Enterprise over which key management personnel have significant influence		
Malsi Estates Limited	**(9)**	(27)
Trade Receivables		
Subsidiaries		
Alps Hosiptal Limited	**2,572**	1,942
Hometrail Estate Private Limited	**36**	-
Hometrail Buildtech Private Limited	**24**	-
Fellow Subsidiaries		
Max Neeman Medical International Limited	**14**	40
Max Healthstaff International Limited	**-**	4
Max Bupa Health Insurance Company Limited	**2**	1
Max New York Life Insurance Company Limited	**1**	4

During the year, the company has paid Rs.339 Lakhs to Mr. Pervez Ahmed, Ex-Chief Executive Officer and Managing Director of the company, as severance fee- for loss of office on November 1, 2011.

Notes to Financial Statements for the year ended March 31, 2012

34. Contigent Liabilities

(Rs in lacs)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(i)	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by a subsidiaries of the Company and other healthcare service providers. (Refer note (a))		
	- L & T Infrastructure Finance Company Limited	7,471	5,100
	- Export-Import Bank of India	2,680	2,920
	- Housing Development Finance Corporation Limited	4,275	4,800
	- IndusInd Bank Limited	5,000	-
(ii)	Claims against the Company not acknowledged as debts (Refer note (b))		
	- Civil Cases	1,636	991
(iii)	Letters of credit outstanding with various banks in favour of domestic and foreign suppliers for consumables, medicines and medical equipments	5	527
(iv)	Liability of assumed IRR on Compulsory convertible preference shares pending allotment (Refer note 3.3)		51
(v)	a) Arrears of dividend on 2% Cumulative convertible preference shares	1,173	1,840
	b) Corporate Dividend tax thereon	190	306
(vi)	Income Tax cases ((Refer note (c))	4,292	4,069

Note:

a. Guarantees given by the Company to the lenders for 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.

b. 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.

c. **Income Tax Cases**

Assessment Year	Appeal against the disallowance pending before	Disallowance made by the Assessing Officer (Rs. In Lacs)	
		As at March 31, 2012	As at March 31, 2011
2003-04	CIT (Appeals)	1,158	1,158
2004-05	CIT (Appeals)	641	641
2005-06	CIT (Appeals)	649	649
2006-07	CIT (Appeals)	462	462
2007-08	CIT (Appeals)	917	917
2008-09	CIT (Appeals)	242	242
2009-10	CIT (Appeals)	223	-
		4,292	4,069

Note:

(a) There are no demands as on March 31,2012.

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

Notes to Financial Statements for the year ended March 31, 2012

35. Deferred Tax Asset/ (Liability)

(Rs in lacs)

	As at March 31, 2012	As at March 31, 2011
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation /amortisation as at balance sheet date	2,954	2,237
Gross Deferred Tax Liability	2,954	2,237
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	420	65
Provision for doubtful debts and advances	354	597
Carried forward business loss and unabsorbed depreciation	4,910	4,188
Others		
Gross Deferred Tax Assets	5,684	4,850
Net Deferred Tax Asset	2,730	2,613

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

36. Particulars of unhedged foreign currency as at the balance sheet date

(Rs in lacs)

	Foreign Currency		Indian Rupees	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Import trade payable (EUR)	-	-	25	-
Import trade payable (USD)	8	-	389	-
Import trade payable (YEN)	15	-	9	-

Closing rates are as under

(RUPEES)

	March 31, 2012	March 31, 2011
	TT Sell	TT Sell
USD	51.68	44.92
EUR	69.35	63.82
YEN	63.81	-

Notes to Financial Statements for the year ended March 31, 2012

37. Value of Imports calculated on CIF Basis

(Rs in lacs)

	March 31, 2012	March 31, 2011
Capital Goods	993	200
Traded Goods	7	89
Total	1,000	289

38. Expenditure in foreign currency (accrual basis)

(Rs in lacs)

	March 31, 2012	March 31, 2011
Legal and Professional	71	84
Others	77	74
Total	148	158

39. Earnings in foreign currency

(Rs in lacs)

	March 31, 2012	March 31, 2011
Consultation Fees	1,870	38
Total	1,870	38

40. Details of utilisation of Preferential Proceeds

(Rs in lacs)

	March 31, 2012	March 31, 2011
Amount Received on preferential Allotment of equity shares.	51,650	30,000
Utilisation:		
Repayment of Loans	3,356	9,050
Redemption of Preference Shares	36,482	-
Working Capital	–	2,514
Purchase of land(including Advances)	–	5,047
New Projects	112	2,790
Loans to Subsidiaries	–	5,114
Investment in Subsidiaries	11,700	-
Loan to other healthcare services provider	–	5,485
Total	51,650	30,000

41. 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 and Bhatinda, Punjab on Public Private Partnership (PPP) mode. Thereafter, the Company together with the Government of the state of Punjab and Hometrail Estate Private Limited (HEPL) and Hometrail Buildtech Private Limited (HBPL) respectively entered into a tripartite concession agreement for setting up the above mentioned hospital projects. The company is a confirming party to the concession agreements and has agreed to undertake and comply with the terms and conditions mentioned therein. HEPL and HBPL have commenced operations in current financial year.

Notes to Financial Statements for the year ended March 31, 2012

42. Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures 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

Gurgaon
May 14, 2012

For and on behalf of the Board of Directors of Max Healthcare Institute Limited

DR. PRADEEP CHOWBEY	Director
DR. SKS MARYA	Director
DR. AJAY BAKSHI	Chief Executive Officer
YOGESH SAREEN	Chief Financial Officer
LALJI KUMAR	Company Secretary

New Delhi
May 14, 2012

Max Medical Services Limited

MAX

Directors' Report

Your Directors are pleased to present their Eighteenth Annual Report, along with the Audited Accounts for the financial year ended March 31, 2012.

OPERATIONS

The Company recorded operational revenue of Rs.57.75 crores during the year 2011-2012, which is Rs. 4.33 crores higher than the previous year revenue of Rs. 53.42 crores. This is mainly due to increased Trading activities undertaken by your company. During the year, your company incurred a loss of Rs. 1.10 crores as against a previous year loss of Rs. 1.30 crores. Though the Company managed to decrease the Finance cost during the year, the losses are primarily on account of increased cost of pharmacy, drugs, consumables and implants.

INCREASE IN SHARE CAPITAL

During the year under review, the Company issued and allotted 2,00,00,000 equity shares of Rs. 10/- each of the Company at a premium of Rs. 40/- per share to Max Healthcare Institute Limited on February 22, 2012. With the aforesaid allotment, to total paid up share capital of the Company stood increased at Rs. 34,14,25,350/- as of date.

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), Mr. Mohit Talwar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The following were appointed as Additional Directors of the Company to hold office up to the ensuing Annual General Meeting:

- Mr. Pradeep Srivastava on October 1, 2011
- Mr. Pradeep Pal Chadha on November 3, 2011
- Mr. Yogesh Kumar Sareen on April 2, 2012
- Mr. Neeraj Goel on May 23, 2012

The Company has received notices under Section 257 of the Act from members proposing the candidature of Mr. Pradeep Srivastava, Mr. Yogesh Sareen, and Mr. Neeraj Goel for being appointed as Directors of the Company.

Mr. Arvind Kakar resigned from the Board effective October 1, 2011 and Mr. P. Dwarakanath and Mr. Pradeep Pal Chadha were resigned from the Board of the Company effective April 2, 2012. The Board places on record, its appreciation for the valuable contribution made by Mr. Arvind Kakar, Mr. P. Dwarakanath and Mr. Pradeep Pal Chadha during their association with the Company.

AUDIT COMMITTEE

The Audit Committee of your Company currently comprises of Mr. Yogesh Sareen, Mr. Pradeep Srivastava 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 B C & 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 has enough financial support of its ultimate holding Company to meet its financial obligations. Further, your Directors would like to inform you that the Company has already taken few considerable steps to set right the financial structure and losses. The Company is regularly reviewing its current financing within 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.

Directors' Report

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

New Delhi	**Yogesh Sareen**	**Pradeep Srivastava**
May 23, 2012	Director	Director

MAX MEDICAL SERVICES LIMITED
STATEMENT REGARDING SUBSIDARY COMPANIES PURSUANT TO SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

Name of the Subsidary Company	Financial Year to which Accounts relate	Holding Companie's interest at the close of Financial year of Subsidary Company		Net Aggregate amount of Subsidary 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 Subsidary 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			Holding Company's Interest as at 31.03.2012 incorporating changes since close of financial year/period of Subsidary Company
		(i) Shareholding	(ii) Extent of Holding	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)	
Alps Hospital Limited	31.03.2012	50,000 Equity Share of Rs. 10 each	100%	(708.06)	(702.44)	NIL	NIL	100%

Figures in brackets indicate loss.

For and on behalf of the Board of Directors

New Delhi
May 23, 2012

Yogesh Sareen
Director

Pradeep Srivastava
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, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgoan
May 23, 2012

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.

(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.

(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 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 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.

(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.

(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. *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

Auditors' Report

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.1,391,700,000 raised on short term basis in the form of short term borrowings from holding company have been used for long-term investment representing acquisition of fixed assets and funding of losses.*

(xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgoan
May 23, 2012

Balance Sheet as at March 31, 2012

(RS. IN LACS)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,414	1,414
Reserves and surplus	4	4,141	(2,757)
		7,555	(1,343)
Non-current liabilities			
Other long-term borrowings	5	173	321
		173	321
Current liabilities			
Short-term borrowings	6	11,725	21,459
Trade payables	7	900	760
Other current liabilities	7	3,844	6,148
Short-term provisions	8	-	19
		16,469	28,386
TOTAL		24,197	27,364
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	7,627	7,210
Intangible assets	10	1	7
Capital work-in- progress		-	582
Non-current investments	11	1,348	1,348
Long-term loans and advances	12	4,016	4,278
Trade receivables	13	8,653	8,112
		21,645	21,537
Current assets			
Inventories	14	-	7
Trade receivables	13	615	4,148
Cash and bank balances	15	60	68
Short-term loans and advances	12	1,877	1,604
		2,522	5,827
TOTAL		24,197	27,364
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Max Medical Services Limited

Pradeep Srivastava (Director)

Yogesh Sareen (Director)

Rohit Gandhi
(Company Secretary)

New Delhi
May 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RS. IN LACS)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Income			
Revenue from operations	16	4,866	4,482
Other Income	18	909	860
Total (I)		5,775	5,342
Expenses			
Construction cost consumed		–	596
(Increase)/decrease in inventory of pharmacy, drugs and consumables		7	(3)
Purchase of pharmacy, drugs, consumables and implants		2,829	2,322
Employee benefit expenses	19	3	2
Other expenses	20	765	503
Total (II)		3,604	3,420
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		2,171	1,922
Depreciation and amortisation	21	698	623
Finance cost	22	2,584	2,615
Profit/(loss) before tax		(1,111)	(1,316)
Tax expense			
Current tax		(19)	-
Total tax expense		(19)	-
Profit/(Loss) after tax		(1,092)	(1,316)
Earnings per equity share			
Basic and diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]	23	(6.71)	(9.31)
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Max Medical Services Limited

Pradeep Srivastava
(Director)

Yogesh Sareen
(Director)

Rohit Gandhi
(Company Secretary)

New Delhi
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RS. IN LACS)

		For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities			
Net Profit / (loss) before tax		(1,092)	(1,316)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:			
Depreciation / amortisation		698	623
Interest expense		2,571	2,615
Interest income		(360)	(364)
Operating Profit Before Working Capital Changes		1,817	1,558
Movement in working capital :			
Increase/ (decrease) in trade payables		154	(483)
Decrease in short-term provisions		(19)	-
Increase/ (decrease) in other current liabilities		30	313
Increase/ (decrease) in other long-term liabilities		(148)	321
Decrease / (increase) in trade receivables		2,992	(1,957)
Decrease in inventories		7	183
Increase in long-term loans and advances		262	252
Increase in short-term loans and advances		10	11
Cash generated from operations		5,105	198
Direct taxes received/(paid) (net of refunds)		-	62
Net cash flow used in operating activities	(A)	5,105	260
Cash flow from investing activities			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(527)	(1,322)
Investment in bank deposits (having original maturity of more than three months but less than twelve months)		(35)	-
Proceeds from bank deposits (having original maturity of more than three months but less than twelve months)		35	-
Interest Received		77	2
Net cash flow used in investing activities	(B)	(450)	(1,320)
Cash flow from financing activities			
Proceeds from issuance of share capital		10,000	-
Share issue expenses		(10)	-
Proceeds from short -term borrowings		266	1,724
Repayment of short-term borrowings		(10,000)	-
Interest paid		(4,919)	(760)
Net cash flow from /(used in) financing activities	(C)	(4,663)	964
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		(8)	(96)
Cash and cash equivalents at the beginning of the year		68	164
Cash and cash equivalents at the end of the year		60	68
Components of cash and cash equivalent			
Cash on hand		-	-
Cheques/drafts on hand		-	37
With banks -			
on current account		60	31
Total cash and cash equivalents		60	68

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Max Medical Services Limited

Pradeep Srivastava (Director)

Yogesh Sareen (Director)

Rohit Gandhi
(Company Secretary)

New Delhi
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate information**

   The Company is in the business of construction of hospitals, leasing of medical and other equipment and trading of goods.

2. **Basis of preparation**

   The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on the accrual basis and under historical cost convention.

   The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities,at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing fixed asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(d) Depreciation on tangible fixed assets

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.

Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Notes to Financial Statements for the year ended March 31, 2012

Intangible assets are amortised on a straight line basis over the estimated useful economic life of two to six years.

(f) Leases

Where the company is 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 inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight –line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as finance lease. Assets given under finance finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight – line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(g) 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.

(h) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Notes to Financial Statements for the year ended March 31, 2012

The company bases its impairment calculation of detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units (CGU)to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining useful life.

An assessments is made at each reporting date as to whether is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation. Had no impairment loss been recognized loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees, and duties.

Current investments are carried in the financial statements 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 value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) 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. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales tax and value added taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Lease Income

The Company is in the business leasing of medical and other equipments. Income from leasing activity is

Notes to Financial Statements for the year ended March 31, 2012

is based on fixed percentage of the turnover of other healthcare service provider and is entirely contingent. Contingent lease rent is recognized based on the occurrence of the contingency

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss account.

(l) Foreign exchange transactions

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.

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. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rates that existed when the values were determined.

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.

(m) 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 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.

Notes to Financial Statements for the year ended March 31, 2012

(n) **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.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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 accounting 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.

(o) **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.

(p) **Provisions**

A provision is recognized when the company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) **Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) **Cash & 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.

(s) **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

3. Share Capital

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Authorised		
35,000,000 (Previous year: 35,000,000) equity shares of Rs. 10/- each	3,500	3,500
	3,500	3,500
Issued, subscribed & fully paid-up		
34,142,535 (Previous year: 14,142,535) equity shares of Rs. 10/- each fully paid up	3,414	1,414
	3,414	1,414

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Equity Shares				
At the beginning of the year	14,142,535	1,414	14,142,535	1,414
Issued during the period	20,000,000	2,000	-	-
Outstanding at the end of the year	34,142,535	3,414	14,142,535	1,414

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Shares held by holding Company

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Max Healthcare Institute limited		
34,142,465 (Previous year: 14,142,465) equity shares of Rs. 10/- each fully paid up	3,414	1,414
	3,414	1,414

3.4 Details of shareholder holding more than 5% shares is set out below (legal ownership)

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	%held
Max Healthcare Institute Limited	34,142,465	99.99	14,142,465	99.99

Notes to Financial Statements for the year ended March 31, 2012

4. Reserves and Surplus

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Securities premium account		
Balance as per last financial statements	30	30
Add: Premium on issue of equity shares	8,000	-
Less: Share issue expenses	10	-
Closing Balance	8,020	30
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(2,787)	(1,471)
Loss for the year	(1,092)	(1,316)
Net deficit in the statement of profit and loss	(3,879)	(2,787)
Total reserves and surplus	4,141	(2,757)

5. Long term borrowings

(RS. IN LACS)

	Non-Current	
	As at March 31, 2012	As at March 31, 2011
Deferred payment liabilities (unsecured)	173	321
	173	321

Details of deferred payment liabilities

Deferred payment liabilities are payments to be made to foreign vendor for acquisition of capital asset after 35 months from their respective shipment date i.e. February 2011 .

6. Short term borrowings

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Inter-corporate deposits payable on demand (unsecured)	11,725	21,459
	11,725	21,459

7. Current Liabilities

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Trade Payables dues of other than micro and small enterprises*	900	760
Other liabilities		
Current maturities of deferred payment liabilities	173	161
Interest accrued and due on borrowings	3,289	5,637
Other Liabilities	380	350
Creditors for capital goods	2	-
	3,844	6,148
	4,744	6,908

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of the act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

8. Provisions

(RS. IN LACS)

	Short - term As at March 31, 2012	As at March 31, 2011
Provision for income tax	–	19
	–	19

9. Tangible Assets

(RS. IN LACS)

	Medical Equipments	Plant & Machinery	Office Equipments and Computers	Furniture and Fixtures	Total
Gross Block					
At April 1, 2010	6,506	1,376	401	363	8,646
Additions	667	54	16	33	770
At 31 March, 2011	**7,173**	**1,430**	**417**	**396**	**9,416**
Additions	1,107	1	1	–	1,109
At 31 March, 2012	**8,280**	**1,431**	**418**	**396**	**10,525**
Depreciation					
At April 1, 2010	1,026	296	142	128	1,592
Charge for the year	469	68	46	31	614
At 31 March, 2011	**1,495**	**364**	**188**	**159**	**2,206**
Charge for the year	575	67	28	22	692
At 31 March, 2012	**2,070**	**431**	**216**	**181**	**2,898**
Net Block					
At 31 March, 2011	5,678	1,066	229	237	7,210
At 31 March, 2012	**6,210**	**1000**	**202**	**215**	**7,627**

10. Intangible Assets

(RS. IN LACS)

	Computer Software	Total
Gross Block		
At April 1, 2010	58	58
Additions	–	-
At 31 March, 2011	**58**	**58**
Additions	–	-
At 31 March, 2012	**58**	**58**
Amortization		
At April 1, 2010	42	42
Charge for the year	9	9
At 31 March, 2011	**51**	**51**
Charge for the year	6	6
At 31 March, 2012	57	**57**
Net Block		
At 31 March, 2011	7	7
At 31 March, 2012	1	1

All the tangible and intangible assets have been given on operating lease to other healthcare service provider.

Notes to Financial Statements for the year ended March 31, 2012

11. Non – Current Investments

(RS. IN LACS)

	Non – Current	
	March 31, 2012	March 31, 2011
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
50,000 Equity shares (Previous year 50,000) of Rs.10/- each fully paid up in Alps Hospital Limited	1,348	1,348
Aggregate value of unquoted investments	1,348	1,348

12. Loans and Advances

(RS. IN LACS)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances				
Unsecured, considered good	2	6	–	-
Security Deposits				
Unsecured, considered good	783	783	–	-
Loans and advances to related parties				
Unsecured, considered good	2,571	2,571	1,498	1,179
Unsecured, considered good	–	-	6	8
Loans and advances to other healthcare service provider				
Unsecured, considered good	660	918	258	295
Other loans & advances				
Tax deducted at source	–	-	68	104
MAT credit entitlement			36	-
Prepaid expenses	–	-	11	18
Total	4,016	4,278	1,877	1,604

a) Performance Guarantee of Rs 783 Lacs had been deposited with the other healthcare service provider, in earlier years, as per the agreements.

b) 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. 2,571 Lacs (March 31, 2011 Rs. Rs. 2,571 Lacs) had been given to the subsidiary as unsecured loan.

13. Trade receivables

(RS IN LACS)

	Non – Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	3,596	2,900	–	2,905
Other receivables				-
Unsecured, considered good	5,057	5,212	615	1,243
	8,653	8,112	615	4,148

Notes to Financial Statements for the year ended March 31, 2012

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 Lacs. The said consideration is repayable in equal installments over 26.5 years from the handover date. Further, the Company has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 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. 544 Lacs (Previous year Rs. 433 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.

14. Inventories

(RS. IN LACS)

	As at March 31, 2012	As at March 31, 2011
Stock of Pharmacy, drugs and consumables	–	7
		7

15. Cash and bank balances

(RS. IN LACS)

	Current	
	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks:		
in current accounts	60	31
Cheques/drafts on hand	–	37
Cash on hand	–	-
	60	68

16. Revenue from operations

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products		
Sale of pharmacy and pharmaceuticals supplies	2,836	2,328
Sale of services		
Revenue from leasing activities	1,249	959
Revenue from repair and maintenance of healthcare services	781	599
Construction of hospital building	–	596
Revenue from operations	4,866	4,482

Notes to Financial Statements for the year ended March 31, 2012

17. Details of purchase, sale and inventory

(RS IN LACS)

Description	Opening Stock	Purchases	Sales	Closing Stock
Stent	-	1,097	1,097	-
	-	(1,210)	(1,219)	-
Baloon	-	77	77	-
	-	(68)	(68)	-
Pacemakers	-	1,231	1,231	-
	-	(671)	(671)	-
Others	7	424	431	-
	(4)	(363)	(360)	(7)
Medical Equipment	-	-	-	-
	-	(10)	(10)	-
Total	7	2,829	2836	-
	(4)	(2,322)	(2,328)	(7)

(figures in brackets represents previous years)

18. Other income

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Income from deferred credit	544	433
Liabilities/provisions no longer required written back	5	44
Interest Income on:		
Loans	358	358
Tax refund	1	6
Fixed deposits	1	-
Foreign exchange fluctuation net	-	14
Other non-operating income	-	5
	909	860

19. Employee benefit expenses

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	3	2

20. Other Expenses

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	2	1
Insurance	29	24
Rates and taxes	4	1
Repairs and maintenance:		
Building	144	96
Plant and equipments	252	177
Others	221	146
Legal and professional	36	52
Donation	-	6
Net loss on foreign exchange fluctuation	74	-
Miscellaneous	3	-
	765	503

Notes to Financial Statements for the year ended March 31, 2012

Payment to auditor (included in legal and professional)

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fee	5	5
Reimbursement of expenses	–	1
	5	6

21. Depreciation and amortization expense

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	692	614
Amortization of intangible assets	6	9
	698	623

22. Finance Cost

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	2,571	2,615
Bank charges	13	-
	2,584	2,615

23. Earnings per share (EPS)

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Total operations for the year		
Profit/(loss) after tax	(1,092)	(1,316)
Net profit/(loss) for calculation of basic/diluted EPS	(1,092)	(1,316)
Weighted average number of equity shares in calculating basic /diluted EPS	16,273,683	14,142,535
Earnings per equity share		
Basic and diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]	(6.71)	(9.31)

24. Contingent Liabilities not provided for:

(RS. IN LACS)

S. No.	Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
1	Letters of credit outstanding with various banks in favour of domestic and foreign suppliers for supply of Raw materials and capital goods	–	192

Notes to Financial Statements for the year ended March 31, 2012

25. Capital and Other Commitments

a Capital Commitments

(RS. IN LACS)

S. No.	Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
1	Estimated value of contracts remaining to be executed	2	32
2	Less: Capital advances	2	6
3	Balance Value of contracts	-	26

b. Commitment with respect to leases are enclosed in note 26.

26 Leases

a) 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.

b) 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. 1,249 Lacs (Previous Year Rs. 959 Lacs) 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.

27 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 Max Healthcare Institute Limited.

28. Deferred tax

(RS. IN LACS)

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred tax liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	890	783
Effect of expenditure debited and incomes credited to profit and loss account in the current year but allowed for tax purposes in following years	-	4
Gross deferred tax liability	890	787
Deferred tax asset		
Carried forward unabsorbed depreciation	1,766	1,580
Effect of expenditure debited and incomes credited to profit and loss account in the current year but allowed for tax purposes in following years	14	-
Gross deferred tax assets	1,780	1,580
Net Deferred Tax Asset / (Liability)	890	793

Notes to Financial Statements for the year ended March 31, 2012

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.

29. Related party disclosures

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
Subsidiary Companies	Alps Hospital Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Pharmax Corporation Limited

Notes to Financial Statements for the year ended March 31, 2012

29.1 Transaction with related parties during the year (RS IN LACS)

S. No.	Particulars	2012	2011
1	Issue of share capital		
	Holding Company		
	Max Healthcare Institiute Limited	10,000	-
2	Loans taken		
	Holding Company		
	Max Healthcare Institiute Limited	266	1,728
3	Loans repaid		
	Holding Company		
	Max Healthcare Institiute Limited	10,000	-
4	Services received		
	Holding Company		
	Max Healthcare Institiute Limited	28	85
	Fellow Subsidaries		
	Pharmax Corporation Limited	2	1
5	Sales		
	Holding Company		
	Max Healthcare Institiute Limited	223	206
6	Interest expense		
	Holding Company		
	Max Healthcare Institiute Limited	2,558	2,636
7	Purchase of medical equipment		
	Holding Company		
	Max Healthcare Institiute Limited	5	-
8	Interest income		
	Subsidiaries		
	Alps Hospital Limited	321	321
9	Reimbursement of expenses		
	Holding Company		
	Max Healthcare Institiute Limited	-	(2)

Balances outstanding at the year end.

S. No.	Particulars	2012	2011
	a) Inter-corporate deposits payable on demand (unsecured)		
	Holding Company		
	Max Healthcare Institiute Limited	11,725	21,459
	b) Interest accrued and due on borrowings		
	Holding Company		
	Max Healthcare Institiute Limited	3,289	5,637
	c) Trade payables		
	Holding Company		
	Max Healthcare Institiute Limited	106	135
	d) Trade receiveables		
	Holding Company		
	Max Healthcare Institiute Limited	29	75
	e) Loans & Advances		
	Subsidiaries		
	Alps Hospital Limited	4,069	3,750

Notes to Financial Statements for the year ended March 31, 2012

30 Segment Reporting

The Company operates into three major segments: Trading, Construction and leasing and repair & maintenance. A description of the types of products and services provided by each reportable segment is as follows:

Trading Activity includes trading in pharmacy and pharmaceuticals products.

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.

(RS IN LACS)

		Segment			Total
S. No.	Particulars	Trading	Construction	Leasing and repairs & maintenance	
1	External Sales	**2,836**	**-**	**2,030**	**4,866**
		(2,328)	(596)	(1,558)	(4,482)
2	Revenue from operation	**2,836**	**-**	**2,030**	**4,866**
		(2,328)	(596)	(1,558)	(4,482)
3	Segment Result	**(0)**	**-**	**1,385**	**1,385**
		(5)	-	(1,116)	(1,121)
4	Unallocated Expenses				**123**
					(59)
5	Unallocated Incomes				**549**
					(496)
6	Interest Incomes				**360**
					(364)
7	Operating profit				**2,171**
					(1,922)
8	Depreciation and Amortisation			**698**	**698**
				(623)	(623)
9	Operating Profit after depreciation				**1,473**
					(1,299)
10	Financial Expenses				**2,584**
					(2,615)
11	Profit before Tax				**(1,111)**
					1,316
12	Tax Expense				**(19)**
					-
13	Profit after Tax				**(1,092)**
					1,316
	Other Segment Informations				
14	Segment Assets	**300**	**5,708**	**11,671**	**17,679**
		(261)	(6,843)	(14,511)	(21,615)
15	Unallocated Assets				**6,518**
					(5,749)
16	Total Assets				**24,197**
					(27,364)
17	Segment Liabilities	**668**	**5,779**	**9,710**	**16,157**
		(481)	(6,761)	(10,033)	(17,275)
18	Unallocated Liabilities				**8,040**
					(10,089)
	Total Liabilities				**24,197**
					(27,364)

(figures in bracket represents previous year)

The Company operates in single geographical Segment

Notes to Financial Statements for the year ended March 31, 2012

31 Value of Imports calculated on CIF Basis

(RS. IN LACS)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Capital goods	**348**	657
Total	**348**	657

32 Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956,has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Max Medical Services Limited

Pradeep Srivastava
(Director)

Yogesh Sareen
(Director)

Rohit Gandhi
(Company Secretary)

New Delhi
May 23, 2012

Alps Hospital Limited

■ ■ ■ ■

MAX

Directors' Report

Your Directors are pleased to present their Twenty Third Annual Report along with the Audited Accounts for the financial year ended March 31, 2012.

OPERATIONS :

The hospital operations of the Company continue to improve and improvise its performance and during the period under review, set up new Stem Cell lab and also started various new medical programmes. The hospital continues to witness higher footfalls which is testimony to the service and medical excellence practiced by the Company, to exceed the expectations of its customer and patients.

During the year under review the Revenue from Healthcare Services grew by 16% from Rs. 46.71 crore in 2010-11 to Rs.54.25 crore in 2011-12. The Company incurred a Net loss for the year of Rs. 7.08 crore which is marginally higher as compared to previous year's loss of Rs. 7.02 crore. The Company has taken steps to reduce the losses and also mitigate the main reason for continued losses and it is expected that in the ensuing financial year, the net operating results would improve significantly.

The Company performed over 353 Ortho-surgeries, 1027 Obstetrics & Gynaecology surgeries and over 1843 other procedures and at the same time the average occupancy improved from 58.5% to 72%. The Company touched more than 4 Lac lives during the period 2011-12 and a large of part of these were repeat patients/customers, which is testament to the quality and service excellence practiced by 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, Mrs. Sujatha Ratnam is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Pradeep Srivastava and K.S. Ramsinghaney were appointed as Additional Directors of the Company on October 1, 2011 and April 2, 2012, respectively to hold office up to the ensuing Annual General Meeting. The Company has received notices under Section 257 of the Act from members proposing the candidature of Mr. Pradeep Srivastava and Mr. K.S. Ramsinghaney for being appointed as Directors of the Company.

Mr. Pradeep Pal Chadha was appointed as an Additional Director of the Company effective November 3, 2011, and has resigned from the Board effective April 2, 2012. Mr. Arvind Kakar resigned from the Board of Directors of the Company effective October 1, 2011. The Board places on record, its appreciation for the valuable contribution made by Pradeep Pal Chadha and Mr. Arvind Kakar during their association as Directors of the Company.

AUDITORS :

S R B C & 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 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. Further, your Directors would like to inform you that the Company had to depend on short term funding from holding Company in order to fast track the setting up of the hospital as the funds were being tied up for long term funding. Further, large amount of start up losses are innate to the starting up of a green field healthcare facilities. The Company has, however, taken steps to set its capital structure right and is also regularly reviewing its current financing within regulatory parameters.

DEPOSIT :

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 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

C. Foreign Exchange Earnings and Outgo: Nil

Directors' Report

PARTICULAR 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	**Pradeep Srivastava**	**Rohit Gandhi**
May 23, 2012	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, 2012 and also the Statement of Profit and Loss 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. Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company incurred a net loss of Rs. 70,806 thousand during the year ended March 31, 2012 and, as of that date, the Company has accumulated losses of Rs. 343,190 thousand as against share capital of Rs. 500 thousand. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its holding company. These mitigating factors have been more fully discussed in note 2 in the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

5. 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration No. 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

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.

(b) According to the information and explanations given to us, no undisputed a mounts 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 institution

(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. 696,617,000 raised on short term basis in the form of short term borrowings from holding company 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 B C & Co.
Firm registration No. 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RS. '000)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	500	500
Reserves and surplus	4	(343,190)	(272,384)
		(342,690)	(271,884)
Non-current liabilities			
Long-term borrowings	5	43,532	56,868
Long-term provisions	6	578	-
		44,110	56,868
Current liabilities			
Short-term borrowings	7	322,332	322,332
Trade payables	8	300,525	223,110
Other current liablities	8	171,651	148,410
Short-term provisions	6	3,051	2,951
		797,559	696,803
TOTAL		498,979	481,787
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	396,079	395,346
Intangible assets	10	210	358
Long-term loans and advances	11	1,748	2,097
		398,037	397,801
Current assets			
Inventories	12	11,500	8,683
Trade receivables	13	47,860	38,108
Cash and bank balances	15	10,671	15,902
Short-term loans and advances	11	28,903	20,243
Other current assets	14	2,008	1,050
		100,942	83,986
TOTAL		498,979	481,787
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Alps Hospital Limited

Pradeep Srivastava
(Director)

Rohit Gandhi
(Director)

New Delhi
May 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RS. '000)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
INCOME			
Revenue from operations	16	538,705	466,107
Other Income	17	3,782	975
Total		542,487	467,082
EXPENSES			
Cost of pharmacy, drugs, consumables and implants		116,320	95,172
(Increase) /decrease in inventory of pharmacy, drugs and consumables		(2,817)	460
Employee benefit expenses	18	92,788	85,728
Other expenses	19	318,021	273,257
Total		524,312	454,617
Earnings before interest, tax, depreciation and amortisation (EBITDA)		18,175	12,465
Depreciation and amortisation	20	25,412	24,032
Finance cost	21	63,569	58,677
Profit/(loss) before tax		(70,806)	(70,244)
Tax expense		–	-
Profit/(Loss) after tax		(70,806)	(70,244)
Earnings per equity share	22		
Basic and diluted [Nominal value of shares Rs 10 (Previous year Rs 10)]		(1,416.12)	(1,404.88)
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Alps Hospital Limited

Pradeep Srivastava
(Director)

Rohit Gandhi
(Director)

New Delhi
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RS. '000)

		March 31, 2012	March 31, 2011
Cash Flow from the Operating Activities:			
Net (loss) before tax		(70,806)	(70,244)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:			
Depreciation / amortisation		25,412	24,032
Interest expense		59,607	55,899
Interest income		(272)	(226)
Net profit on sale of fixed assets		(27)	-
Provision for doubtful debts and advances		7,493	5,521
Operating Profit Before Working Capital Changes		21,407	14,982
Movement in working capital :			
Increase in current liabilities		61,653	45,900
Increase in provisions		677	426
Increase/ (decrease) in other current liabilities		2,305	(6,139)
Increase in trade receivables		(17,245)	(11,165)
Decrease / (increase) in inventories		(2,817)	460
Decrease / (increase) in long-term loans and advances		1,030	(1,690)
Decrease / (increase) in other current assets		(980)	1,521
Cash generated from operations		66,030	44,295
Direct taxes paid (net of refunds)		(9,342)	(10,138)
Net cash flow from operating activities	**(A)**	56,688	34,157
Cash flow from investing activities			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(28,609)	(8,295)
Proceeds form sale of fixed assets		2,644	-
Movement in deposits		125	(1,088)
Interest Received		295	117
Net cash used in investing activities	**(B)**	(25,545)	(9,266)
Cash flow from financing activities			
Interest paid (including finance lease)		(36,249)	(24,157)
Net cash flow used in financing activities	**(C)**	(36,249)	(24,157)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		(5,106)	734
Cash and cash equivalents at the beginning of the year		12,614	11,880
Cash and cash equivalents at the end of the year		7,508	12,614
Components of cash and cash equivalent			
Cash on hand		437	424
Cheques/drafts on hand		1,402	759
Balance With banks -			
in current account		5,669	11,431
Total cash and cash equivalents (refer note 15)		7,508	12,614

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Alps Hospital Limited

Pradeep Srivastava
(Director)

Rohit Gandhi
(Director)

New Delhi
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate Information**

   The company is engaged in the business of providing the medical services, in Gurgaon, Haryana.

2. **Basis of preparation**

   The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under *the Companies(Accounting Standards)Rules, 2006* (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on the accrual basis and under historical cost convention.

   The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

   Healthcare is a long gestation business. The company is still in a gestation period. Company has started commercial operations in year 2007 .The Company has incurred a losses of Rs. 70,806 thousand (Previous year Rs. 70,244 thousand) in the current year, due to which accumulated loss has been posted at Rs. 343,190 thousand (Previous year Rs. 272,384 thousand) against Share Capital of Rs. 500 thousand as of March 31, 2012 (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 holding's 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.

2.1 Summary of significant accounting policies

a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing fixed asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.

d) Depreciation on tangible fixed assets

Depreciation is provided using straight-line method as per the useful lives of the assets estimated by the management,

Notes to Financial Statements for the year ended March 31, 2012

which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.

Other medical instruments are depreciated over useful life of four years.

e) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives of 2 to 6 years

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f) **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.

g) **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.

h) **Impairment of tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation of detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units (CGU)to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining useful life.

Notes to Financial Statements for the year ended March 31, 2012

An assessments is made at each reporting date as to whether is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation. Had no impairment loss been recognized loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

i) **Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees, and duties.

Current investments are carried in the financial statements 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 value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) **Inventories**

Inventories are valued as lower of cost and net realizable value. Cost comprises of purchase price including non receivable 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) **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.

Sale of Goods

Revenue from sale of pharmacy and pharmaceuticals supplies consumed is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales tax and value added taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Income from Services

Revenue from healthcare services are recognised 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.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss account.

l) **Retirement and other employee benefits**

Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charge to the statement profit and 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.

Notes to Financial Statements for the year ended March 31, 2012

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 taken a policy with Max New York Life Insurance Co. Ltd. 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 Max New York Life Insurance Co. Ltd. is provided for as liability in the books.

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.

m) 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 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.

n) 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

o) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

p) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the

Notes to Financial Statements for the year ended March 31, 2012

occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

q) **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.

r) **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

3. Share Capital

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Authorised		
1,250,000 (March 31,2011 : 1,250,000) equity shares of Rs. 10/- each	12,500	12,500
	12,500	12,500
Issued, subscribed and fully paid-up		
50,000 (March 31, 2011 : 50,000) equity Share of Rs 10/- each	500	500
	500	500

3.1 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.2 Shares held by holding company

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Max Medical Services Limited		
49,940 (March 31, 2011 : 49,940) equity shares of Rs. 10 each fully paid	499	499
	499	499

3.3 Details of shareholder holding more than 5% shares

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of Shares	% held	No. of Shares	% held
Equity Shares of Rs. 10 each fully paid				
Max Medical Services Limited	49,940	99.88%	49,940	99.88%

4. Reserves and Surplus

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(272,384)	(202,140)
Loss for the year	(70,806)	(70,244)
Net deficit in the statement of profit and loss	(343,190)	(272,384)
Total reserves and surplus	(343,190)	(272,384)

Notes to Financial Statements for the year ended March 31, 2012

5. Long term borrowings

(RS IN '000)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Finance lease obligation (Unsecured)	43,532	56,868	13,336	15,426
	43,532	56,868	13,336	15,426
The above amount includes				
Unsecured borrowings	43,532	56,868	13,336	15,426
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	(13,336)	(15,426)
	43,532	56,868	-	-

6. Provisions

(RS IN '000)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for leave encashment	-	-	3,003	2,951
Provision for gratuity (refer note 23)	578	-	48	-
	578	-	3,051	2,951

7. Short term borrowings

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Inter-corporate deposits repayable on demand (Unsecured)	322,332	322,332
	322,332	322,332

8. Current Liabilities

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Trade Payables dues of other than micro and small enterprises*	300,525	223,110
	300,525	223,110
Other liabilities		
Current maturities of finance lease obligation (refer note 5)	13,336	15,426
Interest accrued and due on borrowings	150,778	127,421
Advance from patients	2,446	483
Statutory dues	5,091	5,080
	171,651	148,410
	472,176	371,520

***Details of dues to Micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

9. Tamgible Assets

(RS IN '000)

	Building	Medical Equipments	Plant & Equipments	Office Equipments	Furniture & Fixtures	Vehicles	Other Surgical Instruments	Total
Owned assets								
Gross Block								
At April 1 2010	206,011	12,021	94,049	5,012	17,316	-	12,188	346,597
Additions	863	5,975	143	581	126	1,406		9,094
At March 31, 2011	**206,874**	**17,996**	**94,192**	**5,593**	**17,442**	**1,406**	**12,188**	**355,691**
Additions	15,323	11,245		1,661	563		19	28,811
Deletions/ Adjustments	-	(2,843)	-	-	-	-	(197)	(3,040)
At March 31, 2012	**222,197**	**26,398**	**94,192**	**7,254**	**18,005**	**1,406**	**12,010**	**381,462**
Depreciation								
At April 1 2010	8,893	1,878	11,995	1,483	6,474	-	1,089	31,812
Charge for the year	3,380	1,135	4,477	637	843	119	576	11,167
At March 31, 2011	**12,273**	**3,013**	**16,472**	**2,120**	**7,317**	**119**	**1,665**	**42,979**
Charge for the year	3,512	1,503	4,479	614	756	134	1,344	12,342
Deletions/ Adjustments		(199)					(27)	(226)
At March 31, 2012	**15,785**	**4,317**	**20,951**	**2,734**	**8,073**	**253**	**2,982**	**55,095**
Net Block								
At March 31, 2011	194,601	14,983	77,720	3,473	10,125	1,287	10,523	312,712
At March 31, 2012	**206,412**	**22,081**	**73,241**	**4,520**	**9,932**	**1,153**	**9,028**	**326,367**
Leased assets								
Gross Block								
At April 1 2010	-	95,143	14,552	10,201	10,408	1,221	-	131,525
At March 31, 2011	**-**	**95,143**	**14,552**	**10,201**	**10,408**	**1,221**	**-**	**131,525**
Additions	-	-	-	-	-	-	-	-
At March 31, 2012	**-**	**95,143**	**14,552**	**10,201**	**10,408**	**1,221**	**-**	**131,525**
Depreciation								-
At April 1 2010	-	23,792	3,628	3,951	4,498	305	-	36,174
Charge for the year	-	9,025	1,382	1,440	754	116	-	12,717
At March 31, 2011	**-**	**32,817**	**5,010**	**5,391**	**5,252**	**421**	**-**	**48,891**
Charge for the year	-	9,050	1,386	1,434	936	116	-	12,922
At March 31, 2012	**-**	**41,867**	**6,396**	**6,825**	**6,188**	**537**	**-**	**61,813**
Net Block								
At March 31, 2011	-	62,326	9,542	4,810	5,156	800	-	82,634
At March 31, 2012	**-**	**53,276**	**8,156**	**3,376**	**4,220**	**684**		**69,712**

Notes to Financial Statements for the year ended March 31, 2012

9.1 During the current year, the company has reclassified inventory of medical instruments to fixed assets as "other surgical instruments". The adjustment does not have any impact on the net profit/(loss) of the company.

9.2 The Company has in its favour a sub lease for a plot of land in Gurgaon, for an initial period of 97 years, which can be further renewed for two term of 97 years each. The plot of land measures 1.23 acres, and the designated usage in for healthcare facility

9.3 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 Housing Development Finance Corporation and Export Import Bank of India, against the loan availed by Max Healthcare Institute Limited, parent company

10. Intangible Assets

(RS. IN '000)

	Computer Software	Total
Leased assets		
Gross Block		
At April 1, 2010	911	911
Additions	-	-
At March 31, 2011	**911**	**911**
Additions	-	-
At March 31, 2012	**911**	**911**
Amortization		
At April 1, 2010	405	405
Charge for the year	148	148
At March 31, 2011	**553**	**553**
Charge for the year	148	148
At March 31, 2012	**701**	**701**
Net Block		
At March 31, 2011	358	358
At March 31, 2012	210	210

11. Loans and Advances

(RS IN '000)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital advances				
Unsecured, considered good	**212**	561	**-**	-
Security deposits				
Unsecured, considered good	**1,536**	1,536	**1,020**	1,020
Advances recoverable in cash or kind				
Unsecured, considered good	**-**	-	**691**	632
Other loans & advances				
Prepaid Expenses	**-**	-	**1,853**	2,593
Advance income tax (net of provisions) for taxation	**-**	-	**25,339**	15,998
TOTAL	**1,748**	2,097	**28,903**	20,243

Notes to Financial Statements for the year ended March 31, 2012

12. Inventories

(RS. IN '000)

	Ast at March 31, 2012	As at March 31, 2011
Stock of pharmacy, drugs and consumable	11,500	8,683
	11,500	8,683

13. Trade Receivables

(RS. IN '000)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	7,047	6,694
Doubtful	16,244	8,751
	23,291	15,445
Provision for doubtful receivables	(16,244)	(8,751)
	7,047	6,694
Other receivables		
Unsecured, considered good	40,813	31,414
	40,813	31,414
	47,860	38,108

14. Other assets

(RS. IN '000)

	Ast at March 31, 2012	As at March 31, 2011
Interest accrued on fixed deposits	268	290
Unbilled revenue	1,740	760
	2,008	1,050

15. Cash and bank balances

(RS. IN '000)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
in current accounts	5,669	11,431
Cheques/drafts on hand	1,402	759
Cash on hand	437	424
	7,508	12,614
Other bank balances		
Margin money deposits	3,163	3,288
	3,163	3,288
	10,671	15,902

Margin money deposits given as security

Margin money deposits are for securing performance bank guarantees issued by bank to the customers

Notes to Financial Statements for the year ended March 31, 2012

16. Revenue from operations

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from healthcare services	500,274	428,925
Sale of pharmacy and pharmaceuticals supplies implant	38,431	37,182
	538,705	466,107

17. Other income

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities no longer required written back	1,330	-
Other non-operating revenue	2,180	749
Interest income on bank deposits	272	226
	3,782	975

18. Employee benefit expenses

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	80,803	76,349
Contribution to provident and other funds	4,261	3,533
Gratuity expense (Refer note 23)	994	635
Staff welfare expenses	6,730	5,211
	92,788	85,728

Notes to Financial Statements for the year ended March 31, 2012

19. Other expenses

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Professional and consultancy fee	135,674	107,281
Outside lab investigation	20,857	20,086
Patient catering expenses	9,082	8,025
Rent	6,739	6,665
Insurance	1,344	1,123
Rates and taxes	1,709	1,598
Repairs and maintenance:		
Building	1,831	1,370
Plant and equipments	11,400	12,505
Others	6,205	4,280
Power and fuel	18,407	15,562
Printing and stationery	5,828	3,939
Travelling and conveyance	2,335	1,807
Communication	1,760	1,752
Legal and professional	49,401	48,063
Advertisement and publicity	1,304	1,344
Provision for doubtful debts and advances	7,493	5,521
Net Loss on sale/disposal of fixed assets	27	-
IT support	7,097	4,697
Facility maintenance	26,118	24,380
Recruitment expenses	384	39
Watch and ward	2,719	3,025
Miscellaneous	307	195
	318,021	273,257

Payment to auditor (included in legal and professional fee)

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fee	674	674
Reimbursement of expenses	–	9
	674	683

20. Depreciation and amortization expense

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	25,264	23,884
Amortization of intangible assets	148	148
	25,412	24,032

Notes to Financial Statements for the year ended March 31, 2012

21. Finance cost

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	59,607	55,899
Bank Charges	3,962	2,778
	63,569	58,677

22. Earnings per share (EPS)

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit/(loss) after tax	(70,806)	(70,244)
Weighted average number of equity shares in calculating basic and diluted EPS	50,000	50,000
Basic/ Diluted Earnings Per Share (Rs.)	(1,416.12)	(1,404.88)

23. 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 Max New York Life Insurance Co. Ltd of India in form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	669	399
Interest cost on benefit obligation	82	34
Expected return on plan assets	(85)	(20)
Net actuarial(gain) / loss recognized in the year	328	222
Past service cost	-	-
Net benefit expense	994	635
Actual return on plan assets	(61)	(27)

Balance Sheet

Benefit asset/ liability

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	(2,051)	(1,029)
Fair value of plan assets	1,425	1,365
Funded Status	(626)	336
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(626)	336

Notes to Financial Statements for the year ended March 31, 2012

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

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	1,029	451
Interest cost	82	34
Current service cost	669	399
Benefits paid	(32)	(85)
Actuarial (gains) / losses on obligation	303	230
Closing defined benefit obligation	2,051	1,029

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

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening fair value of plan assets	1,365	220
Expected return	85	20
Contributions by employer	-	1,117
Benefits paid	-	-
Actuarial gains / (losses)	(25)	8
Closing fair value of plan assets	1,425	1,365

The Company expects to contribute Rs. Nil to gratuity in 2011-12 (PY: Nil)

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

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Max New York Life Insurance Co. Ltd.	100	100

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

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Discount rate	8.6	8
Expected rate of return on assets	4.38	6.26
Retirement Age	60 Years	60 years
Employee turnover	29	30

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 '000)

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	(2,051)	(1,029)	(450)	(212)	(63)
Plan assets	1,425	1,365	220	-	-
Surplus / (deficit)	(626)	336	(230)	(212)	-
Experience adjustments on plan liabilities	(356)	(70)	(21)	300	-
Experience adjustments on plan assets	(25)	8	-	-	-

Notes to Financial Statements for the year ended March 31, 2012

24. Leases

24.1 Finance lease:company as leasee

i. The Company has taken medical equipments and other fixed assets from a upstream holding company. 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.

(RS. IN '000)

Particulars	March 31, 2012		March 31, 2012	
	Minimum payments	Present value of minimum lease payments	Minimum payments	Present value of Minimum lease payments
Within one year	35,329	13,336	34,741	15,426
After one year but not more than five years	143,052	43,532	142,618	42,863
More than five years	-		35,763	14,005

24.2 Operating lease:company as lessee

(i) **Description of significant leasing arrangements**

The Company has taken medical equipments on operating lease from a upstream holding at lease rental of Rs. 4 Lacs per month for the period of two year with option to renew for a further term with mutual consent. There is no escalation clause in the lease agreement.

(RS. IN '000)

Particular	As at March 31, 2012	As at March 31, 2011
Not later than one year	4,800	1,200
Later than one year and not later than five year	1,200	-
Later than five year	-	-
Total	6,000	1,200

25. Related parties disclosures

Ultimately 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 transaction have been taken place during the year	
Fellow Subsidiaries	Max New York Life Insurance Company Limited Max Bupa Health Insurance Company Limited
Enterprises owned or significantly influences by key management personnel or their relatives	Max India Foundation

Notes to Financial Statements for the year ended March 31, 2012

Alps Hospital Limited
Transaction with related parties during the year

(RS IN '000)

Particulars	March 31, 2012	March 31, 2011
Sale of Fixed Assets		
Holding company		
Max Healthcare Institute Limited	2,778	-
Finance Lease Installment		
Holding company		
Max Healthcare Institute Limited	15,426	17,063
Operating Lease Installment		
Holding company		
Max Healthcare Institute Limited	4,800	4,800
Expenses		
Holding company		
Max Healthcare Institute Limited	15,133	20,830
Services Received		
Holding company		
Max Healthcare Institute Limited	71,653	63,856
Purchases of Medicines & Consumables		
Holding company		
Max Healthcare Institute Limited	95,738	80,960
Interest Expensed		
Holding company		
Max Healthcare Institute Limited	27,475	23,765
Max Medical Services Limited	32,132	32,132
Income		
Holding company		
Max Healthcare Institute Limited	-	3
Fellow Subsidiaries		
Max New York Life Insurance	57	38
Max Bupa Health Care	1,387	476
Enterprises owned or significantly influenced by key management personnel or their relatives		
Max India Foundation	-	260
Balances outstanding at the year end		
Inter-corporate deposits repayable on demand (Unsecured)		
Holding company		
Max Healthcare Institute Limited	65,276	65,276
Max Medical Services Limited	257,056	257,056
Finance lease obligations (Unsecured)		
Holding company		
Max Healthcare Institute Limited	56,868	72,294
Interest accured and due on borrowings		
Holding company		
Max Healthcare Institute Limited	949	9,563
Max Medical Services Limited	149,829	117,858
Trade payables		
Holding company		
Max Healthcare Institute Limited	246,107	194,230
Trade receivables		
Fellow Subsidiaries		
Max New York Life Insurance	69	17
Max Bupa Health Insurance Limited	250	55
Holding company		
Max India Limited	6	12
Enterprises owned or significantly influenced by key management personnel or their relatives		
Max India Foundation	-	43

Notes to Financial Statements for the year ended March 31, 2012

26. Contigent Liabilities not provided for

(RS. IN '000)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
i.	Claims against the Company not acknowledged as debts (Refer note (a))		
	- Civil Cases	1,000	1,000

Note:

a. 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 judgments / 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.

27. Commitments

(RS IN '000)

	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	548	9,796
Less: Capital advances	212	561
Balance Value of Contracts	336	9,235

28. Deferred Tax Asset/ (Liability)

(RS IN '000)

	March 31, 2012	March 31, 2011
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation /amortisation as at balance sheet date	35,356	27,249
Gross Deferred Tax Liability	35,356	27,249
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,185	3,808
Provision for doubtful debts and advances	5,019	12
Carried forward business loss and unabsorbed depreciation	135,167	110,150
Others	39,113	47,984
Gross Deferred Tax Assets	180,484	161,954
Net Deferred Tax Asset/(Liability)	145,128	134,705

Notes to Financial Statements for the year ended March 31, 2012

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

29. Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Alps Hospital Limited

Pradeep Srivastava
(Director)

Rohit Gandhi
(Director)

New Delhi
May 23, 2012

Hometrail Estate Private Limited

MAX

Directors' Report

Your Directors are pleased to present their Fourth Annual Report along with Audited Accounts for the financial year ended March 31, 2012.

REVIEW OF OPERATIONS

In pursuance to the concession agreement executed with Govt. of the Punjab for setting up a Super specialty hospital in Mohali, the Company completed the construction of the hospital in record time and the facility was inaugurated by Punjab CM- Sardar Parkash Singh Badal on 29th Sep, 2011. All services were opened to public in 3rd quarter of financial year 2011-12 . The hospital focuses on Oncology, Cardiology, Emergency & Trauma beside other specialties.

Your Company from the very beginning has brought about immense focus on Patient Care and Patient Safety resulting in building a strong brand equity and increased number of footfalls.

The Company continues to make investment in people and technology to offer medical care equivalent to the world's best.

In run up to the end of the financial year, the hospital carried out 100 major procedures in March'12. MAMBS, Gastroenterology, Orthopedics, CTVS and Gynae were the lead contributor and have been touching a new high both in terms of number of lives touched as well as the number of procedure and revenue.

FINANCIAL PERFORMANCE

The financial highlights of your Company on a consolidated basis for the year under review are given below:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Total Income	509.11	0.09
Total Expenditure	1597.25	10.19
Profit Before Interest Tax & Depreciation	(1088.14)	(10.10)
Less: Financial Cost	304.87	4.00
Less: Depreciation/Provision for Obsolescence/Impairment	223.99	0.03
Profits before Tax	(1617.00)	(14.13)
Net Profits after Tax	(1617.00)	(14.13)

Your Company has commenced its operations since 29th Sep, 2011 and overall the Revenue recorded for period is Rs 509 lacs. The hospital revenues touched a new high month after month.

INCREASE IN SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company stood increased from Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each to Rs.13,00,00,000/- consisting of 1,30,00,000) Equity Shares of Rs. 10/- each.

The Company issued and allotted 1,24,00,000 equity shares of Rs. 10/- each of the Company at a premium of Rs.40/- per share to Max Healthcare Institute Limited on February 16, 2012. With the aforesaid allotment, to total paid up share capital of the Company stood increased at Rs. 12,41,00,000/- as of date.

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 period under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 ('the Act), Mrs. Sujatha Ratnam is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The following were appointed as Additional Directors of the Company to hold office up to the ensuing Annual General Meeting:

- Mr. Pradeep Srivastava on October 1, 2011
- Mr. Pradeep Pal Chadha on November 3, 2011
- Mr. Yogesh Kumar Sareen on April 2, 2012
- Mr. K.S. Ramsinghaney on April 2, 2012
- Mr. Mahesh Inder Vir Singh on May 23, 2012

Further, Mr. Mahesh Inder Vir Singh was appointed as the Managing Director of the Company effective May 23, 2012 for a period of three years without payment of any remuneration.

The Company has received notices under Section 257 of the Act from members proposing the candidature of Mr. Pradeep Srivastava, Mr. Yogesh Sareen, Mr. K.S. Ramsinghaney and Mr. Mahesh Inder Vir Singh, for being appointed as Directors of the Company.

Mr. Arvind Kakar resigned from the Board effective October 1, 2011 and Mr. C.V. Raghu and Mr. Pradeep Pal Chadha were

Directors' Report

resigned from the Board of the Company effective April 2, 2012.

The Board places on record, its appreciation for the valuable contribution made by Mr. Arvind Kakar, Mr. C.V. Raghu and Mr. Pradeep Pal Chadha during their association with the Company.

AUDIT COMMITTEE

During the year under review, your Company constituted an Audit Committee pursuant to Section 292A of the Act. 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. Currently the Audit Committee comprises of Mr. Yogesh Sareen, Mr. Pradeep Srivastava and Mrs. Sujatha Ratnam.

AUDITORS

S R B C & 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.

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, 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. The Company's hospital building at Mohali has been rated LEED GOLD which signifies that the project encompasses a Green Building which reduces carbon discharges and saves energy, water and the environment.

b. Research and Development (R&D) : Nil

c. Technology absorption: Nil

d. Foreign Exchange Earnings and Outgo Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc. : NA

(Rs. in crore)

		For the year ended March 31, 2012	For the year ended March 31, 2011
i)	Foreign Exchange Earnings	NIL	NIL
ii)	Foreign Exchange Outgo CIF Value of Imports		
	- Capital Goods	9.17	0.94
	- Trading Goods	NIL	NIL
	Others	NIL	NIL

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' 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	Pradeep Srivastava	Yogesh Sareen
May 23, 2012	Director	Director

Auditors' Report

TO THE MEMBERS OF HOMETRAIL ESTATE PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Hometrail Estate Private Limited** ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration No. 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.:93577

Gurgaon
May 23, 2012

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) 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 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 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.

(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.

(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.

Auditors' Report

(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.

(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 the 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 that no funds raised on short term basis have been used for long term investments.

(xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(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 B C & Co.
Firm registration No. 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.:93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RS. '000)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	124,100	100
Reserves and surplus	4	319,356	(14,324)
		443,456	(14,224)
Non-current liabilities			
Long-term borrowings	5	457,217	270,000
Long-term provisions	6	223	-
		457,440	270,000
Current liabilities			
Short-term borrowings	7	–	282,985
Trade payables	8	45,660	125
Other current liabilities	8	133,513	57,564
Short-term provisions	6	1,015	-
		180,188	340,674
TOTAL		1,081,084	596,450
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1,002,848	17
Intangible assets	10	520	-
Capital work-in-progress		–	403,470
Long-term loans and advances	11	3,039	43,823
		1,006,407	447,310
Current Assets			
Current investments	12	28,918	-
Inventories	13	16,650	-
Trade receivables	15	1,567	-
Cash and bank balances	14	22,977	147,082
Short-term loans and advances	11	3,647	1,083
Other current assets	16	918	975
		74,677	149,140
TOTAL		1,081,084	596,450
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RS. '000)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Income			
Revenue from operations	17	45,192	-
Other Income	18	5,719	9
Total		50,911	9
Expenses			
Purchase of pharmacy, drugs, consumables and Implants		36,315	-
(Increase)/ decrease in inventories of pharmacy, drugs and consumables		(16,651)	-
Employee benefit expenses	19	48,057	2
Other expenses	20	92,004	1,017
Total		159,725	1,019
Earnings before interest, tax, depreciation and amortisation (EBITDA)		(108,814)	(1,010)
Depreciation and amortisation	21	22,399	3
Finance cost	22	30,487	400
Profit/(loss) before tax		(161,700)	(1,413)
Tax expense			
Profit/(loss) after tax		(161,700)	(1,413)
Earnings per equity share			
Basic and diluted [Nominal value of shares Rs.10 (March 31,2011 : Rs.10)]	24	(105.37)	(141.34)
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RS. '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities		
Net Profit / (loss) before tax	(161,700)	(1,413)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	22,399	3
Interest expense	30,341	-
Interest income	(2,631)	(9)
Net profit on sale of current investments	(2,618)	-
Unrealized foreign exchange loss	6,124	-
Operating Profit Before Working Capital Changes	(108,085)	(1,419)
Movement in working capital :		
Increase/ (decrease) in trade payables	45,535	(435)
Increase in long-term provisions	223	-
Increase in short-term provisions	1,015	-
Increase/ (decrease) in other current liabilities	7,755	(90)
Decrease in trade receivables	(1,567)	-
Decrease in inventories	(16,651)	-
Decrease in short-term loans and advances	(2,720)	(525)
Decrease in other current assets	(622)	-
Cash used in operations	(75,117)	(2,469)
Direct taxes paid (net of refunds)	(554)	(454)
Net cash flow used in operating activities (A)	(75,671)	(2,923)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(481,535)	(293,635)
Investment in deposits with original maturity for more than 3 months but less than 12 months and margin money deposit	(19,116)	-
Redemption of deposits with original maturity for more than 3 months but less than 12 months and margin money	300	-
Purchase of current investments	(590,000)	
Interest Received	6,212	3,569
Proceeds from sale/maturity of current investments	563,700	
Net cash flow from /(used in) investing activities (B)	(520,439)	(290,067)
Cash flow from financing activities		
Proceeds from issuance of share capital	620,000	
Share Issue Expense	(620)	
Proceeds from long - term borrowings	172,006	270,000
Repayment of Long - term borrowings	(4,883)	-
Proceeds from short - term borrowings	175,154	174,989
Repayment of short - term borrowings	(458,139)	-
Interest paid (including finance lease)	(50,329)	(7,373)
Net cash flow from financing activities (C)	453,189	437,616
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(142,921)	144,626
Cash and cash equivalents at the beginning of the year	146,982	2,356
Cash and cash equivalents at the end of the year	4,061	146,982
Components of cash and cash equivalent		
Cash on hand	360	-
Cheques/drafts on hand	145	-
With banks -		
in current account	3,556	3,841
in deposit account	-	143,141
Total cash and cash equivalents	4,061	146,982

Summary of significant accounting policies

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. Corporate Information

The Company is into healthcare business and during the current year the company has completed the 1st phase of the hospital construction and has commenced its operation in Mohali (Punjab).

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on the accrual basis and under historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing fixed asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(d) Depreciation on tangible fixed assets

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.

Assets costing Rs. 5,000 or below are depreciated at the rate of 100%.

Other surgical instruments are depreciated over useful life of four years.

Notes to Financial Statements for the year ended March 31, 2012

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of two to six years.

(f) Leases

Where the company is 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 inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight – line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

(g) 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 includes interest and amortisation of ancillary costs incurred in connection with arrangement of borrowings.

(h) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees, and duties.

Current investments are carried in the financial statements 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 value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Inventories

Inventories are valued as lower of cost and net realizable value. Cost comprises of purchase price including duties, taxes and

Notes to Financial Statements for the year ended March 31, 2012

other incidental cost necessary to bring the inventory to its saleable condition. Cost is determined on first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) **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. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue from sale of drugs, pharmaceuticals and medical supplies is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales tax and value added taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Income from Services

Revenue from healthcare services are recognised 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.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(l) **Foreign currency translation**

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.

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. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rates that existed when the values were determined.

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.

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.

(m) **Retirement and other employee benefits**

Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit & loss 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.

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.

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.

Notes to Financial Statements for the year ended March 31, 2012

Actuarial gains/ losses are immediately taken to statement of profit and loss and are not deferred.

(n) 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 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.

(o) 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

(p) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Cash & 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.

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

3. Share Capital

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Authorised		
13,000,000 (Previous year: 10,000) equity shares of Rs. 10/- each	130,000	100
	130,000	100
Issued, subscribed & fully paid-up		
12,410,000 (Previous year 10,000) equity shares of Rs.10/- each	124,100	100
	124,100	100

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	Rs. in '000	No. of shares	Rs in '000
Equity Shares				
At the beginning of the year	10,000	100	10,000	100
Issued during the period	12,400,000	124,000	-	-
Outstanding at the end of the year	12,410,000	124,100	10,000	100

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Shares held by holding company

(RS. IN '000)

	March 31, 2012	March 31, 2011
Max Healthcare Institute Limited		
12,409,994 (Previous year 10,000) equity shares of Rs.10/- each	124,099	100
	124,099	100

3.4 Details of shareholder holding more than 5% shares of the aggregate shares in the company (legal ownership).

(RS IN '000)

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid				
Max Healthcare Institute Limited	12,409,994	99.99%	9,994	99.94%

Notes to Financial Statements for the year ended March 31, 2012

4. Reserves and surplus

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Securities premium account		
At the beginning of the year	-	-
Add: premium on issue of shares	496,000	-
Less: share issue expenses	620	-
Closing Balance	495,380	-
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(14,324)	(12,911)
Loss for the year	(161,700)	(1,413)
Net deficit in the statement of profit and loss	(176,024)	(14,324)
Reserves and surplus	319,356	(14,324)

5. Long term borrowings

(RS IN '000)

	Non - Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Term Loans				
From financial institutions (Secured)	375,000	270,000	-	-
From non-banking financial institution (Secured)	33,803	-	4,789	-
Deferred Payment Liabilities (Unsecured)	30,112	-	17,515	-
Finance lease obligation (Unsecured)	18,302	-	5,229	-
	457,217	270,000	27,533	-
The above amount includes				
Secured borrowings	408,803	270,000	4,789	-
Unsecured borrowings	48,414	-	22,744	-
Amount disclosed under the head "other current liabilities" (note 8)			(27,533)	-
	457,217	270,000	-	-

5.1 Term Loan from the financial institution of Rs. 375,000 thousand (March 31, 2011 : 270,000 thousand) is repayable in 32 quarterly installment commencing from January 2015. The loan is secured by :

(i) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.

(ii) 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.

(iii) 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. 120,000 thousand in aggregate).

(iv) First charge on all intangibles.

(v) Corporate guarantee by the holding company.

Notes to Financial Statements for the year ended March 31, 2012

5.2 Term loan from non-banking financial institutions of Rs. 38,592 thousand (March 31, 2011: Nil) is repayble in 28 quarterly installments starting from November 2011 and is secured by way of exclusive charge over the medical equipment acquired through this facility.

5.3 Finance lease obligation is repayable in 20 quarterly installments begining from December 2011.

5.4 Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.

6. Provisions

(RS IN '000)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for leave encashment	-	-	1,014	-
Provision for gratuity	223	-	1	-
	223	-	1,015	-

7. Short term borrowings

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Inter-corporate deposits repayable on demand (unsecured)	-	282,985
	-	282,985

8. Current liabilities

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Trade Payables dues of other than micro and small enterprises *	45,660	125
Other liabilities		
Current maturities of long-term borrowings (note 5)	22,304	-
Current maturities of finance lease obligation (note 5)	5,229	
Interest accrued but not due on borrowings	1,724	4,256
Interest accrued and due on borrowings	1,535	-
Capital creditors	93,294	51,634
Concessional fee payable	2,126	-
Statutory dues	7,301	1,674
	133,513	57,564
	179,173	57,689

***Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and Small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of the act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

9. Tangible Assets

(RS IN '000)

	Building	Medical Equipments	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Other Surgical Instruments	Total
Cost								
At April 1, 2010	-	-	-	20	-	-	-	20
Additions	-	-	-	-	-	-	-	-
At March 31, 2011	**-**	**-**	**-**	**20**	**-**	**-**	**-**	**20**
Additions	535,238	262,754	119,812	24,524	47,505	1,151	11,840	1,002,824
Borrowing Cost	22,376							22,376
At March 31, 2012	**557,614**	**262,754**	**119,812**	**24,544**	**47,505**	**1,151**	**11,840**	**1,025,220**
Depreciation								
At April 1, 2010	-	-	-	3	-	-	-	3
Charge for the year	-	-	-	-	-	-	-	-
At March 31, 2011	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**3**
Charge for the year	5,637	8,268	2,714	1,451	2,870	55	1,374	22,369
At March 31, 2012	**5,637**	**8,268**	**2,714**	**1,454**	**2,870**	**55**	**1,374**	**22,372**
Net Block								
At March 31, 2011	-	-	-	17	-	-	-	17
At March 31, 2012	551,977	254,486	117,098	23,090	44,635	1,096	10,466	1,002,848

9.1 Land measuring 3.15 acres has been provided by Punjab Government on long term lease of 50 years.

9.2 The borrowing cost capitalised during the year ended March 31,2012 was Rs.16,090 thousand (March 31, 2011 Rs. 6,191 thousand). The Company has capitalised cumulative borrowing cost of Rs. 22,376 thousand during the year and shown the same as 'Borrowing Cost' above.

Notes to Financial Statements for the year ended March 31, 2012

9.3 Medical Equipments includes Medical Equipment taken on Finance lease :

(RS. IN '000)

	March 31, 2012	March 31, 2011
Gross Block	33,238	-
Depreciation	1,178	-
Net Book Value	32,060	-

10. Intangible assets

(RS. IN '000)

	Computers Software	Total
Gross Block		
At April 1, 2010	-	-
Additions	-	-
At March 31, 2011	-	-
Additions	550	550
At March 31, 2012	550	550
Amortization		
At April 1, 2010	-	-
Charge for the year	-	-
At March 31, 2011	-	-
Charge for the year	30	30
At March 31, 2012	30	30
Net Block		
At March 31, 2011	-	-
At March 31, 2012	520	520

Notes to Financial Statements for the year ended March 31, 2012

11. Loans and advances

(RS IN '000)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital advances				
Unsecured, considered good	1,857	43,350	-	-
Security deposits				
Unsecured, considered good	1,182	473	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	1,008	629
Other loans & advances				
Prepaid Expenses	-	-	1,631	-
Tax deducted at source	-	-	1,008	454
	3,039	43,823	3,647	1,083

Notes to Financial Statements for the year ended March 31, 2012

12. Investments

(RS. IN '000)

	Ast at March 31, 2012	As at March 31, 2011
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
19,100 (March 31, 2011: Nil) units of Rs.1000/-each in DSP Black Rock Liquidity Fund Institutional Plan growth	28,918	-
	28,918	-

13. Inventories (valued at lower of cost and net realizable value)

(RS. IN '000)

	Ast at March 31, 2012	As at March 31, 2011
Stock of pharmacy, drugs and consumables	16,650	-
	16,650	-

14. Cash and bank balances

(RS. IN '000)

	Ast at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks:		
in Current Accounts	3,556	3,841
Cheques/drafts on hand	145	-
Cash on hand	360	-
	4,061	3,841
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	-	143,141
Margin money deposits	18,916	100
	18,916	143,241

Margin money deposits given as security

Rs. 115 Thousand (March 31, 2011: 100 Thousand) to secure bank guarantee given to sales tax authorities.

Rs. 13,200 Thousand (March 31, 2011: Nil) to secure debt service reserve a/c requirement of the term Lendor.

Rs. 5,200 Thousand (March 31,2011: Nil) to secure performance bank guarantee in favour of Government of Punjab.

Rs. 100 Thousand (March 31, 2011: Nil) to secure performance bank guarantee issued to customer.

Rs. 301 Thousand (March31, 2011: Nil) to secure letter of credit.

15. Trade receivables

(RS. IN '000)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Other receivables		
Unsecured, considered good	1,567	-
	1,567	-

Notes to Financial Statements for the year ended March 31, 2012

16. Other current assets

(RS. IN '000)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Others		
Interest accrued on fixed deposits	296	975
Unbilled Revenue	622	-
	918	975

17. Revenue from operations

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from Healthcare services	43,334	-
Sale of pharmacy and pharmaceuticals supplies	1,858	
	45,192	-

18. Other income

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income on bank deposits	2,631	9
Profit on sale of current investments	2,618	-
Other non-operating revenue	470	-
	5,719	9

19. Employee benefit expenses

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	43,384	-
Contribution to provident and other funds	2,534	-
Gratuity (note 25)	224	-
Staff welfare expenses	1,915	2
	48,057	2

Notes to Financial Statements for the year ended March 31, 2012

20. Other expenses

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Professional and consultancy fee	31,184	-
Concession fee	2,260	-
Outside lab investigation	545	-
Patient catering expenses	505	-
Rent	1,111	-
Insurance	490	-
Rates and taxes	1,023	-
Repairs and maintenance:		
Building	34	-
Plant and equipments	232	-
Others	589	-
Power and fuel	8,395	-
Printing and stationery	2,247	7
Travelling and conveyance	5,320	227
Communication	649	-
Legal and professional	3,512	331
Branding, advertisement and publicity	9,920	323
IT support	3,453	-
Facility maintenance expenses	8,991	-
Watch and ward	1,462	-
Net Loss on foreign exchange fluctuation	8,485	-
Recruitment fees	998	8
Miscellaneous	599	121
	92,004	1,017

Payment to auditor

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fee	337	331
	337	331

21. Depreciation and amortization expense

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	22,369	3
Amortization of intangible assets	30	-
	22,399	3

Notes to Financial Statements for the year ended March 31, 2012

22. Finance cost

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	30,341	-
Bank Charges	146	400
	30,487	400

23. 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'.

24. Earnings per share (EPS)

(RS. IN '000)

	March 31, 2012	March 31, 2011
Profit/(loss) after tax	(161,700)	(1,413)
Weighted average number of equity shares in calculating basic and diluted EPS	1,534,590	10,000
Earnings per equity share		
Basic and diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]	(105.37)	141.34

25. 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. Gratuity is not funded.

The following table summarises the component of net benefit expense recognised in statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	224	-
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the year	-	-
Past service cost	-	-
Net benefit expense	224	-
Actual return on plan assets		

Notes to Financial Statements for the year ended March 31, 2012

Balance Sheet
Benefit asset/ liability

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	224	-
Fair value of plan assets	-	-
Funded Status	(224)	-
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(224)	-

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

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	-	-
Interest cost	-	-
Current service cost	224	-
Benefits paid	-	-
Actuarial (gains) / losses on obligation	-	-
Closing defined benefit obligation	224	-

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

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Discount rate	8.6%	-
Expected rate of return on assets	-	-
Retirement Age	60 years	-
Employee turnover	27%	-

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:

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	224	-
Plan assets	-	-
Surplus / (deficit)	(224)	-
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-

Notes to Financial Statements for the year ended March 31, 2012

26. Finance lease: company as lessee

The Company has finance lease for certain medical equipments for a period of 5 years commencing from December 31, 2011. Upon the expiry of terms, the absolute and unencumbered ownership of the equipment shall be vest with the company at the guranteed residual value.

Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

(RS. IN '000)

Particulars	March 31, 2012		March 31, 2011	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	6,989	5,229	-	-
After one year but not more than five years	20,886	18,302	-	-
More than five years	-	-	-	-
Total	27,875	23,531	-	-

27 Operating lease : company as lessee

The Company has entered into operating lease agreements for its employees under operating lease agreements, rent paid is Rs. 1,111 thousands (March 31, 2011 Rs. Nil). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

(RS. IN '000)

Particulars	March 31, 2012	March 31, 2011
Not later than one year	3,130	-
Later than one year and not later than five year	4,270	-
Later than five year	-	
Total	7,400	-

28. Contigent Liabilities not provided for

(RS IN LACS)

S. No.	Particulars	March 31, 2012	March 31, 2011
i.	Letters of credit outstanding with various banks in favour of domestic and foreign suppliers for consumables, medicines and medical equipments	250	69,298

Notes to Financial Statements for the year ended March 31, 2012

29. Deferred Tax Asset/ (Liability)

(RS IN '000)

	March 31, 2012	March 31, 2011
Deferred tax liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	33,829	-
Lease Asset	2,231	
Gross Deferred Tax Liability	36,060	-
Deferred Tax Assets		
Carried forward Unabsorbed depreciation	84,632	-
Effect of expenditure debited and incomes credited to profit and loss account in the current year but allowed for tax purposes in following years	5,818	-
Gross Deferred Tax Assets	90,450	-
Net Deferred Tax Asset/(Liability)	54,390	-

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.

30. Capitalisation of Expenditure

During the year company has capitalised the following expenses of revenue nature to the cost of fixed asset/capital work-in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

(RS. IN '000)

	March 31, 2012	March 31, 2011
Opening balances	30,791	8,246
Add:		
Salaries, wages and bonus	4,529	12,077
Insurance	1,083	
Power and fuel	3,918	
Travelling and conveyance	2,144	
Legal and professional	1,145	
Miscellaneous	8,388	4,278
Interest	16,090	6,191
Total	68,088	30,791
Less: Capitalised during the year	68,088	
Preoperative expenses pending capitalisation	-	30,791

Notes to Financial Statements for the year ended March 31, 2012

31. Capital and other commitments

a. Capital commitments

(RS. IN '000)

	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	35,074	399,973
Less: Capital Advances	1,857	43,350
Balance Value of Contracts	33,217	3,566,23

b. Commitments with respect to lease have been disclosed in note 26 & 27.

32. Related parties disclosures

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Ultimately Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Max Bupa Health Insurance Company Ltd.

Notes to Financial Statements for the year ended March 31, 2012

Transaction with related parties during the year

(RS IN '000)

Particulars	March 31, 2012	March 31, 2011
Loans taken		
Holding Company		
Max Healthcare Institute Limited	206,826	174,989
Loans repaid		
Holding Company		
Max Healthcare Institute Limited	488,228	-
Services rendered		
Fellow Subsidiaries		
Max Bupa Health Insurance Company Ltd.	376	-
Services received		
Ultimate Holding Company		
Max India Ltd		918
Holding Company		
Max Healthcare Institute Limited	534	-
Fellow Subsidiaries		
Max Bupa Health Insurance Company Ltd.	210	-
Purchase of Goods (Including taxes)		
Holding Company		
Max Healthcare Institute Limited	10,758	-
Expenses incurred by related party on our behalf		
Ultimate Holding Company		
Max India Ltd	20	-
Share Capital (Including share premium)		
Holding Company		
Max Healthcare Institute Limited	620,000	-

Balance Outstanding at the year end

(RS IN '000)

Particulars	Match 31, 2012	March 31, 2011
Inter-corporate deposits repayable on demand (unsecured)		
Holding Company		
Max Healthcare Institute Limited	-	282,985
Interest accrued and due on borrowings		
Holding Company		
Max Healthcare Institute Limited	-	4,256
Advances recoverable in cash or kind		
Fellow Subsidiaries		
Max Bupa Health Insurance Company Ltd.	42	-
Trade Payables		
Ultimate Holding Company		
Max India Ltd	1,048	504
Holding Company		
Max Healthcare Institute Limited	5,315	

Notes to Financial Statements for the year ended March 31, 2012

33. Particulars of Unheadged Foreign Currency as at the Balance Sheet date

(RS. IN '000)

Particulars	Foreign Currency		Indian Rupees	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Import trade payable(EUR)	15	114	1,040	7,288
Import trade payable(USD)	971	-	50,181	-
Import trade payable(YEN)	658	-	420	-

Closing rates are as under

(RS. IN '000)

	March 31, 2012	March 31, 2011
	TT Sell	TT Sell
USD	51.68	44.92
EUR	69.35	63.82
YEN	63.80	-

34. Value of Imports calculated on CIF Basis

(RS. IN '000)

	March 31, 2012	March 31, 2011
Capital Goods	91,722	9,465
Total	91,722	9,465

35. Details of utilization of preferential issue proceeds is as follows:

(RS. IN '000)

	March 31, 2012	March 31, 2011
Amount Received on preferential allotment of Shares	620,000	-
Utilisation:		
Repayment of unsecured loans	458,139	-
Payment to capital creditors	132,943	-
Sub-total	591,082	-
Balances in Mutual Fund		
- DSP Black Rock Liquidity Fund Institutional Plan growth	28,918	-

36. The company had entered into a triplicate long term concessional agreement dated February 20, 2009 along with its holding company, with the Government of Punjab. As per the terms of the concessional agreement the company is to build and operate a Hospital for a initial term of 50 years on public private partnership mode. The company is obliged to pay concessional fee to Government of Punjab as per the terms of arrangement.

37 Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Hometrail Buildtech Private Limited

■ ■ ■ ■

MAX

Directors' Report

Your Directors are pleased to present their Fourth Annual Report along with Audited Accounts for the financial year ended March 31, 2012.

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. The construction completed in record time as per agreement with GOP. The facility is inaugurated by Punjab CM- Sardar Parkash Singh Badal on 26th Sep , 2011. All services are open to public in 3rd quarter of financial year 2011-12. Since inception the focus are on Oncology, Cardiology, Emergency & Trauma beside other specialties.

Your Company continued its focus on Patient Care and Patient Welfare Services resulting in significant improvement in Patient satisfaction levels. We continued our investment in renovation activities, upgradation of medical and engineering equipment.

PERFORMANCE HIGHLIGHTS

The financial highlights of your Company on a consolidated basis for the year under review are given below:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Total Income	366.22	2.24
Total Expenditure	1172.88	9.08
Profit Before Interest Tax & Depreciation	(806.66)	(6.84)
Less: Financial Cost	301.46	4.00
Less: Depreciation/Provision for Obsolescence/Impairment	236.25	-
Profits before Tax	(1344.37)	(10.84)
Net Profits after Tax	(1344.37)	(10.84)

FINANCIAL PERFORMANCE

Your Company has commence operations from 26th Sep., 2011 and first indoor patient was admitted on 21st.,Nov, 2011, the Revenue recorded for period is Rs 366 lacs .

The growth in revenues month on month in last quarter of financial year 2011-12 was an outcome of overall growth across various primary specialties which include Oncology, Cardiac Sciences,Neuro Sciences, Gastroenterology, General Surgery and Diagnostics.

INCREASE IN SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company stood increased from Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each to Rs.13,00,00,000/- - consisting of 1,30,00,000) Equity Shares of Rs. 10/- each.

The Company issued and allotted 1,10,00,000 equity shares of Rs. 10/- each of the Company at a premium of Rs.40/- per share to Max Healthcare Institute Limited on February 16, 2012. With the aforesaid allotment, to total paid up share capital of the Company stood increased at Rs. 11,10,00,000/- .

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 period under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 ('the Act), Mrs. Sujatha Ratnam is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The following were appointed as Additional Directors of the Company to hold office up to the ensuing Annual General Meeting:

-Mr. Pradeep Srivastava on October 1, 2011

-Mr. Pradeep Pal Chadha on November 3, 2011

-Mr. Yogesh Kumar Sareen on April 2, 2012

-Mr. K.S. Ramsinghaney on April 2, 2012

-Mr. Mahesh Inder Vir Singh on May 23, 2012

Further, Mr. Mahesh Inder Vir Singh was appointed as the Managing Director of the Company effective May 23, 2012 for a period of three years without payment of any remuneration.

The Company has received notices under Section 257 of the Act from members proposing the candidature of Mr. Pradeep Srivastava, Mr. Yogesh Sareen, Mr. K.S. Ramsinghaney and Mr. Mahesh Inder Vir Singh, for being appointed as Directors of the Company.

Overview
The Big Picture
Operating Review
Financial Review

Directors' Report

Mr. Arvind Kakar resigned from the Board effective October 1, 2011 and Mr. C.V. Raghu and Mr. Pradeep Pal Chadha were resigned from the Board of the Company effective April 2, 2012. The Board places on record, its appreciation for the valuable contribution made by Mr. Arvind Kakar, Mr. C.V. Raghu and Mr. Pradeep Pal Chadha during their association with the Company.

AUDIT COMMITTEE

During the year under review, your Company constituted an Audit Committee pursuant to Section 292A of the Act. 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. Currently the Audit Committee comprises of Mr. Yogesh Sareen, Mr. Pradeep Srivastava and Mrs. Sujatha Ratnam.

AUDITORS

S R B C & 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.

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, 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: Nil

d. Foreign Exchange Earnings and Outgo
Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc.: NA

(Rs. in crore)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
i) Foreign Exchange Earnings	NIL	NIL
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	8.94	0.94
- Trading Goods	NIL	NIL
Others	NIL	NIL

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' 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	**Pradeep Srivastava**	**Yogesh Sareen**
May 23, 2012	**Director**	**Director**

Auditors' Report

TO THE MEMBERS OF HOMETRAIL BUILDTECH PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Hometrail Buildtech Private Limited** ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration No. 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Hometrail Buildtech Private 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 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 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.

(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.

(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.

Auditors' Report

(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.

(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 the 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 that no funds raised on short term basis have been used for long term investments.

(xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(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 B C & Co.
Firm registration No. 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RS. IN '000)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	110,100	100
Reserves and surplus	4	290,837	(14,176)
		400,937	(14,076)
Non-current liabilities			
Long-term borrowings	5	445,239	240,000
Long-term provisions	6	142	-
		445,381	240,000
Current liabilities			
Short-term borrowings	7	-	261,131
Trade payables	8	35,319	626
Other current liabilities	8	140,948	47,304
Short-term Provisions	6	588	
		176,855	309,061
TOTAL		1,023,173	534,985
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	928,707	-
Intangible assets	10	502	-
Capital work-in-progress		-	364,180
Long-term loans and advances	11	7,472	54,109
		936,681	418,289
Current assets			
Current investments	12	42,312	-
Inventories	13	12,878	-
Trade receivables	14	4,941	-
Cash and bank balances	15	23,762	114,868
Short-term loans and advances	11	2,004	946
Other current assets	16	595	882
		86,492	116,696
Total		1,023,173	534,985
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RS. IN '000)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Income			
Revenue from operations	17	31,319	-
Other income	18	5,303	224
Total		36,622	224
Expenses			
Purchase of pharmacy drugs, consumables and Implants		26,380	-
(Increase)/decrease in inventory of pharmacy drugs and consumables		(12,878)	-
Employee benefit expenses	19	30,599	19
Other expenses	20	73,187	889
Total		117,288	908
Earnings before interest, tax, depreciation and amortization (EBITDA)		(80,666)	(684)
Depreciation and amortization	21	23,625	-
Finance cost	22	30,146	400
Profit/(loss) before tax		(134,437)	(1,084)
Tax expense		-	-
Profit/(loss) after tax		(134,437)	(1,084)
Earnings per equity share			
Basic and diluted [Nominal value of shares Rs.10 (March 31, 2011 :Rs.10)]	24	(98.67)	(108.36)

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANDEEP SHARMA**
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities		
Net Profit / (loss) before tax	(134,437)	(1,084)
Non cash adjustments to reconcile profit/ (loss) before tax to net cash flows:		
Depreciation/ amortization	23,625	-
Interest expense	30,096	-
Interest income	(3,188)	(9)
Net (profit) on sale of current investments	(1,812)	-
Unrealized foreign exchange loss	6,380	-
Operating Profit Before Working Capital Changes	(79,336)	(1,093)
Movement in working capital :		
Increase in trade payables	34,691	166
Increase in long-term provisions	142	-
Increase in short-term provisions	588	-
Increase in other current liabilities	7,130	109
Decrease in trade receivables	(4,941)	-
Decrease in inventories	(12,878)	-
Decrease in short term loans and advances	(929)	(485)
Decrease in other current assets	(304)	-
Cash used in operations	(55,837)	(1,303)
Direct taxes paid (net of refunds)	(402)	(367)
Net cash flow used in operating activities (A)	(56,239)	(1,670)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(422,808)	(287,919)
Purchase of current investments	(500,000)	-
Interest Received	4,856	2,786
Proceeds from sale/maturity of current investments	459,500	-
Investment in deposits with original maturity for more than 3 months but less than 12 months and margin money	(18,215)	-
Net cash flow used in investing activities (B)	(476,667)	(285,133)
Cash flow from financing activities		
Proceeds from issuance of share capital	550,000	-
Share issue expense	(550)	-
Proceeds from long-term borrowings	185,740	240,000
Repayment of long-term borrowings	(3,964)	-
Proceeds from short-term borrowings	150,615	166,238
Repayment of short-term borrowings	(411,746)	-
Interest paid (including finance lease)	(46,510)	(8,167)
Net cash flow from financing activities (C)	423,585	398,071
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(109,321)	111,268
Cash and cash equivalents at the beginning of the year	114,768	3,500
Cash and cash equivalents at the end of the year	5,447	114,768
Components of cash and cash equivalent		
Cash on hand	20	-
Cheques/drafts on hand	17	-
With banks -		
in current account	5,410	2,878
in deposit account	-	111,890
Total cash and cash equivalents	5,447	114,768
Summary of significant accounting policies 2		

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANDEEP SHARMA**
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate information**

   The company is into healthcare business and during the current year the company has completed the 1st phase of the hospital construction and has commenced its operation in Bathinda (Punjab).

2. **Basis of preparation**

   The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on the accrual basis and under historical cost convention.

   The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing fixed asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation on tangible fixed assets

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.

Assets costing Rs. 5,000 or below are depreciated at the rate of 100%.

Other surgical instruments are depreciated over useful life of four years.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of two to six years.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each financial year end.

Notes to Financial Statements for the year ended March 31, 2012

(f) Leases

Where the company is 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 inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight – line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Lease in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance lease. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight – line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(g) 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 includes interest and amortization of ancillary costs incurred in connection with arrangement of borrowings.

(h) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available.

If no such transactions can be identified, an appropriate valuation model is used.

(I) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and

Notes to Financial Statements for the year ended March 31, 2012

directly attributable acquisition charges such as brokerage, fees, and duties.

Current investments are carried in the financial statements 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 value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales tax and value added taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company.Hence,they are excluded from revenue.

Income from Services

Revenue from healthcare services are 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.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(l) Foreign currency translation

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.

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. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rates that existed when the values were determined.

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.

If no such transactions can be identified, an appropriate valuation model is used.

(m) Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit & loss 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.

Notes to Financial Statements for the year ended March 31, 2012

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.

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 Statement of Profit and Loss and are not deferred.

(n) 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 recognized 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 realized. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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.

(o) 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

(p) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Cash & 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.

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

3. Share capital

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Authorised		
13,000,000 (Previous year: 10,000) equity shares of Rs. 10/- each	130,000	100
	130,000	100
Issued, subscribed and fully paid-up		
11,010,000 (Previous year: 10,000) equity shares of Rs.10/- each	110,100	100
	110,100	100

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(RS IN '000)

	March 31, 2012		March 31, 2011	
	No. of shares	Rs. in '000	No. of shares	Rs in '000
Equity Shares				
At the beginning of the year	10,000	100	10,000	100
Issued during the year	11,000,000	110,000	-	-
Outstanding at the end of the year	11,010,000	110,100	10,000	100

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Shares held by holding company

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Max Healthcare Institute Limited		
11,009,994 (Previous years: 9,994) equity shares of Rs.10/- each	110,099	100
	110,099	100

3.4 Details of shareholder holding more than 5% shares of the aggregate shares in the company (legal ownership)

	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Max Healthcare Institute Limited	11,009,994	99.99	9,994	99.99

Notes to Financial Statements for the year ended March 31, 2012

4. Reserves and surplus

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Securities premium account		
At the beginning of the year	-	-
Add: premium on issue of equity shares	440,000	-
Less: share issue expenses	550	-
Closing balance	439,450	-
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(14,176)	(13,092)
Profit/(Loss) for the year	(134,437)	(1,084)
Net deficit in the statement of profit and loss	(148,613)	(14,176)
Total reserves and surplus	290,837	(14,176)

5. Long term borrowings

(RS IN '000)

	Non - Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Term Loans (Secured)				
From financial institutions	370,000	240,000	-	-
From non-banking financial institution	29,931	-	4,240	-
Deferred payment liabilities				
Deferred payment liabilities (Unsecured)	31,616	-	18,242	-
Finance Lease Obligation (Unsecured)	13,692	-	3,912	-
	445,239	240,000	26,394	-
The above amount includes				
Secured borrowings	399,931	240,000	4,240	-
Unsecured borrowings	45,308	-	22,154	-
Amount disclosed under the head "other current liabilities" (note 8)			(26,394)	-
	445,239	240,000	-	-

5.1 Term Loan from the financial institution of Rs. 370,000 thousand (March 31, 2011 : Rs. 240,000 thousand) is repayable in 32 quarterly installments commencing from January 2015. The loan is secured by :

(i) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.

(ii) 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.

(iii) 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.100,000 thousand in aggregate).

Notes to Financial Statements for the year ended March 31, 2012

(iv) First charge on all intangibles.

(v) Corporate guarantee by the holding company.

5.2 Term loan from non-banking financial institutions of Rs. 341,71 thousand (March 31,2011: Nil) is repayable in 28 quarterly installments starting from November 2011 and is secured by way of exclusive charge over the medical equipment acquired through this facility.

5.3 Finance lease obligation is repayable in 20 quarterly installments begining from december 2011.

5.4 Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets over thirty one to thirty five months.

6. Provisions

(RS IN '000)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	**As at March 31, 2012**	As at March 31, 2011
Provision for employee benefits				
Provision for Leave Encashment	-	-	587	-
Provision for Gratuity	142	-	1	-
	142	-	588	-

Notes to Financial Statements for the year ended March 31, 2012

7. Short term borrowings

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Inter-corporate deposits repayable on demand(Unsecured)	-	261,131
	-	261,131

8. Current liabilities

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Trade Payables dues of other than micro, and small enterprises *	35,319	626
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	22,482	-
Current maturity of finance lease obligation (refer note 5)	3,912	
Interest accrued but not due on borrowings	1,709	-
Interest accrued and due on borrowings	1,495	3,063
Others		
Capital creditors	103,131	43,152
Advance from customers	1,129	-
Concession fee payable	1,293	-
Statutory dues	5,797	1,089
	140,948	47,304
	176,267	47,930

***Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and Small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of the act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

9. Tangible Assets

(RS IN '000)

	Building	Medical Equipment	Plan & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Other Surgical Instruments	Total
Gross block								
At April 1, 2011								
Additions	**496,374**	**235,703**	**118,873**	**23,422**	**42,740**	**1,116**	**11,877**	**930,105**
Borrowing Cost	22,180	-	-	-	-	-	-	22,180
At March 31, 2012	**518,554**	**235,703**	**118,873**	**23,422**	**42,740**	**1,116**	**11,877**	**952,285**
Depreciation								
At April 1 2011								
Charge for the year	5,327	9,076	2,832	1,539	3,411	41	1,352	23,578
At March 31, 2012	**5,327**	**9,076**	**2,832**	**1,539**	**3,411**	**41**	**1,352**	**23,578**
Net Block								
At March 31, 2011	-	-	-	-	-	-	-	-
At March 31, 2012	**513,227**	**226,627**	**16,041**	**21,883**	**39,329**	**1,075**	**10,525**	**928,707**

9.1 Land measuring 4.8 acres has been provided by Punjab Government on long term lease of 50 years to the company

9.2 The borrowing cost capitalized during the year ended March 31, 2012 was Rs. 15,478 thousand (March 31, 2011 Rs. 4,507 thousand). The Company has capitalised cumulative borrowing cost of Rs. 22,180 thousand during the year and shown the same as 'Borrowing Cost' above.

Notes to Financial Statements for the year ended March 31, 2012

9.3 Medical Equipments includes Medical Equipment taken on Finance lease :

(RS. IN '000)

	March 31, 2012	March 31, 2011
Gross Block	24,520	-
Depreciation	890	-
Accumulated Depreciation	890	-
Net Book Value	23,630	-

10. Intangible assets

(RS IN '000)

	Computers Software	Total
Gross Block		
At April 1, 2011		
Additions	549	549
Deletions/ Adjustments		-
At March 31, 2012	549	549
Depreciation		
At April 1 2011		
Charge for the year	47	47
At March 31, 2012	47	47
Net Block		
At March 31, 2011	-	-
At March 31, 2012	502	502

11. Loans and Advances

(RS IN '000)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances				
Unsecured, considered good	5,538	53,602	-	-
Security Deposits				
Unsecured, considered good	780	507	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	1,154	-	79	579
Other loans and advances				
Prepaid Expenses	-	-	1,156	-
Tax deducted at source	-	-	769	367
	7,472	54,109	2,004	946

Notes to Financial Statements for the year ended March 31, 2012

12. Current investments

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
27,947/-(March 31, 2011: Nil) units of Rs.1000/-each in DSP Black Rock Liquidity Fund Institutional Plan growth	42,312	-
	42,312	-

13. Inventories (valued at lower of cost and net realizable value)

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Stock of pharmacy drugs and consumables	12,878	-
	12,878	-

14. Trade receivables

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Other receivables		
Unsecured, considered good	4,941	-
	4,941	-

15. Cash and bank balances

(RS. IN '000)

	Current	
	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
in current accounts	5,410	2,878
Deposits with original maturity of less than three months	–	111,890
Cheques/drafts on hand	17	-
Cash on hand	20	-
	5,447	114,768
Other bank balances		
Margin money deposits	18,315	100
	18,315	100

Margin money deposits given as security

Rs.100 Thousand (31March 2011: 100 Thousand) to secure bank guarantee given to sales tax authorities.

Rs.13,000 Thousand (31March 2011: Nil) to secure Debt service reserve account requirement of the term lendor.

Rs.5,000 Thousand (31March 2011: Nil) to secure performance bank guarantee in favour of Government of Punjab.

Rs.215 Thousand (31March 2011: Nil) to secure Letter of credit.

Notes to Financial Statements for the year ended March 31, 2012

16. Other assets

(RS. IN '000)

	Current	
	As at March 31, 2012	As at March 31, 2011
Interest accrued on fixed deposits	291	882
Unbilled Revenue	304	-
	595	882

17. Revenue from operations

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from healthcare services	28,859	-
Sale of pharmacy and pharmaceuticals supplies	2,460	
	31,319	-

18. Other income

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest income on bank deposits	3,188	9
Profit on sale of current investments	1,812	
Other non-operating revenue	303	215
	5,303	224

19. Employee benefit expenses

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	26,129	-
Contribution to provident and other funds	1,704	-
Gratuity (note 25)	143	-
Staff welfare expenses	2,623	19
	30,599	19

Notes to Financial Statements for the year ended March 31, 2012

20. Other expenses

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Professional and consultancy fee	15,796	-
Recruitment fees	657	-
Concessional fee	1,566	
Outside lab investigation	234	-
Patient catering expenses	682	-
Rent	486	-
Insurance	496	-
Rates and taxes	935	-
Repairs and maintenance:		
Plant and equipments	317	-
Others	546	-
Power and fuel	8,127	-
Printing and stationery	1,183	3
Travelling and conveyance	2,709	257
Communication	894	-
Legal and professional	4,301	331
Branding, advertisement and publicity	8,066	298
IT Support and Maintenance	3,510	-
Facility maintenance expenses	11,731	-
Watch and ward	1,399	-
Net loss on foreign exchange fluctuation	8,562	-
Miscellaneous	990	-
	73,187	889

Payment to auditor (included in legal and professional fee)

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fee	337	331
	337	331

21. Depreciation and amortization expense

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	23,578	-
Amortization of intangible assets	47	-
	23,625	-

Notes to Financial Statements for the year ended March 31, 2012

22. Finance cost

(RS. IN '000)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	30,096	-
Bank Charges	50	400
	30,146	400

23. 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'.

24. Earnings per share (EPS)

(RS. IN '000)

	As at March 31, 2012	As at March 31, 2011
Profit/(loss) after tax	(134,437)	(1,084)
Weighted average number of equity shares in calculating basic and diluted EPS	1,362,459	10,000
Basic and diluted Earnings Per Share (Rs.)	(98.67)	(108.36)

25. 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 non funded.

The following table summarizes the component of net benefit expense recognized in statement of profit and loss, the funded status and the amount recognized in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	143	-
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the year	-	-
Past service cost	-	-
Net benefit expense	143	-
Actual return on plan assets	-	-

Notes to Financial Statements for the year ended March 31, 2012

Balance Sheet
Benefit asset/ liability

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	143	-
Fair value of plan assets	-	-
Funded Status	(143)	-
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(143)	-

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

(RS. IN '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	-	-
Current service cost	143	-
Benefits paid	-	-
Actuarial (gains) / losses on obligation	-	-
Closing defined benefit obligation	143	-

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

	Gratuity	
	March 31, 2012	March 31, 2011
Discount rate	8.60%	-
Expected rate of return on assets	NA	-
Retirement Age	60	-
Employee turnover	27%	-

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 '000)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	143	-
Plan assets	-	-
Surplus / (deficit)	(143)	-

Notes to Financial Statements for the year ended March 31, 2012

26 Finance lease: company as lessee

i The Company has finance lease for certain medical equipments for a period of 5 years commencing from December 31, 2011. Future minimum lease payment (MLP) under the finance lease plan together with the present value of MLP are as follows :

(RS. IN '000)

Particulars	March 31, 2012		March 31, 2011	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	5,280	3,912	-	-
After one year but not more than five years	15,701	13,692	-	-
More than five years	-	-	-	-
Total	20,981	17,604	-	-

27. Operating lease : company as lessee

i The company has entered into operating lease agreement for nursing hostel. Rent paid is Rs. 486 thousand (March 31, 2011 Rs. Nil) Future minimum lease payments and the payment profile of non cancellable operating lease are as follows:

(RS. IN '000)

Particulars	March 31, 2012		March 31, 2011	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year		267	-	-
After one year but not more than five years		-	-	-
More than five years		-	-	-
Total		-	267	-

28. Capitalisation of Expenditure

During the year company has capitalised the following expenses of revenue nature to the cost of fixed asset/capital work-in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

(RS. IN '000)

	March 31, 2012	March 31, 2011
Opening Balances	28,873	10,523
Add:		
Salaries, wages and bonus	4,523	9,073
Insurance	444	-
Power and Fuel	4,846	-
Travelling & Conveyance	2,782	-
Legal & Professional	1,082	-
Miscellaneous	8,074	4,770
Interest	15,478	4,507
Total	66,102	28,873
Less: Capitalised during the year	66,102	-
	-	28,873

Notes to Financial Statements for the year ended March 31, 2012

29. Capital and other commitments

a. Capital commitments

(RS. IN '000)

	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	24,338	419,441
Less: Capital Advances	5,538	53,602
Balance Value of Contracts	18,800	365,840

b. Commitments relating to lease arrangements, refer note 26

30. Contigent Liabilities not provided for

(RS. IN '000)

	March 31, 2012	March 31, 2011
i. Letters of credit outstanding with various banks in favour of domestic and foreign suppliers for consumables, medicines and medical equipments	250	69,949

31. Related parties disclosures

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Ultimately Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Max Bupa Health Insurance Company Ltd.

Notes to Financial Statements for the year ended March 31, 2012

31.1 Transaction with related parties during the year

(RS IN '000)

Particulars	March 31, 2012	March 31, 2011
Loans taken		
Holding Company		
Max Healthcare Institute Limited	205,557	166,238
Loans repaid		
Holding Company		
Max Healthcare Institute Limited	465,506	
Services rendered		
Fellow Subsidiaries		
Max Bupa Health Insurance Company Limited	472	
Purchase of Goods (Including taxes)		
Holding Company		
Max Healthcare Institute Limited	10,445	
Share Capital		
Holding Company		
Max Healthcare Institute Limited	550,000	-
Services Received		
Holding Company		
Max Healthcare Institute Limited	199	-

Balance Outstanding at the year end

(Rs. in '000)

Particulars	March 31, 2012	March 31, 2011
Inter-corporate deposits repayable on demand (unsecured)		
Holding Company		
Max Healthcare Institute Limited	-	261,131
Interest accrued and due on borrowings		
Holding Company		
Max Healthcare Institute Limited	-	3,063
Trade Payables		
Holding Company		
Max Healthcare Institute Limited	3,547	
Advances recoverable in cash or kind		
Fellow Subsidiaries		
Max Bupa Health Insurance Company Limited	23	

Notes to Financial Statements for the year ended March 31, 2012

32. The Movement of provisions for deferred taxes is given below

(RS. IN '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	35,921	-
Lease Asset related	1,560	-
Gross Deferred Tax Liability	**37,481**	**-**
Deferred Tax Asset		
Carried forward Unabsorbed depreciation	77,772	
Effect of expenditure debited and incomes credited to profit and loss account in the current year but allowed for tax purposes in following years	5,757	
Gross Deferred Tax Assets	**83,529**	**-**
Net Deferred Tax Asset / (Liability)	**46,048**	**-**

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

33. Particulars of Unheadged Foreign Currency as at the Balance Sheet date

(RS. IN '000)

Particulars	Foreign Currency		Indian Rupees	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Import trade payable(EUR)	13	114	902	7,275
Import trade payable(USD)	1,012	-	52,300	-
Import trade payable(YEN)	658	-	420	-

Closing rates are as under

(RS. IN '000)

	March 31, 2012	March 31, 2011
	TT Sell	TT Sell
USD	51.68	44.92
EUR	69.35	63.82
YEN	63.81	-

34. Value of Imports calculated on CIF Basis

(RS. IN '000)

	March 31, 2012	March 31, 2011
Capital Goods	89,453	9,464
Total	**89,453**	9,464

Notes to Financial Statements for the year ended March 31, 2012

35. Details of utilization of preferential issue proceeds is as follows:

(RS. IN '000)

	March 31, 2012	March 31, 2011
Amount Received on preferential Allotment of Shares	550,000	-
Utilisation:		
Repayment of short term borrowings	411,746	-
Purchase of fixed assets	95,942	-
Sub-total	507,688	-
Balances with Mutual Fund		
- 'DSP Black Rock Liquidity Fund Institutional Plan growth	42,312	-

36. The company had entered into a triplicate long term concessional agreement dated February 20,2009 along with its holding company, with the Government of Punjab. As per the terms of the concessional agreement the company is to build and operate a Hospital for a initial term of 50 years on public private partnership mode. The company is obliged to pay concessional fee to Government of Punjab as per the terms of arrangement.

37. Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VIto the Companies Act 1956, for preparation and presentation of its financialstatements.During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
MAY 23, 2012

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

YOGESH SAREEN
Director

PRADEEP SRIVASTAVA
Director

NEW DELHI
MAY 23, 2012

MAX NEEMAN

CONTRACT RESEARCH

Max Neeman Medical International Limited

MAX

Directors' Report

Your Directors are pleased to present their Thirteenth Annual Report, along with the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL PERFORMANCE

As a business, your Company is still at a very early stage of development. Revenues increased from Rs.23.27 crore in 2010-11 to Rs 27.67 crore on 2011-12, while PBT decline from Rs.4.57 crore in 2010-11 to Rs 3.62 crore due to expansion of business for which benefits will start accruing at later stage. The Company continues to increase its client base. It added 20 new clients during 2011-12 taking the total client base to 97.

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 1,850 ICH GCP trained investigators. A team of over 163 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. During the year total strength of the Company increased from 334 to 375 that includes 78 employees in Monitoring and 80 employees in Data Management. With its high quality operating standards, the Company successfully added 64 new sites during 2011-12.

The Company's patient retention rate – a critical business driver in clinical trials – is 95% against an industry average of 65% to 70%. It caters to several prestigious customers that include Piramal Healthcare, 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 sized companies such as Achillion, GlobeImmune, AP Pharma, ORA, KV Pharmaceuticals, Inspiration, Biotronik, West Ward, Orion, Octapharma, Ocular Theraputics, SOV Therpeutics, 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, Onconova, and Chan Rx.

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. Company has also established internal QA department that helps to improve the quality significantly. 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 deposit from the public upto the date of this report.

Directors' Report

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 :

C. Foreign Exchange Earnings and Outgo :

(Rs. crore)

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
i) Foreign Exchange Earnings	12.86	18.84
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	Nil	Nil
- Trading Goods	Nil	Nil
Others	2.35	3.64

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. C.V. Raghu is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself 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 B C & 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 said Act is attached to this Report.

For and on behalf of the Board of Directors

New Delhi **Analjit Singh**
May 23, 2012 **Chairman**

Compliance Certificate

Compliance Certificate
FORM [SEE RULE 3]

Corporate Identification No. (CIN): U 74999DL1999PLC102149
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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. 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 there under 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 there under.
3. the Company, being a public limited company, comments are not required.
4. the Board of Directors duly met **Four (4)** times respectively on **May 25, 2011**, **July 28, 2011, October 31, 2011,** and **March 15, 2012** 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.
5. the Company was not required to close its Register of Members during the financial year.
6. the Annual General Meeting for the financial year ended on **31st March, 2011** was held on **September 26, 2011** 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.
7. **No** Extra Ordinary General Meeting was held during the financial year.
8. the Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. the Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. 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.
11. 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.
12. the Company has not issued any duplicate share certificates during the financial year.
13. 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.
    - (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.

Compliance Certificate

(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.

14. 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.
15. the Company has not appointed any Managing Director/Whole time Director/ Manager during the financial year.
16. the Company has not appointed any sole selling agents during the financial year.
17. 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.
18. 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 there under.
19. the Company has not issued any shares or other securities during the financial year.
20. the Company has not bought back any shares during the financial year.
21. there was no redemption of preference shares or debentures during the financial year.
22. 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.
23. the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. the Company has not made any borrowings during the financial year ended 31st March, 2011
25. 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
26. 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.
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. the Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. the Company has not altered its Articles of Association during the financial year.
31. there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offenses under the Act.
32. the Company has not received any money as security from its employees during the year under certification.
33. 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: 23rd day of May,2012
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: 23rd day of May, 2012
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 2012.

Sr. No.	Form/ Return	For the Matter	Date of filing	Remarks
1.	Form 66	Submission of Compliance Certificate with the Registrar	05.10.2011	Normal fee
2.	Form 32	Intimation for resignation of director	29.11.2011	Normal fee
3.	Form 23AC & 23ACA (XBRL) - 2011	Balance Sheet & P&L Account	29.12.2011	Normal fee
4.	Form 20B - 2011	Annual Return of the Company	05.10.2011	Normal fee

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 23rd day of May, 2012
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, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.:93577

Gurgaon
May 23, 2012

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

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) 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) As informed, 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) As informed, 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. The business of the Company does not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed major weakness or continuing failure to correct major weakness in 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 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.

(vii) The Company is covered as a part of the internal audit function operated by its parent company, which is commensurate with the size of the company and the 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 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.

(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 undisputed 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 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 no accumulated losses at the end of the financial year 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.

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 through 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 course of our audit.

For S R B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.:93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

	Notes	As at March 31, 2012	(RUPEES) As at March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	41,668,130	41,668,130
Reserves and surplus	5	6,425,129	(15,660,058)
		48,093,259	26,008,072
NON-CURRENT LIABILITIES			
Long-term borrowings	6	1,765,315	-
Long-term provisions	7	1,237,473	1,489,512
		3,002,788	1,489,512
CURRENT LIABILITIES			
Short-term borrowings	8	93,813,654	93,364,421
Trade payables	9	32,289,732	36,161,436
Other current liabilities	9	56,361,640	60,874,138
Short-term provisions	7	16,466,162	15,824,680
		198,931,188	206,224,675
TOTAL		250,027,235	233,722,259
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10	18,233,421	12,092,413
Intangible assets	11	3,877,448	4,351,266
Deferred tax assets (Net)	12	8,135,244	7,790,557
Long-term loans and advances	13	913,582	759,582
Other non-current assets	17	2,040,064	2,040,064
		33,199,759	27,033,882
CURRENT ASSETS			
Current investments	14	56,287,391	52,580,899
Trade receivables	15	98,062,130	93,816,908
Cash and bank balances	16	17,657,833	7,116,117
Short-term loans and advances	13	11330,935	17,227,758
Other current assets	17	33,489,187	35,946,695
		216,827,476	206,688,377
TOTAL		250,027,235	233,722,259
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.	For and on behalf of the Board of Directors of	
Firm Registration No. 324982E	Max Neeman Medical International Limited	
Chartered Accountants		
per SANDEEP SHARMA	**C. V. RAGHU**	**SUJATHA RATNAM**
Partner	(Director)	(Director)
Membership No. 93577		
GURGAON	NEW DELHI	
May 23, 2012	May 23, 2012	

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
INCOME			
Revenue from operations	18	250,367,261	215,065,575
Other Income	19	26,308,987	17,654,934
Total revenue (I)		276,676,248	232,720,509
EXPENSES			
Employee benefits expense	20	132,210,264	112,606,900
Other expenses	21	108,287,504	74,417,056
Total expenses (II)		240,497,768	187,023,956
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		36,178,480	45,696,553
Depreciation and amortisation	22	6,223,878	7,463,307
Finance cost	23	505,920	84,218
Profit before tax		29,448,682	38,149,028
Tax expense			
Current tax		12,208,183	14,500,000
Tax related to previous year		(4,500,000)	-
Deferred tax		(344,688)	(901,573)
Total tax expense		7,363,495	13,598,427
Profit after tax		22,085,187	24,550,601
Earnings per equity share			
Basic and diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]	24	5.30	5.89
Summary of significant accounting policies	3		

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
May 23, 2012

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

C. V. RAGHU
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	29,448,682	38,149,028
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortisation	6,223,878	7,463,307
Interest expense	238,278	-
Interest income	(195,954)	(171,623)
Dividend income from investments	(3,706,493)	(1,806,935)
Liabilities/provisions no longer required written back	(12,340,128)	(6,451,701)
Unrealised foreign exchange (gain) / loss	(2,144,833)	635,907
Other provisions	-	2,898,090
Operating profit before working capital changes	17,523,430	40,716,073
Movement in working capital :		
Increase/ (decrease) in trade payables	3,955,926	47,373,155
Increase/ (decrease) in long-term provisions	(252,039)	-
Increase/ (decrease) in short-term provisions	641,482	-
Increase/ (decrease) in other long-term liabilities	1,765,315	-
Increase/ (decrease) in other short-term liabilities	(14,577,321)	-
Decrease / (increase) in trade receivables	(2,100,389)	(36,650,975)
Decrease / (increase) in short-term loans and advances	10,067,755	(6,113,989)
Decrease / (increase) in other current assets	2,457,508	(5,404,411)
Decrease / (increase) in other non-current assets	(2,194,063)	(2,040,064)
Cash generated from/(used in) operations	17,287,604	37,879,789
Direct taxes paid (net of refunds)	(11,697,575)	(7,484,438)
Net cash flow from /(used in) operating activities (A)	5,590,029	30,395,351
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(11,891,068)	(5,905,326)
Purchase of current investments	(3,706,493)	(52,580,899)
Proceeds from sale/maturity of current investments	-	25,773,964
Interest Received	14,414	171,623
Dividend Received	3,706,493	1,806,935
Net cash flow from /(used in) investing activities (B)	(11,876,654)	(30,733,703)
Cash flow from financing activities		
Proceeds from short -term borrowings	15,005,548	2,367,009
Interest paid	(217,271)	
Net cash flow from /(used in) financing activities (C)	14,788,277	2,367,009
Net Increase/(decrease) in cash and cash equivalents **(A + B + C)**	8,501,652	2,028,657
Cash and cash equivalents at the beginning of the year	9,156,181	5,087,460
Cash and cash equivalents at the end of the year	17,657,833	7,116,117
Components of cash and cash equivalent		
Cash on hand	216,035	144,757
With banks -		
on current account	17,441,798	6,971,360
Total cash and cash equivalents	17,657,833	7,116,117
Summary of significant accounting policies 3		

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 935777
GURGAON
May 23, 2012

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

C. V. RAGHU
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. Corporate information

Max Neeman Medical International Limited is a 100% subsidiary of Max India Limited and is a value added contract research organisation providing clinical research services to global pharmaceuticals, device and biotechnology companies.

2. 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, except for the change in accounting policy explained below.

3. Summary of significant accounting policies

3.1. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.3 Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost of bringing the asset to its working condition for its intended use. Borrowing costs related 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.

3.4 Depreciation on tangible fixed assets

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 lease term or useful life, whichever is lower.

Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.

3.5 Intangible assets

Intangible assets are recognised 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.

Software/technical know-how in the nature of intangible assets are depreciated over a period of five years.

3.6 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 statement of profit and loss on a straight-line basis over the lease term.

3.7 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Notes to Financial Statements for the year ended March 31, 2012

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.

3.8 Revenue recognition

Revenue from clinical trial services is recognized with reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

Revenue from clinical data management services is recognized with reference to the stage of completion of clinical data management service projects subscribed with pharmaceutical companies.

3.10 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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was 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 recognised as income or as expenses in the year in which they arise.

3.11 Employee benefits

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 Statement of Profit and Loss 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."

"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 Neeman Employees Gratuity Fund" which in turn has taken a policy with LIC to cover the gratuity liability of the employees."

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 statement of Profit and Loss and are not deferred.

3.12 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

Notes to Financial Statements for the year ended March 31, 2012

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.

3.13 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 areas in which major operating divisions of the company operate.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

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.

3.14 Earnings per share

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

3.15 Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.16 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the controlof the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financialstatements.

3.17 Cash & 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.

3.18 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

4. Share Capital

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
4,250,000 (March 31, 2011 4,250,000) Equity Shares of Rs 10/- each	42,500,000	42,500,000
1,00,000 (March 31, 2011 100,000) 13% Non-Cumulative Redeemable Preference Share of Rs. 10/- each	1,000,000	1,000,000
	43,500,000	43,500,000
Issued, subscribed and paid-up shares (Nos.)		
4,166,813 (March 31, 2011: 4,166,813 equity shares of Rs. 10/- each fully paid up)	41,668,130	41,668,130
Total issued, subscribed and fully paid-up share capital	41,668,130	41,668,130

4.1 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4.2 Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Max India Limited, the holding company		
4,166,743 (March 31, 2011: 4,166,743) equity shares of Rs 10/- each fully paid up	41,667,430	41,667,430
	41,667,430	41,667,430

4.3 Details of shareholder holding more than 5% shares as at March 31, 2012 and March 31, 2011 is set out below

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10/- each, fully paid up				
- Max India Limited, the holding company	4,166,743	99.99	4,166,743	99.99

5. Reserves and surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(15,660,058)	(40,210,659)
Profit for the year	22,085,187	24,550,601
Net Surplus/ (deficit) in the statement of profit and loss	6,425,129	(15,660,058)
Total reserves and surplus	6,425,129	(15,660,058)

Notes to Financial Statements for the year ended March 31, 2012

6. Long-term borrowings

(RUPEES)

	Non - Current portion As at March 31, 2012	Current maturities As at March 31, 2011
Vehicle loans (Secured)	1,765,315	453,350
	1,765,315	453,350
The above amount includes		
Secured borrowings	1,765,315	453,350
Amount disclosed under the head "other current liabilities" (note 9)	-	(453,350)
	1,765,315	-

Vehicle loans of Rs 2,218,665 (March 31, 2011:Rs Nil) are payable over the period ranging from 3-5 years and are secured by way of hypothecation of respective vehicles.

7. Provisions

(RUPEES)

	Long - term		Short - term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for leave encashment	-	-	11,187,555	8,692,970
Provision for gratuity	1,237,473	1,489,512	231,627	116,329
Other Provisions				
Provision for Income Tax			5,046,980	7,015,381
	1,237,473	1,489,512	16,466,162	15,824,680

8. Short-term borrowings

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Cash credit from banks (secured)	15,005,548	-
Interest free loans and advances from related parties, repayable on demand (unsecured)	78,808,106	93,364,421
	93,813,654	93,364,421
The above amount includes		
Secured borrowings	15,005,548	-
Unsecured borrowings	78,808,106	93,364,421
	93,813,654	93,364,421

Cash credit limit from banks are secured by exclusive charge on whole of current assets of the Company, both present and future, located anywhere.

Notes to Financial Statements for the year ended March 31, 2012

9. Current liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade payables	32,289,732	36,161,436
Other payables		
Current maturities of long-term borrowings	453,350	-
Advance from customers	19,350,074	26,385,396
Other liabilities	5,195,405	4,480,214
Contractual obligations of others	31,362,811	30,008,528
	56,361,640	60,874,138
	88,651,372	97,035,574

*** Details of dues of micro, small and medium enterprises as per MSMED Act, 2006**

As per the act, the Company is required to identify the micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of Act on them. Hence, the liability of interest and disclosure are not required to be disclosed in the financial statements.

10. Tangible Assets

(RUPEES)

	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Computers	Office Equipments	Vehicle	Total
Cost							
At April 1, 2010	3,381,972	718,166	1,383,416	10,705,995	3,103,274		19,292,823
Additions	1,752,768	-	679,644	1,971,369	831,510		5,235,291
At March 31, 2011	**5,134,740**	**718,166**	**2,063,060**	**12,677,364**	**3,934,784**	**-**	**24,528,114**
Additions	191,313	-	185,800	4,214,430	1,496,223	3,420,357	9,508,123
At March 31, 2012	**5,326,053**	**718,166**	**2,248,860**	**16,891,794**	**5,431,007**	**3,420,357**	**34,036,237**
Depreciation							
At April 1, 2010	2,894,638	98,594	619,686	4,563,167	630,916		8,807,001
Charge for the year	947,195	33,988	670,061	1,794,547	182,909		3,628,700
At March 31, 2011	**3,841,833**	**132,582**	**1,289,747**	**6,357,714**	**813,825**	**-**	12,435,701
Charge for the year	226,937	34,081	215,493	2,252,437	346,496	291,671	3,367,115
At March 31, 2012	**4,068,770**	**166,663**	**1,505,240**	**8,610,151**	**1,160,321**	**291,671**	**15,802,816**
Net block							
At March 31, 2011	1,292,907	585,584	773,313	6,319,650	3,120,960	-	12,092,413
At March 31, 2012	**1,257,283**	**551,503**	**743,620**	**8,281,643**	**4,270,686**	**3,128,686**	**18,233,421**

Notes to Financial Statements for the year ended March 31, 2012

11. Intangible Assets

(RUPEES)

	Technical Know how	Computer Software	Total
Gross block			
At April 1, 2010	5,728,844	13,518,510	19,247,354
Additions	-	670,035	670,035
At March 31, 2011	**5,728,844**	**14,188,545**	**19,917,389**
Additions		2,382,945	2,382,945
At March 31, 2012	**5,728,844**	**16,571,490**	**22,300,334**
Amortisation			
At April 1, 2010	3,911,310	7,820,206	11,731,516
Charge for the year	1,145,769	2,688,838	3,834,607
At March 31, 2011	**5,057,079**	**10,509,044**	**15,566,123**
Charge for the year	671,765	2,184,998	2,856,763
At March 31, 2012	**5,728,844**	**12,694,042**	**18,422,886**
Net block			
At March 31, 2011	671,765	3,679,501	4,351,266
At March 31, 2012	-	3,877,448	3,877,448

12. Deferred tax assets (net)

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Deferred tax liability (Gross)		
Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	1,181,430	825,937
Gross deferred tax liability	1,181,430	825,937
Deferred tax assets (Gross)		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	7,914,391	8,332,182
Provision for doubtful debts and advances	1,402,283	284,312
Gross deferred tax assets	9,316,674	8,616,494
Net deferred tax asset	8,135,244	7,790,557

Notes to Financial Statements for the year ended March 31, 2012

13. Loans and Advances (Unsecured, unless stated otherwise)

(RUPEES)

	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Security deposit				
Unsecured, considered good	913,582	759,582	-	-
A	913,582	759,582	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	-	375,601
B	-	-	-	375,601
Other loans & advances				
Balances with statutory/government authorities	-	-	14,777	1,642,611
Prepaid expenses	-	-	1,246,395	2,876,413
Loans to employees	-	-	1,390,607	1,390,005
Capital advances				200,000
Advance income tax (net of provision for taxation)	-	-	8,679,156	10,743,128
C	-	-	11,330,935	16,852,157
Total (A+B+C)	913,582	759,582	11,330,935	17,227,758

14. Current investments

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Current investments (valued at lower of cost and fair value unless stated otherwise)		
Unquoted mutual funds	56,287,391	52,580,899
5,584,177 (March 31, 2011 : 5,216,462.50) units of Rs. 10.0798 each of Kotak Mahindra Mutual Fund		
Aggregate amount of unquoted investment	56,287,391	52,580,899

15. Trade receivables

(RUPEES)

	Current	
	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	501,750	2,834,053
Doubtful	-	855,910
	501,750	3,689,963
Provision for doubtful receivables	-	855,910
A	501,750	2,834,053
Other receivables		
Unsecured, considered good	97,560,380	90,982,855
Doubtful	(4,322,031)	-
B	101,882,411	90,982,855
Provision for doubtful receivables	(4,322,031)	-
	97,560,380	90,982,855
Total (A+B)	98,062,130	93,816,908

Notes to Financial Statements for the year ended March 31, 2012

16. Cash and bank balances

(RUPEES)

	Non - Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents				
Balances with banks :				
- in Current Accounts	-	-	17,441,798	6,971,360
Cash on hand	-	-	216,035	144,757
	-	-	17,657,833	7,116,117
Other bank balances				
Deposits with original maturity for more than 12 months	2,040,064	2,040,064	-	-
Amount disclosed under non-current assets (note 17)	(2,040,064)	(2,040,064)	-	-
	-	-	17,657,833	7,116,117

17. Other assets

(RUPEES)

	Non - Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 16)				
Deposit with original maturity for more than 12 months	2,040,064	2,040,064		
Others				
Interest accrued on fixed deposits	-	-	258,239	76,701
Unbilled revenue	-	-	33,230,948	35,869,994
	2,040,064	2,040,064	33,489,187	35,946,695

18. Revenue from operations

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of services		
Clinical research	250,367,261	215,065,575
Revenue from operations (net)	250,367,261	215,065,575

Notes to Financial Statements for the year ended March 31, 2012

19. Other income

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities/provisions no longer required written back	12,340,128	6,451,701
Dividend income on		
Current investments	3,706,493	1,806,935
Interest income on		
Bank deposits	181,540	169,748
Others	14,414	1,875
Miscellaneous Income	6,858,002	9,224,675
Gain/(loss) on foreign exchange fluctuation(net)	3,208,410	-
	26,308,987	17,654,934

20. Employee benefit expenses

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	121,757,508	105,274,786
Contribution to provident and other funds	3,935,887	3,357,600
Gratuity expense	950,449	1,005,908
Staff welfare expenses	5,566,420	2,968,606
	132,210,264	112,606,900

20.1. 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 statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

	Gratuity	
	As at March 31, 2012	As at March 31, 2011
Current service cost	12,41,648	1,096,683
Interest cost on benefit obligation	2,97,905	211,205
Expected return on plan assets	2,63,212	174,001
Net actuarial(gain) / loss recognized in the year	(3,25,892)	(1,27,979)
Past service cost		-
Net benefit expense	9,50,449	10,05,908
Actual return on plan assets	(263,212)	(174,001)

Notes to Financial Statements for the year ended March 31, 2012

Balance Sheet
Benefit asset/ liability

(RUPEES)

	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	4,919,450	3,723,818
Fair value of plan assets	3,450,350	2,117,977
Funded Status	(14,69,100)	(16,05,841)
Less: Unrecognized past service cost		
Plan asset / (liability)	(1,469,100)	(1,605,841)

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

(RUPEES)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	37,23,818	26,40,063
Interest cost	2,97,905	2,11,205
Current service cost	12,41,648	10,96,683
Benefits paid	(18,029)	(96,154)
Actuarial (gains) / losses on obligation	(3,25,892)	(1,27,979)
Closing defined benefit obligation	49,19,450	37,23,818

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

(RUPEES)

	Gratuity	
	March 31, 2012	March 31, 2011
Opening fair value of plan assets	21,17,977	15,05,696
Expected return	2,63,212	1,74,001
Contributions by employer	10,87,190	5,34,434
Benefits paid	(18,029)	(96,154)
Actuarial gains / (losses)		
Closing fair value of plan assets	34,50,350	21,17,977

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

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Life Insurance Corporation of India	100	100

Notes to Financial Statements for the year ended March 31, 2012

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

(RUPEES)

	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Discount rate	8.70%	8.00%
Expected rate of return on assets	9.00%	9.00%
Retirement Age	years	years
Employee turnover		
- Upto 30 years	10% per annum	10% per annum
- 31 to 44 years	10% per annum	10% per annum
- Above 44 years	5% per annum	5% per annum

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, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	49,19,450	37,23,818	26,40,063	16,54,997
Plan assets	34,50,350	21,17,977	15,05,696	4,71,194
Surplus / (deficit)	(14,69,100)	(16,05,841)	(11,34,367)	(11,83,803)
Experience adjustments on plan liabilities	(4,515)	1,27,979	(5,731)	(2,55,648)
Experience adjustments on plan assets	NIL	NIL	66,777	12,612

Notes to Financial Statements for the year ended March 31, 2012

21. Other expenses

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Clinical trial expenses	26,932	-
Rent	9,152,355	6,327,982
Insurance	3,788,017	2,350,555
Rates and taxes	2,358,799	1,808,653
Repairs and maintenance:		
Others	11,630,114	8,192,567
Electricity and water	2,211,683	1,700,500
Printing and stationery	2,144,192	2,752,824
Travelling and conveyance	7,123,070	8,397,731
Communication	6,068,962	5,771,407
Recruitment Expenses	712,444	452,847
Training and seminar expenses	277,274	251,230
Legal and professional	24,277,929	9,731,142
Business promotion	27,958,582	19,728,614
Software license fee	5,228,079	2,300,722
Provision for doubtful debts and advances	3,466,121	2,525,682
Charity and donation	441,834	364,416
Net loss on foreign exchange fluctuation	–	434,901
Commission	1,336,934	1,234,108
Membership & subscription	84,183	91,175
	108,287,504	74,417,056
Payment to auditor		
As auditor:		
Audit fee	224,720	110,300
Reimbursement of expenses	12,133	–
	236,853	110,300

22. Depreciation and amortization expense

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	3,367,351	3,628,700
Amortization of intangible assets	2,856,527	3,834,607
	6,223,878	7,463,307

23. Finance costs

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	238,278	-
Bank charges	267,642	84,218
	505,920	84,218

Notes to Financial Statements for the year ended March 31, 2012

24. Earnings per share (EPS)

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit after tax	22,085,187	24,550,601
Net profit for calculation of basic EPS	22,085,187	24,550,601
	Numbers	Numbers
Weighted average number of equity shares in calculating basic and diluted EPS	4,166,813	4,166,813
Earning per share (Rupees)	5.30	5.89

25 Leases

25.1 Operating lease : company as lessee

Lease rentals recognized in the statement of profit and loss for the year is Rs. 9,152,355 (Previous year Rs. 6,327,982).

(i) The company has entered into operating leases for its office and for employees' residence 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.

(ii) There are no future commitments for lease payments for any of the above mentioned lease agreements.

Notes to Financial Statements for the year ended March 31, 2012

26. Segment information
2011-12

(RUPEES)

	Primary segments	Clinical Research Services	Clinical Data Management	Total
a.	**Segment Revenue from**			
	Service Income	230,955,868	19,411,393	250,367,261
	Total Revenue	230,955,868	19,411,393	250,367,261
b.	**Segments Results**	68,697,192	(21,376,674)	47,320,518
	Add: Unallocated Income			26,308,987
	Less: Unallocated Expense			43,942,545
	Operating profit			29,686,960
	Interest Expenses			238,278
	Interest Income			-
	Income Taxes			7,363,495
	Profit from ordinary activities			22,085,187
	Net Profit			22,085,187
c.	**Carrying amount of segment assets**	120,186,196	2,623,802	122,809,998
	Add: Unallocated assets			127,217,237
	Total Assets			250,027,235
d.	**Segment Liabilities**	72,076,914	5,892,918	77,969,832
	Add: Unallocated liabilities			123,964,144
	Total Liabilities			201,933,976
e.	**Cost to acquire tangible and intangible fixed assets**	11,862,948	28,120	11,891,068
	Total Addition			11,891,068
f.	**Depreciation and amortisation expenses**	3,024,374	3,199,504	6,223,878
	Unallocated Depreciation & amortisation	-	-	-
	Total depreciation and amortisation	3,024,374	3,199,504	6,223,878
g.	**Non-cash expenses other than depreciation and amortisation**	Nil	Nil	Nil
	Unallocated Non cash expenses	Nil	Nil	Nil
	Total	Nil	Nil	Nil

SECONDARY SEGMENT

		India	Europe, North America Israel, South Korea	Total
a.	Revenue from external customers	62,015,942	188,351,319	250,367,261
b.	Carrying amount of segment assets by location of assets	120,186,196	2,623,802	12,280,998
c.	Cost to acquirer tangible and intangible fixed assets by location of assets	11,891,068	-	11,891,068

Notes to Financial Statements for the year ended March 31, 2012

Segment information
2010-11

(RUPEES)

	Primary segments	Clinical Research Services	Clinical Data Management	Total
a.	**Segment Revenue from**			
	Service Income	202,800,683	12,264,892	215,065,575
	Add: Unallocated Revenue			17,654,934
	Add: Interest Income			-
	Total Revenue	202,800,683	12,264,892	232,720,509
b.	**Segment Results**	138,808,660	(35,393,140)	103,415,520
	Add: Unallocated Income			17,654,934
	Less: Unallocated expenses			83,093,049
	Operating expenses			37,977,405
	Interest Expenses			-
	Interest Income			171,623
	Income Taxes			13,598,427
	Profit from ordinary activites			24,550,601
	Net profit			24,550,601
c.	**Carrying amount of segment assets**	138,965,936	10,041,057	149,006,993
	Add: Unallocated assets			84,715,266
	Total Assets			233,722,259
d.	**Segment Liabilities**	79,726,586	4,773,560	84,500,146
	Add: Unallocated liabilities			123,214,041
	Total Liabilities			207,714,187
e.	**Cost to acquire tangible and intangible fixed assets**	5,706,464	198,862	5,905,326
f.	**Depreciation and amortisation expenses**	2,560,699	4,902,608	7,463,307
g.	**Non-cash expenses other than depreciation and amortisation**	Nil	Nil	Nil
	Unallocated Non cash expenses	Nil	Nil	Nil
	Total	Nil	Nil	Nil

SECONDARY SEGMENT

		India	Europe, North America Israel, South Korea	Total
a.	Revenue from external customers	202,800,683	12,264,892	215,065,575
b.	Carrying amount of segment assets by location of assets	138,965,936	10,041,057	149,006,993
c.	Cost to acquirer tangible and intangible fixed assets by location of assets	5,905,326	-	5,905,326

29. Related party disclosures

Names of related parties and related party relationship	
Related party where control exists **Holding Company**	Max India Limited
Ralated parties with whom transactions have taken place during the year	
Fellow subsidiaries	Max New York Life Insurance Company Limited Max Neeman Medical International Inc. Pharmax Corporation Limited Max Healthcare Institute Limited Max Healthstaff International Limited Max Bupa Health Insurance Company Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited Max India Foundation

Notes to Financial Statements for the year ended March 31, 2012

27.1 Related Parties as on March 31, 2012

(RUPEES)

Particulars	Holding Company		Fellow Subsidiary		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
Expenses								
Rent Expenses								
Pharmax Corporation Limited	-	-	7,607,071	5,317,669	-	-	7,607,071	5,317,669
Business Development Fees								
Max Neeman Medical International, Inc	-	-	26,754,316	19,196,692	-	-	26,754,316	19,196,692
Other Expenses								
Pharmax Corporation Limited	-	-	-	534,123	-	-	-	534,123
Max Healthcare Institute Limited	-	-	122,105	370,120	-	-	122,105	370,120
Max Newyork Life Insurance Company Limited	-	-	38,171	51,230	-	-	38,171	51,230
New Delhi House Services Ltd	-	-		-	8,131,826	6,373,580	8,131,826	6,373,580
Max Bupa Health Insurance Company Limited	-	-	2,669,537	-	-	-	2,669,537	-
Expenses Reimbursed								
Max India Limited	1,761,018	2,367,009	-	-	-	-	1,761,018	2,367,009
Loans taken								
Max India Limited	1,761,018	2,367,009	-	-	-	-	1,761,018	2,367,009
Loans repaid								
Max India Limited	16,317,333	-	-	-	-	-	16,317,333	-
Amount outstanding								
Against loan taken from Max India Limited	78,808,106	93,364,421	-	-	-	-	78,808,106	93,364,421
Other receivables								
Max Bupa Health Insurance Company Limited	-	-	15,793	-	-	-	15,793	-
Other payables								
New Delhi House Services Limited	-	-	-	-	-	266,483	-	266,483
Max Neema Medical International Inc	-	-	8,585,431	8,337,623	-	-	8,585,431	8,337,623
Max Healthcare Institute Limited	-	-	1,641,453	3,968,733	-	-	1,641,453	3,968,733

Notes to Financial Statements for the year ended March 31, 2012

28. Transaction in foreign currency (accrual basis)

(RUPEES)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Earning in foreign currency		
Service Income	**188,351,319**	128,583,198
Expenditure in foreign currency		
Legal and Professional	7,089,848	-
Commission	1,336,933	1,234,108
Travelling	1,176,371	3,093,390
Business Development Fee	26,754,316	19,196,692

29. Previous year figures

Till the year ended March 31, 2011 the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

GURGAON
May 23, 2012

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

C. V. RAGHU
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI
May 23, 2012

MAX NEEMAN

CONTRACT RESEARCH

Max Neeman Medical
International Inc., USA

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MAX

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, 2012

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 development 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. 2.27 lacs as against previous year Profit of Rs.72.23 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 B C & 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 financial support of its ultimate holding Company to meet its financial obligations. Your Company had to depend on funding from its holding Company, from time to time, to meet its business requirement.

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	**Pradeep Pal Chadha**	**C.V. Raghu**
May 23, 2012	**Director**	**Director**

Auditors' Report

TO 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, 2012 and also the Statement of Profit and Loss 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. Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that as of March 31, 2012, the Company has accumulated losses of Rs. 359,448,872 as against shareholders capital of Rs. 36,607,500. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its ultimate holding company. These mitigating factors have been more fully discussed in note 2 in the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

5. 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Auditors' Report

Annexure referred to in paragraph 3 of our report of even date 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) 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) As informed, 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) As informed, 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. The business of the Company does not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed major weakness or continuing failure to correct major weakness in 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 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.

(vii) The Company is covered as a part of the internal audit function operated by its parent company, which is commensurate with the size of the company and the 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 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.

(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 undisputed 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 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 per cent of its net worth and immediately preceeding financial year.*

(xi) The company did not have any outstanding dues in respect of debenture holder, financial institution or bank during the year.

(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.

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 funds amounting to Rs. 367,970,929 raised on short term basis in the form of short term borrowings from holding company 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 through 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 course of our audit.

For S R B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.:93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RUPEES)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	5	36,607,500	36,607,500
Reserves and surplus	6	(404,343,937)	(357,761,774)
		(367,736,437)	(321,154,274)
CURRENT LIABILITIES			
Short-term borrowings	7	377,324,836	329,333,593
Trade payables	8	1,610,861	865,243
Short-term provisions	9	385,999	189,010
		379,321,696	330,387,846
TOTAL		11,585,259	9,233,572
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10	120,113	34,919
Long-term loans and advances	11	114,379	99,826
		234,492	134,745
CURRENT ASSETS			
Trade receivables	12	8,585,431	8,337,623
Cash and bank balances	13	1,877,086	441,661
Short-term loans and advances	14	888,250	319,543
		11,350,767	9,098,827
TOTAL		11,585,259	9,233,572
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

per SANDEEP SHARMA
Partner
Membership No. 93577

C. V. RAGHU
(Director)

PRADEEP PAL CHADHA
(Director)

Gurgaon
May 23, 2012

New Delhi
May 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
INCOME			
Revenue from operations	15	26,754,316	19,196,692
Other income	16	291,484	7,776,756
Total revenue (I)		27,045,800	26,973,448
EXPENSES			
Employee benefits expense	17	13,676,452	10,041,983
Other expenses	18	13,043,537	9,535,893
Total expenses (II)		26,719,989	19,577,876
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		325,811	7,395,572
Depreciation and amortisation	19	29,285	164,439
Finance costs	20	69,770	7,696
Profit before tax		226,756	7,223,437
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit after tax		226,756	7,223,437
Earnings per equity share Basic and diluted [325 equity shares with no par value (Previous year : 325 equity shares with no par value)]	21	698	22,226
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

per SANDEEP SHARMA
Partner
Membership No. 93577

C. V. RAGHU
(Director)

PRADEEP PAL CHADHA
(Director)

Gurgaon
May 23, 2012

New Delhi
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RUPEES)

		For the year ended March 31, 2012	For the year ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		226,756	7,223,437
Non cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation / amortisation		29,285	164,439
Liability/ provisions no longer required written back		(72,760)	(7,752,593)
Operating profit before working capital changes		183,281	(364,717)
Movement in working capital :			
Increase/ (decrease) in trade payables		745,618	332,908
Increase/ (decrease) in short-term provisions		196,989	-
Decrease / (increase) in trade receivables		(247,808)	30,560
Decrease / (increase) in long-term loans and advances		(14,553)	-
Decrease / (increase) in short-term loans and advances		(521,762)	-
Cash generated from/(used in) operations		341,765	(1,249)
Net cash flow from /(used in) operating activities		341,765	(1,249)
Net Increase/(decrease) in cash and cash equivalents		341,765	(1,249)
Impact of Foreign Exchange Fluctuations (Translation)		1,093,660	(1,006,031)
Cash and cash equivalents at the beginning of the year		441,661	1,448,941
Cash and cash equivalents at the end of the year		1,877,086	441,661
Components of cash and cash equivalent			
Cash on hand		10,101	5,353
With banks -			
in current account		1,866,985	436,308
Total cash and cash equivalents		1,877,086	441,661
Summary of significant accounting policies	3		

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

per SANDEEP SHARMA
Partner
Membership No. 93577

C. V. RAGHU
(Director)

PRADEEP PAL CHADHA
(Director)

Gurgaon
May 23, 2012

New Delhi
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. a. **Corporate information**

   Max Neeman Medical International Inc. is involved in developing 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, fellow subsidairy.

   b. **Country of incorporation**

   Max Neeman Medical International Inc. is incorporated and operates under the applicable laws of The United States of America.

2. **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, except for the change in accounting policy explained below.

   The Company is engaged in procuring orders for conducting clinical research on behalf of its fellow subsidiary, Max Neeman Medical International Limited in India. The Company is operating on cost plus model wherein it charges business support services to its fellow subsidiary company. The Company has earned a profit of Rs. 226,756 (previous year Rs 7,223,437) in the current year, due to which accumulated loss has been posted at Rs 359,448,872 (previous year Rs 359,675,628) against Share Capital of Rs. 36,607,500 as of March 31, 2012 (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.

3. **Summary of significant accounting policies**

   3.1. **Change in accounting policy**

   Presentation and disclosure of financial statements

   During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

   3.2 **Use of estimates**

   The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

   3.3 **Tangible fixed assets**

   Fixed assets are stated at less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost of bringing the asset to its working condition for its intended use. Borrowing costs related 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.

   3.4 **Depreciation on tangible fixed assets**

   Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived on the basis of useful lives

Notes to Financial Statements for the year ended March 31, 2012

estimated by the management, or those prescribedby schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

	Rates SLM	Schedule XIV rates
Furniture & Fixtures	10%	6.33%
Computer Equipment	20%	16.21%

3.5 Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to owner ship of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initialdirect costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the usefullife of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated usefullife of the asset, the lease term or the usefullife envisaged in Schedule XIV to the Companies Act. 1956.

4.0 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 as and when services are rendered.

4.1 Foreign exchange 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) Translation of integral and non-integral foreign operation

The company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of prof it and loss.

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.

4.2 Employee benefits

The Company provides a comprehensive benefits package to all employees, which consist of health, life and disability insurance.

4.3 Taxation

Direct taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid

Notes to Financial Statements for the year ended March 31, 2012

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 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.

4.4 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

4.5 Provisions

A provision is recognized when the company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

4.6 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.

4.7 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the controlof the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financialstatements.

4.8 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.

4.9 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

5. Share Capital

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
1,500 (Previous year : 1,500) equity shares having no par value	-	-
Issued, subscribed and fully paid-up shares (Nos.)		
325 (Previous year : 325) equity shares having no par value	36,607,500	36,607,500
Total issued, subscribed and fully paid-up share capital	36,607,500	36,607,500

5.1 Terms/rights attached to equity shares

The company has only one class of equity shares having no par value. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company in proportion to the number of equity shares held by the shareholders.

5.2 Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Neeman Medical International N.V., the holding company		
325 (Previous year : 325) equity shares having no par value	36,607,500	36,607,500
	36,607,500	36,607,500

5.3 Details of shareholder holding more than 5% shares as at March 31, 2012 and March 31, 2011 is set out below

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
325 equity shares having no par value held by Neeman Medical International N.V.	325	100	325	100
	325	100	325	100

6. Reserves and surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Foreign currency translation reserve		
Balance as per last financial statements	1,913,854	(589,410)
Add: Addition during the year	-	2,503,264
Less: Deletion during the year	(46,808,919)	-
Closing balance	(44,895,065)	1,913,854
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(359,675,628)	(366,899,065)
Profit for the year	226,756	7,223,437
Net Surplus/ (deficit) in the statement of profit and loss	(359,448,872)	(359,675,628)
Total reserves and surplus	(404,343,937)	(357,761,774)

Notes to Financial Statements for the year ended March 31, 2012

7. Short-term borrowings

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Interest free loan and advances from related parties repayable on demand (Unsecured)		
Neeman Medical International N.V., the holding company	377,324,836	329,333,593
	377,324,836	329,333,593

8. Current liablities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade payables dues of other than micro and small enterprise*	1,610,861	865,243
	1,610,861	865,243

*** Details of dues of micro and small enterprises as per MSMED Act, 2006**
As per the Act, the Company is required to identify the micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of Act on them. Hence, the liability of interest and disclosure are not required to be disclosed in the financial statements.

9. Provisions

(RUPEES)

	Short - term	
	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Provision for leave encashment	385,999	189,010
	385,999	189,010

10. TANGIBLE ASSETS

(RUPEES)

	Furniture & Fixtures	Computers	Total
Gross bloc			
At April 1, 2010	1,827,190	1,624,806	3,451,996
Other adjustments	-	-	-
Foreign currency translation reserve	(15,421)	(13,683)	(29,104)
			-
At March 31, 2011	1,811,769	1,611,123	3,422,892
Additions	-	104,255	104,255
Other adjustments	-	-	-
Foreign currency translation reserve	264,103	242,144	506,247
			-
At March 31, 2012	2,075,872	1,957,522	4,033,394
Depreciation			
At April 1, 2010	1,671,645	1,582,593	3,254,238
Charge for the year	153,063	11,376	164,439
Other adjustments	-	-	-
Foreign currency translation reserve	(17,105)	(13,599)	(30,704)
At March 31, 2011	1,807,603	1,580,370	3,387,973
Charge for the year	558	28,727	29,285
Other adjustments	-	-	-
Foreign currency translation reserve	263,624	232,399	496,023
At March 31, 2012	2,071,785	1,841,496	3,913,281
Net block			
At March 31, 2011	4,166	30,753	34,919
At March 31, 2012	4,087	116,026	120,113

Notes to Financial Statements for the year ended March 31, 2012

11. Loans and Advances

(RUPEES)

	Non – Current	
	As at March 31, 2012	As at March 31, 2011
Security deposits		
Unsecured, considered good	114,379	99,826
Total	114,379	99,826

12. Trade receivables

(RUPEES)

	Current	
	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise		
Other receivables		
Unsecured, considered good	8,585,431	8,337,623
Total	8,585,431	8,337,623

13. Cash and bank balances

(RUPEES)

	Current	
	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
on Current Accounts	1,866,985	436,308
Cash on hand	10,101	5,353
Total	1,877,086	441,661

14. Short-term loans and advances

(RUPEES)

	Current	
	As at March 31, 2012	As at March 31, 2011
Prepaid expenses	888,250	319,543
Total	888,250	319,543

15. Revenue from operations

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of services		
Business development services	26,754,316	19,196,692
Revenue from operations	26,754,316	19,196,692

Notes to Financial Statements for the year ended March 31, 2012

16. Other income

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities/provisions no longer required written back	72,760	7,752,593
Miscellaneous income	218,724	24,163
	291,484	7,776,756

17. Employee benefit expense

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	12,710,747	9,315,435
Staff welfare expenses	965,705	726,548
	13,676,452	10,041,983

18. Other expenses

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	1,378,922	1,368,571
Insurance	239,098	341,721
Rates and taxes	49,420	7,514
Repairs and maintenance		
Others	1,119,415	905,541
Printing and stationery	47,951	37,859
Travelling and conveyance	2,257,138	1,617,958
Communication	673,397	504,890
Legal and professional	447,665	387,211
Marketing expenses	6,830,531	4,330,776
Miscellaneous	-	33,852
	13,043,537	9,535,893

Payment to auditor

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
As auditor:		
Audit fee	112,360	51,461
	112,360	51,461

19. Depreciation and amortisation expense

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	29,285	164,439
	29,285	164,439

Notes to Financial Statements for the year ended March 31, 2012

20. Finance costs

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Bank charges	69,770	7,696
	69,770	7,696

21. Earnings per share (EPS)

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit after tax	226,756	7,223,437
Net profit for calculation of basic and diluted EPS	226,756	7,223,437
	Numbers	Numbers
Weighted average number of equity shares in calculating basic and diluted EPS	325	325
Earnings per share basic and diluted (Rupees)	698	22,226

22. Leases

22.1 Operating lease: company as lessee

Lease rentals recognized in the profit and loss account for the year is Rs. 1,378,922 (Previous year Rs. 1,368,571)

The Company has entered into operating lease for its office under an operating lease agreement for initial term of the lease term, that is renewable on a periodic basis. The initial lease term is of 24 months. The total of future minimum lease payments under non-cancellable leases are as follows:

(RUPEES)

Particulars	March 31, 2012	March 31, 2011
Not later than one year	1,195,972	1,222,143
Later than one year and not later than five year	-	1,043,787
Later than five year		
Total	1,195,972	2,265,930

23. Related party disclosure (RUPEES)

Names of related parties and related party relationship		
Related party where control exists		
Ultimate Holding Comapy	**Max India Limited**	
Holding Company	**Neeman Medical International N.V.**	
Related parties with whom transactions have taken place during the year		
Fellow Subsidiary	**Max Neeman Medical International Limited**	

Related Party transactions	March 31, 2012	March 31, 2011
Service income – Business development fee		
- Max Neeman Medical International Limited	26,754,316	19,196,692
Loans and advances taken		
- Neeman Medical International N.V.	(377,324,836)	(329,333,593)
Amount receivable from		
- Max Neeman Medical International Limited	8,585,431	8,337,623

Notes to Financial Statements for the year ended March 31, 2012

24. Deferred taxes

The Company follows Accounting Standard (AS-22) "Accounting for taxes on income", as notified by the Companies Accounting Standard Rules, 2006. Due to losses, the company has deferred tax asset with loss as a major component. However, deferred tax asset has not been recoganised since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future.

25. Segment Information

The Company operates in a single business segment, viz. doing business development activity for Max Neeman Medical International Limited a contract research organisation. 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.

26. Previous year figures

Till the year ended March 31, 2011 the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements.During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration No. 324982E
Chartered Accountants

per SANDEEP SHARMA
Partner
Membership No. 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

C. V. RAGHU
(Director)

PRADEEP PAL CHADHA
(Director)

New Delhi
May 23, 2012

Pharmax Corporation Limited

MAX

Directors' Report

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Annual Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

During the year under review, your Company earned a total income amounting to Rs. 552.93 lacs against Rs. 393.44 lacs in previous year. The Company posted a profit after tax of Rs. 275.42 lacs for the year ended March 31, 2012. Key highlights of the financial results for the year under review are as follows:

(Rs. lacs)

	Year ended March 31, 2012	Year ended March 31, 2011
Rental income	525.83	383.48
Other Income	27.10	9.96
Total Income	552.93	393.44
Total Expenditure	168.51	157.21
Profit / (Loss) before tax	384.42	236.23
Provision for Taxation	109.00	71.80
Profit / (Loss) after tax	275.42	164.43

DIVIDEND

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. P. Dwarakanath and Mr. Mohit Talwar retire by rotation at the ensuing Annual General Meeting, and being eligible offers themselves for re-appointment.

AUDIT COMMITTEE

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:

(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

M/s. 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	**P. Dwarakanah**	**Sujatha Ratnam**
August 2, 2012	**Director**	**Director**

Auditors' Report

TO THE MEMBERS OF PHARMAX CORPORATION LIMITED

1 We have audited the attached Balance Sheet of Pharmax Corporation Limited as at March 31, 2012 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, 2012 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 '3', 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, 2012;

(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.

Vikas Gupta
F. C. A. Partner, Membership # 076879
For & on behalf of

Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

Signed at New Delhi on
14 May, 2012

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, 2012.

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 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, Income-tax, Service Tax, Cess and any other statutory dues as applicable to it, which have not been deposited on account of any dispute.

Auditors' Report

10. The Company have accumulated losses as at the end of the financial year. 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.

Vikas Gupta
F. C. A. Partner, Membership # 076879
For & on behalf of

Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

Signed at New Delhi on
14 May, 2012

Balance Sheet as at March 31, 2012

(RUPEES)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	4	205,305,852	205,305,852
Reserves and surplus	5	(8,737,221)	(36,279,374)
		196,568,631	169,026,478
Share application money pending for allotment	6	270,935	270,935
Non-current liabilities			
Long-term borrowings	7	-	15,527,067
			15,527,067
Current liabilities			
Short-term borrowings	8	49,300,000	49,300,000
Trade payables	9	5,899,387	9,933,783
Other current liabilities	9	41,654,096	53,558,437
		96,853,483	112,792,220
TOTAL		293,693,049	297,616,700
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	178,325,251	183,625,173
Capital work-in- progress		-	2,303,129
Non-current investments	11	45,575,000	45,575,000
Long-term loans and advances	12	378,138	378,138
		224,278,389	231,881,440
Current assets			
Current investments	15	39,146,368	12,146,368
Trade receivables	13	2,758,748	13,669,312
Cash and bank balances	16	16,380,736	18,987,321
Short-term loans and advances	12	10,743,274	20,849,368
Other current assets	14	385,534	82,891
		69,414,660	65,735,260
TOTAL		293,693,049	297,616,700
NOTES TO ACCOUNTS	1		

The notes to accounts referred to above form an integral part of the Balance Sheet
As per our report of even date

For Nangia & Co.
Chartered Accountants
FRN : 002391C

VIKAS GUPTA
FCA, Partner
Membership Number : 076879

New Delhi
14 May, 2012

For and on behalf of the Board of Directors

Sujatha Ratnam
(Director)

P. Dwarakanath
(Director)

Pardeep K Gupta
(Company Secretary)

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Income			
Revenue from operations	17	54,776,243	39,344,132
Other Income	18	516,756	-
Total revenue (I)		55,292,999	39,344,132
Expenses			
Other expenses	19	6,571,616	2,729,118
Total expenses (II)		6,571,616	2,729,118
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		48,721,383	36,615,014
Depreciation and amortisation	20	6,453,540	6,568,696
Finance cost	21	3,825,690	6,422,976
Profit/(loss) before tax		38,442,153	23,623,342
Tax expense			
Current tax		10,900,000	7,180,000
Total tax expense		10,900,000	7,180,000
Profit/(Loss) after tax		27,542,153	16,443,342
Earnings per equity share	22		
Basic [Nominal value of shares Re.1 (Previous year Re.1)]		0.50	0.30
Diluted [Nominal value of shares Re.1 (Previous year Re.1)]		0.49	0.29
NOTES TO ACCOUNTS	1		

The notes to accounts referred to above form an integral part of the profit and loss account
As per our report of even date

For Nangia & Co.
Chartered Accountants
FRN : 002391C

VIKAS GUPTA
FCA, Partner
Membership Number : 076879

New Delhi
14 May, 2012

For and on behalf of the Board of Directors

Sujatha Ratnam
(Director)

P. Dwarakanath
(Director)

Pardeep K Gupta
(Company Secretary)

Cash Flow Statement for the year ended March 31, 2012

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax	38,442,153	23,623,342
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	6,453,540	6,568,696
Interest expense	9,962,400	10,636,756
Interest income	(2,186,916)	(545,498)
Net (profit) / loss on sale of fixed assets	1,745,538	-
Net (profit) / loss on sale of current investments	-	(146,368)
Liability/ provisions no longer required written back	(444,754)	-
TDS on Service and Other Income	(7,277,356)	(5,693,838)
Operating Profit Before Working Capital Changes	**46,694,605**	**34,443,090**
Movement in working capital :		
Increase/ (decrease) in trade payables	(5,743,718)	13,456,859
Increase/ (decrease) in other current liabilities	58,182	(4,617,965)
Decrease / (increase) in trade receivables	10,910,564	(8,494,014)
Decrease / (increase) in short-term loans and advances	463,466	(1,523,978)
Cash generated from/(used in) operations	52,383,100	33,263,992
Direct taxes paid (net of refunds)	6,579,512	-
Net cash flow from /(used in) operating activities (A)	**58,962,612**	**33,263,992**
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(986,027)	(220,000)
Proceeds form sale of fixed assets	390,000	-
Purchase of current investments	(27,000,000)	-
Proceeds form sale/maturity of current investments	-	3,000,000
Interest Received	1,769,499	545,498
Net cash flow from /(used in) investing activities (B)	**(25,826,528)**	**3,325,498**
Cash flow from financing activities		
Repayment of long -term borrowings	(25,659,011)	(22,975,911)
Interest paid	(10,083,657)	(10,636,756)
Net cash flow from /(used in) financing activities (C)	**(35,742,668)**	**(33,612,667)**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(2,606,585)	2,976,823
Cash and cash equivalents at the beginning of the year	18,987,321	16,010,498
Cash and cash equivalents at the end of the year	**16,380,736**	**18,987,321**
Components of cash and cash equivalent		
Cash on hand	28,597	7,135
Cheques/drafts on hand	-	26,460
With banks -		
on current account	6,152,139	5,701,525
on deposit account	10,200,000	13,252,201
Total cash and cash equivalents	**16,380,736**	**18,987,321**
NOTES TO ACCOUNTS 1		

The notes to accounts referred to above form an integral part of the Cash Flow Statement

As per our report of even date

For Nangia & Co.
Chartered Accountants
FRN : 002391C

VIKAS GUPTA
FCA, Partner
Membership Number : 076879

New Delhi
14 May, 2012

For and on behalf of the Board of Directors

Sujatha Ratnam
(Director)

P. Dwarakanath
(Director)

Pardeep K Gupta
(Company Secretary)

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate Information**

   Pharmax Corporation Limited is a Company registered under the Companies Act, 1956 and deals in leasing of Estates

2. **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.

3. **Summary of significant accounting policies**

   3.1 **Change in accounting policy**

   Presentation and disclosure of financial statements

   During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies (see below), the adoption of revised Schedule VI does not impact recognition andmeasurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

   3.2 **Use of estimates**

   The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

   3.3 **Tangible fixed assets**

   Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.

   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.

   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 evalued amounts is adjusted against the revaluation reserve. Assets acquired under the business transfer agreement are stated at amounts based on a valuation report.

   3.4 **Depreciation on tangible fixed assets**

   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.

   Leasehold improvements are depreciated over respective lease periods.

   Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.

   3.5 **Intangible assets**

   Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generatedintangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Notes to Financial Statements for the year ended March 31, 2012

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized over a period of two to six years based on management's estimate of economic useful life of the assets.

3.6 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.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes asubstantial 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.

3.8 Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU)net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of thosefrom other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets andforecast calculations are generally covering a period of five years.For longer periods,a long term growth rate is calculated and applied to project future cash flows after the fifth year.

3.9 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.

3.10 Investments

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.

Notes to Financial Statements for the year ended March 31, 2012

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.

3.11 Revenue Recognition

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.

Interest income is recognised on time proportionate bases, taking into the account the amount outstanding and the rates applicable.

3.12 Foreign exchange transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

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.

Exchange difference in respect of liabilities incurred to acquire fixed assets are recognized in the profit and loss account.

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.

3.13 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.

3.14 Segment reporting policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and

Notes to Financial Statements for the year ended March 31, 2012

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.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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.

3.15 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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

3.16 Provisions

A provision is recognized when the company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.17 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.18 Cash & 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.

3.19 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations.In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
4. SHARE CAPITAL		
Authorised shares (Nos.)		
60,000,000 (Previous year: 60,000,000) equity shares of Re. 1/- each	60,000,000	60,000,000
10% 470,000 (Previous Year 470,000) Cumulative Convertible Preference Shares of Rs. 100/- each	47,000,000	47,000,000
9% 1500,000 (Previous Year 1500,000) Cumulative Redeemable Preference share of Rs. 100/- each	150,000,000	150,000,000
	257,000,000	257,000,000
Issued, subscribed & fully paid-up shares (Nos.)		
55,305,852 (Previous year: 55,305,852) equity shares of Re. 1/- each fully paid up	55,305,852	55,305,852
1,500,000 (Previous year 1,500,000),9% Cumulative Redeemable Preference share of Rs. 100/ each	150,000,000	150,000,000
	205,305,852	205,305,852

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	(Rupees)	No. of shares	(Rupees)
Equity Shares				
At the beginning of the year	55,305,852	55,305,852	55,305,852	55,305,852
Outstanding at the end of the year	55,305,852	55,305,852	55,305,852	55,305,852

	March 31, 2012		March 31, 2011	
	No. of shares	(Rupees)	No. of shares	(Rupees)
Preference Shares				
At the beginning of the year	1,500,000	150,000,000	1,500,000	150,000,000
Outstanding at the end of the year	1,500,000	150,000,000	1,500,000	150,000,000

4.2 Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Max India Limited		
47,117,247 (Previous year 47,117,247) equity shares of Re. 1/-each fully paid up	47,117,247	47,117,247
	47,117,247	47,117,247

4.3 Details of shareholder holding more than 5% shares as at March 31, 2002 and March 31, 2011 is set out below

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	%held
Max India Limited	1,500,000	100	1,500,000	100

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and Surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(36,279,374)	(52,722,716)
Profit for the year	27,542,153	16,443,342
Net Surplus/ (deficit) in the statement of profit and loss	(8,737,221)	(36,279,374)
Total reserves & surplus	(8,737,221)	(36,279,374)

6. Share Application Money Pending Allotment

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
6341 (Previous year 6341) 10% Cumulative Convertible Preference Shares of Rs. 100/- each	634,100	634,100
Less Allotment Money to be received	(363,165)	(363,165)
	270,935	270,935

7. Long term borrowings

(RUPEES)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Term Loans				
From banks*	-	15,527,067	15,527,067	25,780,268
From financial institutions	-	-	-	-
From non-banking financial institution	-	-	-	-
	-	15,527,067	15,527,067	25,780,268

*Term loan from Canara Bank amounting to Rs. 155.27 Lacs (Previous year Rs. 413.07 Lacs) is secured against a charge on monthly lease rentals receivable from various lessees and equitable mortgage of freehold property at Okhla, New Delhi.

8. Short term borrowings

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Inter-corporate deposits from related parties	33,800,000	33,800,000
Inter-corporate deposits payable on demand	15,500,000	15,500,000
	49,300,000	49,300,000

Notes to Financial Statements for the year ended March 31, 2012

9. Current Liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade Payables		
Dues to micro and small enterprises	-	-
Dues to other than micro and small enterprises	5,899,387	9,933,783
	5,899,387	9,933,783
Other liabilities		
Current maturities of long-term borrowings	15,527,067	25,780,268
Advances from Policyholders	-	-
Other Liabilities	26,127,029	27,778,169
	41,654,096	53,558,437
	47,553,483	63,492,220

10. Tangible Assets

(RUPEES)

	Land (Freehold)	Land (Leasehold)	Building	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Total
Cost								
At April 1, 2010	84,269	182,365	174,619,212	-	70,042,639	5,528,696	-	250,457,208
Additions	-	-	-	-	-	-	-	-
Deletions/ Adjustments	-	-	-	-	-	-	-	-
Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-
Borrowing Cost	-	-	-	-	-	-	-	-
At 31 March 2011	84,296	182,365	174,619,212	-	70,042,639	5,528,696	-	250,457,208
Additions	-	-	-	-	3,289,156	-	-	3,289,156
Deletions/ Adjustments	-	-	-	-	5,350,000	-	-	5,350,000
Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-
Borrowing Cost	-	-	-	-	-	-	-	-
At 31 March 2012	84,296	182,365	174,619,212	-	67,981,795	5,528,696	-	248,396,364
Depreciation								
At April 1, 2010	-	-	20,645,933	-	38,032,967	1,584,439	-	60,263,339
Charge for the year	-	-	2,845,378	-	3,327,025	396,293		6,568,696
Deletions/ Adjustments	-	-	-	-	-	-	-	-
Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-
At 31 March, 2011	-	-	23,491,311	-	41,359,992	1,980,732	-	66,832,035
Charge for the year	-	-	2,845,378	-	3,215,922	392,240	-	6,453,540
Deletions/ Adjustments	-	-	-	-	3,214,462	-	-	3,214,462
Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-
At 31 March 2012	-	-	26,336,689	-	41,361,452	2,372,972	-	70,071,113
Net Block								
At 31 March 2011	84,296	182,365	151,127,901	-	28,682,647	3,547,964	-	183,625,173
At 31 March 2012	84,296	182,365	148,282,523	-	26,620,343	3,155,724	-	178,325,251

Notes to Financial Statements for the year ended March 31, 2012

11. Non-current investments

(RUPEES)

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Investment in Joint Ventures				
In Equity Share (At Cost) - Unquoted (Forum I Aviation Limited - 45,50,000 Equity shares of Rs.10/- each)	45,575,000	45,575,000	-	-
	45,575,000	45,575,000	-	-
	45,575,000	45,575,000	-	-

12. Loans & Advances

(RUPEES)

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	20,000
A	-	-	-	20,000
Security Deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good	378,138	378,138	-	-
Doubtful	-	-	-	-
	378,138	378,138	-	-
Provision for doubtful security deposit	-	-	-	-
B	378,138	378,138	-	-
Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	3,800,000	3,800,000
Doubtful	-	-	-	-
	-	-	3,800,000	3,800,000
Provision for doubtful	-	-	-	-
C	-	-	3,800,000	3,800,000
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	5,848,354	6,603,794
Doubtful	-	-	-	-
	-	-	5,848,354	6,603,794
Provision for Doubtful Advances	-	-	-	-
D	-	-	5,848,354	6,603,794
Other loans & advances				
Balances with statutory/government authorities	-	-	-	598,788
Prepaid Expenses	-	-	28,827	39,931
Advance income tax (net of provisions)	-	-	1,066,093	9,786,856
E	-	-	1,094,920	10,425,575
Total (A+B+C+D+E)	378,138	378,138	10,743,274	20,849,368

Notes to Financial Statements for the year ended March 31, 2012

13. Trade Receivables

(RUPEES)

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
A	-	-	-	-
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,758,748	13,669,312
Doubtful	-	-	-	-
B	-	-	2,758,748	13,669,312
Provision for doubtful receivables	-	-	-	-
	-	-	2,758,748	13,669,312
Total (A+B)	-	-	2,758,748	13,669,312
Included in Sundry Debtors are:				
Due from related parties	-	-	2,417,450	3,982,645

14. Other Assets

(RUPEES)

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Others				
Interest accrued on fixed deposits	-	-	385,534	82,891
	-	-	385,534	82,891

15. Current Investments

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Unit in Mutual funds (unquoted)	39,146,368	12,146,368
	39,146,368	12,146,368

16. Cash and Bank Balances

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalents		
Balances with banks		
on Current Accounts	6,152,139	5,701,525
Deposits with original maturity of less than three months	-	10,210,129
Cheques/drafts on hand	-	26,460
Cash on hand	28,597	7,135
	6,180,736	15,945,249
Other Bank Balances		
Deposits with original maturity for less than 12 months	10,200,000	-
Margin money deposits	-	3,042,072
	10,200,000	3,042,072
	16,380,736	18,987,321

Notes to Financial Statements for the year ended March 31, 2012

17. Revenue from operations

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Sale of services		
Lease rentals	52,583,098	38,348,265
	52,583,098	38,348,265
Investment activities		
Interest income on		
Fixed deposits	843,820	545,498
Others	1,039,096	-
Others - Intra Max	304,000	304,001
Profit/(Loss) on sale of investments	-	-
Current investments	-	-
Long term investments	-	146,368
	2,186,916	995,867
Other operating income		
Gain/(loss) on foreign exchange fluctuation(net)	6,229	-
	6,229	-
Revenue from operations(net)	54,776,243	39,344,132

18. Other Income

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Liabilities/Provisions No Longer Required Written Back	444,754	-
Other	72,002	-
	516,756	-

19. Other Expenses

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Insurance	111,384	130,340
Rates and Taxes	4,033,374	1,619,702
Repairs and Maintenance:		
Building	-	602,747
Others	355	515
Printing and Stationery	97,705	111,750
Communication	115,359	168,817
Legal and Professional	8,813,066	8,066,970
Net Loss on Sale/Disposal of Fixed Assets	1,745,538	-
Miscellaneous	42,835	31,024
Less: Overheads Recovered	(8,388,000)	(8,002,747)
	6,571,616	2,729,118

Notes to Financial Statements for the year ended March 31, 2012

Payment to auditor

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
As auditor:		
Audit fee	44,944	44,120
Tax audit fee	-	-
	44,944	44,120

20. Depreciation and amortization expense

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Depreciation of tangible assets	6,453,540	6,568,696
	6,453,540	6,568,696

21. Finance Cost

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Interest	3,819,900	6,394,257
Bank Charges	5,790	28,719
	3,825,690	6,422,976

22. Earnings per share (EPS)

(RUPEES)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Total operations for the year		
Profit/(loss) after tax	27,542,153	16,443,342
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	27,542,153	16,443,342
Net profit as above	27,542,153	16,443,342
Add: dividends on convertible preference shares & tax thereon	-	-
Add: interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for calculation of diluted EPS	27,542,153	16,443,342
Continuing operations		
Profit/(loss) after tax	27,542,153	16,443,342
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of basic EPS	27,542,153	16,443,342
Net profit as above	27,542,153	16,443,342
Add: dividends on convertible preference shares & tax thereon	-	-
Add: interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for calculation of diluted EPS	27,542,153	16,443,342
	Nos	Nos
Weighted average number of equity shares in calculating basic EPS	55,305,852	55,305,852
Effect of dilution:		
Convertible preference shares	634,100	634,100
Convertible bonds	-	-
Stock option granted under ESOP	-	-
Weighted average number of equity shares in calculating diluted EPS	55,939,952	55,939,952

Notes to Financial Statements for the year ended March 31, 2012

List of related Parties As on March 31, 2012 - as per AS-18

23. Related Parties & Transactions: (as identified by the management)

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	
Relatives of key management personnel	1. Ms. Tara Singh (Daughter of Mr. Analjit Singh) 2. 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. Malsi Estates Limited 3. Max Ventures Private Limited

Notes to Financial Statements for the year ended March 31, 2012

23.1 Related Parties Disclosure

(RUPEES)

	Holding company or group of individuals having control or significant influence over the Company and relatives of such individuals		Subsidiaries		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Transactions during the year:										
Service Income & Reimbursement of Expenses received (Lease Rental)	14,511,612	**14,049,180**	24,198,606	**21,792,018**	-	-	**13,258,080**	2,297,997	**51,968,298**	38,139,195
Services given and reimbursement of other expenses paid	23,056,602	17,729,162	33,373,901	30,901,556	832,829	1,445,730	**641,438**	582,187	**57,904,770**	50,658,635
Interest Paid	4,563,000	2,535,000	-	-	-	-	**2,092,500**	1,992,499	**6,655,500**	4,527,499
Amount Payable	12,079,500	12,079,500	6,431,700	6,431,700	-	-	**6,600,000**	8,554,322	**25,111,200**	27,065,522
Amount Receivable	580,069	1,118,249	1,837,381	2,864,396	-	-	-	9,619,119	2,417,450	13,601,764
Loans & Advances taken	33,800,000	33,800,000	-	-	-	-	**15,500,000**	15,500,000	**49,300,000**	49,300,000
Total	88,590,783	81,311,091	65,841,588	61,989,670	832,829	1,445,730	38,092,018	38,546,124	193,357,218	183,292,615

Notes to Financial Statements for the year ended March 31, 2012

24. Contingent Liabilities not provided for

(RUPEES IN LACS)

	Particulars	As at 31.03.2012	As at 31.03.2011
i	Corporate guarantee given to various lenders for securing Term Loan facilities to Max Balaji Medical & Diagnostic Research Centre	11,500.00	11,500.00
ii.	(a) Arrears of Dividend on 10% Cumulative Convertible Preference Share	340.98	340.34
	Corporate Dividend Tax	56.26	57.84
	(b) Arrears of Dividend on 9% Cumulative Redeemable Preference Share	1,620.00	1,485.00
	Corporate Dividend Tax	267.30	252.37

25. Previous year figures

Till the year ended March 31, 2011 the company was using pre-revised Schedule VI to the Campanies Act, 1956 for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

For Nangia & Co.
Chartered Accountants
FRN : 002391C

VIKAS GUPTA
FCA, Partner
Membership Number : 076879

New Delhi
14 May, 2012

For and on behalf of the Board of Directors

Sujatha Ratnam
(Director)

P. Dwarakanath
(Director)

Pardeep K Gupta
(Company Secretary)

MAX NEEMAN

CONTRACT RESEARCH

Neeman Medical
International B.V.

MAX

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, 2012.

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. 2.19 lacs (previous year net loss was Rs. 10.34 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 B C & 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 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	**C V Raghu**	**Roland Rompelberg**
May 23, 2012	**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, 2012 and also the Statement of Profit and Loss 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. Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company has incurred a loss of Rs. 219,366 during the year ended March 31, 2012 and as of that date, the Company has accumulated losses of Rs. 542,577,301 as against shareholders fund of Rs.1,074,047,042. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its ultimate holding company. These mitigating factors have been more fully discussed in note 2 in the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

5. 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss , 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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.:93577

Gurgaon
May 23, 2012

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Neeman Medical International B.V. ('the Company')

(i) (a) The Company does not have any fixed assets. Accordingly the provisions of clause 4(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(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) As informed, 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) As informed, 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. The business of the Company does not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed major weakness or continuing failure to correct major weakness in 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 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.

(vii) The Company is covered as a part of the internal audit function operated by its parent company, which is commensurate with the size of the company and the 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 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.

(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 undisputed 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 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 per cent of its net worth. The company has incurred cash loss in the current and immediately preceding financial year.*

xi) The Company did not have any outstanding dues in respect of debenture holder, financial institution or bank during the year.

(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.

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 investments.

(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 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 course of our audit.

For S R B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RUPEES)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	4	825,994	825,994
Share application money pending for allotment	4	72,324,900	72,324,900
Reserves and surplus	5	486,589,548	415,601,962
		559,740,442	488,752,856
Current liabilities			
Trade payables	6	230,662	998,938
Total		559,971,104	489,751,794
Assets			
Non-current assets			
Non-current investments	7	482,602,230	421,220,950
Current assets			
Cash and bank balances	8	241,137	294,683
Short-term loans and advances	9	77,127,737	68,236,161
		77,368,874	68,530,844
Total		559,971,104	489,751,794
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Neeman Medical International B.V.

Roland FCM Romleberg
(Director)

Netherlands
May 23, 2012

C. V. Raghu
(Director)

New Delhi
May 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Income			
Other income	10	39,457	73,020
Total revenue (I)		39,457	73,020
Expenses			
Other expenses	11	258,823	1,107,172
Total expenses (II)		258,823	1,107,172
Loss before tax		(219,366)	(1,034,152)
Tax expense		-	-
Loss after tax		(219,366)	(1,034,152)
Earnings per equity share	12		
Basic [Nominal value of shares Euro 500 (Previous year Euro 500)]		(5,773)	(27,215)
Diluted [Nominal value of shares Euro 500 (Previous year Euro 500)]		(5,773)	(27,215)
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Neeman Medical International B.V.

Roland FCM Romleberg
(Director)

Netherlands
May 23, 2012

C. V. Raghu
(Director)

New Delhi
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities		
Loss before tax	(219,366)	(1,034,152)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Interest income	-	(80)
Liabilities no longer required written back	(39,457)	-
Operating profit before working capital changes	(258,823)	(1,034,232)
Movement in working capital :		
Increase/ (decrease) in trade payables	3,074	630,289
Decrease / (increase) in short-term loans and advances	161,338	(154,658)
Net cash flow from /(used in) operating activities (A)	(94,411)	(558,601)
Cash flow from investing activities		
Interest Received	-	80
Net cash flow from /(used in) investing activities (B)	-	80
Net Increase/(decrease) in cash and cash equivalents (A + B)	(94,411)	(558,521)
Impact of foreign exchange fluctuations	40,865	7,508
Cash and cash equivalents at the beginning of the year	294,683	845,696
Cash and cash equivalents at the end of the year	241,137	294,683

		As at March 31, 2012	As at March 31, 2011
Components of cash and cash equivalent			
With banks			
on current account		241,137	294,683
Total cash and cash equivalents		241,137	294,683
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of Neeman Medical International B.V.

Roland FCM Romleberg
(Director)
Netherlands
May 23, 2012

C. V. Raghu
(Director)
New Delhi
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate information**

   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.

2. **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, except for the change in accounting policy explained below.

   The Company has started in year 2001. The Company has incurred a loss of Rs. 2,19,366 (previous year Rs 1,034,152) in the current year, due to which accumulated loss has been posted at Rs. 542,577,301 (previous year Rs 542,357,935) against Shareholders fund of Rs. 107,4047,042 (including share application money pending allotment Rs 72,324,900) (previous year Rs 107,4047,042 (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.

   Basis of 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 (Rs.) 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 Indian Rupee 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.

   b) For revenues and expenses using average exchange rates prevailing during the reporting period.

   c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3. **Summary of significant accounting policies**

   3.1. Change in accounting policy

   Presentation and disclosure of financial statements

   During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

   3.2 Use of estimates

   The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to Financial Statements for the year ended March 31, 2012

3.3 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.

3.4 Revenue recognition

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.

Interest

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

3.5 Foreign exchange transactions

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.

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.

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.

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.

3.6 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 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

Notes to Financial Statements for the year ended March 31, 2012

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.

3.7 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

3.8 Provisions

A provision is recognized when the company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.9 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.

Notes to Financial Statements for the year ended March 31, 2012

4. Share Capital

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
180 (Previous year : 180) ordinary shares of Euro 500/- each	3,837,376	3,837,376
	3,837,376	3,837,376
Issued, subscribed and fully paid-up shares (Nos.)		
38 (Previous year : 38) ordinary shares of Euro 500/- each fully paid up	825,994	825,994
Total issued, subscribed and fully paid-up share capital	825,994	825,994

4.1 Terms/rights attached to shares

The company has only one class of shares having a par value of Euro 500/- each per share. Each holder of shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of shares will be entitled to receive remaining assets of the company in proportion to the number of shares held by the shareholders.

4.2 Share held by holding company

Out of shares issued by the company, shares held by its holding are as below:

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Max India Limited, the holding company		
38 (Previous year : 38) ordinary shares of Euro 500/- each fully paid up	825,994	825,994
	825,994	825,994

4.3. Details of shareholders holding more than 5% shares in the company (Legal ownership)

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Shares of Euro 500/- each, fully paid-up				
Max India Limited, the holding company	38	100	38	100

4.4 Share application money pending for allotment

Share application money pending for allotment represents shares pending for allotment to Max India Limited, the holding company at par i.e Euro 500 per share. However, allotment is pending for increase in authorised share capital for the said allotment. The Company expects to allot the shares in year ending March 31, 2013 and is not due for refund.

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Securities premium account	1,000,896,148	1,000,896,148
Closing balance	1,000,896,148	1,000,896,148
Foreign currency translation reserve		
Balance as per last financial statements	(42,936,251)	(38,787,155)
Add: Addition during the year	71,206,952	(4,149,096)
Closing balance	28,270,701	(42,936,251)
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(542,357,935)	(541,323,783)
Profit/(Loss) for the year	(219,366)	(1,034,152)
Net Surplus/ (deficit) in the statement of profit and loss	(542,577,301)	(542,357,935)
Total reserves and surplus	486,589,548	415,601,962

6. Current liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade payables dues of other than micro and small enterprises*	230,662	998,938
	230,662	998,938

*** Details of dues of micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of Act on them. Hence, the liability of interest and disclosure are not required to be disclosed in the financial statements.

7. Non-current investments

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
125 (Previous year : 125) ordinary shares of Euro 500/- each fully paid up in Neeman Medical International N.V.	1,210,205,526	1,056,281,738
Less: Provision for Diminution	(727,603,296)	(635,060,788)
	482,602,230	421,220,950
Aggregate amount of unquoted investments	1,210,205,526	1,056,281,738
Aggregate provision for diminution in value of investments	727,603,296	635,060,788

Notes to Financial Statements for the year ended March 31, 2012

8. Cash and bank balances

(RUPEES)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
on current accounts	241,137	294,683
	241,137	294,683

9. Loan and advances

(RUPEES)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Loans and advances to related parties		
(Unsecured) Considered good		
Share application money pending allotment	77,127,737	68,074,823
Other loans and advances		
Prepaid expenses	-	161,338
Total	77,127,737	68,236,161

10. Other income

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities no longer required written back	39,457	-
Gain on foreign exchange fluctuation	-	72,940
Interest income	-	80
	39,457	73,020

11. Other expenses

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Legal and professional	217,284	1,083,890
Loss on foreign exchange fluctuation	31,721	-
Bank charges	9,818	23,282
	258,823	1,107,172
Payment to auditor (included in legal and professional expenses)		
As auditor:		
Audit fee	56,180	56,250
	56,180	56,250

12. Earnings per share (EPS)

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Loss after tax	(219,366)	(1,034,152)
	Numbers	Numbers
Weighted average number of equity shares in calculating basic & diluted EPS	38	38
Earning per share	(5,773)	(27,215)

Notes to Financial Statements for the year ended March 31, 2012

13. Segment information

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.

14. Deferred tax

Consequent to the adoption of Accounting Standard 22- "Accounting for taxes on Income", the Company would have a net deferred tax asset, primarily comprising of unabsorbed depreciation and carry forward losses under tax laws. However, as the subsequent realization of such amount is virtually not certain in the near future, the management is of the view that it is prudent not to recognize deferred tax assets. Accordingly, no deferred tax has been recognized in the financial statements.

15. Related party disclosures

Names of related parties where control exist irrespective of whether transactions have been occurred or not (RUPEES)

Holding Company	Max India Limited
Subsidiary	Neeman Medical International N.V.

Related party transactions	Holding Company		Subsidiary Company	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Reimbursement of expensed received				
- Neeman Medical International N.V.	**-**	-	**764,489**	776,768
Share application money pending allotment (Given)				
- Neeman Medical International N.V.	**-**	-	**77,127,737**	68,074,823
Share application money pending allotment (Received)				
- Max India Limited	**72,324,900**	72,324,900	**-**	-

16. Previous year figures

Till the year ended March 31, 2011 the company was using pre-revised schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Neeman Medical International B.V.

Roland FCM Romleberg
(Director)
Netherlands
May 23, 2012

C. V. Raghu
(Director)
New Delhi
May 23, 2012

MAX NEEMAN

CONTRACT RESEARCH

Neeman Medical
International N.V.

MAX

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, 2012

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 posted a profit of Rs.16.77 lacs (previous year loss was Rs.11.42 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 B C & 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 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	**C V Raghu**	**Roland Rompelberg**
May 23, 2012	**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, 2012 and also the Statement of Profit and Loss 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. Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the as of that date, the Company has accumulated losses of Rs. 863,995,220 as against shareholders fund of Rs.1,168,318,256. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its ultimate holding company. These mitigating factors have been more fully discussed in note 2 in the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

5. 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of 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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Neeman Medical International N.V. ('the Company')

(i) (a) The Company does not have any fixed assets. Accordingly the provisions of clause 4(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(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) As informed, 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) As informed, 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. The business of the Company does not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed major weakness or continuing failure to correct major weakness in 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 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.

(vii) The Company is covered as a part of the internal audit function operated by its parent company, which is commensurate with the size of the company and the 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 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.

(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 undisputed 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 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 per cent of its net worth.* The company has not incurred cash loss in the current. *In the immediately preceding financial year the Company has incurred cash losses.*

(xi) The Company did not have any outstanding dues in respect of debenture holder, financial institution or bank during the year.

(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.

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 investments.

(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 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 course of our audit.

For S R B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RUPEES)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	4	2,680,703	2,680,703
Reserves and surplus	5	243,254,876	201,740,885
		245,935,579	204,421,588
Share application money pending for allotment	4	68,094,856	68,859,345
Current liabilities			
Short-term borrowings	6	13,444,372	12,922,074
Trade payables	7	413,014	1,650,876
		13,857,386	14,572,950
Total		327,887,821	287,853,883
Assets			
Non-current assets			
Non-current investments	8	38,367,375	33,487,500
Current assets			
Cash and bank balances	10	52,382	1,553,885
Short-term loans and advances	9	289,468,064	252,812,498
		289,520,446	254,366,383
Total		327,887,821	287,853,883
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E

Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

Roland FCM Romleberg
(Director)

Netherlands
May 23, 2012

C. V. Raghu
(Director)

New Delhi
May 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Income			
Other income	11	1,905,148	101,217
Total revenue		1,905,148	101,217
Expenses			
Other expenses	12	217,283	1,198,229
Finance costs	13	10,823	44,546
Total expenses		228,106	1,242,775
Profit/ (loss) before tax		1,677,042	(1,141,558)
Tax expense		-	-
Profit/ (loss) after tax		1,677,042	(1,141,558)
Earnings per equity share			
Basic and diluted [Nominal value of shares Euro 500 (Previous year Euro 500)]		13,416	(9,132)
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E

Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

Roland FCM Romleberg
(Director)

Netherlands
May 23, 2012

C. V. Raghu
(Director)

New Delhi
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

	For the year ended March 31, 2012	For the year ended March 31, 2011
		(RUPEES)
Cash flow from operating activities		
Profit / (loss) before tax	1,677,042	(1,141,558)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Interest income	-	(2,821)
Liability/ provisions no longer required written back	(586,710)	-
Operating profit before working capital changes	1,090,332	(1,144,379)
Movement in working capital :		
Increase/ (decrease) in trade payables	(632,347)	-
Increase/ (decrease) in other current liabilities	1,794,686	297,426
Decrease / (increase) in short-term loans and advances	(603,151)	(931,427)
Cash generated from/(used in) operations	1,649,520	(1,778,380)
Net cash flow from /(used in) operating activities (A)	1,649,520	(1,778,380)
Cash flow from investing activities		
Interest Received	-	2,821
Net cash flow from /(used in) investing activities (B)	-	2,821
Net Increase/(decrease) in cash and cash equivalents (A + B)	1,649,520	(1,775,559)
Impact of Foreign Exchange Fluctuations	(3,151,023)	130,971
Cash and cash equivalents at the beginning of the year	1,553,885	3,198,473
Cash and cash equivalents at the end of the year	52,382	1,553,885
Components of cash and cash equivalent		
	As at March 31, 2012	As at March 31, 2011
With banks -		
on current account	52,382	1,553,885
Total cash and cash equivalents	52,382	1,553,885
Summary of significant accounting policies 3		

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E

Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

Roland FCM Romleberg
(Director)

Netherlands
May 23, 2012

C. V. Raghu
(Director)

New Delhi
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate information**

   The company is engaged in the business of providing of clinical trial services with pharmaceutical companies. Neeman Medical International N.V. ("Neeman N.V.") is incorporated and operates under the applicable laws of The Netherlands.

2. **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, except for the change in accounting policy explained below.

   The Company has started operations in year 2001. The Company has earned a profit of Rs. 1,677,042 (previous year loss of Rs 1,141,558) in the current year, due to which accumulated loss has been posted at Rs. 863,995,220 (previous year Rs 865,672,262) against Shareholders fund of Rs. 1,168,318,256 (including share application money pending allotment Rs 68,094,856) (previous year Rs 1,169,082,745 including share application money pending allotment Rs 68,859,345). The accumulated losses are due to write off of investments in equity and long term loan 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.

   Basis of 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 (Rs.) 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.

   b) For revenues and expenses using average exchange rates prevailing during the reporting period.

   c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3. **Summary of significant accounting policies**

3.1. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to Financial Statements for the year ended March 31, 2012

3.3 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.

3.4 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.

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.

Interest

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

3.5 Foreign exchange transactions

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.

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.

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.

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.

3.6 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 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.

Notes to Financial Statements for the year ended March 31, 2012

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.

3.7 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

3.8 Provisions

A provision is recognized when the company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.9 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.

Notes to Financial Statements for the year ended March 31, 2012

4. Share Capital

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
225 (Previous year : 225) ordinary shares of Euro 500/- each	4,796,660	4,796,660
	4,796,660	4,796,660
Issued, subscribed and fully paid-up shares (Nos.)		
125 (Previous year : 125) ordinary shares of Euro 500/- each fully paid up	2,680,703	2,680,703
Total issued, subscribed and fully paid-up share capital	2,680,703	2,680,703

4.1 Terms/rights attached to equity shares

The company has only one class of shares having a par value of Euro 500/- each per share. Each holder of shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of shares will be entitled to receive remaining assets of the company in proportion to the number of shares held by the shareholders.

4.2 Share held by holding company

Out of shares issued by the company, shares held by its holding

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Neeman Medical International B.V., the holding company		
125 (Previous year : 125) ordinary shares of Euro 500/- each fully paid up	2,680,703	2,680,703
	2,680,703	2,680,703

4.3. Details of shareholders holding more than 5% shares in the company (Legal ownership)

(RUPEES)

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Shares of Euro 500/- each, fully paid-up				
Neeman Medical International B.V., the holding company	125	100	125	100

4.4 Share application money pending for allotment

Share application money pending for allotment as at March 31, 2012 represents shares pending for allotment to Neeman Medical International B.V., the holding company at par i.e. Euro 500 per share. However, allotment is pending for increase in authorised share capital for the said allotment. The Company expects to allot the shares in year ending March 31, 2013 and is not due for refund.

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Securities premium account	1,097,542,697	1,097,542,697
Closing balance	1,097,542,697	1,097,542,697
Foreign currency translation reserve		
Balance as per last financial statements	(30,129,550)	(27,820,690)
Add: Addition during the year	39,836,949	(2,308,860)
Closing balance	9,707,399	(30,129,550)
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(865,672,262)	(864,530,704)
Profit/(Loss) for the year	1,677,042	(1,141,558)
Net Surplus/ (deficit) in the statement of profit and loss	(863,995,220)	(865,672,262)
Total reserves and surplus	243,254,876	201,740,885

6. Short term borrowings

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Interest free loans and advances from related parties repayable on demand (unsecured)	13,444,372	12,922,074
	13,444,372	12,922,074

7. Current liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade payables dues of other than micro and small enterprises*	413,014	1,178,140
Other liabilities		
Other liabilities	–	472,736
	–	472,736
	413,014	1,650,876

*** Details of dues of micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of Act on them. Hence, the liability of interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

8. Non-current investments

(RUPEES)

	Non-Current	
	Ast at March 31, 2012	As at March 31, 2011
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
325 (Previous year : 325) shares of Euro 500/- each fully paid up in Neeman Medical International Inc.	38,367,375	33,487,500
Aggregate amount of unquoted investments	38,367,375	33,487,500

9. Loan and advances

(RUPEES)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Loans and advances to related parties		
Share application money pending allotment	377,324,836	329,333,593
Less: Provision for diminution	(87,856,772)	(76,682,433)
	289,468,064	252,651,160
Other loans and advances		
Prepaid expenses	-	161,338
	-	161,338
Total	289,468,064	252,812,498

10. Cash and bank balances

(RUPEES)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
on Current accounts	52,382	1,553,885
	52,382	1,553,885

11. Other income

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities/provisions no longer required written back	586,710	-
Gain on foreign exchange fluctuation	1,318,438	98,396
Interest income	-	2,821
	1,905,148	101,217

Notes to Financial Statements for the year ended March 31, 2012

12. Other expense

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Legal and professional	217,283	1,198,229
	217,283	1,198,229

Payment to auditor

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
As auditor:		
Audit fee	56,180	56,250
	56,180	56,250

13. Finance costs

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Bank charges	10,823	44,546
	10,823	44,546

14. Earnings per share (EPS)

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit/(loss) after tax	1,677,042	(1,141,558)
Net profit/(loss) for calculation of basic EPS	1,677,042	(1,141,558)
	Numbers	Numbers
Weighted average number of equity shares in calculating basic and diluted EPS	125	125
Earning per share	13,416	(9,132)

15. Segment information

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.

16. Deferred tax

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.

Notes to Financial Statements for the year ended March 31, 2012

17. Related party disclosures

Names of related parties where control exist irrespective of whether transactions have been occurred or not (RUPEES)

Ultimate Holding Company	**Max India Limited**
Holding Company	**Neeman Medical International B.V.**
Subsidiary	**Max Neeman Medical International Inc.**

Name of other related parties with whom transactions have taken place during the year

Fellow Subsidiary	Max UK Ltd.

Related party transactions	Holding Company/Ultimate Company		Subsidiary Company/ Fellow subsidiary	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Reimbursement of expensed paid				
- Neeman Medical International B.V.	**764,489**	776,768	**-**	-
Amount outstanding - Receivable / (Payable)				
- Max Neeman Medical International Inc.	**-**	-	**377,324,836**	329,333,593
- Max India Limited	**(9,256,985)**	(9,256,985)		
- Max UK Limited	**-**	-	**(4,187,387)**	(3,665,089)
Share application money pending allotment (Received)				
- Neeman Medical International B.V.	**68,094,856**	68,859,345	**-**	-

16. Previous year figures

Till the year ended March 31, 2011 the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co. Firm Registration Number: 324982E Chartered Accountants	**For and on behalf of the Board of Directors of Neeman Medical International N.V.**	
per Sandeep Sharma Partner Membership Number: 93577	**Roland FCM Romleberg** (Director)	**C. V. Raghu** (Director)
Gurgaon May 23, 2012	Netherlands May 23, 2012	New Delhi May 23, 2012

Max UK Limited, UK

MAX

Directors' Report

The Directors present their report and the financial statements of the Company for the year ended March 31, 2012.

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

During the year under review, your Company earned a revenue of Rs. 67.20 lacs and a net profit of Rs. 5.01 lacs as against previous year revenue of Rs. 53.79 lacs and net profit of Rs 0.11 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	**Karin Stanley**	**Neeraj Basur**
April 18, 2012	**Director**	**Director**

Auditors' Report

TO THE MEMBER OF MAX UK LIMITED

1. We have audited the attached Balance Sheet of MAX UK LIMITED as at March 31, 2012, and the related Statement of Profit and Loss and 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, 2012 more than fifty percent of its net worth and it has incurred cash losses in the current financial year and 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.

   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.

Auditors' Report

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, Statement of 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, Statement of 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, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the 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, 2012;

      (ii) in the case of Statement of 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, dated the
18 April, 2012

Balance Sheet as at March 31, 2012

	Notes	As at March 31, 2012	As at March 31, 2011
			(RUPEES)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	21,300,000	21,300,000
Reserves and Surplus	5	(10,955,100)	(12,673,999)
		10,344,900	8,626,001
CURRENT LIABILITIES			
Trade Payables	6	-	50,566
Other Current Liabilities	7	1,625,840	1,075,913
Short Term Provisions	8	115,010	-
		1,740,850	1,126,479
Total		12,085,750	9,752,480
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible assets	9	14,888	12,947
Long term loans and advances	10	4,188,201	3,682,832
		4,203,089	3,695,779
CURRENT ASSETS			
Trade receivables	11	255,704	158,459
Cash and bank balances	12	3,372,581	2,996,990
Other current assets	13	4,254,376	2,901,252
		7,882,661	6,056,701
Total		12,085,750	9,752,480
Significant Accounting Policies & Notes to Financial Statement	1 to 23		

As per 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 18, 2012

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

NEERAJ BASUR
Director

KARIN STANLEY
Director

Profit and Loss Account for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
INCOME			
Overheads Recovered		6,718,978	5,377,676
Other Income	14	843	849
Total revenue		6,719,821	5,378,525
EXPENSES			
Employee benefit expenses	15	3,761,402	3,460,110
Other expenses	16	2,331,569	1,894,075
Depreciation and amortisation	9	8,811	5,590
Finance cost	17	9,040	7,996
Total expenses		6,110,822	5,367,771
Profit/(Loss) before tax		608,999	10,754
Current tax		107,718	-
Profit/(Loss) after tax		501,281	10,754
Basic and diluted Earnings per equity share			
Profit after tax		501,281	10,754
Weighted average number of ordinary shares		299,742	299,742
Earning per ordinary share of GBP 1/- each		1.67	0.04
Number of shares used in computing earnings per share			
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 & Notes to Financial Statement	1 to 23		

As per 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 18, 2012

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

NEERAJ BASUR
Director

KARIN STANLEY
Director

Cash Flow Statement for the year ended March 31, 2012

		(RUPEES)
	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax	608,999	10,754
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	8,811	5,590
Interest income	(843)	(849)
Operating Profit Before Working Capital Changes	616,967	15,495
Movement in working capital :		
Increase/ (decrease) in trade payables	(50,566)	-
Increase/ (decrease) in other current liabilities	557,219	(310,373)
Decrease / (increase) in trade receivables	(97,245)	-
Decrease / (increase) in long-term loans and advances	(505,369)	-
Decrease / (increase) in other current assets	(1,353,124)	163,561
Cash generated from/(used in) operations	(832,118)	(131,317)
Direct taxes paid (net of refunds)	-	(22,261)
Net cash flow from /(used in) operating activities (A)	(832,118)	(153,578)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(10,752)	(18,537)
Interest Received	843	849
Net cash flow from /(used in) investing activities (B)	(9,909)	(17,688)
Net Increase/(decrease) in cash and cash equivalents (A + B)	(842,027)	(171,266)
Impact of Foreign Exchange Fluctuations	1,217,618	486,500
Cash and cash equivalents at the beginning of the year	2,996,990	2,681,756
Cash and cash equivalents at the end of the year	3,372,581	2,996,990
Components of cash and cash equivalent	As at March 31, 2012	As at March 31, 2011
Cash on hand	573	2,518
With banks -		
on current account	3,372,008	2,994,472
Total cash and cash equivalents	3,372,581	2,996,990
Significant Accounting Policies & Notes to Financial Statement 1 to 23		

As per 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 18, 2012

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

NEERAJ BASUR
Director

KARIN STANLEY
Director

Notes to Financial Statements for the year ended March 31, 2012

1 **Corporate Information**

Max UK Limited ("Max UK") is incorporated and operates under the applicable laws of England and Wales. The company is engaged in the business of providing business and administrative support services to officials of various group companies of Max India Limited, the parent company, at United Kingdom.

2 **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.

Basis of 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 (Rs.) 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 Pound Sterling (GBP).

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. 81.7992 as at March 31, 2012 and 1GBP = Rs. 71.9289 as at March 31, 2011).

b) For revenues and expenses using average exchange rates prevailing during the reporting period (1GBP = Rs. 73.6132 for the year April 1, 2011 to March 31, 2012 and 1GBP = Rs. 70.7589 for the year April 1, 2010 to March 31, 2011).

c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3 **Significant Accounting Policies**

3.1 Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.3 Tangible fixed assets

Fixed Assets are stated at their original cost.

3.4 Depreciation on tangible fixed assets

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.

Notes to Financial Statements for the year ended March 31, 2012

3.5 Revenue Recognition

Revenue represents amounts invoiced during the year, exclusive of value added tax.

3.6 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

3.7 Foreign exchange transactions

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.

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.

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.

3.8 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.

3.9 Cash & 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.

Notes to Financial Statements for the year ended March 31, 2012

(RUPEES)

		As at March 31, 2012	As at March 31, 2011
4	SHARE CAPITAL		
	Authorised shares (Nos.)		
	1,000,000 (Previous year: 1,000,000) ordinary shares of GBP 1/- each	71,061,111	71,061,111
		71,061,111	71,061,111
	Issued, subscribed & fully paid-up shares (Nos.)		
	299,742 (Previous year: 299,742) ordinary shares of GBP 1/- each	21,300,000	21,300,000
		21,300,000	21,300,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	Rupees	No. of shares	Rupees
Equity Shares				
At the beginning of the year	299,742	21,300,000	299,742	21,300,000
Outstanding at the end of the year	299,742	21,300,000	299,742	21,300,000

4.1 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of GBP 1/- each per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, in proportion to the number of equity shares held by the shareholders.

4.2 Shares held by holding Company

Out of shares issued by the company, shares held by its holding company are as below:

(NOS.)

	As at March 31, 2012	As at March 31, 2011
Max India Limited, the holding company	299,742	299,742
	299,742	299,742

4.3 Details of shareholder holding more than 5% shares in the company

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	%held
Max India Limited	299,742	100	299,742	100

Overview

The Big Picture

Operating Review

Financial Review

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and Surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Foreign Currency Translation Reserve		
Balance as per last financial statements	1,385,230	898,730
Add: Addition during the year	1,217,618	486,500
	2,602,848	1,385,230
Surplus/ (deficit) in the of profit and loss account		
Balance as per last financial statements	(14,059,229)	(14,069,983)
Profit for the year	501,281	10,754
Net Surplus/ (deficit) in the profit and loss account	(13,557,948)	(14,059,229)
Total	(10,955,100)	(12,673,999)

6. TRADE PAYABLES

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Micro, Small and Medium Enterprises	-	-
Others	-	50,566
	-	50,566

7. Other Current Liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Other Payables*	1,625,840	1,075,913
	1,625,840	1,075,913

* Including Statutory dues, accruals & salary payables

8. Short Term Provisions

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Provision for income tax	115,010	-
	115,010	-

Notes to Financial Statements for the year ended March 31, 2012

9. TANGIBLE ASSETS

(RUPEES)

	Furniture & Fixtures	Equipment	Total
Cost			
At April 1, 2010	426,214	351,559	**777,773**
Additions	-	18,327	**18,327**
Exchange Difference	25,499	21,335	**46,834**
At March 31, 2011	451,713	391,221	**842,934**
Additions	-	8,964	**8,964**
Deletions/ Adjustments	-	(264,086)	**(264,086)**
Exchange Difference	61,986	36,416	**98,402**
At March 31, 2012	513,699	172,515	**686,214**
Depreciation			
At April 1, 2010	426,214	351,559	**777,773**
Charge for the year	-	5,590	**5,590**
Exchange Difference	25,499	21,125	**46,624**
At March 31, 2011	451,713	378,274	**829,987**
Charge for the year	-	8,811	**8,811**
Deletions/ Adjustments	-	(264,086)	**(264,086)**
Exchange Difference	61,986	34,628	**96,614**
At March 31, 2012	513,699	157,627	**671,326**
Net Block			
At March 31, 2011	-	12,947	**12,947**
At March 31, 2012	-	14,888	**14,888**

10. LONG TERM LOANS AND ADVANCES
(Unsecured and considered good)

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Loans and Advances to Related Parties (Refer Note No. 21)	**4,188,201**	3,682,832
	4,188,201	3,682,832

11. TRADE RECEIVABLES
(Unsecured and considered good)

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Over six months	**255,704**	158,459
Others	**-**	-
	255,704	158,459

Notes to Financial Statements for the year ended March 31, 2012

12. CASH AND BANK BALANCES

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Balances with banks		
on Current Accounts	3,372,008	2,994,472
Cash on hand	573	2,518
	3,372,581	2,996,990

13. OTHER CURRENT ASSETS

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Unbilled Revenue	4,065,420	2,733,298
Prepaid Expenses	188,956	167,954
	4,254,376	2,901,252

14. OTHER INCOME

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest on Fised Deposit with Bank	843	849
	843	849

15. EMPLOYEE BENEFIT EXPENSES

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and wages	3,761,402	3,460,110
	3,761,402	3,460,110

Salaries and wages include an amount of Rs. 3,376,981 (Previous year Rs. 3,113,392) paid to a director of the Company.

16. OTHER EXPENSES

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	641,252	592,252
Insurance	39,532	35,875
Rates and Taxes	-	26,393
Repairs and Maintenance:		
Others	198,352	33,044
Electricity and Water	20,762	18,468
Printing and Stationery	36,774	44,295
Communication	552,075	386,273
Legal and Professional	816,314	721,529
Miscellaneous	26,508	35,946
	2,331,569	1,894,075

Notes to Financial Statements for the year ended March 31, 2012

17. **FINANCE COST**

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Bank Charges	9,040	7,996
	9,040	7,996

Notes:

Payment to auditor

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
As auditor: (Included in Legal & Professional)		
Audit fee	314,114	275,860

18 **Leases**

18.1 **Finance lease:company as lessee**

The company does not have finance lease agreement.

18.2 **Operating lease: Company as lessee**

i) Lease rentals recognised in the profit and loss account for the year is Rs. 641,252 (Previous year Rs. 592,252).

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)

Particulars	As at March 31, 2012	As at March 31, 2011
Not later than one year	342,330	301,022
Later than one year and not later than five year	-	-
Later than five year	-	-
Total	342,330	301,022

19 **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.

20 **Deferred Tax:**

The net deferred tax asset has not been recognized due to virtual uncertainty regarding future taxable profits.

Notes to Financial Statements for the year ended March 31, 2012

21. Related party disclosure (RUPEES)

Names of related parties and related party relationship

Related party transactions

Holding Company	**Max India Limited**
Fellow Subsdiary	**Neeman Medical International B.V.**
Key Management Personnel	**Ms. Karin Stanley**

Related Party transactions	Holding Company		Fellow Subsidiary Company		Key Management Personnel	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Income						
- Max India Limited	**6,718,978**	5,377,676	**-**	-	**-**	-
Salaries and Wages						
- Karin Stanley	**-**	-	**-**	-	**3,761,402**	3,460,110
Amount outstanding						
- Neeman Medical International NV	**-**	-	**4,188,201**	3,682,832	**-**	-

22 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

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

As per 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 18, 2012

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

NEERAJ BASUR
Director

KARIN STANLEY
Director

Max Ateev Limited

MAX

Directors' Report

Your Directors have pleasure in presenting their Eighteenth Annual Report along with the Audited Accounts for the financial year ended March 31, 2012.

OPERATIONS

During the year under review, your Company incurred a loss of Rs.2.92 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, 2012.

DIRECTORS

Mr. V. Krishnan was re-appointed as the Managing Director of the Company for a period of two years effective from February 14, 2012 without payment of any remuneration. In accordance with the provisions of the Companies Act, 1956 ("the Act") Mr. V. Krishnan is due to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Pradeep Pal Chadha was appointed as an Additional Director of the Company on November 3, 2011 to hold office up to the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Act from a member proposing the candidature of Mr. Pradeep Pal Chadha for being appointed as a Director of the Company.

Mr. Arvind Kakar resigned from the Board of Directors of the Company effective October 1, 2011. The Board places on record, its appreciation for the valuable contribution made by Mr. Arvind Kakar during his association as Directors of the Company.

AUDIT COMMITTEE

The Audit Committee currently comprises of Mrs. Sujatha Ratnam, Mr. Pradeep Pal Chadha 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 B C & 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 financial support of its ultimate holding Company to meet its financial obligations. Your company had to depend on funding from its holding Company, from time to time, to meet its business requirement.

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**	**V. Krishnan**
August 2, 2012	**Director**	**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, 2012 and also the Statement of Profit and Loss 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. Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company incurred a net loss of Rs. 291,837 during the year ended March 31, 2012 and, as of that date, the Company has accumulated losses of Rs. 381,685,374 as against shareholders fund of Rs. 31,4436,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its holding company. These mitigating factors have been more fully discussed in note 2 in the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

5. 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the statement of profit and loss, 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 B C & Co.
Firm registration number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

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. Accordi**ngly the provisions of clause 4(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(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) As informed, 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) As informed, 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. The business of the Company does not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed major weakness or continuing failure to correct major weakness in 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 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.

(vii) The Company is covered as a part of the internal audit function operated by its parent company, which is commensurate with the size of the company and the 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 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.

(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 undisputed 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 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 per cent of its net worth. The company has incurred cash loss in the current and immediately preceding financial year.*

(xi) The Company did not have any outstanding dues in respect of debenture holder, financial institution or bank during the year.

(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.

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 funds amounting to Rs. 67,249,374 raised on short-term basis in the form of short term borrowings from holding company 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 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 course of our audit.

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Gurgaon
May 23, 2012

Balance Sheet as at March 31, 2012

(RUPEES)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	4	314,436,000	314,436,000
Reserves and surplus	5	(381,685,374)	(381,393,537)
		(67,249,374)	(66,957,537)
Current liabilities			
Short-term borrowings	6	68,388,578	68,137,709
Trade payables	7	160,287	123,612
Other current liabilities	7	14,818	10,745
		68,563,683	68,272,066
Total		1,314,309	1,314,529
Assets			
Non-current assets			
Fixed assets	8		
Tangible assets		-	-
		-	-
Current assets			
Cash and bank balances	9	118,664	118,884
Short-term loans and advances	10	1,195,645	1,195,645
		1,314,309	1,314,529
Total		1,314,309	1,314,529
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

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

V. Krishnan
(Managing Director)

Sujatha Ratnam
(Director)

Vishal Garg
(Company Secretary)

New Delhi
May 23, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Income			
Other income	11	-	26,627
Total revenue (I)		-	26,627
Expenses			
Other expenses	12	291,837	336,631
Total expenses (II)		291,837	336,631
Loss before tax (I) - (II)		(291,837)	(310,004)
Tax expense		-	-
Loss after tax		(291,837)	(310,004)
Earnings per equity share			
Basic [Nominal value of shares Rs.10 (Previous year Rs.10)]		(0.01)	(0.01)
Diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]		(0.01)	(0.01)
Summary of signficant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

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

V. Krishnan
(Managing Director)

Sujatha Ratnam
(Director)

Vishal Garg
(Company Secretary)

New Delhi
May 23, 2012

Cash Flow Statement for the year ended March 31, 2012

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities		
Loss before tax	(291,837)	(310,004)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Net (profit) on sale of fixed assets	-	(14,000)
Doubtful advances written off	-	41,000
Liabilities no longer required written back	-	(12,627)
Operating profit before working capital changes	(291,837)	(295,631)
Movement in working capital :		
Increase/ (decrease) in other current liabilities	40,748	(157,405)
Cash generated from/(used in) operations	(251,089)	(453,036)
Net cash flow from /(used in) operating activities (A)	(251,089)	(453,036)
Cash flow from investing activities		
Proceeds from sale of fixed assets	-	14,000
Net cash flow from /(used in) investing activities (B)	-	14,000
Cash flow from financing activities		
Proceeds from short term borrowings	250,869	439,536
Net cash flow from /(used in) financing activities (C)	250,869	439,536
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(220)	500
Cash and cash equivalents at the beginning of the year	118,884	118,384
Cash and cash equivalents at the end of the year	118,664	118,884

	As at March 31, 2012	As at March 31, 2011
Components of cash and cash equivalent		
With banks -		
on current account	118,664	118,884
Total cash and cash equivalents	118,664	118,884
Summary of significant accounting policies 3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

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

V. Krishnan
(Managing Director)

Sujatha Ratnam
(Director)

Vishal Garg
(Company Secretary)

New Delhi
May 23, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. Corporate information

Max Ateev Limited is a Company registered under the Companies Act, 1956. The Company has scaled down its operations and currently there is no steady stream of revenue.

2. 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, except for the change in accounting policy explained below.

During the year the Company has incurred losses of Rs. 291,837 (Previous year Rs 310,004). As at March 31, 2012, the accumulated losses of the Company are Rs. 381,685,374 (Previous year Rs 381,393,537) as against the share holders fund of Rs. 314,436,000 (Previous year Rs. 314,436,000). 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.

3. Summary of significant accounting policies

3.1. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues,expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.3 Tangible 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.

3.4 Depreciation on tangible fixed assets

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.

3.5 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 enacted in India. Deferred income taxes

Notes to Financial Statements for the year ended March 31, 2012

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 using 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.

3.6 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

3.7 Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.8 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.9 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.

Notes to Financial Statements for the year ended March 31, 2012

4. Share Capital

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
31,500,000 (Previous year: 31,500,000) equity shares of Rs. 10/- each	**315,000,000**	315,000,000
	315,000,000	315,000,000
Issued, subscribed and fully paid-up shares (Nos.)		
31,443,600 (Previous year: 31,443,600) equity shares of Rs. 10/- each fully paid up	**314,436,000**	314,436,000
Total issued, subscribed and fully paid-up share capital	**314,436,000**	314,436,000

4.1 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company in proportion to the number of equity shares held by the shareholders.

4.2 Share held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Max India Limited, the holding company		
31,443,580 (Previous year: 31,443,580) equity shares of Rs. 10/- each fully paid up	**314,435,800**	314,435,800
	314,435,800	314,435,800

4.3. Details of shareholders holding more than 5% shares as at March 31, 2012 and March 31, 2011 is set out below (Legal ownership)

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	**% held**	No. of shares	% held
Equity shares of Rs.10 each, fully paid-up				
Max India Limited, the holding company	**31,443,580**	**99.99**	31,443,580	99.99

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves and surplus

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	**(381,393,537)**	(381,083,533)
Loss for the year	**(291,837)**	(310,004)
Net Surplus/ (deficit) in the statement of profit and loss	**(381,685,374)**	(381,393,537)
Total reserves and surplus	**(381,685,374)**	(381,393,537)

6. Short term borrowings (Unsecured)

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Interest free loans and advances from holding company, repayable on demand	**68,388,578**	68,137,709
	68,388,578	68,137,709

7. Other current liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade payables dues of other than micro and small enterprises*	**160,287**	123,612
Other liabilities		
- Dues to statutory authorities	**14,818**	10,745
	14,818	10,745
	175,105	134,357

*** Details of dues of micro and small enterprises as per MSMED Act, 2006**

As per the act, the Company is required to identify the micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of Act on them. Hence, the liability of interest and disclosure are not required to be disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2012

8. Tangible assets

(RUPEES)

	Computers	Total
Cost		
At April 1, 2010	2,650,784	2,650,784
Additions	-	-
Deletions/ Adjustments	2,650,784	2,650,784
At March 31, 2011	-	-
Additions	-	-
Deletions/ Adjustments	-	-
At March 31, 2012	-	-
Depreciation		
At April 1 2010	2,650,784	2,650,784
Charge for the year	-	-
Deletions/ Adjustments	2,650,784	2,650,784
At March 31, 2011	-	-
Additions	-	-
Deletions/ Adjustments	-	-
At March 31, 2012	-	-

9. Cash and bank balances

(RUPEES)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Balances with banks		
on Current Accounts	118,664	118,884
	118,664	118,884

10. Loans and advances

(RUPEES)

	Current	
	Ast at March 31, 2012	As at March 31, 2011
Tax deducted at source recoverable	1,195,645	1,195,645
Total	1,195,645	1,195,645

11. Other income

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities/provisions no longer required written back	-	12,627
Net Profit on sale/disposal of fixed assets	-	14,000
	-	26,627

Notes to Financial Statements for the year ended March 31, 2012

12. Other expenses

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Rates and taxes	-	13,290
Legal and professional	291,617	282,341
Doubtful advances written off	-	41,000
Bank charges	220	-
	291,837	336,631
Payment to auditor (included in legal and professional expenses)		
As auditor:		
Audit fee	56,180	55,150
Reimbursement of expenses	3,640	-
	59,820	55,150

13. Earnings per share (EPS)

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit/(loss) after tax	(291,837)	(310,004)
	Numbers	Numbers
Weighted average number of equity shares in calculating basic EPS	31,443,600	31,443,600
Earning per share (Rupees)	(0.01)	(0.01)

14. Related party disclosure

Names of related parties where control exist irrespective of whether transactions have been occurred or not

(RUPEES)

Holding Company	Max India Limited	
Related party transactions	**Holding Company**	
	March 31, 2012	March 31, 2011
Reimbursement expenses received		
- Max India Limited	250,869	439,537
Amount payable		
- Max India Limited	68,388,578	68,137,709

15. Contingent liabilities not provided for

(RUPEES)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
i.	Claims against the company not acknowledged as debts	244,000	244,000
ii.	Demand raised by Income Tax authorities being disputed by the Company in respect of assessment year 2001-2002.	573,230	573,230

The company is hopeful that the above appeal will be disposed off in its favour.

Notes to Financial Statements for the year ended March 31, 2012

16. 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.

17. Consequent to the adoption of Accounting Standard 22- "Accounting for taxes on Income", the Company would have a net deferred tax asset, primarily comprising of unabsorbed depreciation and carry forward losses under tax laws. However, as the subsequent realization of such amount is virtually not certain in the near future, the management is of the view that it is prudent not to recognize deferred tax assets. Accordingly, no deferred tax has been recognized in the financial statements.

18. Previous year figures

Till the year ended March 31, 2011 the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S R B C & Co.
Firm Registration Number: 324982E
Chartered Accountants

per Sandeep Sharma
Partner
Membership Number: 93577

Gurgaon
May 23, 2012

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

V. Krishnan
(Managing Director)

Sujatha Ratnam
(Director)

Vishal Garg
(Company Secretary)

New Delhi
May 23, 2012

Max Healthstaff
International Limited

MAX

Directors' Report

Your Directors have pleasure in presenting their Ninth Annual Report along with the Audited Accounts for the year ended March 31, 2012.

OPERATIONS

The Company continues to keep its operations considerably low till the clarity on US immigration laws emerges which has impacted Company's operations in recent past. 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. 23.22 lacs against Rs. 2.54 lacs in the previous year. The Company incurred a net loss after tax of Rs. 10.72 lacs during the current year against a loss of Rs. 59.50 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, Mr. Mohit Talwar and Mrs. Sujatha Ratnam 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 financial support of its holding company to meet its financial obligations and potential business opportunities are being evaluated.

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 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 said Act is attached to this Report.

For and on behalf of the Board of Directors

New Delhi	**P. Dwarakanath**	**Sujatha Ratnam**
August 2, 2012	Director	Director

Compliance Certificate

Compliance Certificate
FORM [SEE RULE 3]

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012 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 there under 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 there under.
3. the Company, being a public limited company, comments are not required.
4. the Board of Directors duly met **Four (4) times** respectively on **May 16, 2011 July 28, 2011, December 16, 2011 and March 16, 2012** 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.
5. the Company was not required to close its Register of Members during the financial year.
6. the Annual General Meeting for the financial year ended on 31st March, 2011 was held on September 26, 2011 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.
7. No Extra Ordinary General Meeting was held during the financial year.
8. the Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. the Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. 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.
11. 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.
12. the Company has not issued any duplicate share certificates during the financial year.
13. 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.
    - (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-

Compliance Certificate

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.

14. 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.
15. the Company has not appointed any Managing Director/Whole time Director/ Manager during the financial year.
16. the Company has not appointed any sole selling agents during the financial year.
17. 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.
18. 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 there under.
19. the Company has not issued any shares or other securities during the financial year.
20. the Company has not bought back any shares during the financial year.
21. there was no redemption of preference shares or debentures during the financial year.
22. 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.
23. the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. the Company has not made any borrowings during the financial year ended 31st March, 2012
25. 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
26. 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.
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. the Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. the Company has not altered its Articles of Association during the financial year.
31. there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offenses under the Act.
32. the Company has not received any money as security from its employees during the year under certification.
33. 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: 2nd day of August,2012
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: 2nd day of August, 2012
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, 2012

Sr. No.	Form/ Return	For the Matter	Date of filing	Remarks
1.	Form 66	Submission of Compliance Certificate with the Registrar	05.10.2011	Normal fee
2.	Form 23AC & 23ACA (XBRL) - 2011	Balance Sheet & P&L Account	29.12.2011	Normal fee
4.	Form 20B - 2011	Annual Return of the Company	05.10.2011	Normal fee

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 2nd day of August, 2012
Place: New Delhi

Auditors' Report

TO THE MEMBERS OF MAX HEALTHSTAFF INTERNATIONAL LIMITED, NEW DELHI.

1 We have audited the attached Balance Sheet of **Max Health Staff International Limited, New Delhi** as at March 31, 2012 and the related statement of Profit and Loss Account and the 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 3.11 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the 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, 2012 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 '3', 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, 2012;

(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.

Vikas Gupta
Partner, Membership # 076879

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

Signed at New Delhi on
May 14, 2012

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, 2012.

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, the Company has not disposed off a substantial part of the fixed assets during the year.

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, 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, 2012 more than fifty percent of its net worth and it has

Auditors' Report

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.

Vikas Gupta
Partner, Membership # 076879

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

Signed at New Delhi on
May 14, 2012

Balance Sheet as at March 31, 2012

(RUPEES)

Particulars	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	39,450,000	39,450,000
Reserves and surplus	5	(225,184,643)	(224,112,535)
		(185,734,643)	(184,662,535)
NON-CURRENT LIABILITIES			
Other long-term liabilities	6	1,925,126	3,910,306
Long-term provisions	7	130,872	112,482
		2,055,998	4,022,788
CURRENT LIABILITIES			
Short-term borrowings	8	187,363,604	184,098,604
Trade payables	9	111,120	829,603
Other current liabilities	9	89,952	34,939
Short-term provisions	7	154,805	132,133
		187,719,481	185,095,279
TOTAL		4,040,836	4,455,532
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	1,045,893	1,260,093
Intangible assets	10 a	-	-
Long-term loans and advances	11	1,084,765	1,513,917
		2,130,658	2,774,010
CURRENT ASSETS			
Trade receivables	12	-	-
Cash and bank balances	14	1,239,687	1,096,317
Short-term loans and advances	11	192,228	196,691
Other current assets	13	478,263	388,514
		1,910,178	1,681,522
TOTAL		4,040,836	4,455,532
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For Nangia and Co.
Firm Registration No. 002391C
Chartered Accountants

For and on behalf of the Board of Directors

Vikas Gupta
FCA, Partner
Membership No. 076879

SUJATHA RATNAM
(Director)

P. DWARAKANATH
(Director)

New Delhi
May 14, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(RUPEES)

Particulars	Notes	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
INCOME			
Revenue from operations	15	467,397	105,338
Other Income	16	1,855,259	148,237
Total revenue (I)		2,322,656	253,575
EXPENSES			
Employee benefit expenses	17	1,539,848	1,525,212
Other expenses	18	1,627,416	4,189,072
Total expenses (II)		3,167,264	5,714,284
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		(844,608)	(5,460,709)
Depreciation and amortisation	19	218,400	473,264
Finance cost	20	9,100	16,363
Profit/(loss) before tax		(1,072,108)	(5,950,336)
TAX EXPENSE			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) after tax		(1,072,108)	(5,950,336)
Profit/(Loss) after tax (after adjusting minority interest)		(1,072,108)	(5,950,336)
Earnings per equity share	21		
Basic and Diluted [Nominal value of shares Rs.10 (Previous year Rs.10)]		(0.27)	(1.51)
Number of Shares used in computing earning per share			
-Basic and Diluted		3,945,000	3,945,000
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For Nangia and Co.
Firm Registration No. 002391C
Chartered Accountants

For and on behalf of the Board of Directors

Vikas Gupta
FCA, Partner
Membership No. 076879

SUJATHA RATNAM
(Director)

P. DWARAKANATH
(Director)

New Delhi
May 14, 2012

Cash Flow Statement for the year ended March 31, 2012

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax	(1,072,108)	(5,950,336)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	218,400	473,264
Interest income	(99,721)	(89,003)
Fixed assets and spares written off	–	418,057
Provision for Gratuity	18,390	52,610
Provision for Leave Encashment	22,672	19,275
Provision for doubtful debts and advances	458,584	2,681,451
Liability/ provisions no longer required written back -Long Term	(1,707,484)	1,148,977
Liability/ provisions no longer required written back -Short Term	(11,641)	-
Unrealised foreign exchange (gain) / loss	(722,824)	(18,198)
Operating Profit Before Working Capital Changes	(2,895,732)	(1,263,903)
Movement in working capital :		
Increase/ (decrease) in trade payables-Long Term	(191,016)	(1,144,584)
Increase/ (decrease) in trade payables -Short Term	(380,450)	134,031
Decrease / (increase) in trade receivables -long-term	(98,019)	475,098
Decrease / (increase) in trade receivables - short-term	–	-
Decrease / (increase) in other receivables -long-term	421,504	90,924
Decrease / (increase) in other receivables-short term	4,463	(143,004)
Cash generated from/(used in) operations	(3,139,250)	(1,851,438)
Direct taxes paid (net of refunds)	17,620	63,830
Net cash flow from /(used in) operating activities (A)	(3,121,630)	(1,787,608)
Cash flow from investing activities		
Net cash flow from /(used in) investing activities (B)	–	-
Cash flow from financing activities		
Proceeds from long -term borrowings	3,265,000	1,817,000
Net cash flow from /(used in) financing activities (C)	3,265,000	1,817,000
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	143,370	29,391
Cash and cash equivalents at the beginning of the year	96,317	66,926
Cash and cash equivalents at the end of the year	239,687	96,317
Components of cash and cash equivalent	–	-
Cash on hand	644	2,509
With banks -		
on current account	239,043	93,808
Total cash and cash equivalents	239,687	96,317
Summary of significant accounting policies 3		

The accompanying notes are integral part of the financial statements
As per our report of even date

For Nangia and Co.
Firm Registration No. 002391C
Chartered Accountants

For and on behalf of the Board of Directors

Vikas Gupta
FCA, Partner
Membership No. 076879

SUJATHA RATNAM
(Director)

P. DWARAKANATH
(Director)

New Delhi
May 14, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. **Corporate Information**

   Max Healthstaff International Limited is a Company registered under the Companies Act, 1956. The Company has scaled down its operations and currently there is no steady stream of revenue. The Company is dependent on financial support from its holding company for sustenance of its operations.

2. **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, except for the change in accounting policy explained below.

3. **Summary of significant accounting policies**

   3.1. Change in accounting policy

   Presentation and disclosure of financial statements

   During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

   3.2 Use of estimates

   The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

   3.3 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.

   3.4 Tangible 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.

   3.5 Depreciation on tangible fixed assets

   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 and on Leasehold Improvements, which are depreciated over the period of the lease.

   3.6 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 using 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

Notes to Financial Statements for the year ended March 31, 2012

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.

3.7 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

3.8 Provisions

A provision is recognized when the company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.9 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.10 Cash & 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.

3.11 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.

Notes to Financial Statements for the year ended March 31, 2012

During the year the Company has incurred losses of Rs. 1,072,108 (Previous year Rs. 5,950,336). As at March 31, 2012, the accumulated losses of the Company are Rs. 225,184,643 (previous year Rs. 224,112,535) and its cumulative losses are greater than 50% of its net worth. 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.

3.12 Employee benefits

a) Provident Fund

Eligible employees receive benefits from a provident fund, which is defined contribution 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 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.

3.13 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 realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss account.

3.14 Leases

Accounting for leases has been done in accordance with the Accounting Standard 19 issued by the Institute of Chartered Accountants of India.

a) Operating Lease

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 over the period of lease. Following are the details of operating lease transactions for the year.

Particulars	**Current Year**	Previous Year
Lease rentals recognized in the Profit and Loss Account	**149,400**	144,000

b) Financial Lease

The company does not have any Finance Lease arrangement.

3.15 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements for the year ended March 31, 2012

4. Share Capital

(RUPEES)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised shares (Nos.)		
5,000,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
(Previous year 5,000,000 Equity Shares of Rs.10/- each)	50,000,000	50,000,000
Issued, subscribed & fully paid-up shares (Nos.)		
3,945,000 Equity Shares of Rs.10/- each fully paid up	39,450,000	39,450,000
(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)		

4.1 Reconciliation of the shares outstanding at the begining and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
At the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

4.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, in proportion to the number of equity shares held by the shareholders.

4.3 Shares held by holding Company

Out of equity shares issued by the company, shares held by its holding company are as below:

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Max India limited, the holding company		
3,945,000 (Previous year 3,945,000) equity shares of Rs.10/- each fully paid	39,450,000	39,450,000
(Max India Limited, the holding Company)	39,450,000	39,450,000

4.4 Details of shareholder holding more than 5% shares as at March 31, 2012 and March 31, 2011 is set out below

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of shares	% held	No. of shares	% held
Max India Limited	3,945,000	100	3,945,000	100

Notes to Financial Statements for the year ended March 31, 2012

5. Reserves & Surplus

(RUPEES)

Particulars	As at March 31, 2012	As at March 31, 2011
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(224,112,535)	(218,162,199)
Profit for the year	(1,072,108)	(5,950,336)
Net Surplus/ (deficit) in the statement of profit and loss	(225,184,643)	(224,112,535)
Total reserves & surplus	(225,184,643)	(224,112,535)

6. Other long term liabilities

(RUPEES)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Payables	1,417,821	3,403,001
Security Deposit Candidates	453,227	453,227
Examination Fees Received	54,077	54,077
	1,925,126	3,910,306

7. Provisions

(RUPEES)

	Long – term		Short – term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for Leave Encashment	-	-	154,805	132,133
Provision for Gratuity	130,872	112,482	-	-
	130,872	112,482	154,805	132,133

8. Short term borrowings

(RUPEES)

Particulars	As at March 31, 2012	As at March 31, 2011
Cash credit from banks(secured)	-	-
Indian Rupee Loan		
From banks	-	-
From financial institution	-	-
From non-banking financial institution	-	-
From related parties	187,363,604	184,098,604
Inter-corporate deposits payable on demand	-	-
	187,363,604	184,098,604
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	187,363,604	184,098,604
	187,363,604	184,098,604

Notes to Financial Statements for the year ended March 31, 2012

9. Current Liabilities

(RUPEES)

	As at March 31, 2012	As at March 31, 2011
Trade Payables		
Dues to micro and small enterprises	-	-
Dues to other than micro and small enterprises	111,120	829,603
	111,120	829,603
Other Liabilities		
Other Liabilities	89,952	34,939
	89,952	34,939
	201,072	864,542

10. Tangible Assets

(RUPEES)

	Furniture & Fixtures	Total
Cost		
At April 1 2010	2,721,518	2,721,518
Additions	-	-
Deletions/ Adjustments	-	-
Transfer to assets held for sale (discontinuing operation)	-	-
Other Adjustments	-	-
Exchange Difference	-	-
Borrowing Cost	-	-
At 31 March 2011	2,721,518	2,721,518
Additions	4,200	4,200
Deletions/ Adjustments	-	-
Transfer to assets held for sale (discontinuing operation)	-	-
Other Adjustments	-	-
Exchange Difference	-	-
Borrowing Cost	-	-
At 31 March 2012	2,725,718	2,725,718
Depreciation		
At April 1 2010	1,221,494	1,221,494
Charge for the year	239,931	239,931
Deletions/ Adjustments	-	-
Transfer to assets held for sale (discontinuing operation)	-	-
At 31 March 2011	1,461,426	1,461,426
Charge for the year	218,400	218,400
Deletions/ Adjustments	-	-
Transfer to assets held for sale (discontinuing operation)	-	-
At 31 March 2012	1,679,826	1,679,826
Net Block		
At 31 March 2011	1,260,093	1,260,093
At 31 March 2012	1,045,893	1,045,893

Notes to Financial Statements for the year ended March 31, 2012

10 (a). Intangible Assets

(RUPEES)

	Technical Knowhow	Computer Software	Total
Cost			
At April 1 2010	13,773,144	1,400,000	15,173,144
Additions	-	-	-
Deletions/ Adjustments	(13,773,144)	(1,400,000)	(15,173,144)
Transfer to assets held for sale (discontinuing operation)	-	-	-
Other Adjustments	-	-	-
Exchange Difference	-	-	-
Borrowing Cost	-	-	-
At 31 March 2011	-	-	-
Additions	-	-	-
Deletions/ Adjustments	-	-	-
Transfer to assets held for sale (discontinuing operation)	-	-	-
Other Adjustments	-	-	-
Exchange Difference	-	-	-
Borrowing Cost	-	-	-
At 31 March 2012	-	-	-
Depreciation			
At April 1 2010	13,773,144	1,400,000	15,173,144
Charge for the year	-	-	-
Deletions/ Adjustments	(13,773,144)	(1,400,000)	(15,173,144)
Transfer to assets held for sale (discontinuing operation)	-	-	-
At 31 March 2011	-	-	-
Charge for the year	-	-	-
Deletions/ Adjustments	-	-	-
Transfer to assets held for sale (discontinuing operation)	-	-	-
At 31 March 2012	-	-	-
Net Block			
At 31 March 2011	-	-	-
At 31 March 2012	-	-	-

Notes to Financial Statements for the year ended March 31, 2012

11. Loans and Advances

(RUPEES)

Particulars	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Security Deposits				
Secured, considered good	87,619	87,619	–	-
Unsecured, considered good	–	-	–	-
Doubtful	–	-	–	-
	87,619	87,619	–	-
Provision for doubtful security deposit	–	-	–	-
A	87,619	87,619	–	-
Advances recoverable in cash or kind				
Secured, considered good	–	-	–	-
Unsecured, considered good	70,000	561,438	–	-
Doubtful	–	-	–	-
	70,000	561,438	–	-
Provision for Doubtful Advances	–	-	–	-
B	70,000	561,438	–	-
Other loans & advances				
Balances with statutory/government authorities	–	-	–	-
Prepaid Expenses	–	-	8,405	1,670
Branch Imprest	–	-	1,873	5,423
Service Tax - Cenvat Credit	172,782	172,782	–	-
Gratuity Assets	754,365	692,078	–	-
Advance income tax (net of provisions)	–	-	181,950	189,598
C	927,147	864,860	192,228	196,691
Total (A+B+C)	1,084,765	1,513,917	192,228	196,691

12. Trade Receivables

(RUPEES)

Particulars	Non – Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good				
Unsecured, considered good	3,413,467	2,954,883	–	-
Doubtful	–	-	–	-
	3,413,467	2,954,883	–	-
Provision for doubtful receivables	(3,413,467)	(2,954,883)	–	-
	–	-	–	-

Notes to Financial Statements for the year ended March 31, 2012

13. Other Assets

(RUPEES)

Particulars	Non – Current As at March 31, 2012	Non – Current As at March 31, 2011	Current As at March 31, 2012	Current As at March 31, 2011
Interest accrued on fixed deposits	478,263	388,514	-	-
	478,263	388,514	-	-

14. Cash & Bank Balances

(RUPEES)

Particulars	Non – Current As at March 31, 2012	Non – Current As at March 31, 2011	Current As at March 31, 2012	Current As at March 31, 2011
Balances with banks				
Current Accounts	-	-	239,043	93,808
Deposits with original maturity for more than 12 months	-	-	1,000,000	1,000,000
Cash on hand	-	-	644	2509
			1,239,687	1,096,317

15. Revenue from operations

(RUPEES)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Other operating income		
Gain/(loss) on foreign exchange fluctuation(net)	467,397	105,338
	467,397	105,338

16. Other income

(RUPEES)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Liabilities/Provisions No Longer Required Written Back	1,755,538	38,914
Other	99,721	109,323
	1,855,259	148,237

17. Employee benefit expenses

(RUPEES)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages and bonus	1,457,004	1,453,607
Contribution to provident and other funds	53,808	53,808
Employee stock option scheme	-	-
Gratuity expense	844	942
Recruitment expenses	-	-
Sraff welfare expenses	28,192	16,855
	1,539,848	1,525,212

Notes to Financial Statements for the year ended March 31, 2012

17.1. 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 statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(RUPEES)

	Leave Encashment		Gratuity	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Current service cost	**29,819**	24,103	**21,812**	22,496
Interest cost on benefit obligation	**10,571**	8,803	**8,999**	4,670
Expected return on plan assets	**-**	-	**(62,287)**	(57,144)
Net actuarial(gain) / loss recognized in the year	**(17,718)**	(13,631)	**(12,421)**	25,444
Past service cost	**-**	-	**-**	-
Net benefit expense	**22,672**	19,275	**(43,897)**	(4,534)
Actual return on plan assets	**-**	-	**(62,287)**	(57,144)

Balance Sheet
Benefit asset/liabilities

(RUPEES)

	Leave Encashment		Gratuity	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Defined benefit obligation	154,805	132,133	130,872	112,482
Fair value of plan assets	-	-	754,365	692,078
Funded Status	(154,805)	(132,133)	**623,493**	579,596
Less: Unrecognized past service cost	-	-	-	-
Plan asset / (liability)	**154,805**	**132,133**	**623,493**	579,596

Changes in the present value of the defined benefit obligation are as follows:
Benefit asset/liability

(RUPEES)

	Leave Encashment		Gratuity	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Opening defined benefit obligation	132,133	112,858	112,482	59,872
Interest cost	10,571	8,803	8,999	4,670
Current service cost	29,819	24,103	21,812	22,496
Benefits paid	-	-	-	-
Actuarial (gains) / losses on obligation	(17,718)	(13,631)	(12,421)	25,444
Closing defined benefit obligation	**154,805**	132,133	**130,872**	112,482

Notes to Financial Statements for the year ended March 31, 2012

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

(RUPEES)

	Leave Encashment		Gratuity	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Opening fair value of plan assets	**-**	-	692,078	634,934
Expected return	**-**	-	62,287	57,144
Contributions by employer	**-**	-	**-**	-
Benefits paid	**-**	-	**-**	-
Actuarial gains / (losses)	**-**	-	**-**	-
Closing fair value of plan assets	**-**	-	**754,365**	692,078

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

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

(RUPEES)

	Leave Encashment		Gratuity	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
Life Insurance Corporation of India	**-**	-	**100**	100

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

(RUPEES)

	Leave Encashment		Gratuity	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
	%	%	%	%
Discount rate	8.60	8.00	8.60	0.08
Rate of increase in Compensation Levels	10.00	10.00	10.00	-
Expected rate of return on assets	**-**	-	9.00	0.09
Retirement Age	58 years	58 years	58 years	58 years
Employee turnover				
- Upto 30 years				
- 31 to 44 years				
- Above 44 years				

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)

	Leave Encashment				Gratuity			
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	**154,805**	132,133	112,858	142,113	130,872	112,482	59,872	92,090
Plan assets	**-**	-	-	-	754,365	692,078	634,934	636,161
Surplus / (deficit)	**(154,805)**	(132,133)	(112,858)	(142,113)	623,493	579,596	575,062	544,071
Experience adjustments on plan liabilities	**15,953**	12,994	30,561	(138,518)	9,793	(26,338)	1,391	365,951
Experience adjustments on plan assets	**-**	-	-	-	-	-	(1,366)	-

17.2. 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.

Notes to Financial Statements for the year ended March 31, 2012

18. Other expenses

(RUPEES)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	149,400	144,000
Insurance (Personal Accident Insurance)	2,483	31,898
Mediclaim Insurance - Max Bupa Health Insurance	60,374	-
Rates and Taxes	870	570
Others	17,737	31,593
Electricity and Water	34,591	14,780
Printing and Stationery	2,133	5,354
Travelling and Conveyance	3,540	695
Communication	73,347	112,536
Legal and Professional	151,522	245,232
Provision for Doubtful Debts and Advances	458,584	2,681,451
Fixed Assets and Spares Written Off	–	418,057
Website Maint. Charges	49,635	-
Examination Fees	491,438	-
Net Loss on Foreign Exchange Fluctuation	100,403	461,168
Miscellaneous	3,269	3,132
	1,627,416	4,189,072

Payment to Auditor (included in legal and professional)

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
As auditor:		
Audit fee	28,090	27,575
Tax audit fee	–	11,030
	28,090	38,605

19. Depreciation and amortization expense

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets	218,400	473,264
	218,400	473,264

20. Finance costs

(RUPEES)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Bank charges	9,100	16,363
	9,100	16,363

Notes to Financial Statements for the year ended March 31, 2012

21. Earnings per share (EPS)

(RUPEES)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Basic and diluted		
- Loss after tax (Rs.)	1,072,108	5,950,336
- Weighted average number of Equity share	3,945,000	3,945,000
EPS (Rs.)	(0.27)	(1.51)
- Equity share details (No.)		
Outstanding as at the begining of the year	3,945,000	3,945,000
Outstanding as at the end of the year	3,945,000	3,945,000

List of Related Parties as on March 31, 2012 - as per AS-18

22. Related Parties (as identified by the management)

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding Company	1. Max India Limited
Fellow Subsidiaries	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 Neeman Medical International Limited 8. Neeman Medical International BV 9. Neeman Medical International NV 10. Max Medical Services Limited 11. Alps Hospital Limited 12. Hometrail Estate Private Limited 13. Hometrail Buildtech Private Limited
Employee benefit funds	Max India Ltd. Employees' Provident Fund Trust Max India Limited Employees' Gratuity Fund

Notes to Financial Statements for the year ended March 31, 2012

22.1. Related Parties Disclosures **(RUPEES)**

Particulars	Holding Company		Fellow Subsidiaries		Total	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Transactions during the year:						
Services given and reimbursement of other expenses paid	-	-	68,200		68,200	-
Company's Contribution towards Retirements	37,644	37,644	-	-	37,644	37,644
Balance Outstanding at the end of year:						
Amount Payable	187,363,604	184,098,604	-	376,700	187,363,604	154,475,304
Loans taken	3,265,000	1,817,000	-	-	3,265,000	1,817,000

23. Contingent Liabilities not provided for

(RUPEES)

	Particulars	As at March 31, 2012	As at March 31, 2011
i	Claims against the Company not acknowledged as debts		
	- Alliance Partner (350,000 -US$) @ Rs.45.29	-	15,851,500

Notes to Financial Statements for the year ended March 31, 2012

24. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(RUPEES)

	Particulars	As at March 31, 2012	As at March 31, 2011
i	The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
ii	The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
iii	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
iv	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
v	The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	Nil	Nil
vi	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

25. Previous Year figures

Till the year ended March 31, 2011 the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

For Nangia and Co.
Firm Registration No. 002391C
Chartered Accountants

Vikas Gupta
FCA, Partner
Membership No. 076879

New Delhi
May 14, 2012

For and on behalf of the Board of Directors

SUJATHA RATNAM
(Director)

P. DWARAKANATH
(Director)

Max India Limited
Max House, Okhla,
New Delhi - 110020
Tel: +91 11 42598000

www.maxindia.com

MAX LIFE INSURANCE
www.maxlifeinsurance.com

MAX HEALTHCARE
www.maxhealthcare.in

Max Bupa Health Insurance
www.maxbupa.com

MAX SPECIALITY FILMS
www.maxspecialityproducts.com

MAX NEEMAN CONTRACT RESEARCH
www.neeman-medical.com

MAX INDIA FOUNDATION
www.maxindiafoundation.org

A WYATT SOLUTION (info@wyatt.co.in)