NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of Max India Limited will be held on Wednesday, September 15, 2010 at 10.30 AM at the Registered Office of the Company at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144533 to transact the following business:

Ordinary Business:

1. To consider, approve and adopt Directors' Report, Auditors' Report, Audited Profit and Loss Account for the year ended March 31, 2010 and Balance Sheet as at that date.

2. To elect a Director in place of Mr. Ashwani Windlass, who retires by rotation and being eligible, offers himself for re-election.

3. To elect a Director in place of Mr. Rajesh Khanna, who retires by rotation and being eligible, offers himself for re-election.

4. To elect a Director in place of Mr. Leo Puri, who retires by rotation and being eligible, offers himself for re-election.

5. To elect a Director in place of Mr. Piyush Mankad, who retires by rotation and being eligible, offers himself for re-election.

6. To elect a Director in place of Mr. Sanjeev Mehra, who retires by rotation and being eligible, offers himself for re-election.

7. To appoint S.R. Batliboi & Co., Chartered Accountants, as Statutory Auditors of the Company, in place of Price Waterhouse, Chartered Accountants, the retiring statutory auditors, who expressed unwillingness to their re-appointment, for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

   "RESOLVED THAT Mr. K. Narasimha Murthy, who was appointed as an Additional Director of the Company on December 22, 2009 and whose term of office expires as per Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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

   "RESOLVED THAT Dr. Omkar Goswami, who was appointed as an Additional Director of the Company on December 22, 2009 and whose term of office expires as per Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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

    "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the 'Act') or any statutory modification or re-enactment thereof and subject to the approval of the Central Government, if any, Mr. Analjit Singh be re-appointed as the Chairman & Managing Director of the Company effective October 30, 2010, for a period of 5 (five) years."

    "RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (the 'Act') or any statutory modification or re-enactment thereof and subject to the approval of Central Government, approval of the Shareholders of the Company be and is hereby accorded for payment of remuneration to Mr. Analjit Singh, Chairman & Managing Director of the Company for a three year period effective from October 30, 2010, as set out hereunder:

	Description		**(Rs. per annum)**
1.	Basic Salary	:	Not exceeding 1,84,00,000/-
2.	Management Allowance	:	Not exceeding 2,39,97,384/-
3.	Performance Incentives	:	Not exceeding 2,75,00,000/-
4.	Perquisites, viz., accommodation, including rent, gas, electricity, water, maintenance, security, domestic help, hard furnishing, leave travel allowance and overseas hospitalization insurance premium.	:	Not exceeding 42,50,000/-

The value of perquisites would be evaluated as per Income Tax Rules, 1962 wherever applicable, and at cost where such

Rules do not apply and shall be subject to an annual overall ceiling of an amount of Rs.42,50,000/-. In addition to the remuneration and perquisites to be paid as aforesaid, the Company shall also make contributions to provident fund & superannuation fund in accordance with the limits set out in Income Tax Act, 1961 and provide for gratuity not exceeding half-a month salary for each completed year of service. Besides, Mr. Analjit Singh is entitled to membership of three clubs. In addition, Mr. Analjit Singh shall be entitled to encashment of leave, medical reimbursement/ mediclaim insurance cover and accident insurance cover as per Company policy. The Company shall provide a car with driver for business and his personal use along with the facility of mobile phones/other communication instruments including telephones installed at his residence."

"RESOLVED FURTHER THAT, if in any financial year, during the term of office of Mr. Analjit Singh as Chairman & Managing Director, the Company has in-adequate profits as computed under the applicable provisions of the Act, he shall be entitled to receive the aforementioned remuneration as the minimum remuneration as provided under the Act."

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or its Committee thereof, be and is hereby authorized to regulate the payment of remuneration to Mr. Analjit Singh, Chairman & Managing Director within the aforesaid limits, from time to time."

By Order of the Board
For **Max India Limited**

New Delhi
July 30, 2010

V. Krishnan
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. Proxies in order to be effective must be received at the Registered Office of the Company at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144 533 at least 48 hours before the commencement of the meeting. A format of proxy is enclosed.

3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 ('the Act') is annexed hereto and forms part of this Notice.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 8, 2010 to Wednesday, September 15, 2010 (both days inclusive).

5. Shareholders with shares in physical form are requested to send all their correspondence directly to Mas Services Limited, Share Transfer Agent of the Company at 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

6. Members/Proxies for Members should bring the attendance slip duly filled-in for attending the meeting.

7. Members/Proxies for Members holding shares in dematerialized form should also bring their latest Statement of Account held with the concerned depository participant for attending the meeting.

8, The documents referred to in the proposed resolutions are open for inspection at the Registered Office of the Company during working hours between 9.30 a.m. and 1.00 p.m., except on holidays.

9. The face value of the shares has been split from Rs. 10/- each to Rs. 2/- each. Those shareholders, who have not exchanged their old share certificates, are requested to surrender their old share certificates to the Share Transfer Agent to be exchanged with new share certificates.

10. Re-appointment of Directors:

At the ensuing Annual General Meeting, Mr. Ashwani Windlass, Mr. Rajesh Khanna, Mr. Leo Puri and Mr. Piyush Mankad retire by rotation and being eligible offer themselves for re-appointment. Mr. Sanjeev Mehra, nominee of Xenok Limited, a wholly owned subsidiary of GS Capital Partners VI Fund, L.P., controlled by Goldman Sachs Group was appointed as a director of the Company on July 30, 2010 in the casual vacancy caused by the resignation of Mr. N. Rangachary is also liable to retire by rotation in this annual general meeting and being eligible offers himself for re-appointment.

The information as required under Clause 49 of the Listing Agreements on corporate governance, in respect of the aforesaid Directors, is furnished hereunder:

Mr. Ashwani Windlass
Date of Birth : July 2, 1956

Mr. Ashwani Windlass was the Joint Managing Director of

the Company from 1995 to 1998 and Managing Director of Hutchison Max Telecom Limited [currently Vodafone Essar Limited]. Prior to this, he had worked with the Company in various capacities and gained rich experience and vast knowledge and had played a pivotal role in turning the Company into a multi business enterprise. From 1998 to 2000, Mr. Windlass was the Vice Chairman and Managing Director of Reliance Telecom Limited. Mr. Windlass has done B.Com., BJ and MBA.

Mr. Windlass is currently holding directorships in Hindustan Media Ventures Limited and Argus eServices Private Limited. He is the Chairman of the Audit Committee of Hindustan Media Ventures Limited, Shareholders/Investors Grievance Committee and Investment & Finance Committee of the Company. He is also a member of the Audit Committee and Remuneration Committee of the Company. Mr. Windlass holds 1,23,800 equity shares of the Company as on date.

Mr. Rajesh Khanna
Date of Birth: December 24, 1965

Mr. Rajesh Khanna is establishing an independent private equity firm focused on investment opportunities in India. Until recently, Mr. Khanna was one of the Managing Directors, Warburg Pincus India Pvt. Ltd. (Warburg Pincus), a leading global private equity investing firm. He was responsible for overseeing the firm's investment activities in the country. Warburg Pincus has been investing in India for about 15 years and is amongst the largest international private equity investors in the country. Prior to working with Warburg Pincus, Mr. Khanna was with Citibank and Arthur Andersen & Co. Mr. Khanna is a Chartered Accountant and a PGDM (equivalent to an M.B.A.) from the Indian Institute of Management, Ahmedabad (IIMA).

Mr. Khanna is holding directorship in Moser Baer India Limited, Ashu Khanna Image Consultancy Private Limited, Krizm Hotels Private Limited, Spank Hotels Private Limited and Surya Advisory Services Private Limited. Mr. Rajesh Khanna is the Chairman of the Remuneration Committee of the Company. Mr. Rajesh Khanna is not holding any shares in the Company as on date.

Mr. Leo Puri
Date of Birth : January 3, 1961

Mr. Leo Puri is one of the Managing Directors of Warburg Pincus India Pvt. Ltd. (Warburg Pincus). He is involved in the firm's investment activities in India and financial services investments in select global markets. Prior to joining Warburg Pincus, Mr. Puri was a Director of McKinsey & Company in India, where he was a co-leader of the financial services practice in Asia. At McKinsey, he advised leading banks, insurance and asset management companies and financial regulators, working on a variety of business, strategy and organizational issues. Mr. Puri holds an M.A. in Politics, Philosophy and Economics from Oxford University and obtained an M.A. in Law with first class honors from Cambridge University. Mr. Leo Puri is a Director of Max Healthcare Institute Limited, Max New York Life Insurance Company Limited, Max Bupa Health Insurance Company Limited, Laqshya Media Private Limited, Laqshya Digital Medical Private Limited, Laqshya Airport Media Private Limited, Laqshya Hyderabad Airport Media Private Limited, Ergoform Consulting Private Limited, Gulf Media Holding, Vertigo Lanka Private Limited and Right Angle Media FZ-LLC. He is a member of Audit Committee of Max India Limited, Max Healthcare Institute Limited, Max New York Life Insurance Company Limited and Max Bupa Health Insurance Company Limited. He is also member of Remuneration Committee of Max India Limited and Max Healthcare Institute Limited. Mr. Leo Puri is not holding any shares in the Company as on date.

Mr. Piyush Mankad
Date of Birth: November 18, 1941

Mr. Piyush Mankad is a retired civil servant with a distinguished career of over forty years in the prestigious Indian Administrative Service, which he joined in 1964. He was educated at Delhi University, India and later at Cambridge, U.K., where he obtained a postgraduate Diploma in Development Studies, with distinction. Some of the important positions that he has held include Counselor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India; and Executive Director for India and four other countries and Board Member, Asian Development Bank, Manila, which was his last assignment till July, 2004.

His areas of experience and expertise include, among others, public finance and policy; capital market regulation and development; promotion of industry, F.D.I. and infrastructure; and public administration. Mr. Mankad is currently on the Board of Tata International Limited, Tata Elxis Limited, DSP Blackrock Investment Managers Limited Mahindra & Mahindra Financial Services Limited, Noida Toll Bridge Company Limited, United Breweries (Holding) Ltd., Kingfisher

Airlines Limited, ICRA Limited, Mysore Cements Limited, SRF Limited, Tata Power Company Limited and Mahindra Forgings Limited. Mr. Mankad is a member of the Audit Committee of Tata International Ltd, DSP Blackrock Investment Managers Limited, Mysore Cements Limited, SRF Limited and Noida Toll Bridge Company Limited, Chairman of Investor Grievances, Relations and Share Transfer Committee of Mysore Cements Limited and Member of Investor Grievances, Relations and Share Transfer Committee of Noida Toll Bridge Company Limited, Tata Elxsi Limited and Max India Limited. Mr. Piyush Mankad is not holding any shares in the Company as on date.

Mr. Sanjeev Mehra
Date of Birth : January 9, 1959

Mr. Sanjeev Mehra is a Managing Director in the Principal Investment Area (PIA) of Goldman, Sachs & Co. He serves on PIA's Investment Committee and heads PIA's Operating Committee. He is also a member of the Firmwide Business Practices Committee. Mr. Sanjeev Mehra joined Goldman Sachs in 1986. Mr. Mehra was named Managing Director in 1996 and partner in 1998. Mr. Mehra is Chairman of Hawker Beechcraft Inc. He serves on the board of ARAMARK Corporation, Burger King Corporation, First Aviation Services, Inc., KAR Holdings (Adesa), Sigma Electric and SunGard Data Systems. Mr. Mehra also serves on the Board of Trustees of Trout Unlimited, Oakham School, England, The Doon School, India, and Brunswick School, Greenwich, CT. He is a Fellow of the Foreign Policy Association and is a member of the Committee of Undergraduate Resources (COUR) of Harvard College. Mr. Mehra worked with McKinsey & Company, Inc. In New York for approximately two years as an analyst from 1982-84. Mr. Mehra earned an MBA from Harvard Business School in 1986 and a BA in Economics from Harvard College in 1982. Mr. Sanjeev Mehra is not holding any shares in the Company as on date.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESSES SET OUT IN THE NOTICE

Item nos. 8 & 9

The Board of Directors of the Company appointed Mr. K. Narasimha Murthy and Dr. Omkar Goswami as Additional Directors of the Company pursuant to Section 260 of the Act and Article 109 of the Articles of Association of the Company on December 22, 2009.

Pursuant to Section 260 of the Act, above directors can hold Office upto the date of this Annual General Meeting. As required under Section 257 of the Act, notices in writing have been received from members of the Company along with requisite deposits, proposing the candidature of Mr. K. Narasimha Murthy and Dr. Omkar Goswami for the office of Directors of the Company.

The information as required under Clause 49 of the Listing Agreements on corporate governance, in respect of the aforesaid Directors, is furnished hereunder:

Mr. K. Narasimha Murthy
Date of Birth : August 13, 1957

Mr. K. Narasimha Murthy, B.Sc., F.C.A., F.I.C.W.A., is a reputed Cost Accountant in India. His areas of expertise include Cost Audit, Cost Reduction Programmes, Management Information & Control Systems Development, Critical Analysis of Performance, SWOT Analysis, Management Audit, Business Valuations, Corporate Planning, Strategic Planning, Organization Analysis and Structure, Mergers & Acquisitions, Internal Audit, Concurrent Audit, Pre-Audit, Manpower Planning and Development, Designing Production Incentive Schemes, Revival of Sick Units and Other Management Support Services.

Mr. Murthy is holding directorships in IDBI Bank Limited, LIC Housing Finance Limited, Max Healthcare Institute Limited, Max Bupa Health Insurance Company Limited, Aegon AMC Pvt. Ltd., Srikari Management Consultants Private Limited and Andhra Pradesh State Financial Corporation (APSFC), a Statutory Corporation. Mr. Murthy is Chairman of Audit Committee of Max Healthcare Institute Limited, and Max Bupa Health Insurance Company Limited and member of the Audit Committee of the Company. Mr. Murthy is also member of Risk Management Committee, Frauds Monitoring Committee, Customer Service Committee and Executive Committee of the Board of IDBI Bank Limited and Executive Committee of the Board of LIC Housing Finance Limited. Mr. Narasimha Murthy is not holding any shares in the Company as on date.

Dr. Omkar Goswami
Date of Birth: August 29, 1956

Dr. Omkar Goswami is the Founder and Chairman of CERG Advisory Private Limited. CERG is the acronym for the Corporate and Economic Research Group. A professional economist, Goswami did his Masters in Economics from the Delhi School of Economics in 1978 and his D.Phil (Ph.D) from Oxford in 1982. He taught and researched economics for 18 years at Oxford, Delhi School of Economics, Harvard, Tufts, Jawaharlal Nehru University, Rutgers University and the Indian Statistical Institute, New Delhi.

In March 1997, he moved away from formal academics to become the Editor of Business India, one of the country's prestigious business magazines. From August 1998 up to March 2004, Dr. Goswami served as the Chief Economist of the Confederation of Indian Industry - the premier apex industry organisation of India. Dr. Goswami has served on several government committees. He was the Chairman of the Committee on Industrial Sickness and Corporate Restructuring in 1993, which recommended revamping India's bankruptcy laws and procedures; member of the Working Group on the Companies Act; the CII Committee on Corporate Governance; the Rakesh Mohan Committee on Railway Infrastructure Reform; the Vijay Kelkar Committee on Direct Tax Reforms; the Naresh Chandra Committee on Auditor-Company Relationship; the N.R. Narayana Murthy SEBI Committee on Corporate Governance Reforms; and others. Dr. Goswami has been a consultant to the World Bank, the IMF, the Asian Development Bank and the OECD.

Dr. Goswami is holding directorships in Dr. Reddy's Laboratories Limited, Infosys Technologies Limited, DSP BlackRock Investment Managers Private Limited IDFC Limited, Cairn India Limited, Ambuja Cements Limited, Godrej Consumer Products Limited, Max New York Life Insurance Company Limited and Avantha Power & Infrastructure Limited. Dr. Goswami is the Chairman of Audit Committee of Dr. Reddy's Laboratories Limited and a member of the Audit Committee of Infosys Technologies Limited, IDFC Limited, Crompton Greaves Limited, Cairn India Limited, Godrej Consumer Products Limited. Mr. Murthy is also a member of Shareholders/ Investor Grievance Committee of Infosys Technologies Limited, IDFC Limited Cairn India Limited. Dr. Goswami is also a member of Investment & Finance Committee of Max India Limited. Dr. Goswami is not holding any shares in the Company as on date.

Your Directors therefore, recommend the above resolutions for your approval.

None of the Directors of the Company, except Mr. K. Narasimha Murthy and Dr. Omkar Goswami are interested or concerned in passing of the above resolutions.

Item No. 10

The Shareholders of the Company in their Annual General meeting held on September 26, 2005 had re-appointed Mr. Analjit Singh as the Executive Chairman of the Company for a period of five years effective October 30, 2005. The Board of Directors of the Company in its meeting held on May 17, 2008 re-designated Mr. Singh as the Chairman & Managing Director of the Company. The five year term of Mr. Analjit Singh as the Chairman & Managing Director would expire on October 29, 2010.

The Remuneration Committee and the Board of Directors in their respective meetings held on July 30, 2010 recommended the re-appointment of Mr. Analjit Singh as the Chairman & Managing Director of the Company for a further period of five years effective October 30, 2010. The said Committee and the Board of Directors, in terms of Schedule XIII to the Act has recommended the terms of remuneration of Mr. Analjit Singh for a period of three years effective October 30, 2010 for your approval as per resolution at item no. 10 above.

The following disclosure is made in terms of Notification No. GSR36 (E) dated January 16, 2002 relating to the appointment and payment of remuneration to the Chairman & Managing Director:

I General information about the Company

Nature of industry

The Company's business involves the manufacture and sale of specialty plastic products including Bi-axially Oriented Polypropylene ("BOPP") films. The Company has subsidiaries and joint ventures that are involved in the businesses of healthcare services, life insurance, health insurance and clinical research.

Commercial production

As regards its manufacturing businesses, the Company commenced commercial production of Speciality Plastics at its manufacturing facility at Railmajra, Punjab in 1989-90.

Financial & export performance

Fiscal 2009-10 was a year of consolidation for Max Speciality Films (MSF), the Speciality Packaging Manufacturing division of Max India Limited. All BOPP production lines at MSF operated at 100% capacity utilization. During the year, sales volume of BOPP Films improved to 29.7 KTA compared to 28.5 KTA in 2008-09. In FY 2009-10, net sales dropped by 7% year-on-year at Rs.330 crore in 2009-10 against Rs.354 crore for 2008-09 owing to lower sales realization which is directly linked to crude prices.

During the financial year 2009-10, exports of BOPP Films including Thermal Films have increased in value terms by 15%.

Foreign Investments during the financial year 2009-10

The Company allotted 10,326,311 equity shares of Rs. 2/- each representing 4.44% of the present paid up equity share capital of the Company on June 19, 2009, at a premium of

Rs.143.26 per equity share aggregating to Rs.150 crore to International Finance Corporation, Washington, USA, on preferential basis.

The Company allotted 6,019,925 Compulsorily Convertible Debentures (CCDs) of Rs.867/- per CCD for an aggregate consideration of Rs. 521.93 core to Xenok Ltd. a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P., controlled by the Goldman Sachs Group, on March 11, 2010. The CCDs bearing a coupon of 12% per annum shall be compulsorily convertible into four equity shares of Rs.2/- each at a premium of Rs. 214.75 per equity share on or before fifteen months from the date of allotment.

II Information about the Chairman & Managing Director

Profile of Mr. Analjit Singh

Mr. Analjit Singh is the Founder and Chairman & Managing Director of Max India Limited, Chairman of Max New York Life Insurance Company Limited; Max Healthcare Institute Limited and Max Bupa Health Insurance Company Limited. He has been the driving force behind the Max India Group's sustained growth and success since the mid 80's.

A self made entrepreneur, Mr. Analjit Singh has been leading the charge of reinventing and restructuring the Max India Group with a vision to be amongst India's most admired companies for Service Excellence.

Today, Max India Limited is a multi-business corporate, focused on People and Service-oriented Businesses of 'Life'. Max India Group is present in the areas of Life Insurance (Protecting Life) through Max New York Life Insurance, a Joint Venture with a Fortune 100 company New York Life; Healthcare (Caring for Life) through Max Healthcare; Health Insurance (Enhancing Life) through Max Bupa Health Insurance; a Joint Venture with Bupa Finance Plc U.K. Clinical Research (Improving Life) through Max Neeman Medical International and BOPP & Speciality Foils manufacturing through its division Max Speciality Films.

Max India Group's turnover for the Financial Year 2010 was over INR 77,000 million with a customer base of 4 million. The total investment in various businesses at the end of FY2010 stood at INR 20,300 million. The Group has over 700 offices across India; with people strength of over 90,000.

As one of India's leading business-persons, Mr. Analjit Singh is a Member of the Prime Minister's Joint Indo-US CEOs Forum. He is the non-executive Chairman of Indus Towers, India's leading 'Shared Telecom Infrastructure' Services Company. He is also a Director on the board of several leading Indian companies such as Industrial Development Bank of India (IDBI Ltd.), Vodafone Essar, Tata Tea, Hero Honda Motors and Dabur India.

Mr. Analjit Singh has always taken keen interest in enhancing India's academic excellence. He is currently an Executive Board Member of the Board of Governors, Indian School of Business, Hyderabad, where he is facilitating and jointly funding a new campus at Mohali, Punjab. In addition he is the Chairman, Board of Governors, The Doon School, Dehradun.

Mr. Analjit Singh is actively involved in social service, through his role as the Chairman and Chief Patron of Max India Foundation (MIF), the Social Service arm of Max India Group. Committed to fostering an inclusive society, MIF spearheads the CSR initiatives of the various Max India Group companies and also partners with several reputable NGOs such as SOS Children's Village, Manav Seva Sannidhi, CanSupport and Chinmaya Mission. The Foundation's main focus areas are:

- Providing improved access to quality healthcare for underprivileged, particularly children.
- Creating awareness on health-related issues such as women's health, cancer, cardiovascular diseases and immunisation of children.
- Improving awareness of environmental issues with a view to supporting a sustainable and eco-friendly environment.

He is also the Life Chairman, Bhai Mohan Singh Foundation and Member, Governing Board of Bharti Foundation.

Mr. Analjit Singh is the Consul General (Honorary) of the Republic of San Marino in India.

Senator Hillary Clinton, on behalf of The Indian American Center for Political Awareness (IACPA), awarded Mr. Analjit Singh for his 'outstanding achievement' in presenting the international community with an understanding of a modern and vibrant India. The IACPA has particularly lauded his efforts in forging several successful Joint Ventures with leading American companies and promoting business ties with the US.

Mr. Analjit Singh is an alumnus of Doon School, Dehradun; Shriram College of Commerce, University of Delhi; School of

Management and the Graduate School of Management, Boston University, Boston, USA.

Past Remuneration

Details of remuneration paid to Mr. Analjit Singh for the financial year ended March 31, 2010 are furnished in the enclosed Annual Report.

Proposed Remuneration

As per the details mentioned in the proposed resolution at item no.10.

Comparison with industry

The 'Remuneration Profile' of Mr. Analjit Singh is based on a comparative basket of companies comprising Multinationals and High Performing Indian Companies, from both the Service and Manufacturing sector, which have a Global presence. Individual specific remuneration is an outcome of a strategic Human Capital Initiative, which measures 'Competency Profiles' and rates the individual vis-à-vis the standard required for the job. The eventual pricing matrix is then a function of this rating, which is superimposed on the target market price, currently benchmarked at the 'Top Quartile'.

III Other information

The services business of Healthcare, Life Insurance and Health Insurance have a long gestation and are highly capital intensive in nature requiring large out-flow of funds. While these businesses are substantially ramping up and returns would take some time, considerable value has been created by the Company in these businesses.

Despite revenues from the existing businesses of Speciality Plastics, the overall profitability of the Company may not be positive at least in the near future.

The Company with a group revenue of Rs.7728.8 crore and assets under management of more than Rs.10,000 crore with significant capital commitment in various businesses in the next few years, including the new business initiative of health insurance, requires a strong and exceptionally qualified managerial personnel to monitor and successfully manage its interests in the said business ventures. Mr. Analjit Singh, the Chairman & Managing Director provides strategic guidance and direction to the Max Group as a whole and provides leadership in the areas of business and resource planning to the Group's diverse businesses of Life Insurance, Health Insurance, Healthcare, Clinical Research and Specialty Plastics.

Your Directors, therefore, recommend the above resolution for your approval.

None of the Directors, except Mr. Analjit Singh is concerned or interested in passing of the above resolution.

The Notice and Explanatory Statement may be treated as the abstract of the terms of remuneration payable to Mr. Analjit Singh, as required under Section 302 of the Act.

PROXY FORM
MAX INDIA LIMITED

Regd. Office: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144 533

I/We.....
of ..... being member/members of the above named company hereby appoint .....
of..... in the district of ..... of failing him / her ..... of ..... in the district of ..... as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, September 15, 2010 at 10.30 AM and at any adjournment thereof.

Affix Revenue Stamp of Re. 1/-

Signed this ..... day of 2010

Notes

1 Proxy need not be a member
2 Proxy form duly signed across revenue stamp reach Company's Registered Office at-least 48 hours before the time of the meeting.
3 The Company reserves the right to ask for identification of the proxy.
4 Proxy cannot speak at the meeting or vote on a show of hands.

MAX INDIA LIMITED
ATTENDANCE SLIP

Regd. Folio No. .....

No. of Shares held : .....

DP.ID No. ..... Client ID No. .....

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company at its Registered Office on Wednesday, September 15, 2010 at 10.30 AM.

....

Member's/Proxy's name in Block Letters Signature of Member/Proxy

Note:
Kindly fill up this attendance slip and hand over at the entrance of the meeting hall.

MAX

IN THE BUSINESS OF

LIFE

MAX

CONTENTS

IN THE BUSINESS OF LIFE	02
LETTER TO SHAREHOLDERS	04
BOARD OF DIRECTORS	10
MANAGEMENT DISCUSSION AND ANALYSIS	12
CORPORATE GOVERNANCE	50
SHAREHOLDERS' INFORMATION	59
FINANCIALS	
MAX INDIA LIMITED	65
MAX INDIA CONSOLIDATED STATEMENT OF ACCOUNTS	115
MAX NEW YORK LIFE INSURANCE COMPANY LIMITED	161
MAX BUPA HEALTH INSURANCE COMPANY LIMITED	277
MAX HEALTHCARE INSTITUTE LIMITED	319
OTHER SUBSIDIARY COMPANIES	359

TRUST + SERVICE = GROWTH

We are in The Business of Life...

Building each of our businesses involves Trust

Customers choose insurance companies and healthcare on Trust

The patients choose healthcare and hospitals based on Trust

Pharmaceutical and medical companies choose clinical research partners on Trust

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

Trust is paramount to our business...

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

Everywhere; for every customer; all the time

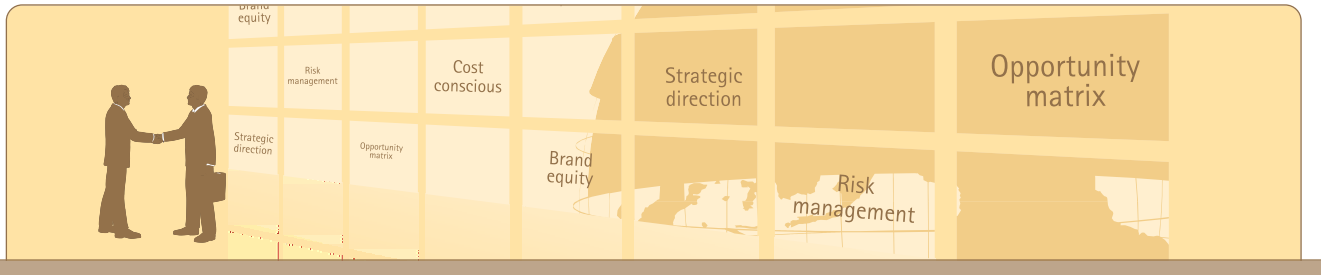
Because we believe in a simple truth...

When you combine Trust with Service

You get Growth

Max India Limited...Building trust for Growth

LETTER TO SHAREHOLDERS



THE LONG PREDICTED SHIFT IN BALANCE OF POWER FROM THE DEVELOPED WORLD TO DEVELOPING ECONOMIES ACTUALLY PLAYED OUT FOR THE FIRST TIME IN 2009-10

Dear Shareholders,

Under normal circumstances, this would have been a usual, informative letter with its share of good tidings.

There were many reasons for being positive. For one, India survived the global meltdown remarkably well. Despite severe international economic problems, we achieved 6.7% real GDP growth in 2008-09; and did even better in 2009-10 by hitting 7.4% growth. Today, India and China are the only two global economies that are posting high growth quarter-on-quarter. And the general consensus is that we as a nation are again well set to achieve a steady-state growth rate of anywhere between 8.5% to 9%.

The inherent economic strength of India, China and other BRIC countries saw the long predicted shift in balance of power from the developed world to developing economies being actually played out for the first time. This was evident through the collective clout at various multilateral forums such as G20 and Climate Meets. Clearly the economic meltdown has accelerated this shift by 5 to10 years and in order to have more balanced approach, businesses across the developed world are much more aggressively looking at the developing countries.

Moreover, your Company's businesses handled the shocks of

YOUR COMPANY'S BUSINESSES HANDLED THE SHOCKS OF 2008-09 REMARKABLY WELL

2008-09 remarkably well. Gross premium income of Max New York Life (MNYL) increased by 26% to Rs. 4,861 crore in 2009-10; it sold around a million policies in the year, and by 31 March 2010, had almost 3 million policies in force; its assets under management at the end of the year had crossed Rs. 10,000 crore; and the policyholder and shareholder combined profits were Rs. 24 crore, versus a loss of Rs. 419 crore in the previous year. MNYL has consciously focused on developing multiple distribution channels. It entered into a long term strategic tie-up with Axis Bank, India's third largest private bank. This bancassurance agreement should prove to be a game changer for MNYL as it will give them exclusive access to 20 lakh consumers of Axis Bank. This relationship will be unique and to the customers benefit, due to better training and integration between MNYL and Axis.

AT MAX HEALTHCARE, THE FOCUS IS ON QUALITY AND IT IS SEEKING TO EXPAND IN NORTH INDIA SINCE QUALITY PHYSICIANS AND PRACTICES CAN BE LEVERAGED BETTER WITH GEOGRAPHICAL PROXIMITY

Max Healthcare, too, did well. It increased capacity by 46% with the addition of 350 beds during 2009-10 — bringing the total bed strength to 1,100. Revenues increased by 26% to Rs. 534 crore. Although the profit margin dropped a bit, Max Healthcare, with its team of 1,250 doctors, 1,900 nurses and 1,700 para-medical staff across its network of hospitals, still earned a positive EBIDTA of Rs. 24 crore.

2009-10 was an active year for the healthcare industry. The Corporate Hospital space saw expansion and consolidation. While Max Healthcare also plans to add another 800 beds in 2011, however, it stays strong on its belief of first tapping the opportunities in North India with complete control on quality, before expanding into distant geographies since quality physicians and practices is critical and can be leveraged better with geographical proximity. As a part of ongoing emphasis on capability building, Max Healthcare intends to mature into Quaternary Care and foray into Medical Education. Besides providing a captive skill pool, this will provide quality research opportunities to Max Healthcare doctors, a critical need in this profession.

Max Bupa, your Company's cutting edge health insurance play with Bupa of UK, was up and running from April 2010 — having started commercial operations across six centres in India. The Health Insurance Industry in India is likely to grow at over at over 25% in the medium to long term. While there are many General Insurance players selling Health Insurance, it needs focus to service the diverse and unique Indian needs. This focus is why Max Bupa will succeed in a seemingly cluttered Indian Health Insurance market.

The Company has already made its mark by bringing in many innovations at the product and servicing level.

Max Neeman, your Company's value adding clinical research organisation, grew its client base, its business development pipeline, revenues and profits.

Max Speciality Films earned revenues of Rs. 340 crore in 2009-10; an EBIDTA of Rs. 43 crore; PBT of Rs. 20 crore; and is well on its way to commission a state-of-the-art BOPP production facility (Line 4) with a capacity of 22,000 tonnes per annum, along with its fourth metalliser.

In other words, your Company had not only weathered the storms of 2008-09, but was also well positioned for higher growth and greater profits.

We also continued winning in our Social Service efforts through Max India Foundations (MIF) as we stepped up our efforts in providing improved access to quality health care for the underprivileged; mass immunization for needy children, and activities around environment awareness. Almost 50,000 people at over 150 locations across the country benefited from MIF's work.

What made the circumstances 'abnormal'? In a nutshell, it was a series of wide reaching regulatory changes that affected the insurance industry. These were announced by the Insurance Regulatory and Development Authority (IRDA) on 28 June 2010, and have changed the playing field for India's life insurance industry.

Because these guidelines were announced at the end of June 2010, they have had no impact on MNYL's performance for 2009-10 and, therefore, have not been discussed in the chapter on Management Discussion and Analysis. The new rules and limits laid out in the guidelines will come into play from 1 September 2010 and, hence, will not affect MNYL's first quarter results as well. However, these are extremely fundamental and far reaching, and I will fail in my duties if I did not explain what these imply for the life insurance industry, for MNYL and, consequentially, for your Company.

As you may be aware, unit-linked insurance products (ULIPs) are by far the most popular product in the life insurance industry. In 2004-05, ULIPs accounted for only 38% of the industry's new business premium. In 2009-10, it is estimated at 74%. Why have these products gained such popularity? Because most customers are relatively young and want gains from the share market through unit linked products, with some insurance cover as well.

This huge and rapidly growing popularity of ULIPs led to serious encounters between IRDA and the Securities and Exchange Board of India (SEBI), as to who should have the ultimate regulatory oversight of these share market based products. IRDA has retained its regulatory remit over ULIPs. In doing so, however, it has imposed several constraints on ULIPs to increase their longer term life insurance content. The note of 28 June 2010 addresses precisely this issue, i.e. constrain the extent of policy-holders' and insurers' freedom in ULIPs and ensure greater emphasis on the life insurance aspect of any such policy.

HEALTH INSURANCE REQUIRES FOCUS TO SERVICE THE DIVERSE AND UNIQUE INDIAN NEEDS. IT IS THIS FOCUS THAT WILL LEAD TO THE SUCCESS OF MAX BUPA

WE ALSO CONTINUED WINNING IN OUR SOCIAL SERVICE EFFORTS THROUGH MAX INDIA FOUNDATION

Some of the key changes are:

- The three-year lock-in period for all ULIPs has been increased to five years, including top-up premiums. While this may be positive for margins per policy, it will negatively affect sales – especially for customers who prefer anticipated shorter period capital gains over longer period insurance.
- There are caps proposed on the net reduction in yield across different time frames: up to 4% in the fifth year; up to 3% in the tenth year; and no more than 2.25% for the 15th year, and thereafter. These are significantly lower than current net reductions in yield across most ULIPs. This may increase sales, but will affect the insurers' margins and increase capital requirements.
- There were no specific IRDA guidelines on how to allocate charges over the tenure of a ULIP policy. This has been now mandated to being levelled during the lock-in period of the first five years. Again, while this could increase sales, it will certainly reduce margins and raise capital requirements.
- There were no caps on surrender charges. These have been very stringently capped. Clearly this will affect margins and raise capital needs.
- The minimum sum assured, i.e. the insurance component, has been significantly increased in future ULIPs. These will now stand at 10 times the annualised premium for those who are below 45 years at the time of purchasing such a policy; and at least 7 times for those who are 45 years and above. It is unclear how this will impact the business.
- Currently, top-ups for ULIPs were allowed without life cover. IRDA has stipulated that any top up must be treated as a single premium with life cover. This could possibly increase sales, but be neutral with respect to margins and capital needs.
- Premium holidays were allowed after three years. The new regulation disallows it. This will tend to reduce sales, since it will make a ULIP relatively less flexible and less attractive than before.
- For unit linked pension products, there was no minimum returns guarantee. This has been now pegged at 4.5% on date of maturity, or as specified by the IRDA from time to time. This may increase sales, but it will certainly affect margins. Worse still, it has created an environment for guaranteed return pension products.
- At present, partial withdrawals were permitted for unit linked pension or annuity products. These have been banned. This will negatively affect sales, but ought to be better for margins.

How serious are these changes? I would be untruthful if I didn't say that these are extremely serious, and will profoundly alter the way that the entire Indian life insurance industry operates. The industry and, therefore, MNYL, will have to rapidly create new ULIPs that meet these guidelines starting from 1 September 2010. This will create a major discontinuity in the businesses of each life insurance player, including MNYL. In the short run, it will affect profits, raise the capital adequacy and solvency needs, possibly create disruptions in the sales channels, and affect valuations.

So, I have honestly given you the bad news. Now let me share with you what I think will happen over the next three to five years.

First, there is bound to be shakeout. Players who were essentially selling a dream run of the Indian capital market by hawking equity-dominated products with the barest minimum insurance cover and protection will be very badly hit. Since there were several such competitors, I look forward to a much needed consolidation, where the fast and loose will fall, and the serious, long term, customer oriented insurers will gain — albeit after initial reversals. MNYL is a highly respected, serious player in the industry for whom the customer matters most of all. I believe that we will gain from this shake out and resultant consolidation.

Second, MNYL is one of the few companies in the industry that has the bandwidth to create new products which meet IRDA's requirements from 1 September 2010. Therefore, I expect to see MNYL becoming an even more important player in a consolidated market, shorn of the many 'also ran' entities.

Third, I expect to see a return to the basic premises of life insurance, which are safety and protection. MNYL and its partner New York Life believe that these two factors are the touchstones of the insurance industry. It will be revealing to see how these play out to the benefit of MNYL in a changed industry setting.

Fourth, let us not underestimate the strains of transiting to the new regime. There will be strains on sales; on margins; and on the need for capital. But I see this as the beginning of a new era — one in which there will be fewer players who will sell insurance, and do so honestly and profitably in a milieu where both the customers and the insurers win.

Therefore, while I am aware of the fact that we will need to shift from our defined execution path to confront these changes, I am confident that MNYL has the capacity to do so — and do it well, do it quickly, and execute thoroughly. Thus, I believe that we will not only overcome, but also win better than ever before.

So too, shall we win in Max Healthcare, in Max Bupa, in Max Neeman and in Max Speciality Films. Because we have the people who know how to win by delighting our customers. We also continued winning in our Social Service efforts through our social service arm, Max India Foundation. We stepped up our efforts for providing improved access to quality health care for the underprivileged; mass immunization for needy children and activities around environment awareness. You can get more details of MIF's efforts in the MD&A.

My sincere thanks to all our colleagues in Max India, MNYL, Max Healthcare, Max Bupa and Max Speciality Films, as well as our key joint venture partners, New York Life and Bupa. And my thanks to you for your support.

With my best wishes,

Analjit Singh
Chairman

THERE IS BOUND TO BE SHAKEOUT IN LIFE INSURANCE. I LOOK FORWARD TO A MUCH NEEDED CONSOLIDATION, WHERE THE FAST AND LOOSE WILL FALL, AND THE SERIOUS, LONG TERM, CUSTOMER ORIENTED INSURERS WILL GAIN

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Mr. Anuroop (Tony) Singh	- Vice Chairman
Mr. Aman Mehta	- Non-Executive Director
Mr. Ashwani Windlass	- Non-Executive Director
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Mr. N. C. Singhal	- Non-Executive Director
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Mr. Rajit Mehta	- Executive Director & COO
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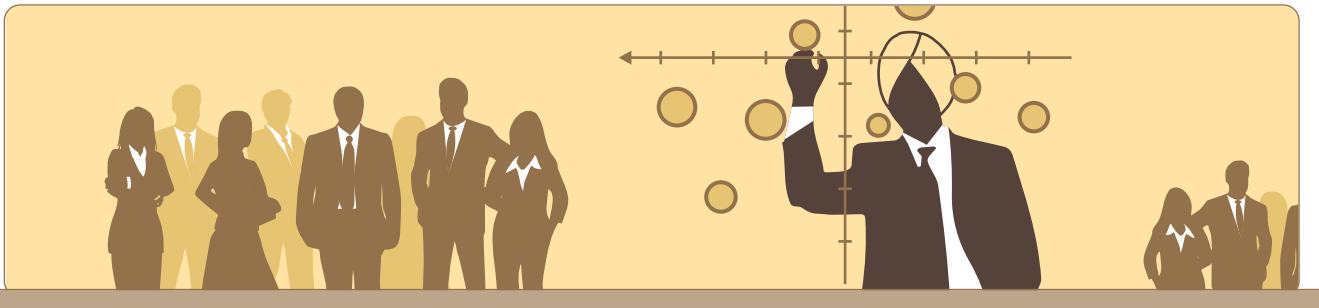
Dr. Pradeep K. Chowbey	- Jt. Managing Director
Dr. Ajit Singh	- Non-Executive Director
Mr. K. K. Mathur	- Non-Executive Director
Dr. K. M. Fock	- Non-Executive Director
Mr. K. Narasimha Murthy	- Non-Executive Director
Mr. Leo Puri	- Non-Executive Director
Dr. R. P. Soonawala	- Non-Executive Director
Mr. S. S. H. Rehman	- Non-Executive Director

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

Mr. Analjit Singh	- Chairman
Mr. Anthony Maxwell Coleman	- Non-Executive Director
Mr. Anuroop (Tony) Singh	- Non-Executive Director
Mr. Benjamin David Jemphrey Kent	- Non-Executive Director
Mr. Dean Allan Holden	- Non-Executive Director
Mr. K. Narasimha Murthy	- Non-Executive Director
Mr. Leo Puri	- Non-Executive Director
Mr. William Stephen Ward	- Non-Executive Director

MANAGEMENT DISCUSSION & ANALYSIS



MAX INDIA'S CORE PORTFOLIO COMPRISES BUSINESSES THAT DEAL WITH BETTERMENT AND PROTECTION OF LIFE

INTRODUCTION

Max India Limited ('Max India' or 'the Company') is a bouquet of different businesses linked by a commitment to people and customer service, and is working towards becoming one of India's most admired companies for service excellence.

The Company's core portfolio comprises businesses that deal with betterment and protection of life. This includes:

Max New York Life Insurance Company Limited (MNYL): This is a Joint Venture with New York Life, a Fortune 100 company. Incorporated in 2000, MNYL is one of India's leading life insurance companies in the private sector. It offers both individual and group life insurance solutions. Through its network of different distribution channels and flexible product solutions, MNYL focuses on developing a life time relationship with its customers and guides them to meet various financial needs across different stages of their lives.

Max Healthcare Institute Limited (MHC): MHC is a leading healthcare 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 operates eight facilities in Delhi and the National Capital Region (NCR), offering multi & super speciality services in over 30 medical disciplines.

Max Bupa Health Insurance Company Limited (MBHI): This is a Joint Venture with the Bupa Group, a leading international health and care company with a legacy of providing specialised healthcare services for over 60 years. MBHI is at an inception stage and has just commenced commercial operations in 2009-10. The Company aims to become the most admired health insurance company in India by delivering high quality health insurance products and ensuring consistent customer experience.

Max Neeman Medical International Limited (MNMI): This Company provides clinical research services across the entire value chain of new drug development to pharmaceutical, biotech and clinical research customers, both in India and abroad. MNMI continues to focus on developing alliances with mid-sized pharma and biotech companies to transit their drug development work to India. It has five regional offices in India, and a business development office in the USA.

The businesses in this core portfolio have significant long term value propositions. Most of these enterprises also have fairly long gestation periods – when growth has to be channelled in a focused manner through well calibrated development strategies and investments.

During the development phase, these businesses create the right products and services, and develop strong customer relations across a sizeable base. They focus on perfecting customer services, streamlining internal processes, and to strategically position and build their brands. Essentially, it is a period when the building blocks are put in place for profits in the future.

The businesses in Max India's core portfolio mentioned above, are today in different stages of growth within the development phase.

In addition, Max India has a well established profitable manufacturing business.

Max Speciality Films (MSF): This business specialises in manufacturing a wide range of sophisticated barrier and packaging films. The biaxially oriented polypropylene film (BOPP) division of MSF has an installed capacity of 29,000 metric tons per annum. MSF's leather finishing foil business division manufactures a range of leather finishing and laminating foils. Both businesses have well established customer relationships with marquee clients.

ECONOMIC ENVIRONMENT

The global economic slowdown, witnessed since September 2008, continued through the first half of 2009-10. Most developed economies registered very low or negative GDP growth. Particularly, countries in Western Europe witnessed a sharp reduction in economic activity. Even the emerging economies of China and India saw a drop in their otherwise high GDP growth rates.

Thankfully, there were some positive signs in H2, 2009-10. With a degree of stabilisation in financial markets, there were renewed capital flows, especially into the emerging markets of China and India. These have created positive sentiments and helped revive the equity market in India. The real sector, too, has seen a turnaround. The US has registered a recovery from Q3, 2009; China recorded 8.7% growth in 2009 and has been showing double-digit growth in the last two

MAX INDIA'S CORE BUSINESSES HAVE SIGNIFICANT LONG TERM VALUE PROPOSITIONS

DESPITE THE UNCERTAIN ENVIRONMENT IN 2009-10, MAX INDIA'S PERFORMANCE WAS CREDITABLE

BOX 1
MAX INDIA'S CONSOLIDATED PERFORMANCE HIGHLIGHTS IN 2009-10

Financial Improvements

- Operating revenues increased by 24% to Rs. 5,571 crore in 2009-10
- Total revenues increased by 58% to Rs. 7,729 crore
- Net losses after Tax reduced from Rs. 333 crore in 2008-09 to Rs. 44 crore in 2009-10

Growth Funding Secured Till 2011-12

- Goldman Sachs invested Rs. 522 crore through Compulsorily Convertible Debentures (CCDs), representing a 9.1% equity stake post conversion
- Promoters subscribed to warrants convertible into 3% equity stake at an investment of Rs. 173 crore. Half of this amount has been already infused
- IFC invested Rs. 150 crore in Max India to meet its capital requirements in the healthcare business

quarters; and India has grown by 7.4% in 2009-10, compared to 6.7% a year earlier. There are clear expectations that India will achieve 8.5% growth in 2010-11, and regain its momentum.

The economy has certainly turned around. However, within 2009-10, the first three quarters were replete with considerable uncertainties and subdued demand, which affected business sentiments.

PERFORMANCE HIGHLIGHTS: 2009-10

In this uncertain environment, Max India's performance was creditable. The Company saw positive developments in both its primary objectives of (i) improving its financial performance both in terms of revenues and profits, and (ii) securing funding to invest in future growth. The Company's performance highlights are given in Box 1.

Each of the businesses that comprise Max India is in a different stage of its development cycle. Box 2 highlights the key developments of each of the businesses in 2009-10.

BOX 2

KEY DEVELOPMENTS IN THE DIFFERENT BUSINESSES, 2009-10

Life Insurance

- MNYL reported a profit of Rs. 24 crore in 2009-10 against a loss of Rs. 419 crore in 2008-09 in the policyholders and shareholders combined profit and loss statement
- Set up a 10-year distribution alliance with Axis Bank, a large private Indian bank with more than 1,000 branches
- Embedded value grew by 19% to Rs. 2,723 crore in 2009-10

Healthcare

- Increased capacity by 46% with the addition of 350 beds in 2009-10. With this expansion, the total bed strength has reached 1,100. There will be an expansion of 800 beds in 2011-12
- Made developments in its offerings and service profile. Oncology and minimal access surgery was added in 2009-10.
- Forged strategic alliance to venture in day care surgeries

Speciality Products

- BOPP capacity is being expanded by 76% with addition of a new 22,000 TPA production line. This is expected to start production in Q1, 2011-12
- Leather finishing foil capacity tripled to 5,000 KSM in Q4, 2009-10

Health Insurance

- Shareholders committed to peak capital of Rs. 700 crore
- IRDA license was received in February 2010 and the first product was approved in March 2010

EACH OF MAX INDIA'S BUSINESSES ARE IN DIFFERENT STAGES OF THEIR DEVELOPMENT CYCLE

FINANCIAL REVIEW: MAX INDIA LIMITED, AS A CONSOLIDATED ENTITY

Max India Limited's abridged consolidated profit and loss statement is given in Table 1.

TABLE 1: ABRIDGED CONSOLIDATED FINANCIALS, MAX INDIA LIMITED (RS. CRORE)

	2009-10	2008-09
Net Sales	421.1	401.6
Service Income	5150.3	4106.1
Income from Investment Activities	2073.6	330.2
Other Income	83.8	53.5
TOTAL INCOME	7728.8	4891.4
INCREASE / (DECREASE) IN INVENTORY	(1.1)	(0.2)
Manufacturing, Trading and Direct Expenses	5857.1	3414.9
Personnel Expenses	769.1	843.8
General and Administration Expenses	941.9	841.9
PBDIT	159.6	-209.4
Financial Expenses	59.1	50.6
Depreciation	141.1	97.0
(LOSS) BEFORE TAX	-40.6	-357.0
Tax Expense	3.4	-23.8
(LOSS) AFTER TAX	-44.0	-333.2
Funds for Future Appropriations – Participating Policies	-45.3	26.4
Minority Interest	17.7	88.4
NET (LOSS)	-71.6	-218.4

Revenues were generated from the following sources:

- Sales revenue is generated from the specialty plastic products business and trading of consumables, drugs and pharmaceuticals as part of the healthcare business. **Net sales increased by 5% from Rs. 401.6 crore in 2008-09 to Rs. 421.1 crore in 2009-10**
- Service income is primarily from premiums recognised in the life insurance business, healthcare services, income from clinical trials and placement revenues. **Service income grew by 25% from Rs. 4,106.1 crore in 2008-09 to Rs. 5,150.3 crore in 2009-10**
- Income from investment activities is on account of the treasury surplus available with the group companies and from the investment corpus of the life insurance business. **Income from investment increased by over six times from Rs. 330.2 crore in 2008-09 to Rs. 2,073.6 crore in 2009-10 due to buoyancy in capital markets and the resultant reinstatement of Unit Linked Insurance Plans**
- Other income includes income from miscellaneous sources such as sale of scrap in the specialty plastic products business. **Other income increased by 57% from Rs. 53.5 crore in 2008-09 to Rs. 83.8 crore in 2009-10**

In a difficult business environment, net sales and service income grew by 24% to Rs. 5,571.4 crore in 2009-10. If one were to add the huge growth in investment income, then Max India increased its total revenues by 58% to Rs. 7,728.8 crore. This revenue expansion has been coupled with cost control. Employee costs have reduced by 9% even though healthcare and the health insurance business added manpower. Thus, the Company generated a positive PBDIT of Rs. 159.6 crore in 2009-10 versus a PBDIT loss of Rs. 209.6 crore in 2009-10. Net losses also decreased from Rs. 218.4 crore in 2008-09 to Rs. 71.6 crore in 2009-10.

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

MAX NEW YORK LIFE
LIFE INSURANCE
Karo Zyaada Ka Iraada

MAX NEW YORK LIFE INSURANCE COMPANY LTD.

THE INDIAN LIFE INSURANCE INDUSTRY

The industry witnessed negative growth in 2008-09 – for the first time in eight years since the Indian life insurance sector was opened to private participation. This trend continued through the first half of 2009-10. Individual adjusted first year premium reduced by 3% in H1, 2009-10; and private players faced the brunt of this slowdown, recording a 15% decline. Thankfully, conditions

improved in the second half of 2009-10. The same private sector insurance companies were quick to leverage opportunities provided by better demand conditions and grew by 26% in H2, 2009-10.

Apart from the quantum of demand, market conditions in 2009-10 resulted in changes in both consumer preferences and operation structures. These need explanation.

Over the last seven to eight years, growth in the life insurance industry in India was driven primarily by two factors. These were (i) expansion of the distribution network and (ii) the introduction of Unit Linked Insurance Plans (ULIPs), which became very popular on expectations of higher than average returns on account of buoyant stock market conditions. The sharp slowdown in 2008-09 which continued up to H1, 2009-10, forced companies to rapidly modify both the distribution network and the product offerings.

The focus in distribution shifted from aggressive expansion to the consolidation of different channels and improvement in efficiency of the distribution network. The biggest change in product offerings has come in the form of highest NAV guaranteed products. Despite the strong market recovery in the course of 2009-10, customers have become much more cautious with their stock exposures. Thus, there has been a growing popularity of highest NAV guaranteed products and, at the margin, greater acceptance of traditional endowment plans.

Despite of a significant slowdown in growth between September 2008 and October 2010, the Indian life insurance market continues to look attractive in the long run. The life insurance premium at 4% of the GDP continues to be underpenetrated. The underlying demographic and economic factors that make India one of the top potential life insurance markets continue to display favourable trends. The secular growth in the middle class continues; so too the growth in income levels within the middle class. The pool of household savings continues to grow in the country. In addition, India is becoming younger. A more affluent and younger population will have greater need for long term financial planning to manage savings to meet various requirements across their life stages.

Even in the slowdown in 2009-10, the strength of the market potential of life insurance in India is highlighted by the entry of two more new private sector players. With this, as on 31 March 2010, there were 22 private life insurance companies and the government controlled Life Insurance Corporation of India.

THE REGULATORY ENVIRONMENT

While the Indian life insurance industry remains attractive in the long run, there were several adverse developments in 2009-10 that put pressure on the industry. There remains some level of uncertainty regarding how the life insurance regulatory framework will evolve in the coming years. These have thrown up newer challenges.

The key regulatory changes implemented by the Insurance Regulatory and Development Authority (IRDA) during 2009-10 were:

- **Cap on Charges for Unit Linked Plans:** For all ULIPs having a maturity of up to 10 years, the difference between the gross

THE LIFE INSURANCE INDUSTRY'S DISTRIBUTION FOCUS SHIFTED FROM AGGRESSIVE EXPANSION TO CONSOLIDATION AND EFFICIENCY

MNYL HAS ADOPTED ITS BUSINESS STRATEGY TO STRENGTHEN ITS POSITION AS A DIFFERENTIATED, CUSTOMER-CENTRIC LIFE INSURANCE PROVIDER

and net yield is mandated to be maximum 300 basis points or 3%. Out of this, the fund management charge cannot exceed 1.35%. For ULIPs with tenure longer than 10 years, the overall cap is required to be 2.25%, with fund management charge capped at 1.25%. These caps have been institutionalised by the regulator. For all life insurance companies, this regulation has resulted in revised ULIP portfolios

- **Investment Norms:** Concurrent audits have been made mandatory for the investment function, and investment risk management system and process audits have been made mandatory once every three years. This change will bring in more accountability in the investment function
- **Disclosure Norms:** The IRDA has made it mandatory for life insurers to publish their financial results and key financial ratios on their websites. Companies are also required to publish financial results biannually from September 2010. This brings in greater transparency to operations

During the course of 2009-10, there was a major public debate on cost structures, product designs and transparency of ULIPs including distributors' commission structures, and mis-selling of life insurance. The debate started with Securities and Exchange Board of India (SEBI's) decision to abolish entry load in mutual funds which, in many ways, are competitive products to ULIPs; and gained traction with the recommendation by the Committee on Investor Awareness and Protection to move towards zero first year commission in life insurance. The SEBI then went on to argue that it should regulate ULIPs because they are akin to mutual funds; and then issued restraining notices to 14 private life insurance companies for allegedly improper practices. The issue has since been resolved in favour of IRDA through a Presidential Ordinance.

A new set of ULIP guidelines were notified on 28th June 2010 which might have far reaching consequences for the life insurance industry. According to the new guidelines, applicable September 1, 2010, ULIPs will have a longer lock-in period, up to five years from three years and the overall charges will have to be evenly spread out over the lock-in period, that will effectively reduce the commissions paid to the agents in the first year. Also, the minimum sum assured has been raised to 10 times the annualised premium as against five times now. At the time of writing, the exact implications of the new notifications on the business are being evaluated.

THERE WAS A MAJOR PUBLIC DEBATE ON COST STRUCTURES, PRODUCT DESIGNS AND TRANSPARENCY OF ULIPS INCLUDING DISTRIBUTORS' COMMISSION STRUCTURES, AND MIS-SELLING OF LIFE INSURANCE

MNYL IS LAYING MUCH GREATER EMPHASIS ON INTERNAL SYSTEMS AND COST MANAGEMENT

BOX 3

MNYL – PERFORMANCE HIGHLIGHTS, 2009-10

Financial

- Gross premium income increased by 26% to Rs. 4,861 crore in 2009-10, driven mainly by renewal premiums, which grew by 50% to Rs. 3,011 crore
- Individual first year premium (adjusted for single pay) was Rs. 1,584 crore in 2009-10; marginally down by 1% over 2008-09
- Expenses of management were brought down from 52% in 2008-09 to 40% in 2009-10
- Policyholders and shareholders combined profits were Rs. 24 crore in 2009-10; against a loss of Rs. 419 crore in 2008-09
- With an infusion of Rs. 181 crore in 2009-10, the business is capitalised at Rs. 1,973 crore as on 31 March 2010

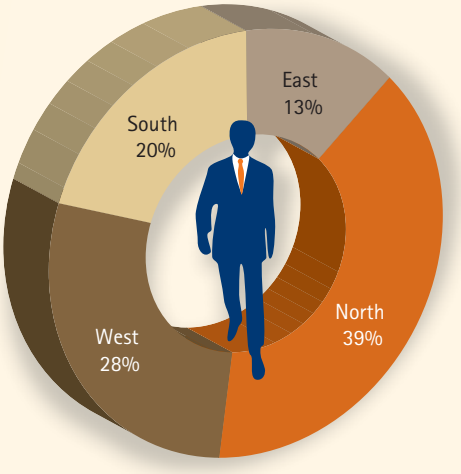
Operational

- With 82% growth over 2008-09, assets under management (AUM) crossed Rs. 10,000 crore at the end of 2009-10
- *Outlook Money* ranked MNYL as top quartile in all fund categories. Our funds have been recognized as the top performing ones for the second year in a row
- Sum assured in-force grew by 31% and exceeded Rs. 123,000 crore at the end of 2009-10.
- With around 1 million policies sold in 2009-10, MNYL has now sold over 4.4 million policies since its inception. As at the end of 2009-10, around 3 million policies were in force

PERFORMANCE HIGHLIGHTS

With the economy stabilising, the life insurance industry in India is moving to a more mature and distinctly different phase. In this environment, MNYL has adopted its business strategy to strengthen its position as a differentiated, customer-centric life insurance provider. In doing so, MNYL has delivered results (see Box 3).

Chart A: Zonal Distribution of Adjusted First Year Premium, 2009-10



Performance Across India

Chart A shows that in 2009-10, the North Zone continued to be the largest contributor to adjusted first year premium of MYNL with a share of 39%. The West Zone was the second largest with 28% share, followed by the South with 20% and the East with 13% share.

OPERATIONS

MNYL remains committed to building India's most admired life insurance company. Given the slowdown in 2008-09 and 2009-10, the Company' business strategy saw a transformation from a single minded focus on growing the customer base to greater emphasis on internal systems and cost management. The strategy in 2009-10 focused on five key elements:

- Enhanced productivity and efficacy of distribution
- Superior customer service at optimal costs

- Development of appropriate products
- Building a strong brand with a focus on quality
- Internal strength through people development

Distribution Channels

MNYL has always believed that a country as vast and diverse as India requires a multi-channel distribution strategy. Though the agency channel continues to be the core distribution medium, other channels complement it effectively. Because of the Company's focus on multi-channels, the share of agency in total sales reduced from 65% in 2008-09 to 62% in 2009-10. Concurrently, the share of third party distribution increased to 27% in 2009-10; emerging market channels grew to 7%; the DST channel grew 3% respectively. Chart B gives the data.

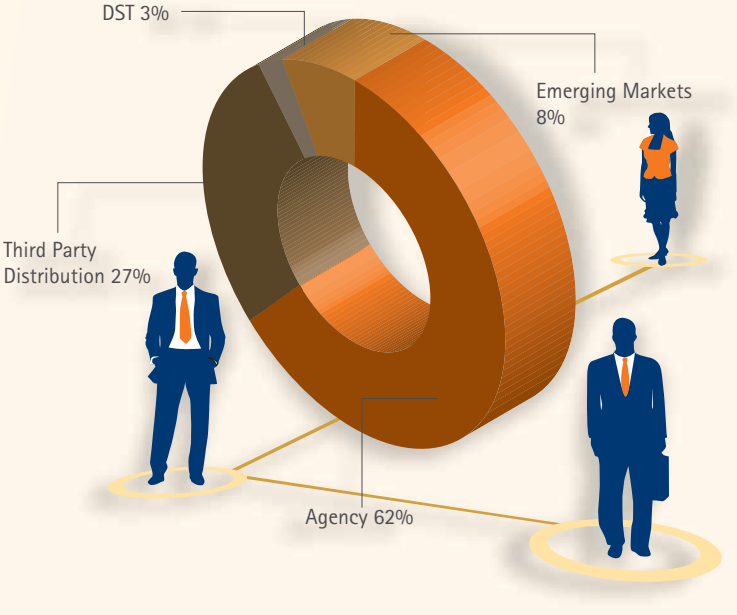
After significant expansion in 2008-09, the agency distribution channel focused on consolidation and improvement in efficiency during 2009-10. The agency base was rationalised and the total number of agents reduced by 14% in 2009-10. Today, MNYL is looking at using its network to improve resource utilisation and, thus, more customers at a lower cost.

2009-10 also saw significant developments in partnership channels. Today, this channel services over 1 million customers and has access to over 5 million customers through 4,000 point of sales. As on 31 March 2010, the channel had 27 active partners, of which 20 are exclusive distribution relationships.

While Max New York life has always complied with the rural and social obligations it has always seen rural as an opportunity rather than merely a compliance exercise. This year too, the Company developed its distribution reach for emerging markets. The Company issued over 2.7 lakh policies in rural areas during 2009-10, which contributed to 29% of the total policy issuances. The emerging markets distribution channel tied up with two urban co-operative banks and six district central co-operative banks during 2009-10. In April 2010, MNYL tied up with six additional urban co-operative banks. Today, the Company has ongoing relationships with one multi-state scheduled co-operative bank, one state co-operative bank, eight urban co-operative banks and 21 district central co-operative banks. MNYL can reach 40 lakh customers through a network of over 615 bank branches.

The bancassurance channel achieved a major breakthrough in 2009-10 which was formalized recently in May 2010. MNYL forged a 10-year strategic relationship with Axis Bank. Through this partnership, MNYL expects to garner an additional base of 20 lakh customers in the next five years.

Chart B: Channel-wise Distribution of Total Sales, 2009-10



MNYL'S FOCUS ON MULTIPLE DISTRIBUTION CHANNELS IS INCREASING NON-AGENCY CHANNELS' SHARE IN TOTAL BUSINESS

THE 2.7 LAKH POLICIES ISSUED IN RURAL AREAS BY MNYL CONTRIBUTED TO 29% OF ITS TOTAL POLICY ISSUANCES

Customer Service

Providing superior customer experience is central to MNYL's vision of becoming the most admired life insurance company in India. The Company has always focused on upgrading its service offering to customers and distributors, thus creating competitive differentiation in the market.

In 2009-10, MNYL undertook a major operations and service outsourcing initiative. The aim was to get a business partner who had competency in providing customer experience commensurate with MNYL's service quality expectations for the following operations:

- Customer helpline
- Customer Service (CS) back-end
- Policy Owner Services (POS)

After careful evaluation, MNYL outsourced these services to Genpact, a reputed service provider in the business process delivery space. The Company is working with Genpact to consistently maintain delivery of high service standards, at lower unit cost. This outsourcing initiative has resulted in a savings of around Rs. 4 crore in 2009-10, and incremental cost savings are expected in 2010-11. The renewal collections operations were also successfully outsourced to Aegis and Genpact.

MNYL SIGNED A GAME-CHANGING BANCASSURANCE DEAL WITH AXIS BANK THAT WILL HELP IT TAP AN ADDITIONAL BASE OF 20 LAKH CUSTOMERS IN THE NEXT FIVE YEARS

MNYL OUTSOURCED CUSTOMER SERVICES TO GENPACT TO HELP MANAGE ITS COST BETTER

Given the need to build scale in the processing capabilities to effectively manage the increasing requirements from new business, the Company invested in a new expert underwriting system called Planetsoft. This is expected to provide significant benefits that cover segmented underwriting, flexible rules engine and distributed processing.

The Company has also re-engineered its claims processing systems. This includes setting up regional claims support units, rapid processing for accident claims, availability of claim forms on the channel partners' intranet, regionalisation of claims communication and changes to the investigation grid.

A cross functional team was formed to improve persistency, i.e. the continuation of policies. For customers, persistency helps realise the true value of life insurance. Persistency is also important for businesses as cost structures are allocated in any product keeping in mind the receipt of renewal premium over the specified number of policy years. During 2009-10, as initiatives to improve persistency, MNYL started communication on renewals in vernacular languages, as well as self-pay options for the policy holder through Electronic Clearance Services (ECS), direct debit and via Interactive Coice Response (IVR).

Product Portfolio

As discussed earlier, the slowdown in the last two years impacted consumer sentiments, leading to a significant shift in product preference towards lower equity market risk based products. The Company proactively responded to these changes and developed new products. Consequently, the contribution of ULIPs, which have greater exposure to the equity market, in total new sales reduced from 85% in 2007-08 to 74% in 2008-09, and then to 73% in 2009-10.

MNYL responded to these changes and strengthened its product portfolio with a mix of ULIPs and traditional, longer term products. The Company launched the Max New York Life Secure Dreams, the first universal life product in the Indian market, which offers the best of traditional as well as unit linked life insurance products. Secure Dreams has been specially designed to address the consumers' need of capital preservation and growth. It provides an alternative investment option for those who do not want to bear risk of an inherently volatile stock market.

The Company further strengthened its portfolio by launching eight new products. These have helped MNYL to balance its portfolio between unit-linked and non-unit-linked solutions.

New guidelines from IRDA on the 'Net Reduction in Yield' provided MNYL with an opportunity to re-evaluate some of its existing product offerings — by de-cluttering its ULIP offerings to provide a better product suite to its customers.

In a significant development, during 2009-10, MNYL laid strong emphasis on child plans with a focus on parents in the age group of 25-44 years. It launched two new child ULIPs, Shiksha Plus and Magic Builder. Together, these child plans contributed almost one third of the AFYP during 2009-10. Fortune Builder, the new flagship unit-linked endowment plan was designed with an innovative charge structure to suit the needs across different customer segments. The portfolio for retirement plans was strengthened with the launch of Smart Invest Pension Super, which has been well accepted by both distributors as well as the customers.

TWO NEW CHILD ULIPS SHIKSHA PLUS AND MAGIC BUILDER GENERATED ALMOST A THIRD OF THE NEW BUSINESS DURING 2009-10

MNYL now has one of the most comprehensive and balanced suite of products to meet various life stage needs of life insurance customers.

Asset Management: MNYL's products are backed by strong asset management operations. The Company consistently outperformed the benchmarks during 2009–10. The magazine, *Outlook Money*, recognised this performance and ranked MNYL as a top quartile fund manager.

While focusing on delivering maximum returns to policyholders, MNYL follows a prudent investment philosophy to optimise risk management. Investments are in safe instruments: the top five debt investments are in AAA rated instruments, and majority of the equity investments are in large cap companies, which are safe and provide good returns in the long run. The Company's assets under management of around Rs. 10,100 crore comprised more than 60% in debt and roughly 40% in equity as on 31 March 2010.

Brand Development, Quality and Excellence

The life insurance market in India is highly competitive and the level of competition continues to grow every year with new players entering the market. In this environment, it is critical to have good recall value from customers. While much of this is created through products, distribution and customer service, it is also very important to support this function with a strong brand that the target audience spontaneously relates to.

Chart C shows the long term upward trend in MNYL's brand score. The rising trend continued in 2009-10 with the brand awareness score improving from 74% in 2008-09 to 89% in 2009-10.

MNYL'S BRAND AWARENESS SCORE IMPROVED FROM 74% IN 2008-09 TO 89% IN 2009-10

Chart C: Long term trend in MNYL's brand awareness score

During 2009-10, MNYL increased its advertising and public relations efforts to communicate with the consumers about the growth initiatives of the Company and new product launches to meet customer needs. It undertook extensive television advertising for the child, pension and life plan categories. Print campaigns to support product launches were also launched in major national dailies.

Towards the end of 2009-10, MNYL launched 'I-Genius', a comprehensive parent–child nurture programme. I-Genius supports talent development of children. This is done by identifying and rewarding those who display all-round skills. The programme has five initiatives: (i) I-Genius Scholarships to recognise and reward talent, (ii) I-Genius Parenting for providing parenting guidance, (iii) I-Genius Advantage for children related queries, (iv) I-Genius Secure to understand parent's concerns and find solutions, and (v) I-Genius Talent to nurture sporting talent. In doing so, the programme will support parents in their quest to provide an enabling environment for multi-faceted growth of their children.

During 2009-10, the retirement and life television commercials of MNYL earned five Abby Awards. This is a first for the Company's advertising campaigns.

Quality and Business Excellence: MNYL believes in quality as a way of life and, therefore, initiated the CII-Exim Bank Business Excellence journey. MNYL is the first and only Indian life insurance Company to have been awarded a CII commendation certificate — 'Strong Commitment to Excel' — in 2008 and 2009.

MNYL has institutionalised process excellence. It is among the first three Indian life insurance companies to achieve ISO 9001:2008 certification. It is the only life insurance company to have had both Home Office and General Office operations certified through an independent external agency, the Bureau Veritas Certification.

The Company also initiated several Six Sigma programmes in 2009-10. It was conferred the CII Six Sigma National Convention Award for a Six Sigma Green Belt project called 'Sanchalan'.

RISKS, CONCERNS AND INTERNAL CONTROL SYSTEMS

Max New York Life has in place systems of internal control which are commensurate with its size, and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational

information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

MNYL has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down.

The Company has an internal audit department. There is a well-defined internal audit plan, which is reviewed each year in consultation with the Statutory Auditors and the Audit Committee of MNYL's Board of Directors. Internal audit processes are designed to review the adequacy of internal control checks in the system and cover all significant areas of the Company's operations. MNYL's Audit Committee reviews all audit reports submitted by the internal auditors; follows up on the implementation of various recommendations; meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems; and keeps the Company's Board of Directors informed of major observations from time to time.

Max New York Life also has an independent Agency Standards team that carry out random quality checks to ensure that sales process is 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.

OUTLOOK

The life insurance industry is emerging out of the slowdown in 2008-09 and 2009-10. While growth is expected in 2010-11, there will be significant shifts in the nature of demand and products, especially on account of significant regulatory changes from September 2010.

In this milieu, customer centricity will be even more important. Retaining existing customers and increasing their loyalty will provide companies with the opportunity to both cross-sell and up-sell. Moreover, Indian life insurance companies will have to focus on cost efficiency and productivity rather than distribution expansion. Much of the growth in the case of mature players is expected by increasing agent productivity.

Bancassurance will gain even more importance in life insurance distribution. As stated earlier, MNYL has entered into a major tie-up with Axis Bank to leverage this channel.

The child segment has seen many new entrants in the recent past with varied product offerings. This segment will continue to be lucrative for life insurers with parents considering their children's security as one of the main reasons to save.

With new regulations for ULIPs, there could be a movement towards a more balanced portfolio by life insurers with greater focus on protection orientation.

MNYL LAUNCHED 'I-GENIUS', A COMPREHENSIVE PARENT–CHILD NURTURE PROGRAMME TO SUPPORT TALENT DEVELOPMENT OF CHILDREN

MAX HEALTHCARE
Caring for you... for life

MAX HEALTHCARE INSTITUTE LTD.

THE INDIAN HEALTHCARE INDUSTRY

The healthcare industry in India has emerged as one of the largest service sectors with estimated revenue of around US$30 billion. Currently healthcare sector contributes 6.1% of the GDP out of which the Government sector contributes only 1.1%. The most important factor driving growth in this industry is the fundamental need for healthcare services to cater to India's large population

THE HEALTHCARE INDUSTRY IN INDIA HAS EMERGED AS ONE OF THE LARGEST SERVICE SECTORS WITH ESTIMATED REVENUE OF AROUND US$30 BILLION

which, by 2025, is estimated to reach 1.4 billion. Given both demographic and economic transition, the demand for good healthcare services will continue to rise over the foreseeable future.

According to the Investment Commission of India, the Indian healthcare sector has grown at 12% per annum over the last four years. A FICCI-E&Y study estimates that revenue generated by private hospitals today is around US$15.5 billion. This is expected to rise to almost US$36 billion by 2012. Over the same period, the industry is likely to add 1 million beds, of which some 90% will be in the private sector.

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

At the higher end of the market, which is Max Healthcare Institute Limited's (MHC) focus area, there are some key trends that provide further impetus to demand in healthcare services. These include:

- Rising health insurance penetration is making health services affordable
- Cost differentials in India with respect to developed economies, which offers significant scope for medical tourism related businesses
- Given the size of the economy, India still has low healthcare spend. Healthcare spend to GDP ratio is around 6.1%, which is much lower than advanced countries like USA (15.3%) or comparable emerging economies like Brazil (7.6%). So, there is considerable scope for growth and the sector holds potential to enhance the GDP by 2-3%
- The younger urban Indian population is seeing a growth in lifestyle related health issues and that requires more attention

PERFORMANCE HIGHLIGHTS

MHC continues to leverage these opportunities and is focused on implementing its second phase of expansion. The financial highlights of the Company are given in Box 4.

MHC continued capacity and capabilities enhancement. With growing patient traffic, revenues grew by 26% across the network of hospitals in 2009-10. However, operating profit margins were

BOX 4

MHC'S FINANCIAL HIGHLIGHTS ACROSS NETWORK OF HOSPITALS, 2009-10

- Revenue across the network of hospitals increased by 26% to Rs. 534 crore in 2009-10
- Average revenue per occupied bed day rose by 5% to Rs. 20,431
- Gross Fixed Assets grew by 38% to Rs. 724 crore
- Total beds commissioned grew by 46% to around 1,100 beds

lower in 2009-10 compared to 2008-09, due to the following:

a. Many new departments were commissioned towards the end of the fiscal year, while the costs of setting up the new facilities have been expensed in full during the year

b. The year under review also witnessed a major revision in compensation structures for the nursing staff and resident doctors in line with the new scales announced by the Pay Commission of the Government of India. Some of these incremental costs have not been fully passed on to the customers

c. Recruitment and training costs relating to the personnel hired to operate the 350 new beds commissioned during the year under review in the new facilities did not generate revenues commensurate with the resources, added to fixed costs without generating commensurate revenue

OPERATIONS

The highlights of MHC's operations in 2009-10 are given in Box 5

MHC IS FOCUSED ON IMPLEMENTING ITS SECOND PHASE OF EXPANSION

BOX 5

MHC'S OPERATIONAL HIGHLIGHTS ACROSS NETWORK OF HOSPITALS, 2009-10

- Average occupancy across all healthcare facilities increased from 65% in 2008-09 to 73% in 2009-10. This is despite a 5% increase in average operational beds from 712 in 2008-09 to 751 in 2009-10
- Average length of stay remained at 3-4 days
- MHC has a team of around 1,250 doctors, 1,900 nurses and 1,700 para-medical staff across its network of hospitals
- It has a registered patient base of 9,30,000 patients, with average patient transactions exceeding 1,90,000 per month in 2009-10

MHC IS FAST BECOMING THE PREFERRED DESTINATION FOR SEVERAL OVERSEAS CUSTOMERS LIVING IN THE SAARC REGION, AFGHANISTAN, IRAQ AND OMAN

Today, MHC is among the leading names in the Indian healthcare sector, with a mission to bring international class medical services at a competitive cost to customers in the country. It is also fast becoming the preferred destination for several overseas customers living in the SAARC region, Afghanistan, Iraq and Oman.

There are two key factors that have enabled MHC to steadily grow its customer base. There is an emphasis on providing comprehensive and seamless 'start to finish' healthcare services that includes consultations and diagnostics, treatment and post-surgical care. The suite of services is supported by state-of-the-art healthcare infrastructure. Some of the cutting edge equipment used at MHC includes BrainSUITE™ (Asia's first and India's most advanced neurosurgical operating theatre), Novalis Tx with RapidArc Technology, DSA Lab & Dyna CT Cath Lab. This is augmented with a determined quality conscious and patient centric approach. In line with this, MHC has consistently improved its operational and clinical efficiency, and secured various accreditations and extended services to provide primary, secondary, tertiary and quaternary care.

The MHC model of healthcare excellence is founded on:

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

RANGE OF SERVICES

As of today, MHC has the following facilities providing a range of services across the healthcare spectrum.

Max Super Speciality (A unit of Devki Devi Foundation), Saket: combines cutting edge technology with internationally acclaimed professional expertise to deliver a range of comprehensive and advanced cardiac care services. This covers all areas of non-invasive and interventional cardiology, cardio-thoracic and vascular surgery, comprehensive oncology services (surgical, medical, radiology) and Minimal Access, Metabolic & Bariatric surgery. The centres of excellence at this hospital include :

- **Max Institute of Minimal Access, Metabolic & Bariatric Surgery** has been instituted in November 2009 to provide the best health care, holistic recovery and rehabilitation services with emphasis on utilization of minimally invasive techniques (Key-Hole Surgery) that helps in faster recovery, lesser post-operative pain and minimal post-surgical complications. The centre brings together a team of specialists with a cumulative experience of over 48,000 laparoscopic and bariatric surgeries spanning over two decades. This team has been at the forefront to develop and expand the frontiers of minimal access surgery in the country and beyond
- **Max Cancer Centre** offers comprehensive cancer care solutions

MHC ADDED NOVALIS TX TO ITS RANGE OF CUTTING EDGE EQUIPMENTS

covering the entire continuum of preventive, curative, palliative and rehabilitative care in the disciplines of surgical, radiation and medical oncology. Our dedicated team of leading oncologists provides the most advanced cancer treatment using cutting edge technology, based on International Standards

- **Max Heart & Vascular Institute** from diagnosis to treatment and recovery, the institute provides a wide array of comprehensive tertiary care through its eminent team of Cardiologists and Cardiovascular surgeons. The institute is equipped with avant-garde technology, digital flat panel Cath labs and state-of-the-art operation theatres. Apex tertiary level coronary services are provided by on site medical consultants trained to handle acute MI. The institute boasts of preventive care services, advanced diagnostic services including a 64 slice CT scanner and comprehensive nuclear medicine services

The year saw capacity enhancement of 90 beds and addition of 4 additional state-of-the-art OTs. This additional capacity is being dedicated to service the two new specialites - i.e. Oncology and Minimal Access, Metabolic & Bariatric Surgery.

Max Super Speciality Hospital, Saket: provides tertiary care services with centres of excellence in aesthetic and reconstructive surgery, internal medicine, neurosciences, minimal access, metabolic & bariatric surgery, orthopaedics & joint replacement, obstetrics and gynaecology, paediatrics and other ancillary services.

The Centres of Excellence at Max Super Speciality Hospital include:

- **Max Institute of Orthopaedics and Joint Replacement,** which offers comprehensive and latest treatment for joint replacement using computer navigation, and orthopaedic disciplines such as sports medicine, management of arthritis and trauma, ortho-trauma, spinal surgery and paediatric orthopaedics
- **Max Institute of Neurosciences** has high-end technology including BrainSUITE™ (Asia's first and India's most advanced neurosurgical operating theatre), as well as a Flat Panel DSA lab. It also has India's first DynaCT for treatment of stroke, aneurysm and spinal injuries where an interventional neuro-radiologist can see live images of the brain while performing the procedure. BrainSUITE™ is the first integrated high field intra-operative MRI, which neurosurgeons can use to operate upon complicated brain tumours with utmost precision
- **Max Institute of Paediatrics** has a team of highly experienced paediatricians and paediatric super-specialists. It has fully equipped neo-natal ICUs with round-the-clock neonatologists providing multi-speciality care to premature babies. The state-of-the-art paediatric ICUs (PICU) can treat critically ill children suffering from life threatening conditions
- **Max Institute of Obstetrics and Gynaecology** provides advanced maternity and reproductive healthcare service – even to patients in high risk groups. Other services range from reproductive care, mother and child healthcare to infertility

THE 260 BEDS NEW WING AT MHC PATPARGANJ MAKES IT A FORCE TO RECKON IN EAST DELHI

MHC INTENDS TO INCREASE ITS CAPACITY FROM AROUND 1,100 TO 1,900 BEDS BY 2011

- **Max Institute of Aesthetic and Reconstructive Surgery** focuses on advanced microsurgery and craniofacial surgery. It is a pioneer in aesthetic surgery of the face and body. The Institute has introduced the latest techniques in plastic surgery like vacuum assisted wound healing, absorbable facial fracture plating, facial assembly-disassembly for brain base tumours, and feather lift in aesthetic surgery. It is in the process of entering into the domain of stem cell research
- **Max Institute of Internal Medicine** offers core medical services, which includes indoor patient care, outdoor patient care and preventive health checks. Max Home Care programme under the aegis of this Institute extends healthcare services to patients beyond the confines of the hospital and enables patients and caregivers to maintain continuity of care

Max Super Speciality Hospital, (A unit of Balaji Medical & Diagnostic Research Centre), Patparganj: Max Super Speciality Hospital, Patparganj is a premier state-of-the-art ISO 9001:2000 certified multi speciality facility hospital that provides world class care with a service focus and is setting unparalleled standards of medical and service excellence with super specialisations in the disciplines of cardiac care, cancer care, neurosciences, urology and kidney transplants.

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

The new wing of the hospital became operational in 2009-10. The 260 beds new wing in the hospital is a force to reckon with in East Delhi.

Max Hospital, Pitampura is ideally located in Pitampura, North Delhi, opposite Netaji Subhash Place Metro Station and offers a wide range of services. The clinical services are supported with the most advanced in-house diagnostic services supported by 24-hour emergency response and management system. The hospital has other specialised services like neonatal ICU (NICU), an endoscopy suite and dialysis services.

Max Hospital, Noida: is centrally located and has around 50 beds, two modular operation theatres, one minor operation theatre and a 4-bed ICU.

Max Hospital, Gurgaon: is located in the neighbourhood of South City - I. It is easily accessible from all the satellite townships of Delhi, NCR. It is a multi-speciality hospital with intensive care services, endoscopy unit, advanced mother & child care programme, modular OTs and advanced radiology and pathology diagnostics.

Max Medcentre, Panchsheel Park: Max Medcentre offers clinical services to outpatients, providing in-house diagnostic services. It offers a wide range of preventive health packages, IVF & infertility solutions & dermatology services.

Max Speciality Clinic, Panchsheel Park: Max Speciality Clinic (eye care & dental care) offers specialised clinical services to outpatients in dentistry and ophthalmology including eye surgery.

EXPANSION AT MHC

MHC intends to increase its capacity from around 1100 beds today across a network of six hospitals and two speciality medical centres to 1,900 beds by 2011. With the first phase of roll-out already completed, MHC is implementing its second phase of expansion. This involves widening the operations beyond the Delhi & NCR to other parts of northern India in addition to expanding the existing network in the Delhi & NCR region.

MHC IS FOCUSING ON INTERNATIONAL CLASS, PATIENT CENTRIC MEDICAL SERVICES

Here are some facts of the expansion programme:

- The new wing of the Hospital at Patparganj with 260 beds started operations in March 2010
- Comprehensive oncology care started in Saket in November 2009
- Addition of 90 beds at Saket has been completed in March 2010
- The 150 beds Max Super Speciality Hospital at Dehradun will become operational by Q1, 2011-12
- Land has been acquired in North West Delhi in Shalimar Bagh and a 300 bed tertiary care facility costing Rs. 200 crore would be commissioned and operational in Q2 of 2011-12
- Land has been allotted by the Government of Punjab under a public-private partnership arrangement to set up two super speciality hospitals at Bathinda and Mohali, each with 200 beds. These tertiary care hospitals being set up at a cost of Rs. 230 crore, will cater to major specialities like cardiology, cardiac surgery, comprehensive oncology, trauma, orthopaedics and neurosciences, besides other multi speciality services. These hospitals are also likely to be commissioned in Q2 of 2011-12
- Besides the above, MHC has also acquired land at Greater Noida to build a 300 bed facility

OUTLOOK, RISKS AND CONCERNS

Given the demographic and economic developments in India, there is going to be an increase in opportunities in the healthcare space in India. However, competition is going to be strong from other players, including new entrants in the healthcare sector. MHC recognises that high quality standards and strong brand recall will be major determinants of competitive advantage.

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

A major issue facing the healthcare industry today is attracting and retaining trained medical staff. While there is growing demand for top class healthcare delivery through corporate hospitals, the expansion plans are often inhibited by lack of human resources, ranging from doctors, nurses, to technicians. The density of doctors per 10,000 people in India is 6 while the world average is 13. There could be a shortfall of over 4,50,000 doctors by 2012. Density of nurses per 10,000 people is 13 in India while world average is 28. The migration of skilled technicians and nursing personnel to developed countries due to higher compensation levels also adds to the problem.

Hospitals require large plots of land, which is a challenge in the metropolitan cities of India. Very often, the title deeds are defective and create difficulties in easy conveyance of the ownership. If the papers are clean, then the price expectations can make the project unviable.

Medical equipment accounts for 40%-45% of the total expenditure in hospitals. Change in technology make existing medical equipment obsolete – sometimes ahead of the equipment being fully depreciated – and requires new investment. This high obsolescence rate not only raises capital costs but also requires medical professionals to upgrade their skills on a constant basis.

Max Bupa
Health Insurance

A Max India Joint Venture

MAX

MAX BUPA HEALTH INSURANCE COMPANY LTD.

OVERVIEW

Max Bupa Health Insurance Company Limited (or Max Bupa) is a Joint Venture between Max India Limited and Bupa of UK. Driven by a philosophy that promotes 'Your Health First', Max Bupa's mission is to help customers' live healthier and more successful lives. The Company's vision is to become India's most admired health insurer with consumer centricity being the key to delivering

HEALTH INSURANCE INDUSTRY WILL GROW AT 25% TO 30% PER ANNUM TILL 2014-15 TO TOUCH AROUND RS. 28,000 CRORE. THIS IS A SIGNIFICANT MARKET FOR MAX BUPA TO PLAY IN

high quality and consistent service experience.

Max Bupa was formed in September 2008. After utilising most of the initial phase in completing regulatory work and building its team, systems, processes and products, it began commercial operations on 22 March 2010.

INDIAN HEALTH INSURANCE INDUSTRY: THE OUTLOOK

With a compound annual growth rate (CAGR) of 39%, health insurance has emerged as one of the fastest growing segments in the non-life insurance business in India. Health insurance premiums increased by 24.6% to Rs. 8,253 crore in 2009-10, which is higher than the 16% growth in premiums of the entire non-life industry. Thanks to rapid growth in the last few years, health insurance has risen from being almost non-existent in India to the second largest segment in the Indian non-life insurance industry – second only to car insurance.

The growth in health insurance in India is expected to continue for some time. Estimates suggest that the industry will grow at a CAGR of 25% to 30% till 2014-15. By then, the market size will be around Rs. 28,000 crore. This is a significant market for companies like Max Bupa to play in.

STRATEGIC DEVELOPMENTS

Max Bupa has a focused growth strategy for penetrating the Indian market, which can be broadly divided into initiatives in the following areas:

Distribution network: The Company is working on creating a national footprint with a multi-channel approach to build strong customer relationships. There will be emphasis on direct selling. Max Bupa will also have high engagement levels with channel partners. A major differentiation in the approach will be to sell products according to customers' needs instead of purely pushing sales.

In 2009-10, Max Bupa has opened offices in six key centres across India: Delhi, Mumbai, Hyderabad, Bangalore, Pune and Chennai. The goal is to be present in 20 cities in the next three years. To begin with, further operations are planned to be launched in Ludhiana, Surat and Jaipur by Q2, 2010-11.

The Company is working on strategic tie–ups with banks and NBFCs for distributing the products. To ensure wider cashless cover for its customers' it has started operations with a network of 400 hospitals, and intends to extend this to over 1,000 hospitals by 2013–14.

Marketing strategy: This is centred on creating greater awareness of the importance of health – one's own and family's – and in communicating how health insurance is an effective tool for securing good health over the life cycle. This communication is supported by innovative products with tailor-made benefits and features. In addition, Max Bupa has started rolling out a 360 degree integrated brand awareness campaign. It plans to use a combination of television, print, digital media and ground level events to drive up awareness of the brand, and its unique product differentiators.

Employee strength: The Company is building on its employee strength. By the end of 2010, MBHI plans to employ nearly 600 employees across the country.

Product innovations: Max Bupa is developing innovative and user friendly products based on the needs of the customers. These focus on areas like customer needs and life stage, health management and outpatient products; are relevant across various segments of the population; and address the entire healthcare spectrum.

Customer base: Max Bupa has a target of covering 1,00,000 lives by the end of 2010 and take this number to over a million lives by the end of five years.

OPERATIONS

There were several operational initiatives and developments in 2009-10. Some of these were:

- Invested 32,000 people hours in developing and implementing IT systems
- Recruited over 400 people
- Provided over 4,500 hours of training to its employees
- Received R1, R2 and R3 approval from the regulatory authorities between November 2009 and February 2010. These allow the Company to operate in the health insurance space in India
- Internally launched and inaugurated the national operating centre on 25 February 2010
- Received the first product approval on 15 March 2010
- Commenced commercial operations from 22 March 2010
- Launched six branch offices in Delhi, Mumbai, Pune, Chennai, Bangalore and Hyderabad
- The national brand launched on 29 April 2010

MAX BUPA STARTED WITH A NETWORK OF 400 HOSPITALS AND INTENDS TO EXPAND IT TO OVER 1,000 HOSPITALS BY 2013–14

MAX BUPA'S HEARTBEAT INCORPORATES CUSTOMER INSIGHTS ABOUT NEED FOR SECURING FAMILY MEMBERS OF ALL AGES AND THE EXISTING GAPS IN SERVICE DELIVERY

In addition, there was considerable work done on creating and developing products. At the first stage of product development, Max Bupa laid emphasis on understanding customers' needs and devising effective ways of addressing them. For this purpose, an extensive research was conducted across India, where groups of customers were interviewed. The customer sample included both current users and non-users of health insurance. The key finding of this research was the existence of a gap in customer needs and what the existing health insurance products delivered. It also showed that awareness about health and wellness is growing in India.

Max Bupa incorporated these insights in developing its first comprehensive health insurance plan called 'Heartbeat' for both individuals and families. This product has several additional features apart from regular health insurance benefits that are tuned to address specific customer needs.

2009-10 has been a beginning. Max Bupa plans to continue developing newer products, increasing its customer base and growing its footprint across the country. It targets to grow and start generating profits in five years.

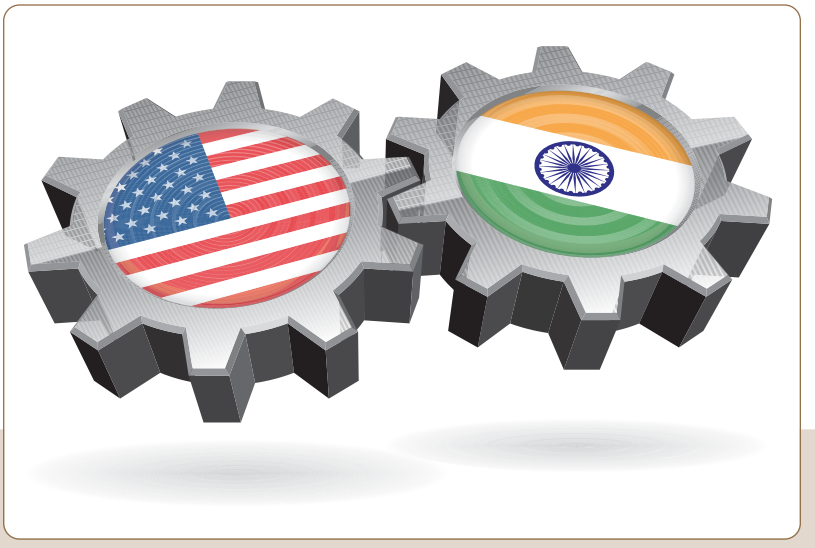
MAX NEEMAN
CONTRACT RESEARCH
Improving... life

MAX

MAX NEEMAN MEDICAL INTERNATIONAL LTD.

OVERVIEW

Extending the scope of operations in the healthcare related space, Max India's subsidiary Max Neeman Medical International Limited (MNMI), is a value adding clinical research organisation (CRO) that provides a broad range of services to global pharmaceutical, device and biotechnology companies. It also collaborates with other CROs.



MAX NEEMAN'S DUAL HEADQUARTERS IN THE USA AND IN INDIA COMPLIMENT ITS BUSINESS MODEL

MNMI operates through a dual-shoring model. As the USA is the global pharmaceuticals hub, its global headquarters is at Cary, North Carolina, USA. With closer proximity to customers, the US operation is mainly responsible for business development and marketing initiatives. Actual clinical research operations are based out of India.

INDUSTRY STRUCTURE AND DEVELOPMENT

Given the cost-cutting imperatives that large pharmaceutical companies face, clinical research is an attractive opportunity. With its talented clinicians, diverse patient pool and lower cost advantage, India is well poised to take advantage of the outsourcing opportunity arising from the implementation of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) accord and World Trade Organization (WTO) norms. Between 2004 and 2010, the Indian CRO industry is estimated to have grown from US$100 million to US$300 million. This growth trend is expected to continue as India offers a large patient population base with therapeutic diversity, scope for cost arbitrage, a talent pool, data processing infrastructure for bio-informatics and favourable patent regulations.

PERFORMANCE HIGHLIGHTS

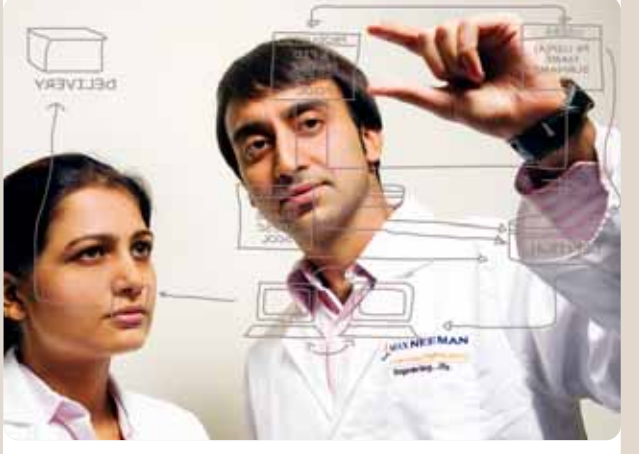
As a business, MNMI is still at a very early stage of development. Revenues increased from Rs. 15 crore in 2008-09 to Rs.18.5 crore in 2009-10, while profits grew from Rs. 1.2 crore in 2008-09 to Rs. 2.1 crore in 2009-10.

MNMI continues to focus on increasing its client base. It added six new clients during 2009-10 taking the total client base to 54. There were new orders worth Rs. 22 crore during 2009-10. As of 31 March 2010, the order book stood at Rs. 32 crore. There is also a business development pipeline of around Rs. 85 crore.

The site monitoring and clinical data management unit, which was set up in 2006-07, is starting to bear fruit. In its third full year of operations in 2009-10, the gross profit margin of site monitoring unit was 71%.

OPERATIONS

With operations stabilising, MNMI now offers services across five segments: (i) Site Management (ii) Site Monitoring (iii) Clinical Data Management (iv) Project Management and (v) Supply Chain Management of clinical trial material.



INDIAN CRO INDUSTRY IS ESTIMATED TO HAVE GROWN FROM US$100 MILLION TO US$300 MILLION

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 210 clinical research coordinators and associates with a pan–India presence across 22 cities gives MNMI access to patents and investigators sites for various therapeutic areas. During 2009-10, MNMI started operations in Phase IV trials and medical writing.

With a wider portfolio of offerings, MNMI started getting greater business from several of its established partners in the US and Europe. An automated workflow process ensures efficient and accurate data management. With its high quality operating standards, MNMI successfully provided services to 27 clients over 59 new studies during 2009-10. As of now, 92 studies are being conducted across 180 sites.

MNMI's patient retention rate — a critical business driver in clinical trials — is 92% against an industry average of 65% to 70%. It caters to several prestigious customers that include large pharmaceutical companies such as Merck, GlaxoSmithKline, Bristol Myers Squibb, Sanofi-Aventis, Johnson & Johnson, Novartis, Pfizer, AstraZeneca, Genzyme, and Wyeth as well as other medium size companies such as Achillion, GlobeImmune, AP Pharma, ORA, KV Pharmaceuticals and Onconova.

Most employees of MNMI have professional degrees in medicine or pharmacology. In 2009-10, all employees have been trained for a minimum of 50 hours to improve skill sets. A high retention rate has been maintained by providing a harmonious and favourable work environment. The employee count increased from 200 at the end of 2008-09 to over 270 at the end of 2009-10.

MNMI follows a robust system of quality control and all its operational activities are governed by strict adherence to ICH-GCP guidelines. All its activities and operations are governed by robust standard operating procedures (SOPs). It is the first CRO in India whose five sites have been audited successfully by the USFDA. It has been certified for ISO 9001:2000 for site management, monitoring and data management.

OUTLOOK, RISKS AND CONCERNS

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 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.

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.

MAX NEEMAN ALSO STARTED OPERATIONS IN PHASE IV TRIALS AND MEDICAL WRITING. IT NOW OFFERS SERVICES ACROSS FIVE SPECIALIZATION AREAS

MAX
SPECIALITY FILMS
Enhancing quality... always

MAX SPECIALITY FILMS

OVERVIEW

Max Speciality Films (MSF), a division of Max India Limited, manufactures niche and high barrier BOPP films, thermal lamination films and leather finishing foils at its state-of-the-art manufacturing facility at Railmajra, near Chandigarh. MSF is accredited with ISO 9001:2000 and ISO14001:2004 for quality and OHSAS 18001:1999 certification for environment, occupational health and safety.

MSF continued to develop its product mix with the introduction of new products every year. With its focus on value added products and pursuit of quality, it has increased its share of business with high-end and quality conscious customers, both in India and overseas. MSF's continuous stress on quality and service excellence has been recognised. It won the international 'Quality Crown' from B.I.D. Spain. In addition, the Ministry of Power, Government of India has awarded MSF 'The Energy Conservation Award' for its energy conservation initiatives.

INDUSTRY STRUCTURE AND DEVELOPMENT

Flexible packaging and printing is the fastest growing segment in the global packaging industry. The growth rate of flexible packaging in the world market, especially in the USA and Europe has been around 5%-6% per annum over the last few years. This trend is expected to continue in the near future. The demand for flexible packaging is mainly from user industries like processed food, personal products, beverages, lubricants, pesticides and pharmaceuticals. While all these industries require packaging, there is an emerging trend for their preference towards 'flexible' packaging.

MSF HAS INCREASED ITS SHARE OF BUSINESS WITH HIGH-END AND QUALITY CONSCIOUS CUSTOMERS

There are good reasons for this. To reach the masses and achieve deeper penetration in the markets, more and more companies are shifting to smaller quantity packs which use flexible packaging. Flexible packaging also offers other advantages like cost reduction, aesthetic looks, easy handling and better shelf life.

This worldwide trend in favour of flexible packaging is seen in India as well. With much higher GDP growth, the Indian packaging market has been growing by 15%-18% over the last few years. The industry is also being positively affected by the emergence of organised retail and the increase in purchase power in smaller towns and rural India.

BOPP is a major input for flexible packaging. Therefore, it is not surprising that BOPP demand is also steadily growing. Given the growth potential of the BOPP market, companies are making investments in BOPP manufacturing. The total installed capacity of BOPP in India grew by 34% in 2009-10. There was, however, a slight slowdown on the demand front. This was primarily due to the general global slowdown. Even so, demand for BOPP grew by 12% in 2009-10.

PERFORMANCE HIGHLIGHTS

MSF's operational highlights are given in Box 6.

BOX 6
MSF'S PERFORMANCE HIGHLIGHTS, 2009-10

- Revenues were Rs. 340 crore in 2009-10
- Contribution margin was 36.7%
- EBIDTA was Rs. 43 crore
- PBT was Rs. 20 crore

Given the slight slack in demand, especially in the first half of 2009-10, and the significant new capacity in the market there was an impact on price. So, even though MSF achieved a 4% sales growth in volume terms, in value terms there was an 8% fall in revenues. This reduction in top-line resulted in lower profits in 2009-10.

OPERATIONS

During 2009-10, MSF achieved 100% capacity utilisation in BOPP film lines and metallisation. This helped achieve a 4% growth in sales volumes. MSF decided to embark on an expansion plan by

installing a state-of-the-art speciality products line (Line 4) with a capacity of 22,000 tonnes per annum. This expansion will give an opportunity to MSF to regain market share, achieve economies of scale and further explore domestic as well as export markets with improved products at competitive prices. As part of its expansion plans, MSF is also installing its fourth metalliser, which will be commissioned in October 2010.

MSF has identified health, safety and environment as the priority areas. It has set goals of zero accidents, zero harm to people and zero damage to environment. To further reinforce this, MSF has adopted the Green Policy and has signed the code for ecologically sustainable business growth evolved by the Confederation of Indian Industry (CII). It is the first Company in the BOPP sector to sign this code. MSF workmen have been consistently getting safety awards from the Government of Punjab over the last six years.

HUMAN RESOURCES

Attracting quality human resources and focusing on their development and retention has always been a priority area for MSF. Today, the Company has one of the most experienced and skilled manpower in the BOPP industry. Even so, MSF has initiated skill upgrading and education programmes for its workers. Industrial relations were amicable and harmonious throughout 2009-10. The total number of employees as on 31 March 2010 was 419.

INTERNAL CONTROL SYSTEM AND ADEQUACY

MSP has an adequate internal control system in place, with well established management systems and procedures. Periodic audit of these by accrediting agencies gives a comfort about their adequacy and adherence. Further internal audit and management reviews are conducted regularly and the reports are regularly submitted for review to the Audit Committee of the Board of Directors.

OUTLOOK, RISKS AND CONCERN

Simultaneous commissioning of new capacities in 2010-11 may put some temporary pressure on margins. However, with revival in the global economy, increased exports are expected to mitigate such a pressure. In addition, India remains a growing domestic economy with rising consumer demand pushing up the need for flexible packaging across different user industries. Moreover, there is robust demand from the FMCG sector, driven by retail and rural penetration, coupled with entry of multinationals in India. Therefore, MSF expects sustained growth in revenues and margins in the future.

MSF IS THE FIRST COMPANY IN THE BOPP SECTOR TO SIGN CII'S CODE FOR ECOLOGICALLY SUSTAINABLE BUSINESS GROWTH

MAX INDIA FOUNDATION
Making a difference... to life

MAX

CORPORATE SOCIAL RESPONSIBILITY: MAX INDIA FOUNDATION (MIF)

Max India Foundation (MIF) spearheads the CSR initiatives of the various Max India group entities, such as Max New York Life, Max Healthcare and Max Speciality Films.

The Foundation's main focus areas are:

- Providing improved access to quality health care for the people below the poverty line
- Providing quality health care to underprivileged children and immunisation to those between 0-12 years

- Improving awareness of environmental issues with a view to supporting a sustainable and eco-friendly environment

MIF believes in actively partnering with NGOs with similar missions to achieve its goals. In the past, it has partnered regularly with reputable NGOs such as CanSupport, SOS Children's Village, Manav Seva Sannidhi, and Chinmaya Mission. In its endeavour to improve the quality of life, this year MIF extended the scope of partnerships by also collaborating with other NGOs such as Samarpan, Freesia, Pallavanjali, Shrimant Madhavrao Scindia Swasthaya Seva Mission, Art of Living, Pingalwara Charitable Society, Udayan Care, Celiac Society and People for Animals.

Some of the major initiatives undertaken by MIF in association with its partner NGOs in 2009-2010 were:

- **Surgeries for the underprivileged:** MIF facilitated surgical procedures and complex treatments for the poor. During 2009-10, MIF sponsored 72 major surgeries for the underprivileged. Among them were six cleft lip and palate surgeries and one reconstructive surgery; nine children underwent paediatric cardiac surgery. A special event was organised by the Max Institute of Aesthetic and Reconstructive Surgery to honour 'Patients of Courage', who had undergone complex surgery and triumphed over the adversity
- **Pan-India immunisation programme:** MIF, through MNYL, provided vaccinations to the underprivileged children between 0-12 years of age. It covered a spectrum of immunisations that included hepatitis B, DPT, MMR and measles. This initiative was conducted by special teams that comprised MNYL employees at various offices across India and volunteers from the NGOs along with empanelled doctors. The programme started in July 2008, and added new locations every month. By March 2010, 189 camps across 61 different locations were held across India; and 23,299 immunisation shots to 10,272 children were administered
- **Artificial limbs and polio callipers camp:** This camp has now become an annual feature. MIF, in collaboration with a partner NGO, Manav Seva Sannidhi, organised an artificial limbs and polio callipers camp at Mohali during 13-16 March 2010. So far 1,441 patients have been provided artificial limbs. A distinctive feature of the camp continues to be that the patients come from nearby states with their attendants, and stay at the camp site till they are comfortable with their new limbs, bonding together as a family and giving each other encouragement
- **Life Line express:** MIF sponsored a multi-specialty camp aboard the Life Line Express in collaboration with Shrimant Madhavrao Scindia Swasthaya Seva Mission at Dabra, Gwalior. Doctors, nurses and technicians from MHC and volunteers from MNYL participated in the camp. The camp was functional from 7 March to 1 April 2010. A total of 9,416 patients were screened; 268 eye surgeries were conducted; 4,684 patients were given spectacles; 18 reconstructive and 25 orthopaedic surgeries were conducted; and 464 cardiac patients were screened and advised further treatment

MIF also supports and administers several health centres. These include:

- **CanSupport's East Delhi Field Centre:** MIF sponsors a field centre at East Delhi for its partner NGO, CanSupport, that continues to provide palliative care to terminally ill cancer patients and their families. MIF bears the entire cost of running this centre, including doctors' and nurses' salaries,

DURING 2009-10, MIF SPONSORED 72 MAJOR SURGERIES FOR THE UNDER PRIVILEGED

MIF ORGANISED 189 CAMPS AT 61 LOCATIONS ACROSS INDIA AND 23,299 IMMUNISATION SHOTS WERE ADMINISTERED TO 10,272 CHILDREN

HAVING BENEFITTED 1,441 PATIENTS, MIF'S ARTIFICIAL LIMBS AND POLIO CALIPERS CAMP HAS NOW BECOME AN ANNUAL FEATURE

transportation and medicines. MIF has also sent doctors from MHC for training and counselling of CanSupport's teams. CanSupport provided palliative care to over 260 patients in 2009-10

- **Health Centre at Rail Majra:** Max Health Centre at Railmajra near the Max Speciality Films Factory continued to service the communities at Railmajra and nearby villages by providing free medicines and consultations to the needy. The camp treated over 12,000 patients in 2009-10
- **Chimnaya Health Centre, Sunlight Colony, New Delhi:** MIF, in collaboration with its partner NGO, the Chinmaya Mission, has been running a healthcare unit in Sunlight Colony, Delhi. Health check camps are also organised in the centre. 9,432 patients were treated in 2009-10. One eye check up camp and one cleft lip and palette camp was organised at the centre
- **JAMGHAT Health and Day Care Centre:** MIF has partnered with the NGO, 'JAMGHAT – a Group of Street Children', to sponsor a health and day care centre near Jama Masjid, Old Delhi. Since its inauguration in May 2008, 20 inmates from the centre have received medical care and treatment. A paediatrician from MHC visits the area twice a month for health check-up of the street children and provides required medicines

MIF also conducted a large number of special health related camps with volunteers from the Max India group companies in collaboration with NGOs. So far, more than 50 health check-up camps have been held and over 15,000 patients screened. Some of these camps include:

- **Eye and Dental Check up Camp, Railmajra:** Organised during 17-18 April 2009. Four doctors and one optometrist from MHC conducted the camp. 570 people were screened, 12 cataract removal surgeries were facilitated, 43 pairs of spectacles given and 30 cases for further treatment were identified
- **Health Check up Camp, Palsora:** A multi-speciality camp was held on 14 Februrary 2010 for the people of village Palsora under the aegis of the Pingalwara Charitable Society, Chandigarh. 505 patients were checked and given free medicines. A dentist, an ophthalmologist, a general surgeon, a doctor from internal medicine, a gynaecologist and a psychiatrist from Max Healthcare were present and screened the patients
- **Health Check up Camp, Shalimar Bagh:** MIF, through Max Hospital Pitampura, organised a free health camp at MCD

MIF PROVIDED MEDICINES AND ARRANGED HEALTH CHECK-UP CAMPS FOR FLOOD & CYCLONE VICTIMS IN ANDHRA PRADESH AND WEST BENGAL

Primary School in Haiderpur village, Shalimar Bagh, on 19 February 2010. 471 students were screened for general health and dental health. An informative talk on oral health was also given

- **Health Check up for Udayan Ghar Children:** Udayan Ghar, through their long term foster homes, provides quality care to disadvantaged and orphaned children. MIF partnered with Udayan Ghar to provide a comprehensive health check at various Max Hospitals during July-August 2009 and January–March 2010
- **Health Check Camp with Samarpan:** The NGO, Samarpan, through its outreach programme, is serving a displaced community in Kotla Mubarakpur called the Gadhia Lohars. MIF has partnered with Samarpan to conduct regular health check camps for them and dispense free medicines. Five such camps were organised in 2009-10, including eye checkups and immunisation

On the environment front, the following initiatives were undertaken:

- **Clean Delhi Clean Yamuna:** In a joint initiative with 'Art of Living', MIF and Max Healthcare supported a cleanliness drive at the Dhobhi Ghat area of the Yamuna bank at Okhla, New Delhi during 17-25 March 2010. An immunisation camp and a medical camp was also organised in the same location thereafter
- **Environmental Awareness:** MIF is committed to spread awareness of environment friendly initiatives and encourages sustainable practices of conservation of energy, waste management, reduction in the use of paper, electricity and water across all the Max India group entities. Every month an environment tip on current topics is sent to all to follow and make others aware. Some environment awareness activities include:
  - Celebration of World Environment Day, 5 June, in all Max Hospitals
  - Talk on e-waste management for employees of Max House through the NGO, Greenscape
  - Plantation and protection of 200 trees through the NGO, Nizhal, in Chennai

MIF also undertook several initiatives on health awareness and disaster relief. These included:

- **Walk for Life:** Breast Cancer Awareness Event: MIF has contributed to the Global Cancer Control Mission through sponsorship, support and participation with its partner NGO, CanSupport. As in last year, the Max India group participated in CanSupport's annual event, "Walk for Life: Stride against Breast Cancer" held on 7 February 2010 at New Delhi. The walk was organised to raise awareness on the increasing incidence of breast cancer. The Max Group mobilised the maximum participants
- **Diabetes Awareness:** A series of four films was produced in conjunction with World Diabetes Day. It featured actress Sonam Kapoor and was screened on LCD screens in restaurants, railway stations and malls in Delhi and other locations. It was also telecast on NDTV and Zee 24 Ghante (Chattisgarh)
- **Aid for Flood Victims in Andhra Pradesh:** With the help of volunteers from MNYL, MIF provided health check-up camps and medicines for flood victims of Kurnool in Andhra Pradesh
- Aid for Victims of Cyclone in West Bengal: MIF made donations to Oxfam to provide for victims of the cyclone in West Bengal

MAX INDIA LIMITED: OUTLOOK

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

The insurance business is expected to regain its growth momentum but at a lower rate than what was seen between 2001 and 2007. Moreover, conditions are unclear given the regulatory changes that have been proposed in the end of June 2010.

Growth of the healthcare business will depend on Max Healthcare's project management skills with new expansions and its ability to profitably manage operations at existing facilities. There may be some pressure on profitability in the next couple of years due to costs related to the starting of the newer hospitals.

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

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

Although Max India always maintains an air of caution, its outlook for 2010-11 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 global economy or the healthcare and packaging industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations.

CORPORATE GOVERNANCE REPORT

MAX REMAINS COMMITTED TO EXCELLENCE IN CORPORATE GOVERNANCE AND RECOGNIZE THAT IT IS A DRIVER OF VALUE DRIVEN LEADERSHIP AND HIGH STANDARDS OF ACCOUNTABILITY, TRANSPARENCY AND ETHICS ACROSS THE GROUP

PHILOSOPHY OF CORPORATE GOVERNANCE

Max India Group continues its emphasis on high levels of Corporate Governance. We aim to set benchmarks for Governance models. Since the last two years we set about the goal of creating a highly proficient Board. Today, we have highly active Boards; an enhanced interface between Management, Committees and the Boards in all operational entities. The Directors on the Board are domain experts of global acclaim. We also invite renowned experts and consultants periodically to provide insights and external perspectives in critical business areas.

We remain committed to excellence in Corporate Governance and recognize that it is a driver of value driven leadership and high standards of accountability, transparency and ethics across the Group.

BOARD COMPOSITION

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

The composition of directors and the attendance at the Board meeting during the year 2009-10 and at the last annual general meeting, including the details of their directorships and committee memberships as of March 31, 2010 are given below:

Director	Board meetings attended	Attendance at last AGM	Director-ships*	Memberships/ Chairmanships of Board Committees**
Mr. Analjit Singh [Promoter Director]	10	-	14	Nil
Mr. Aman Mehta [Non-Executive Independent Director]	05	-	07	07 (including 3 as Chairman)
Mr. Anuroop (Tony) Singh [Non-Executive Director]	03	-	04	Nil
Mr. Ashwani Windlass [Non-Executive Director]	07	-	02	03 (including 2 as Chairman)
Mr. K. Narasimha Murthy [Non-Executive Independent Director] (Appointed w.e.f. December 22, 2009)	02	-	04	01
Mr. Leo Puri [Non-Executive Director]	06	-	04	04
Mr. N. C. Singhal [Non-Executive Independent Director]	09	✔	08	06 (including 4 as Chairman)
Mr. N. Rangachary^ [Non-Executive Independent Director]	07	-	08	03 (including 2 as Chairman)
Dr. Omkar Goswami [Non-Executive Independent Director] (Appointed w.e.f. December 22, 2009)	03	-	10	09 (including 1 as Chairman)
Mr. Piyush Mankad [Non-Executive Independent Director]	06	-	13	09 (including 1 as Chairman)
Mr. Rajesh Khanna [Non-Executive Independent Director]	05	-	02	Nil
Dr. Subash Bijlani [Non-Executive Independent Director]	02	✔	03	01
Dr. S. S. Baijal# [Non-Executive Independent Director]	02	-	NA	NA

* 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.

Dr. S. S. Baijal retired from the Board of Directors effective September 6, 2009.

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

Details of Board meetings held during the year ended March 31, 2010:

Date	Board Strength	No. of Directors present
April 23, 2009	11	09
May 15, 2009	11	04
June 26, 2009	11	04
July 1, 2009	11	04
July 30, 2009	11	07
October 30, 2009	10	07
December 22, 2009	12	05
December 26, 2009	12	05
January 29, 2010	12	08
March 11, 2010	12	04
March 30, 2010	12	10

BOARD PROCEDURES

The Company holds at least one Board meeting in a quarter to review financial results and business performance. The gap between two board meetings does not exceed four calendar months. Apart from aforesaid four meetings, additional board meetings are also convened, regularly. Matters of exigency are approved by the Directors by resolutions passed by circulation as permissible under the provisions of the Companies Act, 1956.

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

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

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

Max India has a Code of Conduct for the Directors and Employees of the Company to guide them on:

- Adherence to the highest standards of honesty, integrity and avoidance of conflicts of interest
- Carrying out their duties in an honest, fair, diligent and ethical manner, within the ambit of authority conferred upon them and in accordance with applicable laws

Their responsibility to take decisions and implement policies in the best interests of the Company and all its stakeholders.

The Code of Conduct is prominently displayed on the Company website.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

During the year under review, this Committee was re-constituted and currently it comprises of Mr. N. C. Singhal (Chairman), Mr. Ashwani Windlass, Mr. Leo Puri and Mr. K. Narasimha Murthy. All members of the Committee, except Mr. Ashwani Windlass and Mr. Leo Puri, are Independent Directors. The Company Secretary of the Company acts as the Secretary of this Committee. This Committee inter alia, recommends appointment of statutory auditors; reviews Company's financial reporting processes and systems; reviews financial and risk management policies; Company's financial statements, including annual and quarterly financial results; and financial accounting practices & policies. The scope of the audit committee has been defined by the Board of Directors in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. 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. Dr. S. S. Baijal and Mr. N. Rangachary ceased to be a member of this Committee effective September 6, 2009 and July 26, 2010, respectively. Mr. K. Narasimha Murthy was co-opted to this Committee on March 30, 2010.

Meetings & attendance during the year:

Director	Number of meetings held	Number of meetings attended
Mr. N. C. Singhal	07	07
Dr. S. S. Baijal	04	03
Mr. Ashwani Windlass	07	05
Mr. N. Rangachary	07	06
Mr. Leo Puri	07	03

REMUNERATION COMMITTEE

During the year under review, this Committee was reconstituted and currently this Committee comprises of Mr. Rajesh Khanna (Chairman), Mr. N.C. Singhal, Mr. Ashwani Windlass, Mr. Piyush Mankad and Mr. Leo Puri, out of which, Mr. Rajesh Khanna,

Mr. N. C. Singhal and Mr. Piyush Mankad are Independent Directors. 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. Mr. Rajesh Khanna was co-opted as the Chairman and Mr. Analjit Singh ceased to be a member of the Committee effective March 30, 2010.

Meetings & attendance during the year:

Director	Number of meetings held	Number of meetings attended
Mr. N. C. Singhal	02	02
Mr. Ashwani Windlass	02	01
Mr. Leo Puri	02	01
Mr. Piyush Mankad	02	01
Mr. Analjit Singh	02	02

REMUNERATION PAID TO DIRECTORS DURING 2009-2010

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 paid to the Executive Directors of the Company for the year ended March 31, 2010 are as under:

(Amount in Rs.)

Period	Mr. Analjit Singh (from April 1, 2009 to March 31, 2010)
Salary	2,86,42,000
House Rent Allowance / Housing	-
Benefits (Perquisites)	33,72,750
Bonus / Performance Incentive	1,50,00,000
Retirals	29,16,000
Service contract	-
Notice period	3 months
Stock options, if any (in numbers)	-

Details of equity shares of Rs. 2/- each held by Directors of the Company as on March 31, 2010 are: (a) Mr. Analjit Singh 58,76,789 shares, (b) Mr. N.C. Singhal – 20,000 Shares and (c) Mr. Ashwani Windlass – 1,23,800 shares.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Currently, this Committee comprises of Mr. Ashwani Windlass (Chairman), Mr. Piyush Mankad and Mr. N. C. Singhal. The Committee approves the transfer and transmission of securities; issuance of duplicate certificates, redressal of investors' grievances. It also suggests and monitors measures to improve investor relations. During the year under review, Mr. N. C. Singhal was co-opted as a member effective October 30, 2009 and Dr. S. S. Baijal ceased to be a member of this Committee effective September 6, 2009.

Meetings & attendance during the year:

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	05	05
Mr. Piyush Mankad	05	04
Mr. N. C. Singhal	03	03
Dr. S. S. Baijal	02	02

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. The Company received 45 complaints from the shareholders during the financial year ended March 31, 2010 and the Company has attended to all the complaints received.

INVESTMENT & FINANCE COMMITTEE

During the year under review, the Board of Directors constituted an Investment & Finance Committee 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 review proposals on business restructuring, mergers, consolidations acquisitions, investments, establishment of joint ventures and divestments of any businesses, etc. This

Committee also has the mandates concerning banking operations matters. This Committee comprises of Mr. Ashwani Windlass (Chairman), Mr. N. C. Singhal, Mr. Leo Puri, Dr. Omkar Goswami, Mr. K. Narasimha Murthy and Dr. Subash Bijlani.

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.

(B) COMPLIANCE BY THE COMPANY

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

GENERAL BODY MEETINGS

The Annual General Meetings (AGMs) of the Company is held at the Registered Office of the Company. The last three AGMs were held as under:

Date	Time
September 14, 2007	10.30 AM
September 16, 2008	10.00 AM
September 23, 2009	10.30 AM

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

Date of AGM	Subject matter of the resolution
September 14, 2007	■ Approval for making further investment of Rs. 1000 crore in Max New York Life Insurance Company Limited, a subsidiary of the Company.
September 16, 2008	■ Approval for making investment upto an amount of Rs. 100 crore in the equity share capital of a joint venture company for Health Insurance business in collaboration with Bupa Finance Plc., UK, being 50% of the contribution towards its equity share capital.
September 23, 2009	1. 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. 2. Approval for making further investment of upto Rs. 1000 crore in Max New York Life Insurance Company Limited, a subsidiary of the Company. 3. Approval for making investment upto an amount of Rs. 100 crore in Max Bupa Health Insurance Company Limited, being 74% of the contribution towards its equity share capital. 4. Approval for providing Corporate Guarantees/Securities upto an amount not exceeding Rs. 500 crore on behalf of Max Healthcare Institute Limited, a subsidiary of the Company through postal ballot. 5. Approval for making further investment in or providing loans to Max Healthcare Institute Limited, upto an amount not exceeding Rs. 150 crore through postal ballot.

POSTAL BALLOT

During the year under review, the Company passed special resolutions through postal ballot (i) for providing guarantees upto an amount of Rs. 500 crore on behalf of Max Healthcare Institute Limited and (ii) to give loan to/make investment upto an amount of Rs. 150 crore in Max Healthcare Institute Limited, a subsidiary of the Company. The result of the said postal ballot resolutions were declared at the last AGM held on September 23, 2009 as detailed in 4 & 5 above. No special resolution requiring approval of the shareholders through postal ballot is being proposed at the ensuing annual general meeting.

The Postal Ballot is carried out, whenever required, following the procedure set out in section 192A of the Companies Act, 1956 read with the Companies (The Passing of the Resolutions by Postal Ballot) Rules, 2001.

MEANS OF COMMUNICATION

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 Business Standard/Financial Express/Desh Sewak. The results can also be accessed on the Company's website www.maxindia.com. The official news releases and the presentations made to the investors/analysts are also displayed on the Company's website. The results are not sent individually to the shareholders. The Company made presentations to financial analysts and institutional investors after the quarterly/annual financial results were approved by the Board.

GENERAL SHAREHOLDER INFORMATION

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

MANAGEMENT DISCUSSION & ANALYSIS

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

COMPLIANCE CERTIFICATE OF THE AUDITORS

The statutory auditors of the Company have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges and the same is annexed to the Report.

NON-MANDATORY REQUIREMENTS

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

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

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

This is to declare that the Company has received affirmations of compliance with the provisions of Company's Code of Conduct for the financial year ended March 31, 2010 from all Directors and Senior Management personnel of the Company.

For Max India Limited

New Delhi
July 30, 2010

Analjit Singh
Chairman & Managing Director

CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL CONTROLLER

July 30, 2010

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

We, Analjit Singh, Chairman & Managing Director and Sujatha Ratnam, Chief Financial Controller of Max India Limited certify to the Board in terms of the requirement of Clause 49(V) of the listing agreement, that we have reviewed the financial statement and the cash flow statement of the Company for the financial year ended March 31, 2010.

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

Analjit Singh
Chairman &
Managing Director

Sujatha Ratnam
Chief Financial Controller

AUDITORS' 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, 2010 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 Chartered Accountants 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 given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned 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 and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
V. Nijhawan
Partner
Membership Number: F 87228

Gurgaon
July 30, 2010

SHAREHOLDERS' INFORMATION

REGISTERED OFFICE AND PLANT LOCATION

Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur,
District Nawanshahr, Punjab - 144 533.

INVESTOR HELPLINE

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

SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date and Time: Wednesday, September 15, 2010 at 10.30 am

Venue:Registered Office of the Company

BOOK CLOSURE

Wednesday, September 8, 2010 to Wednesday, September 15, 2010 (both days inclusive)

FINANCIAL CALENDAR, 2010-11

1.	First quarter results	- By July 31, 2010
2.	Second quarter & half yearly results	- By October 31, 2010
3.	Third quarter results	- By February 15, 2011
4.	Annual results	- By end of May, 2011

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 2010-11.

CONNECTIVITY WITH DEPOSITORIES

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

STOCK CODE

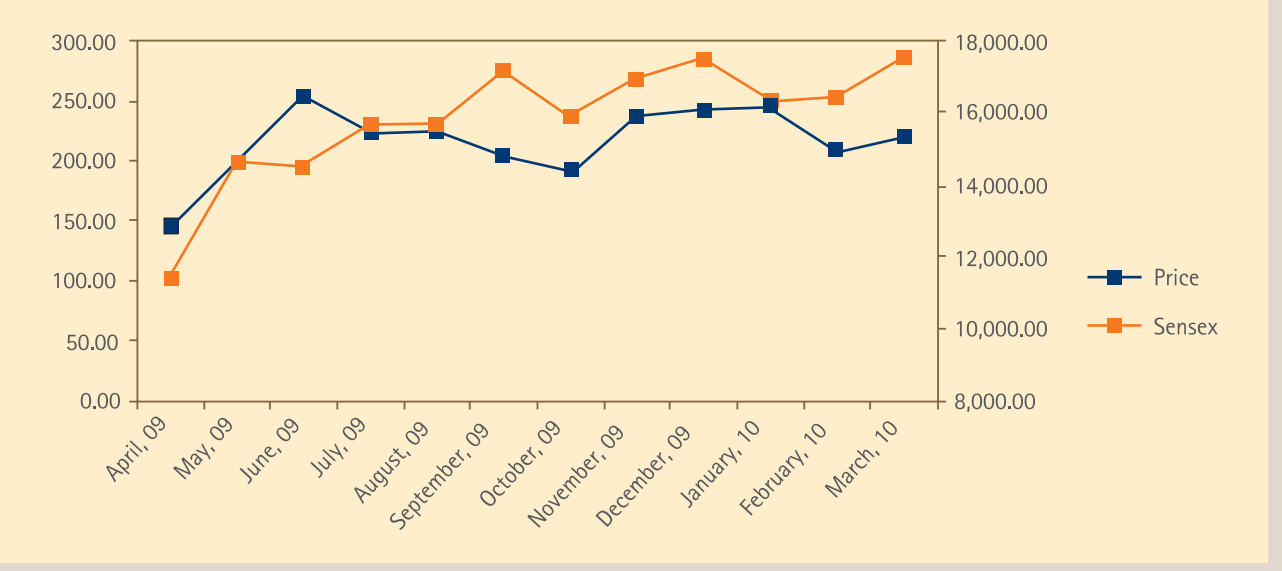
Bombay Stock Exchange Limited	-	500271
National Stock Exchange of India Limited	-	MAX
Demat ISIN No. for NSDL and CDSL	-	INE180A01020

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

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

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 09	144.70	98.60	148.90	98.00
May, 09	196.40	135.55	196.45	136.60
June,09	253.80	182.10	254.00	182.10
July, 09	222.90	182.55	222.70	182.50
August, 09	223.50	180.70	240.00	180.50
September, 09	202.50	177.10	202.20	176.00
October, 09	190.80	172.30	190.70	172.00
November, 09	236.50	168.10	236.60	167.25
December, 09	242.00	202.00	244.80	203.00
January, 10	245.00	190.05	233.45	188.10
February, 10	208.30	189.20	209.00	188.50
March, 10	219.00	186.95	219.70	186.25

Share Price Vs. Sensex



Shareholding Pattern as on March 31, 2010

Category	No. of shares held	% of shareholding
Promoters	80586416	34.68
Mutual Funds and UTI	13489812	5.81
Banks, Financial Institutions	37920	0.02
Insurance Companies	45750	0.02
Foreign Institutional Investors	63328832	27.25
Foreign Direct Investment	40149631	17.28
Bodies Corporate	5805683	2.50
Non-resident Indians/Overseas Corporate Bodies	7325940	3.15
Clearing Members	217633	0.09
Resident Individuals	21387116	9.20
Total	232374733	100.00

Distribution of shareholding as on March 31, 2010:

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	Percentage to total
38242	96.81	01 – 500	12435265	5.35
590	1.49	501 – 1000	2119258	0.91
272	0.69	1001 – 2000	1976637	0.85
86	0.22	2001 – 3000	1058275	0.46
54	0.13	3001 – 4000	975485	0.42
34	0.09	4001 – 5000	772246	0.33
65	0.17	5001 – 10000	2384128	1.03
158	0.40	10001 - above	210653439	90.65
39501	100.00	Total	232374733	100.00

DEMATERIALISATION STATUS AS ON MARCH 31, 2010

(i) Shareholding in dematerialised mode 98.58%

(ii) Shareholding in physical mode 1.42%

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 to provide better services 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
July 30, 2010

ANALJIT SINGH
Chairman & Managing Director

COMPANY INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. V. Krishnan

MAJOR INTERNATIONAL AFFILIATE

New York Life International Inc., USA

Bupa Finance Plc., UK

AUDITORS

Price Waterhouse, Chartered Accountants

BANKERS

IndusInd Bank Ltd.

Punjab National Bank

Oriental Bank of Commerce

Citibank N.A.

Yes Bank Ltd.

Kotak Mahindra Bank Ltd.

CORPORATE OFFICE

Max House, Okhla, New Delhi - 110 020.

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

WEBSITE

www.maxindia.com

MAX INDIA LIMITED

MAX

Directors' Report

Your Directors have pleasure in presenting the twenty-second Annual Report of your Company with the audited Statement of Accounts for the financial year ended March 31, 2010.

CONSOLIDATED RESULTS

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

(RS. CRORE)

	Year ended March 31, 2010	Year ended March 31, 2009
Income		
Net Sales	421.1	401.6
Service Income	5150.3	4106.1
Income from investment activities	2073.6	330.2
Other Income	83.8	53.5
	7728.8	4891.4
Expenses		
Manufacturing, Trading and Direct Expenses	5858.2	3415.1
Personnel Expenses	769.1	843.8
General and Administration Expenses	941.9	841.9
Financial Expenses	59.1	50.6
Depreciation	141.1	97.0
	7769.4	5248.4
(Loss) Before Tax	(40.6)	(357.0)
Tax Expense	3.4	(23.8)
(Loss) After Tax	(44.0)	(333.2)
Funds for Future Appropriations - Participating Policies	(45.3)	26.4
Minority Interest	17.7	88.4
Net (Loss)	(71.6)	(218.4)

The year 2009-10 proved to be a year of consolidation, our core businesses continued to sustain strong growth in line with the economic recovery, increase in customer base and improved service offerings. During financial year 2009-10, the consolidated Group revenue was Rs. 7728.8 crore representing a growth of 58% over the previous year. Our operating revenue stood at Rs. 5,571 crore, an increase of 24% over the previous year. Net loss after tax for 2009-10 stood at Rs. 44.0 crore against Rs. 333.2 Crore in the previous year. The losses were contained on account of increase in revenues and cost rationalization efforts undertaken across businesses. A brief update on the business performance of your Company's key operating subsidiaries is as below:

(i) Max New York Life Insurance Company Limited:

Financial Year 2009-10 was a year of continued growth for Max New York Life Insurance Company Limited (MNYL). During the year under review, gross premium income stood at Rs.4,861 crore, recording a growth of 26% over the previous financial year. First year premium income grew marginally by 1% to Rs. 1,850 crore. With 50% increase over the previous year, renewal premium stood at Rs.3,011 crore. MNYL sold approx 10 lacs policies in 2009-10 compared to 12.1 lacs policies in the previous year. MNYL achieved a cumulative sum assured of Rs. 123,000 crore. Assets under management (AUM) crossed Rs.10,000 crore at the end of 2009-10, a growth of 82% over the previous year. With additional capital infusion of Rs.181 crore in 2009-10, the business stands capitalised at Rs.1,973 crore as on March 31, 2010.

During the financial year, the expenses of management to premium income ratio were brought down from 52% in 2008-09 to 40% in 2009-10 owing to cost rationalization efforts. MNYL reported a profit of Rs.24 crore in 2009-10, against a loss of Rs.419 crore in 2008-09 in the policyholders' and shareholders' combined profit and loss statement.

MNYL entered a 10-year distribution alliance with Axis Bank, the third largest private Indian bank with more than 1,000 branches, thereby strengthening MNYL's focus on multi-channel distribution strategy. Through this partnership, MNYL expects to garner an additional base of 20 lakh customers in the next five years. The share of agency in total sales reduced from 65% in 2008-09 to 62% in 2009-10. After significant expansion in 2008-09, the agency distribution channel focused on consolidation and improvement in efficiency during 2009-10. The agency base was rationalised and the total number of agents reduced by 14% in 2009-10. Average case size per agent increased by 8% from Rs.19,172 in 2008-09 to Rs.20,665 in 2009-10. Average case rate per agent reduced from 1.05 in 2008-09 to 0.66 in 2009-10, still amongst the best in the industry.

During the last 2 years, there has been a significant shift in product preference by consumers towards lower equity market, risk based products. At MNYL, the contribution of

Directors' Report

ULIPs which have greater exposure to the equity market, in total new sales reduced from 85% in 2007-08 to 74% in 2008-09 and then to 73% in 2009-10. During 2009-10, MNYL launched eight new products- First Universal Life product (best of traditional as well as unit linked), Secure Dreams, Shikha Plus, Magic Builder and Smart Invest pension super, which will balance the portfolio between unit-linked and non-unit-linked products.

(ii) Max Healthcare Institute Ltd.:

Max Healthcare Institute Ltd. (MHC) provides comprehensive, integrated and world-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 fiscal 2009-10, MHC added 350 beds, thereby increasing the total bed capacity to 1,100 beds. The new wing of Max Balaji Hospital with 260 beds (at Patparganj) started operations in 2009 and 90 beds in Saket became operational in last quarter of 2009-10. Revenue from all hospitals in the MHC network grew nearly by 26% to Rs 534 crore in 2009-10 owing to expansion in bed capacity and new service profile such as Oncology and Minimally Invasive Surgeries. During the year ended March 31, 2010, MHC's network of hospitals performed over 740 open heart surgeries, 1,900 angioplasties and 4,440 angiographies. In addition, MHC's hospital network performed over 2,620 ortho-surgeries, 620 onco-surgeries,1,070 neuro-surgeries, 780 minimally invasive surgeries and 12,170 other surgeries and procedures.

MHC managed 35 operation theatres and 325 critical care beds across a completely integrated network. Average occupancy rate at MHC hospitals was approximately 73%. Number of patient episodes (measured by number of invoices issued to a patient during any period) increased from 1.9 million in 2008-09 to around 2.3 million in 2009-10. In the last quarter of 2009-10, MHC averaged over 200,000 patient episodes per month.

As on March 31, 2010, MHC had around 1,250 physicians, including several doctors of international repute; 1,900 nurses; and 1,700 other support staff.

(iii) Max Bupa Health Insurance Company Limited:

Max Bupa Health Insurance Company Limited (MBHI) was formed in September 2008. After utilising most of the initial phase in completing regulatory work and building its team, systems, processes and products, it began commercial operations on March 22, 2010.

In 2009-10, MBHI has opened offices in six key centres across India: Delhi, Mumbai, Hyderabad, Bangalore, Pune and Chennai. MBHI is building on its employee strength and has recruited 400 people in 2009-10.

MBHI launched its first comprehensive health insurance plan called 'Heartbeat' for both individuals and families. This product has several additional features apart from regular health insurance benefits that are tuned to address specific customer needs.

2009-10 has been a beginning. MBHI plans to continue developing newer products, increasing its customer base and growing its footprint across the country. It targets to grow and start generating profits in five years.

(iv) Max Neeman Medical International Limited:

Max Neeman Medical International Limited (MNMI) is a value added contract research organization (CRO) providing a broad range of clinical research services to global pharmaceutical, device and biotechnology companies.

MNMI also collaborates with other CROs in providing a variety of clinical services. MNMI provides clinical research services in the space of phase II & III studies and has access to over 1,200 ICH GCP trained investigators. The team of over 210 clinical research coordinators/clinical research associates in 22 cities across India gives it access to patients and investigator sites for various therapeutic areas. MNMI also started operations in Phase IV trials and medical writing. It now offers services across five specialization areas. An impressive operating standard enabled MNMI to provide services to 27 clients over 59 contracts during fiscal 2009-10. As of now, 92 studies are being conducted across 180 sites.

In fiscal 2009-10, MNMI registered revenue of Rs 18.5 crore representing a growth of 26% over the previous year. MNMI generated a profit of Rs. 2.2 crore in 2009-10, a growth of 137% over the previous year. Its order book as of March

Directors' Report

31, 2010 stood at Rs. 32 crore. There were new orders worth Rs.22 crore during 2009-10. It added 6 new clients during the year, taking its total client base to 57.

STANDALONE RESULTS

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

(RS. CRORE)

	Year ended March 31, 2010	Year ended March 31, 2009
Income		
Gross sales	355.5	393.5
Less: Sales returns	(2.3)	(3.7)
Excise duty	(22.8)	(36.0)
Net sales	330.3	353.8
Service and other income	32.7	66.2
	363.0	420.0
Expenditure		
Manufacturing and other expenses	333.2	358.6
Financial expenses	14.6	16.3
Depreciation and amortization	12.6	12.1
	360.4	387.0
Profit from operations	2.6	33.0
Diminution in value of investment and doubtful advances to subsidiary	0.1	22.6
Profit Before Tax	2.5	10.4
Tax expense	3.1	(11.4)
Profit/(Loss) After Tax	(0.6)	21.8

Fiscal 2009-10 was a year of consolidation for Max Speciality Films (MSF), the Speciality Packaging Manufacturing division of Max India Limited. All BOPP production lines at MSF operated at 100% capacity utilization. During the year, sales volume of BOPP Films improved to 29.7 KTA compared to 28.5 KTA in 2008-09. In FY 2009-10, net sales dropped by 7% year-on-year at Rs. 330 crore in 2009-10 against Rs. 354 crore for 2008-09 owing to lower sales realization which is directly linked to crude prices.

Raw Material prices has also witnessed a down trend owing due to decline in global crude prices. Further, the competitive landscape became stiffer with enhanced production capacity in the domestic market raising domestic supply to 325 KTA as on March 2010 relative to 235 KTA in the previous year. .

Your Company made a marginal loss after tax of Rs.0.6 crore in the current year as compared with a profit of Rs. 21.8 crore in the previous year. The reduction in profit was mainly on account of lower investment income resulting from deployment of treasury funds to support our businesses, interest expense incurred on compulsorily convertible debentures and increase in employee stock option cost.

DIVIDEND

Your directors do not recommend any dividend in view of their decision to deploy internal accruals towards the growth of the Life Insurance, Healthcare and Health Insurance businesses.

DIRECTORS

Dr. S.S. Baijal retired from the directorship of the Company on completion of the age of 80 years in terms of the Articles of Association of the Company. Your Directors place on record, their appreciation for the valuable contribution made by Dr. S.S. Baijal during his association with the Company. In recognition of the deep and valuable involvement in the Company's affairs over the last two decades and the progress and success made by the Company during his association, Dr. Baijal was conferred on the title of "Chairman Emeritus" effective September 7, 2009.

Mr. K. Narasimha Murthy and Dr. Omkar Goswami have been co-opted as additional directors on the Board of Directors of the Company effective December 22, 2009. The Company has received notices under Section 257 of the Companies Act, 1956 ('the Act') proposing their candidature for being appointed as Directors of the Company at the ensuing Annual General Meeting.

Mr. N. Rangachary resigned from the Board of Directors of the Company effective July 26, 2010. Your Directors place on record, their appreciation for the valuable contribution made by Mr. Rangachary during his association with the Company. The Board appointed Mr. Sanjeev Mehra, a director nominated by Xenok Ltd. a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P., controlled by the Goldman Sachs Group as a director effective July 30, 2010 in the casual vacancy caused by the resignation of Mr. Rangachary.

Your Directors propose the re-appointment of Mr. Analjit Singh as the Chairman & Managing Director of the Company for a further period of 5 years effective October 30, 2010 at the ensuing Annual General Meeting.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ashwani Windlass, Mr. Rajesh Khanna, Mr. Leo Puri, Mr. Piyush Mankad and Mr. Sanjeev Mehra retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

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.

FUND RAISING PROGRAMMES OF THE COMPANY

(a) Allotment of Compulsorily Convertible Debentures to Xenok Limited, on preferential basis

The Company allotted 6,019,925 Compulsorily Convertible Debentures (CCDs) of Rs.867/- per CCD for an aggregate consideration of Rs.5,219,274,975 [equivalent to US Dollar 115 million (approx.)] to Xenok Ltd. a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P., controlled by the Goldman Sachs Group, on March 11, 2010. The CCDs bearing a coupon of 12% per annum shall be compulsorily convertible into four equity shares of Rs.2/- each at a premium of Rs. 214.75 per equity share on or before fifteen months from the date of allotment.

(b) Allotment of Convertible warrants to Dynavest India Private Limited, on preferential basis

The Company allotted 2,000,000 warrants of the face value of Rs.867/- per warrant to Dynavest India Private Limited, one of the promoter group companies of the Company on February 6, 2010. The Company received a sum of Rs.433.50 per warrant, being 50% of the consideration aggregating to Rs.86,70,00,000/- from Dynavest India Private Limited for the allotment of said warrants. For each warrant, Dynavest India Private Limited is entitled to subscribe to four equity shares of Rs. 2/- each in the Capital of the Company at a premium of Rs. 214.75 per equity share.

BUSINESS INVESTMENTS

The Company made an investment of Rs. 111.74 crore, being its capital contribution to MBHI, a 74:26 joint venture between the Company and Bupa of UK for the Health Insurance Business towards its initial capitalization. With the above investment, MBHI became a subsidiary of the Company effective December 17, 2009.

The Company also made a further investment of Rs.147.08 crore in MNYL during the year under review, taking the total equity contribution in MNYL to Rs. 1,460.58 crore as of March 31, 2010.

Your directors would like to confirm that the Company has been adequately funded to meet the financial requirements of the Company and its subsidiaries till the financial year 2012.

FIXED DEPOSITS

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

EMPLOYEE STOCK OPTION PLAN

(i) Your Company had instituted an 'Employee Stock Plan 2003' ('2003 Plan'), which was approved by the Board of Directors in August 2003 and by the shareholders in September 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees and directors of the Company. The 2003 Plan is administered by the Remuneration Committee appointed by the Board of Directors. During the year under review, 18,112 Options were vested and upon exercise 18,112 equity shares of Rs. 2/- each for cash at par were allotted. Your Company also granted 1,375,250 Options to certain employees/ directors during the year under review.

(ii) The particulars of options granted, as on the date of this report, under the aforesaid stock option plan as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given below:

Sl. No.	Description	2003 Plan
(a)	Total number of options granted till March 31, 2010	28,36,500
(b)	The pricing formula	Rs. 2/- per share
(c)	Number of options vested till March 31, 2010	11,13,037
(d)	Number of options exercised till March 31, 2010	11,13,037
(e)	Total number of shares arising from exercise of options	11,13,037
(f)	Number of options lapsed/forfeited till March 31, 2010	3,00,005
(g)	Variation in terms of options	-
(k)	Money realized by exercise of options (Rs. Crore)	0.22
(l)	Total number of options in force as on date	14,23,458
(m)	Number of options granted to senior management including directors in FY 2009-10	13,75,250
(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

Directors' Report

The diluted earning per share was Rs. (0.05) for the financial year ended March 31, 2010. The diluted earning per share for the previous year was Rs. 0.98

(iii) In respect of stock options granted till March 31, 2010 under the 2003 Plan, the Company has calculated employee compensation cost using intrinsic value of the stock options. Accordingly, an amount of Rs. 44.06 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 4, 2009 and January 1, 2010 out of which, in the current financial year, Rs. 5.58 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 4, 2009 and January 1, 2010 under the 2003 Plan is Rs. 44.12 crore, out of which, in the current financial year, Rs. 5.59 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. 0.60 crore instead of Rs. 0.59 crore reported in the Profit and Loss account.

c) Basic and diluted earnings per share would have remained unchanged at Rs. (0.03), 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 each option works out to Rs. 111.55 for November 2008 and Rs. 105.38 for January 2009 grant.

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 5.78% for September 2009 grant, and 6.86% for January 2010 grant,

ii) Expected life of 3 year of these stock options for, 3 year option for September 4, 2009 grant and 3 year option for January 1, 2010 grant,

iii) Expected volatility of 54.97% for 3 year options January 2010 grant, 64.61% for 1 year options and 55.71% for 3 year September 2009 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.178.40 for September 4, 2009 grant and Rs. 221.45 for January 1, 2010 grant being the latest available closing price of the Company's share on the National Stock Exchange prior to the date of grant.

STATUTORY DISCLOSURES

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in the prescribed format annexed to this Report as Annexure -A. A statement giving particulars of employees under Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 for the financial year ended March 31, 2010 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.

Your Company has been exempted by the Central Government vide their letter No. 47/352/2010-CL-III dated June 7, 2010 under Section 212 (8) of the Act from attaching a copy of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies. 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

Directors' Report

India, Consolidated Financial Statements are presented by the Company as part of annual report which includes the financial information of the subsidiaries. Ministry of Corporate Affairs (MCA) had issued "Corporate Governance Voluntary Guidelines" in December 2009. These guidelines are recommendatory in nature. The Company will examine the possibilities of adopting the guidelines in an appropriate manner.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

GROUP FOR INTERSE TRANSFER OF SHARES

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

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

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

New Delhi
July 30, 2010

ANALJIT SINGH
Chairman & Managing Director

Annexure - 'A'

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

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken

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

- Reduction in Energy consumption by reducing TDO blower Speed.
- Energy saved by optimizing Chilled water temperature.
- Installation of AC drives for Air compressor.
- Installation of high efficient electrical motors in plant.
- Conservation of energy by using high efficiency Lighting fixtures.
- Reduction in energy by installing Heat Exchanger in chilled water circuit.
- Converted Street lighting from High pressure sodium vapour lamps to Led lamps.
- Reduction in Furnace oil consumption in BOPP speciality line by re-using hot air.

(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. Adoption of most efficient equipments for upcoming new BOPP Line & Metalliser and its electrical & other installations.

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

i) It is expected that above measures will result in reduction in energy consumption and consequent Specific energy consumption between 3% to 4%.

ii) Won "National Energy Conservation award -2009" from Ministry of Power (Govt. of India) in Food Processing Sector.

(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.
   - Introduced new indigenous additives & speciality to minimize dependency on imported raw material.

2. Process Improvement and Development
   - Improvement in efficiency of thermal BOPP film by optimizing process parameters.
   - Improvement in quality of reprocess granuals to enhance captive consumption.

3. Benefits Derived
   - Cost competitiveness, effectiveness and high quality products.
   - Better & optimized product mix resulting in better price realization.
   - Better quality index and resultant enhanced customer satisfaction.

Annexure - 'A'

4. Future Plan of Action
   - Value added new application of BOPP Film, thermal BOPP Film and also Metallised Film to be continuous focused area
   - Cost reduction and efficiency improvement to remain more competitive.
   - Enhance sales of new generation products to further improve product mix & resultant increase in value addition.

5. Expenditure on R & D
   - Capital : Nil
   - Recurring : Rs. 21.47 lacs
   - Total : Rs. 21.47 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

These benefits in matching customer's requirements which further result into better margin and enhance 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 more exports of high-value-added films.
   - Increased presence in Asian & African countries.
   - Recession in world market adversely affected Global Fashion Market, resulting decrease in Leather Finishing Foil sales.
   - Increased BOPP film export sales quantum by 33% & in value terms by 15%. Overall drop in Export sales value is due to reduction in BOPP prices pursuant to drop in polymer prices (main raw material of BOPP) internationally.
   - BOPP Thermal Film sales witnessed increase from Nov 09 & expect decent growth in this segment from 2010-11 onwards.

RS. LACS

	Year ended March 2010	Year ended March 2009
Earnings	5,272.85	6,763.82
Outgo	5,195.92	5,797.80

For and on behalf of the Board of Directors

New Delhi
July 30, 2010

ANALJIT SINGH
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, 2010

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. 24,00,000/- per annum**									
1	Bakshi, R. K.	55	Sr. General Manager - Marketing (Domestic)	Marketing	2,453,342	B. Sc.	01.05.1989	30	Berger Paints Ltd.	Senior Technical Officer
2	Chadha, Pradeep Pal	43	General Manager - Treasury	Corporate Treasury	3,481,686	B.Com (Hons), CA, LLB	02.08.2004	16	J K Sugars Ltd.	Manager Finance
3	Dwarakanath, P.	62	Director - Group Human Capital	Group Human Resources	10,577,430	B. Sc., L.L.B., PGDM (PM & IR)	02.04.2007	41	Glaxo SmithKline Consumer Healthcare	Director-Human Resources & Administration (India/South Asia)
4	Khanna, Jatin	31	Sr. Manager - Finance	Corporate Finance/Accounts	2,636,769	CA	20.04.2005	10	HCL Infosystems Ltd.	AM - Accounts
5	Krishnan, V.	46	Company Secretary	Company Law Matters	5,890,503	B. Com, ACS	18.06.2003	21	Self Employed	
6	Malik, Lalit	43	Vice President - Corporate Development	Corporate-Insurance	7,192,986	PGDM, CA	17.12.2008	16	AIG Consumer Financial Services (India) Ltd.	Head - Business Development & Strategy
7	Manohar, K.	44	Associate Vice President - Operations	Factory Operations	3,215,979	BE (Chemicals)	01.06.1989	24	Ester Industries Ltd.	Production Engineer
8	Mathur, S. K.	57	Chief Executive - Max Speciality Films	Chief-Operations	11,737,689	B.Tech, PGDBM	06.10.2005	34	Ester Industries Ltd.	Vice President - Marketing
9	Narang Dilbagh Singh	38	General Manager - Taxation	Tax Matters	3,685,231	FCA	03.07.2006	12	Price Waterhouse Coopers	Manager - Tax & Regulatory Services
10	Raghu, C. V.	47	Director - Legal & Regulatory Affairs	Legal & Regulatory Affairs	14,185,928	Bachelor of Science & Law, PGD IR & PM	30.07.2008	20	American Express Banking Corp, General Counsel's Office	VP & Group Counsel India & Area Countries
11	Ratnam, Sujatha	46	Chief Financial Controller	Corporate Finance/Accounts & Treasury	8,052,603	B. Com (Hons), ACA	12.07.2004	21	Jubilant Orgnosys Ltd.	General Manager - Finance
12	Singh, Analjit	56	Chairman & Managing Director	General Management	48,165,978	BA, BS, MBA (Boston)	30.10.2001	32	Max UK Ltd.	Chairman
13	Singh, Dalbir	51	Sr. Vice President - Finance & Commercial	Finance & Commercial	4,043,931	B.Com, ACA, ACS	26.09.1989	27	Swaraj Majda Ltd.	Senior Officer Finance & Accounts
14	Talwar, Mohit	50	Director - Corporate Development	Corporate Development	24,094,331	Post Graduate (Arts), Post Graduate (Hospitality Management)	01.11.2007	31	Standard Chartered Bank	Director & Head Wholesale Bank, East India
15	Thakur, Nitin	36	Head - Corporate Communications	Corporate Communications	2,590,138	PGDBM	01.10.2008	13	Microsoft Corporation India Ltd.	Lead - Public Relations
B.	**Employed for part of the year and were in receipt of remuneration of not less than Rs. 2,00,000/- per month**									
16	Sarin, Rajiv	52	General Manager - Business Development	Business Development	2,322,686	B. SC	01.11.2009	30	Malsi Estates Ltd.	Director - Business Development
17	Shivdasani, Mukesh	56	Advisor - Health Education	Health Education	1,997,457	B Tech, PGDM	01.04.2009	33	Max Healthcare Institute Ltd.	Executive Director - Operations
18	Sood, Namita	37	Legal Counsel	Legal Matters	520,875	LL.M	22.01.2010	11	KSB Partners	Principal Associate

Notes :

1 Remuneration includes salary, allowances, value of rent free accommodation, bonus, medical reimbursement, leave travel assistance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation fund, leave encashment and monetary 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 is contractual in nature.

4 Mr. Analjit Singh holds by himself and along-with his spouse and dependent children 2.75% of the Equity Shares of the Company as of the date of this report.

For and on behalf of the Board of Directors

New Delhi
July 30, 2010

ANALJIT SINGH
Chairman & Managing Director

Auditors' Report

TO THE MEMBERS OF MAX INDIA LIMITED

1. We have audited the attached Balance Sheet of Max India Limited (the "Company") as at March 31, 2010, 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 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 (together the "Order") 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) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

(ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) (a) 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 Act.

(b) 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 Act.

(iv) 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 the sale of goods and 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.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made 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 within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) 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.

(ix) (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 regular in

Auditors' Report

depositing the 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 as applicable with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are disclosed in Notes 1(d) and 4 on Schedule 23B.

(x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.

(xiv) In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

(xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xix) The Company has not created security or charge in respect of debentures aggregating Rs. 52192.75 Lacs issued and outstanding at the year-end.

(xx) The Company has not raised any money by public issues during the year.

(xxi) 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 29, 2010

Balance Sheet as at March 31, 2010

(RS. LACS)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	4647.49	4440.61
Warrants against Share Capital	2	8670.00	–
Reserves and Surplus	3	218878.89	201794.77
		232196.38	206235.38
LOAN FUNDS			
Secured Loans	4	8102.75	10058.75
Unsecured Loans	5	52291.75	82.61
		60394.50	10141.36
Deferred Tax Liability (Net)	6	269.04	–
		292859.92	216376.74
APPLICATION OF FUNDS			
FIXED ASSETS	7		
Gross Block		27125.86	24921.16
Less: Depreciation		8712.30	7493.83
Net Block		18413.56	17427.33
Capital Work in Progress		2239.63	2560.05
		20653.19	19987.38
INVESTMENTS	8	258256.15	169030.46
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	9	2546.00	2804.31
Sundry Debtors	10	6120.08	5289.74
Cash and Bank Balances	11	1443.50	16633.20
Other Current Assets	12	2.63	49.93
Loans and Advances	13	5529.09	6668.06
		15641.30	31445.24
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	14	3138.55	3308.49
Provisions	15	997.11	837.88
		4135.66	4146.37
NET CURRENT ASSETS		**11505.64**	27298.87
MISCELLANEOUS EXPENDITURE	16	**2444.94**	60.03
(To the extent not written off or adjusted)			
		292859.92	216376.74
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	23		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Profit and Loss Account for the year ended March 31, 2010

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Sales		35553.26	39349.42
Less: Sales Return		(237.18)	(367.72)
Excise Duty		(2283.75)	(3606.19)
		33032.33	35375.51
Income from Investment Activities	17	2059.75	4719.98
Other Income	18	1211.78	1896.98
		36303.86	41992.47
INCREASE/(DECREASE) IN INVENTORY	19	(110.89)	(18.87)
		36192.97	41973.60
EXPENDITURE			
Manufacturing and Other Expenses	20	33210.80	35839.22
Financial Expenses	21	1455.58	1624.83
Depreciation	7	1259.88	1205.99
		35926.26	38670.04
PROFIT FROM OPERATIONS		**266.71**	3303.56
Diminution in value of Investments and Doubtful Advances to Subsidiary (Refer Note B31 on Schedule 23)		8.53	2262.17
PROFIT BEFORE TAX		**258.18**	1041.39
Tax Expense	22	316.95	(1142.08)
PROFIT / (LOSS) AFTER TAX		**(58.77)**	2183.47
PROFIT BROUGHT FORWARD		68716.95	66533.48
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		**68658.18**	68716.95
Earnings Per Share (Rs. per equity share of Rs. 2/- each) (Refer Note B13 on Schedule 23)			
- Basic		(0.03)	0.98
- Diluted		(0.03)	0.98
Number of Shares used in computing earnings per share			
- Basic		23,01,23,298	22,19,98,514
- Diluted		23,17,67,192	22,21,22,712
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	23		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Cash Flow Statement for the year ended March 31, 2010

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	NET PROFIT BEFORE TAX	258.18	1041.39
	Adjustment for		
	Depreciation	1259.88	1205.99
	ESOP Lapsed Written Back	–	(180.82)
	ESOP Compensation Expense	557.63	59.35
	Net Loss on Sale of Fixed Assets	24.15	44.54
	Net Profit on Sale of Investments	(1760.85)	(13.32)
	Fixed Assets and Spares Written Off	0.89	2.87
	Debit Balances Written Off	0.44	2.81
	Provision for Doubtful Debts and Advances	0.42	99.69
	Diminution in value of Investments and Doubtful Advances to Subsidiary	8.53	2262.17
	Provision for Leave Encashment	69.86	66.12
	Provision for Gratuity	92.05	62.06
	Interest Expense	1357.13	1537.61
	Interest Income	(251.14)	(800.57)
	Dividend Income From Non Trade Investments-Current	(47.76)	(3906.09)
	Liability/Provision no Longer Required Written Back	(174.44)	(245.54)
	Unrealised Foreign Exchange (Gain)/Loss	(75.94)	8.81
	TDS on Service/Other Operating Income	(3.47)	(2.59)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1315.56**	1244.48
	Adjustment for		
	Trade and Other Receivables	(500.77)	(1949.26)
	Inventories	258.31	(43.46)
	Trade Payables	(113.25)	(651.09)
	CASH GENERATED FROM/(USED IN) OPERATIONS	**959.85**	(1399.33)
	Income Tax Refunded/(Paid)	(15.00)	–
	Fringe Benefit Tax (Paid)	–	(59.88)
	Wealth Tax (Paid)	(1.63)	(1.48)
	CASH FROM/(USED IN) OPERATING ACTIVITIES	**943.22**	(1460.69)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Investments made (Others)	(631386.92)	(228905.32)
	Sale of Investments	544722.08	265893.86
	Purchase of Fixed Assets	(2080.61)	(3066.07)
	Sale of Fixed Assets	15.05	21.83
	Interest Received (Net)	267.95	572.26
	Dividend Income From Non Trade Investments-Current	47.76	3906.09
	CASH FROM/(USED IN) INVESTMENT ACTIVITIES	**(88414.69)**	38422.65

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
C. CASH FLOW FROM FINANCING ACTIVITIES			
Preferential issue of shares		15000.00	–
Issue of Warrants		8670.00	–
Shares Issue Expenses		(593.13)	–
ESOPs Excercised		0.36	5.76
Interest Paid		(1048.60)	(1592.61)
Proceeds from Compulsorily Convertible Debentures		52192.75	–
Proceeds from Long Term Loans		53.85	15.96
Repayment of Long Term Loans		(2066.03)	(2205.05)
Proceeds/(Repayment) of Short Term Borrowings (Net)		72.57	110.54
Refund of Other Advances Received		-	(17420.55)
CASH FROM/(USED IN) FINANCING ACTIVITIES		**72281.77**	(21085.95)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(15189.70)**	15876.01
CASH AND CASH EQUIVALENTS – OPENING BALANCE		**16633.20**	757.19
CASH AND CASH EQUIVALENTS – CLOSING BALANCE		**1443.50**	16633.20
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(15189.70)**	15876.01

Notes

1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Cash and Cash Equivalents at the end of the year consist of Cash and Stamps in Hand, Fixed Deposits and Balances with Banks:

	As at March 31, 2010	As at March 31, 2009
Cash in Hand	5.69	4.61
Stamps in Hand	0.29	0.18
Fixed Deposits	651.36	4000.00
Balances with Banks *	786.16	5499.53
Remitance in Transit	–	7128.88
	1443.50	16633.20

* Includes Rs. 10.67 Lacs (Previous year Rs. 12.82 Lacs) not available for use by the Company.

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 23

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Schedules annexed to and forming part of the accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
46,00,00,000 Equity Shares of Rs. 2/- each		
(Previous year 46,00,00,000 Equity Shares of Rs. 2/- each)	9200.00	9200.00
8,00,000 Preference Shares of Rs. 100/- each		
(Previous year 8,00,000 Preference Shares of Rs. 100/- each)	800.00	800.00
	10000.00	10000.00
ISSUED, SUBSCRIBED AND PAID UP		
(Refer Notes A9, B6 and B10 on Schedule 23)		
23,23,74,733 Equity Shares of Rs. 2/- each fully paid up		
(Previous year 22,20,30,310 Equity Shares of Rs. 2/- each fully paid up)	4647.49	4440.61
	4647.49	4440.61
Paid up Share Capital includes: - 5,76,60,400 Equity Shares of Rs. 2/- each (Previous year 5,76,60,400 Equity Shares of Rs. 2/- each) allotted as fully paid up by way of bonus shares out of Securities Premium Account; and - 14,68,037 Equity Shares of Rs. 2/- each (Previous year 14,49,925 Equity Shares of Rs. 2/- each) allotted under employees stock option plan		
SCHEDULE-2		
WARRANTS AGAINST SHARE CAPITAL		
(Refer Note B7 on Schedule 23)		
20,00,000 Warants of Rs. 867/- each, Partly Paid Up	8670.00	-
	8670.00	-
SCHEDULE-3		
RESERVES AND SURPLUS		
(Refer Notes A8, A9, B6, B10 and B26 on Schedule 23)		
Capital Reserve		
Opening Balance	50.00	50.00
Additions during the year	–	-
Closing Balance	**50.00**	50.00
Securities Premium Account		
Opening Balance	124002.59	123588.13
Additions during the year	14813.26	414.46
Deletions/utilisations during the year	593.13	-
Closing Balance	**138222.72**	124002.59
Employee Stock Option Outstanding		
Opening Balance	73.39	819.98
Additions during the year	2942.54	73.39
Deletions/utilisations during the year	19.78	819.98
Closing Balance	**2996.15**	73.39
General Reserve		
Opening Balance	8951.84	8951.84
Deletions/utilisations during the year	-	-
Closing Balance	**8951.84**	8951.84
Profit and Loss Account		
Opening Balance	68716.95	66533.48
Additions during the year	-	2183.47
Deletions/utilisations during the year	58.77	-
Closing Balance	**68658.18**	68716.95
	218878.89	201794.77

Schedules annexed to and forming part of the accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-4		
SECURED LOANS		
(Refer Note B5 on Schedule 23)		
Loans and Advances From Banks		
- Term Loan *	5200.00	7228.57
- Fund Based Working Capital Facilities	2902.75	2830.18
	8102.75	10058.75
* Amount repayable within one year Rs. 1600.00 Lacs (Previous year Rs. 1885.71 Lacs)		
SCHEDULE-5		
UNSECURED LOANS		
(Refer Note B9 on Schedule 23)		
Debentures		
60,19,925 (Previous year Nil), 12% Compulsorily Convertible Debentures of Rs. 867/- each	52192.75	-
Other Loans		
From Banks **	99.00	82.61
	52291.75	82.61
** Amount repayable to banks within one year Rs. 40.37 Lacs (Previous year Rs. 32.54 Lacs)		
SCHEDULE-6		
DEFERRED TAX LIABILITY (NET)		
(Refer Notes A10 and B11 on Schedule 23)		
Deferred Tax Liability		
Opening Balance	1956.09	1754.89
Movement during the year	373.03	201.20
Closing Balance	**2329.12**	1956.09
Deferred Tax (Asset)		
Opening Balance	(1956.09)	(554.75)
Movement during the year	(103.99)	(1401.34)
Closing Balance	**(2060.08)**	(1956.09)
Net Deferred Tax Liability	**269.04**	-

Schedules annexed to and forming part of the accounts

SCHEDULE-7
FIXED ASSETS

(Refer Notes A3, A4, A5 and B2 on Schedule 23)

(RS. LACS)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions	Deletions/ Adjustments	As at March 31, 2010	As at April 1, 2009	Additions	Deletions/ Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Land (Freehold)	209.88	127.27	-	337.15	-	-	-	-	337.15	209.88
Building	3108.33	230.61	-	3338.94	574.52	103.34	-	677.86	2661.08	2533.81
Leasehold Improvements	355.51	482.36	-	837.87	355.51	36.27	-	391.78	446.09	-
Plant and Machinery	19923.49	1065.69	-	20989.18	5852.56	1020.36	-	6872.92	14116.26	14070.93
Furniture, Fittings and Equipments	790.21	268.29	22.21	1036.29	504.63	49.22	13.42	540.43	495.86	285.58
Vehicles	335.28	101.40	49.79	386.89	74.54	32.20	18.49	88.25	298.64	260.74
Intangible Assets										
Software	198.46	10.58	9.50	199.54	132.07	18.49	9.50	141.06	58.48	66.39
Total	**24921.16**	**2286.20**	**81.50**	**27125.86**	**7493.83**	**1259.88**	**41.41**	**8712.30**	**18413.56**	**17427.33**
Previous year	23754.60	1294.67	128.11	24921.16	6346.71	1205.99	58.87	7493.83		
Capital Work in Progress									2239.63	2560.05
									20653.19	19987.38

Notes:

1. Additions include:
   - Pre-Operative expenses capitalised Rs. 27.47 Lacs (Previous year Rs. 26.64 Lacs).
2. Leasehold Improvements represents civil and other improvements at Company's leased premises.
3. Plant and Machinery includes an amount of Rs. 135.08 Lacs (Previous year Rs. 135.08 Lacs) paid to PSEB for drawing a power line representing assets not owned by the Company. The same has been depreciated over a period of five years.
4. The above includes vehicles hypothecated amounting to Rs. 175.14 Lacs (Previous year Rs. 176.48 Lacs).
5. Capital Work in Progress includes:
   - Pre-Operative expenses pending allocation and capitalisation Rs. 295.76 Lacs (Previous year Rs. 114.06 Lacs).
   - Capital Advance Rs. 876.34 Lacs (Previous year Rs. 118.31 Lacs).
   - Borrowing Cost Rs. 7.50 Lacs (Previous year Nil).

(RS. LACS)

		As at March 31, 2010	As at March 31, 2009
SCHEDULE-8			
INVESTMENTS			
(Refer Notes A6, B8, B17, B25, B29, B31 and B32 on Schedule 23)			
a) Long Term-Trade (Unquoted), at cost			
Subsidiaries			
Equity Shares	182914.23		157031.75
Less: Provision for Diminution	(3686.73)	179227.50	(3686.73)
Preference Shares		1500.00	1505.00
b) Long Term-Non Trade (Quoted), at cost			
Equity Shares		0.65	0.65
c) Current Non Trade (Unquoted), at cost			
Units in Mutual Fund			
- Unutilised monies raised through preferential issue proceeds	52196.99		2009.84
- Others	25331.01	77528.00	12169.95
		258256.15	169030.46
Aggregate value of unquoted investments		258255.51	169029.81
Aggregate value of quoted investments		0.65	0.65
Market value of quoted investments		2.38	0.83

Schedules annexed to and forming part of the accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-9		
INVENTORIES		
(Refer Notes A7 and B23 on Schedule 23)		
Manufacturing and Trading Activities		
Raw Materials in Stores [Includes Material in Transit Rs. 161.50 Lacs		
(Previous year Nil)]	1239.95	1577.01
Stores and Spares	645.05	455.41
Work in Process	538.01	579.29
Finished Goods	122.99	192.60
	2546.00	2804.31
SCHEDULE-10		
SUNDRY DEBTORS		
(Unsecured)		
Debts exceeding six months:		
Considered Good	25.91	0.92
Considered Doubtful	211.21	268.98
Less: Provision for Doubtful Debts	(211.21)	(268.98)
	25.91	0.92
Other Debts		
Considered Good	6094.17	5288.82
Considered Doubtful	-	22.89
Less: Provision for Doubtful Debts	-	(22.89)
	6120.08	5289.74
SCHEDULE-11		
CASH AND BANK BALANCES		
Cash in Hand	5.69	4.61
Remitance in Transit *	-	7128.88
Balances with Scheduled Banks:		
In Current Accounts	775.49	5486.71
In Debenture Interest Accounts	10.67	12.82
In Fixed Deposit Account	651.36	4000.00
Stamps in Hand	0.29	0.18
	1443.50	16633.20
* Represents amounts receivable against redemption of units in mutual funds		
SCHEDULE-12		
OTHER CURRENT ASSETS		
Interest Receivable		
Considered Good	2.63	49.93
Considered Doubtful	23.53	23.53
Less: Provision for Doubtful Interest	(23.53)	(23.53)
	2.63	49.93
Amounts due from companies under the same management		
- Pharmax Corporation Limited	-	49.54
Maximum amount outstanding during the year from companies under the same management		
- Pharmax Corporation Limited	122.31	61.18

Schedules annexed to and forming part of the accounts

(RS. LACS)

		As at March 31, 2010	As at March 31, 2009
SCHEDULE-13			
LOANS AND ADVANCES			
(Refer Notes B29 and B31 on Schedule 23)			
(Considered good, unless otherwise stated)			
Secured			
Housing Loans		3.64	4.18
Unsecured			
Subsidiary Companies			
- Advances		1764.27	1337.75
- Loans			
Considered Good	921.81		896.97
Considered Doubtful	2487.96		2479.43
Less: Provision for Doubtful Loans	(2487.96)	921.81	(2479.43)
- Inter Corporate Deposits		338.00	1138.00
- Security Deposit		120.80	120.80
Share Application Money Pending Allotment			
- Subsidiary companies		723.25	723.25
- Companies under the same management		-	800.00
Others			
- Advances recoverable in cash or in kind or for value to be received			
Considered Good	675.92		1192.73
Considered Doubtful	304.64		304.35
Less: Provision for Doubtful Advances	(304.64)	675.92	(304.35)
- Loans to Employees		19.53	19.25
- Inter Corporate Deposits			
Considered Doubtful	441.60		441.60
Less: Provision for Doubtful Deposits	(441.60)		(441.60)
- Balance with Excise Authorities		278.68	270.58
- Prepaid Expenses		552.49	34.23
- Security Deposits		130.70	130.32
		5529.09	6668.06
Amount due from directors (Refer Note B12 on Schedule 23)		284.22	-
Maximum amount outstanding during the year from directors		358.43	807.87
Amounts due from subsidiaries			
- Max Healthcare Institute Ltd.		1418.99	1225.91
- Max New York Life Insurance Co. Ltd.		28.21	10.73
- Pharmax Corporation Ltd.		458.80	1267.33
- Max Ateev Ltd.		676.98	674.06
- Max Neeman Medical International Ltd.		909.97	888.06
- Max HealthStaff International Ltd.		1822.82	1814.29
- Neeman Medical International NV		92.57	92.57
- Neeman Medical International BV		723.25	723.25
- Max Bupa Health Insurance Co. Ltd.		224.07	-
- Hometrail Estate Pvt. Ltd.		0.43	-
Maximum amount outstanding during the year from subsidiaries			
- Max Healthcare Institute Ltd.		1420.91	1234.05
- Max New York Life Insurance Co. Ltd.		35.01	22.38
- Pharmax Corporation Ltd.		1401.14	5703.59
- Max Ateev Ltd.		676.98	676.62
- Max Neeman Medical International Ltd.		909.97	888.05
- Max HealthStaff International Ltd.		1822.82	1820.53
- Neeman Medical International NV		92.57	92.57

Schedules annexed to and forming part of the accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
- Neeman Medical International BV	723.25	723.25
- Max Bupa Health Insurance Co. Ltd.	224.07	-
- Hometrail Estate Pvt. Ltd.	0.43	-
Amounts due from companies under the same management		
- Max Bupa Health Insurance Co. Ltd.	-	985.16
Maximum amount outstanding during the year from companies under the same management		
- Max Bupa Health Insurance Co. Ltd.	-	1008.91

SCHEDULE-14
CURRENT LIABILITIES
(Refer Note B18 on Schedule 23)

	As at March 31, 2010	As at March 31, 2009
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises *	80.90	79.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	2471.87	3010.11
Subsidiary Companies	43.97	17.06
Investor Education and Protection Fund		
Unpaid Debenture Interest	8.09	10.24
Other Liabilities	201.62	167.82
Interest Accrued but not Due	332.10	23.56
	3138.55	3308.49

* As certified by the management

SCHEDULE-15
PROVISIONS
(Refer Notes A10, A11 and B16 on Schedule 23)

		As at March 31, 2010	As at March 31, 2009
Leave Encashment		330.70	260.85
Gratuity		412.22	320.16
Provision for Wealth Tax		1.70	1.63
Provision for Fringe Benefit Tax *	322.84		322.84
Less: Advance Fringe Benefit Tax *	(324.89)	(2.05)	(324.89)
Provision for Income Tax	5557.28		5511.07
Less: Advance Income Tax	(5302.74)	254.54	(5253.78)
		997.11	837.88

* Does not include Nil (Previous year Rs. 152.19 Lacs) paid by the Company against FBT on ESOP and recovered from the employees

SCHEDULE-16
MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)
(Refer Notes A13 and B14 on Schedule 23)

	As at March 31, 2010	As at March 31, 2009
Deferred Employee Compensation	2444.94	60.03
	2444.94	60.03

Schedules annexed to and forming part of the accounts

(RS. LACS)

		For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-17			
INCOME FROM INVESTMENT ACTIVITIES			
(Refer Notes A2, A6 and B17 on Schedule 23)			
Dividend Income From Non Trade Investments-Current		47.76	3906.09
Interest (Gross) on: *			
- Inter Corporate Deposits	121.14		287.15
- Fixed Deposits	92.66		502.35
- Others	37.34	251.14	11.07
Net Profit on Sale of Non Trade Investments-Current		1760.85	13.32
		2059.75	4719.98
* Tax deducted at source Rs. 30.49 Lacs (Previous year Rs. 178.38 Lacs)			
SCHEDULE-18			
OTHER INCOME			
Job Work Charges *		-	20.11
Liabilities/Provisions No Longer Required Written Back		174.44	245.54
Gain on Foreign Exchange Fluctuation	198.71		
Less: Loss on Foreign Exchange Fluctuation	(175.55)	23.16	-
Miscellaneous Income		1014.18	1631.33
		1211.78	1896.98
* Tax deducted at source Nil (Previous year Rs. 0.46 Lacs)			
SCHEDULE-19			
INCREASE/(DECREASE) IN INVENTORY			
Opening Stock			
Work in Process	579.29		625.19
Finished Goods	192.60		165.57
		771.89	790.76
Less: Closing Stock			
Work in Process	538.01		579.29
Finished Goods	122.99		192.60
		661.00	771.89
Net Increase/(Decrease)		**(110.89)**	(18.87)
SCHEDULE-20			
MANUFACTURING AND OTHER EXPENSES			
(Refer Note B27 on Schedule 23)			
Manufacturing			
Raw Materials Consumed		21432.06	23338.53
Goods Purchased for Resale		-	1.50
Excise Duty on Scrap and Others		64.23	164.49
Power and Fuel		2464.84	2317.13
Stores and Spares Consumed		512.26	469.89
Packing Material		967.43	1051.67
Freight Inward		53.31	45.08
Repairs and Maintenance-Plant and Machinery		130.85	153.12
Processing Charges		28.26	46.63
		25653.24	27588.04

Schedules annexed to and forming part of the accounts

(RS. LACS)

		For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-20 (Contd...)			
Personnel			
Salaries, Wages and Bonus *		2998.65	3333.30
Contribution to Provident and Other Funds		240.88	221.28
Recruitment		35.97	62.36
Staff Welfare		112.32	107.99
		3387.82	3724.93
* Net of employee compensation expenses written back amounting to Nil (Previous year Rs. 180.82 Lacs) pertaining to earlier years			
Administration and others			
(Refer Notes B21, B28 and B30 on Schedule 23)			
Rent		231.38	223.33
Insurance		86.79	78.01
Rates and Taxes		9.58	14.44
Repairs and Maintenance:			
Building		21.19	41.66
Others		363.08	352.72
Electricity and Water		38.61	37.69
Printing and Stationery		66.09	67.43
Travelling and Conveyance		610.62	721.61
Communication		77.57	79.10
Legal and Professional		936.57	739.59
Directors' Fee		16.34	16.44
Business Promotion		53.83	65.35
Commission		51.96	81.14
Trade Discount		461.35	476.53
Selling and Distribution		970.50	1116.40
Advertisement and Publicity		255.70	24.81
Provision for Doubtful Debts and Advances		0.42	99.69
Loss on Sale/Disposal of Fixed Assets	24.15		44.60
Less: Profit on Sale/Disposal of Fixed Assets	(0.01)	24.14	(0.06)
Debit Balances Written Off		0.44	2.81
Fixed Assets and Spares Written Off		0.89	2.87
Charity and Donation		232.29	196.29
Loss on Foreign Exchange Fluctuation		-	355.18
Less: Profit on Foreign Exchange Fluctuation		-	(309.79)
Miscellaneous		82.22	349.26
Less: Overheads Recovery**		(421.82)	(350.85)
		4169.74	4526.25
		33210.80	35839.22

** Tax Deducted at source Rs. 1.40 Lacs (Previous year Rs. 2.13 Lacs)

Schedules annexed to and forming part of the accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-21		
FINANCIAL EXPENSES		
(Refer Notes A4 and B9 on Schedule 23)		
Interest on:		
Debentures	353.56	-
Term Loans	701.65	1031.66
Acceptances	9.27	32.02
Working Capital Facilities	277.86	369.02
Others	14.79	104.91
Bank Charges	59.83	63.27
Finance Charges	38.62	23.95
	1455.58	1624.83
SCHEDULE-22		
TAX EXPENSE		
(Refer Notes A10 and B11 on Schedule 23)		
Current Year Tax		
Income Tax	46.21	-
Wealth Tax	1.70	1.63
Fringe Benefit Tax	-	56.43
Add:		
Deferred Tax	269.04	(1200.14)
	316.95	(1142.08)

Schedules annexed to and forming part of the accounts

SCHEDULE – 23

A. SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Convention

The Financial Statements are prepared to comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 Revenue Recognition

(a) Export sales are accounted on the basis of the date of bill of lading/airways bill. Other sales are accounted for at ex-factory prices on transfer of risks and rewards.

(b) Income from investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under advance tax.

(c) Dividend is recognised as income as and when the right to receive such payment is established.

3 Fixed Assets

(a) Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.

(b) Expenses of revenue nature, which are directly related to project set-up are transferred to "Preoperative expenses pending capitalisation". These expenses are allocated to fixed assets in the year of commencement of the related project.

(c) 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.

4 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Other borrowing costs are recognized as an expense in the year in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for its intended use are complete.

5 Depreciation

(a) Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.

(b) Leasehold improvements are depreciated over respective lease periods.

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

(d) Software in the nature of intangible assets are depreciated over a period of six years.

6 Investments

(a) Investments are either classified as current investments or long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost or fair value.

(b) Long-term investments are carried at cost and provisions are recorded to recognise any decline, other than temporary, in the carrying value of each investment.

7 Inventories

(a) Inventories are valued at lower of cost and net realisable value. Cost for this purpose is calculated on a weighted average method. In respect of finished goods and work in process, appropriate overheads are loaded.

(b) Stock of securities is valued at lower of cost and market value, determined category wise. Cost for this purpose is calculated under First In First Out Method.

Schedules annexed to and forming part of the accounts

8 Capital Subsidy

Capital Subsidies, received under the state capital subsidy scheme are accounted for as capital reserve.

9 Employee Stock Option Scheme

(a) 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 the excess of market price on grant date over the exercise price of the option and is amortised on a straight line method basis over the vesting period in line with the Securities and Exchange Board of India (SEBI) Guidelines.

(b) As and when the options are exercised, the same are accounted for as paid up capital to the extent of the face value and Share Premium to the extent of excess of market price over face value on grant date.

(c) 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.

10 Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax, fringe benefit tax and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognised only if there is virtual certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

11 Employee Benefits

(a) Defined Contribution Plan

i) Certain employees of the Company are participants of a defined superannuation plan. The Company makes contributions under the superannuation plan to "Max India Limited Superannuation Fund" based on a specified percentage of each covered employee's salary.

ii) The Company makes monthly contributions to the "Max India Limited Employees' Provident Fund Trust" which is based on a specified percentage of the covered employee's salary. This fund is administered through trustees and the Company's contributions thereto are charged to revenue every year.

(b) Defined Benefit Plans

i) The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the year-end using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the year in which they occur. The Company has a recognised Trust for Gratuity benefits, "Max India Limited Employees' Gratuity Fund" to administer the Gratuity funds. The Trust has taken Master policy with the Life Insurance Corporation of India to cover its liability 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 Gratuity Fund.

ii) The liability in respect of Leave Encashment and Sick Leave is provided for on the basis of actuarial valuation carried out at the year-end for long term compensating absences using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the year in which they occur. Short term compensated absences are provided for based on estimates.

Schedules annexed to and forming part of the accounts

12 Foreign Exchange Transactions

(a) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

(b) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the profit and loss account.

(c) Exchange difference in respect of liabilities incurred to acquire fixed assets are recognised in the profit and loss account.

(d) In case of foreign exchange forward contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

(e) In case of foreign exchange forward contracts taken for highly probable/forecast transactions, the net loss, if any, calculated on `Mark to Market` principle as at the balance sheet date is recorded.

13 Miscellaneous Expenditure

Deferred employee compensation expense is amortised over the vesting period.

14 Leases

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of the lease.

15 Provision and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved.

16 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.

Schedules annexed to and forming part of the accounts

B. NOTES TO ACCOUNTS

1 Contingent Liabilities (RS. LACS)

		Current Year	Previous Year
a)	Corporate guarantees *	39000.00	24000.00
b)	Claims against the Company not acknowledged as debts:		
	- Excise Duty	743.80	709.26
	- Custom Duty	376.43	364.09
	- Service Tax	339.02	334.83
	- Income Tax	--- Refer Note B4 ---	
c)	Letter of Credit outstanding	8111.16	202.14

d) The Company had received show cause notices from the excise department under Central Excise Act, 1944 against which it had filed its appeals to the relevant authorities. As at year end, the Company had filed appeal to CESTAT against the following:

(RS. LACS)

Financial year to which the amount relates	Current Year	Previous Year
2004-2005	0.73	0.73

e) Also refer to Note B8 below

* Loans of Rs. 28308.30 Lacs (Previous year Rs. 22495.80 Lacs) are outstanding against the aforesaid corporate guarantees

2 Capital Commitments (RS. LACS)

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for	9090.87	233.88
Less: Capital Advances	876.34	118.31
Balance Value of Contracts	8214.53	115.57

3 Concession in Custom Duty availed on Capital equipment imported during the year against export obligation undertaken under 'Export Promotion Capital Goods' Scheme is Nil (Previous year Rs. 86.55 Lacs).

Movement of EPCG export obligation is given below: (RS. LACS)

Particulars	Current Year	Previous Year
Obligation as at April 1, 2009	16792.00	19852.00
Additions during the year	-	707.00
Exports made during the year	2306.00	3767.00
Obligation as at March 31, 2010	14486.00	16792.00

4 Income Tax Cases

a) In the case of an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs. 9503.93 Lacs (Previous year Rs. 9503.93 Lacs) was raised by the Income Tax Authorities for the Assessment Year 1998-99 in connection with capital gains realized by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") by holding that the sale transaction pertains to previous year relevant to assessment year 1998-99 and by denying exemption under section 10(23G) of the Income Tax Act, 1961 ("the Act"). On appeal by MTVL, the CIT (Appeals), while holding that the sale transaction pertains to previous period relevant to assessment year 1998-99, quashed the order of the Assessing Officer regarding denial of exemption under

Schedules annexed to and forming part of the accounts

section 10(23G) and the demand was cancelled. The Tax Authorities filed an appeal against this order with the Income-Tax Appellate Tribunal ("ITAT") which is pending as on date.

Subsequently, in the next assessment year i.e. 1999-00, the above-mentioned transaction was once again sought to be taxed both as capital gains and under a different head of income (i.e., business income) on a protective basis by the Assessing Officer as MTVL had asked the Tax Authorities to treat the transaction as that arising in Assessment Year 1999-00 and not in Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24993.19 Lacs which included the demand of Rs. 24368.00 Lacs on protective basis. On appeal by MTVL, the CIT (Appeals) decided in favor of MTVL and the demand was cancelled. The Tax Authorities have filed appeal against ITAT, which appeal is pending as on date.

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

b) Again, in the case of the erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs.15585.17 lacs, has been raised by the Income Tax Authorities for the Assessment Year 2006-07 in connection with capital gains realized by MTVL from the sale of remaining shares of Hutchison Max Telecom Limited ("HMTL") by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence denying exemption under section 10(23G) of the Act. MTVL has filed an appeal before CIT (Appeals) against the said order. Further, on application by MTVL, the entire outstanding demand of Rs 15585.17 lacs has been stayed by the Tax Authorities till the disposal of first appeal by CIT (Appeals).

c) The Company has received the following demands under section 156 of the Income Tax Act, 1961 relating to income tax assessments:

(RS. LACS)

Assessment year	**Demand As at March 31, 2010**	Demand As at March 31, 2009	Appeal Pending Before
2000-2001	Nil	5.25	ITAT
2001-2002	15.65	15.65	ITAT
2002-2003	41.77	41.77	CIT (Appeal)
2003-2004	Nil	Nil	CIT (Appeal)
2004-2005	0.76	0.76	CIT (Appeal)
2005-2006	Nil	Nil	CIT (Appeal)
2006-2007	98.96	98.96	CIT (Appeal)

Schedules annexed to and forming part of the accounts

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

(RS. LACS)

Assessment year	**Demand As at March 31, 2010**	Demand As at March 31, 2009	Appeal Pending Before
1992-1993	18.78	18.78	CIT (Appeal)
1993-1994	14.63	14.63	CIT (Appeal)

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

5 **Loans**

(a) Term loan from Punjab National Bank amounting to Rs. 2600.00 Lacs (Previous year Rs. 3400.00 Lacs) is secured by a first pari passu charge on the fixed assets and second pari passu charge on the current assets of the Company, both present and future.

(b) Term loan from Oriental Bank of Commerce amounting to Rs. 2600.00 Lacs (Previous year Rs. 3400.00 Lacs) is secured by a first pari passu charge on the fixed assets and second pari passu charge on the current assets of the Company, both present and future.

(c) Fund based working capital facilities from banks are secured by a first pari passu hypothecation charge on all current assets and a second charge on immovable and movable fixed assets of the Company, both present and future.

(d) The Company has been sanctioned term loan of Rs. 6000.00 Lacs by IndusInd Bank and Rs. 2500.00 Lacs by Yes Bank Ltd. The Company has not availed any disbursement as at March 31, 2010. The said loans are secured by way of a first pari passu charge on the fixed assets and second pari passu charge on the current assets of the Company, both present and future.

6 Pursuant to shareholders' approval in Extra Ordinary General Meeting held on June 12, 2009 , the Company has allotted 1,03,26,311 equity shares of Rs. 2/- each at a premium of Rs. 143.26 per equity share aggregating to Rs. 15000.00 Lacs, on June 19, 2009 on a preferential basis, to International Finance Corporation.

7 Pursuant to shareholders' approval in Extra Ordinary General Meeting held on January 22, 2010, the Company has allotted 20,00,000 warrants of the face value of Rs. 867/- each to Dynavest India Private Limited, one of the promoter group companies on February 6, 2010. Each warrant entitles the holder thereof to subscribe to four equity shares of Rs. 2/- each in the Share Capital of the Company at a premium of Rs. 214.75 per equity share. Each warrant is convertible into four Equity Share as per prevalent SEBI guidelines at any time before expiry of 18 months from the date of allotment. In consideration of the warrants, the Company has received a deposit of Rs. 8670.00 Lacs (being 50% of the consideration for the issue of shares arising upon conversion of the warrants).

8 In 2007-08, the Company had given a put option to International Finance Corporation ("IFC"), in respect of its subscription to the Company's subsidiary Max Healthcare Institute Limited's Optional Cumulative Partially Convertible Redeemable Preference Shares aggregating Rs. 25000.00 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 20th July, 2010 or in the event of non performance of certain obligations by Max Healthcare Institute Ltd. and/or by the Company.

9 Pursuant to shareholders' approval in Extra Ordinary General Meeting held on January 22, 2010, the Company has allotted 60,19,925 Compulsorily Convertible Debentures ('CCDs') of the face value of Rs. 867/- each for an aggregate consideration of Rs. 52192.75 Lacs to Xenok Limited, a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P. and certain affiliated funds which are controlled by The Goldman Sachs Group, Inc., on a preferential basis. The aforesaid CCDs bearing a coupon of 12% per annum will have to be compulsorily converted into four equity shares of face value of Rs. 2/- each at a premium of Rs. 214.75 per equity share on or before 15 months from the date of issue of CCDs.

Schedules annexed to and forming part of the accounts

10 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 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.

Details of the 2003 Plan are given below:

(NOS)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Options outstanding, beginning of the year	66,320	5,67,935
Granted during the year	13,75,250	66,320
Exercised during the year	(18,112)	(2,87,765)
Forfeited during the year	-	(2,80,170)
Options outstanding, end of the year	14,23,458	66,320

Had the company used the fair value of the options to values its Employee Stock Option Plans the loss in profit and loss account would have been higher by Rs. 29.27 Lacs (Previous year Rs. (16.29)) and basic and dilutive impact per share would have been Rs. (0.01) (Previous year Rs. 0.01).

11 Deferred Tax

The break up and movement of deferred tax assets and deferred tax liabilities into major components is given below:

2009-2010 (RS. LACS)

Particulars	As at April 01, 2009	Movement during the year	**Closing as at March 31, 2010**
Deferred Tax Liability			
Depreciation Expense	1956.09	373.03	2329.12
	1956.09	373.03	2329.12
Deferred Tax (Asset)			
Deduction u/s 43B	(214.88)	(77.46)	(292.34)
Other Provisions	(707.78)	(203.12)	(910.90)
Unabsorbed Depreciation	(1033.43)	176.59	(856.84)
	(1956.09)	(103.99)	(2026.40)
Net Deferred Tax Liability	-	269.04	269.04

2008-2009 (RS. LACS)

Particulars	As at April 01, 2008	Movement during the year	Closing as at March 31, 2009
Deferred Tax Liability			
Depreciation Expense	1754.89	201.20	1956.09
	1754.89	201.20	1956.09
Deferred Tax (Asset)			
Deduction u/s 43B	(165.87)	(49.01)	(214.88)
Other Provisions	(388.88)	(318.90)	(707.78)
Unabsorbed Depreciation	-	(1033.43)	(1033.43)
	(554.75)	(1401.34)	(1956.09)
Net Deferred Tax Liability	1200.14	1200.14	-

Note: Deferred tax assets on timing differences and unabsorbed depreciation are created to the extent of their realisability in future.

Schedules annexed to and forming part of the accounts

12 Directors' Remuneration

(RS. LACS)

		Current Year	Previous Year
(a)	Salary, wages and allowances	186.00	1203.01
(b)	Contribution to provident fund and superannuation fund	29.16	74.52
(c)	Value of perquisites	-	18.37
	Total	215.16	1295.90

The above does not include leave encashment, gratuity, ESOP.

Notes:

During the year, the Company paid remuneration to the executive directors in accordance with the resolutions passed by the Remuneration Committee of the Board of Directors and the Shareholders. An amount of Rs. 284.15 Lacs (Previous year Nil) was paid to the executive directors in excess of the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956. The Company is in the process for obtaining requisite approvals from the Central Government for the same.
In view of the aforesaid, the excess amounts of Rs. 284.15 Lacs (Previous year Nil) received by the concerned directors, are held by them in trust for the Company.

13 Earnings per Share

Calculation of EPS (Basic and Diluted)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic		
Profit / (Loss) after Tax (Rs. Lacs)	(58.77)	2183.47
Weighted average number of Equity Shares	23,01,23,298	22,19,98,514
EPS (Rupees)	**(0.03)**	0.98
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	**22,20,30,310**	22,17,42,545
Issued on June 19, 2009	1,03,26,311	-
Issued on February 26, 2010	18,112	-
Issued on May 5, 2008	-	2,80,175
Issued on December 31,2008	-	7,590
Outstanding as at the end of the year	**23,23,74,733**	22,20,30,310
Diluted		
Profit / (Loss) after Tax (Rs. Lacs)	(58.77)	2183.47
Weighted average number of Equity Shares	23,17,67,192	22,21,22,712
EPS (Rupees)	**(0.03)**	0.98
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	**22,20,96,630**	22,23,10,480
Issued on June 19, 2009	1,03,26,311	-
Issued Convertible Warrants on February 6, 2010	80,00,000	-
ESOPs granted under the 2003 Plan	13,62,447	66,320
ESOP forfeited	-	2,80,170
Outstanding as at the end of the year	**24,17,85,388**	22,20,96,630

Reconciliation of denominators used for calculating basic and diluted earnings per share (NOS)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Denominator used for computing basic Earnings Per Share	23,01,23,298	22,19,98,514
Add :- Dilutive impact of -		
(i) ESOPs granted/forfeited under the 2003 Plan	4,60,332	1,24,198
(ii) Convertible Warrants	11,83,562	-
Denominator used for computing diluted Earnings Per Share	23,17,67,192	22,21,22,712

Schedules annexed to and forming part of the accounts

14 Miscellaneous Expenditure (RS. LACS)

Particulars	As At April 1, 2009	Reversed during the year	Additions	Amortised during the year	As at March 31, 2010
Deferred Employee Compensation *	**60.03**	**-**	**2942.54**	**557.63**	**2444.94**
	(270.69)	(224.70)	(73.39)	(59.35)	(60.03)
	60.03	**-**	**2942.54**	**557.63**	**2444.94**
	(270.69)	(224.70)	(73.39)	(59.35)	(60.03)

* Amortisation has been charged to salaries, wages and bonus.

Previous year figures in bracket.

15 Derivative Instruments

i) Forward cover for foreign currency debtors outstanding as of balance sheet date is Rs. 920.82 Lacs (Previous year Rs. 890.25 Lacs).

ii) Forward cover for foreign currency creditors outstanding as of balance sheet date is Rs. 158.80 Lacs (Previous year Rs. 166.87 Lacs).

iii) Forward cover for expected future purchases or highly probable forecast transaction as of balance sheet date is Rs. 7359.77 Lacs (Previous year Nil).

iv) Foreign currency exposure (net) that are not hedged by derivative instruments or otherwise is Rs. 67.17 Lacs (Previous year Rs. 328.48 Lacs).

16 Employee Benefits

Defined Benefit Plans

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

Unavailed leaves can be encashed (on Basic Salary) at the time of separation from the company.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

(RS. LACS)

	Gratuity		Earned Leave		Sick Leave	
	As at 31.03.2010	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009
Net employee benefit expense (recognised in Employee Cost)						
Service cost	49.28	41.92	49.77	45.96	6.91	-
Interest cost	30.66	28.30	20.35	15.58	-	-
Expected return on plan assets	(6.67)	(8.76)	-	-	-	-
Actuarial (gain)/loss	18.78	0.60	39.38	38.84	-	-
Net cost	**92.05**	**62.06**	**109.50**	**100.38**	**6.91**	**-**
Details of Provision for gratuity and Leave Encashment Benefits						
Present value of the obligation	465.36	393.12	323.79	260.85	6.91	-
Fair value of plan assets	53.14	72.96	-	-	-	-
Liability recognized at the year end	**412.22**	**320.16**	**323.79**	**260.85**	**6.91**	**-**

Schedules annexed to and forming part of the accounts

(RS. LACS)

	Gratuity		Earned Leave		Sick Leave	
	As at 31.03.2010	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009
Change in present value of the defined benefits obligation are as follows:						
Obligations (Opening balance)	393.12	353.76	260.85	194.73	-	-
Service Cost	49.28	41.92	49.77	45.96	6.91	-
Interest cost	30.66	28.30	20.35	15.58	-	-
Benefits paid	(25.15)	(29.72)	(46.56)	(34.26)	-	-
Actuarial (gain)/loss	17.45	(1.14)	39.38	38.84	-	-
Obligation (Closing Balance)	**465.36**	**393.12**	**323.79**	**260.85**	**-**	**-**
Change in the fair value of plan assets are as follows:						
Fair value of plan assets (Opening balance)	72.95	95.66	-	-	-	-
Expected return on plan assets	6.67	8.76	-	-	-	-
Actuarial gain/(loss)	(1.33)	(1.74)	-	-	-	-
Benefits paid	(25.15)	(29.72)	-	-	-	-
Fair value of plan assets (Closing balance)	**53.14**	**72.96**	**-**	**-**	**-**	**-**

The Company expects to contribute NIL to gratuity in 2010-11.

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

Life Insurance Corporation of India	100%	100%				
Assumptions						
Discount rate	8.00%	7.80%	8.00%	7.80%	8.00%	-
Interest Rate	8.00%	7.80%	8.00%	7.80%	8.00%	-
Estimated rate of return on plan assets	9.15%	9.15%	N.A.	N.A.	N.A.	-
Salary Increase	10.00%	10.00%	10.00%	10.00%	10.00%	-
Attrition rate	1% to 5% (Depending on Age)	1% to 5% (Depending on Age)	1% to 5% (Depending on Age)	1% to 5% (Depending on Age)	1% to 5% (Depending on Age)	1% to 5% (Depending on Age)
Leave availment in the service	N.A.	N.A.	5.00%	5.00%	5.00%	-
Retirement age	58 years	58 years	58 years	58 years	58 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

Defined benefit obligation	465.36	393.12	323.79	260.85	6.91	-
Plan assets	53.14	72.96	-	-	-	-
Surplus / (deficit)	(412.22)	(320.16)	(323.79)	(260.85)	(6.91)	-
Experience adjustments on plan liabilities	(26.67)	8.79	(42.42)	(97.56)	-	-
Experience adjustments on plan assets	(1.33)	(1.74)	-	-	-	-

Defined Contribution Plans

During the year, the Company contributed Rs. 101.00 lacs (Previous year Rs. 92.58 lacs) for provident fund and Rs. 48.80 lacs (Previous year Rs. 48.55 lacs) for superannuation fund which represents contribution to defined contribution plans.

Schedules annexed to and forming part of the accounts

17 Investments

The details of investments are given below:

Particulars	Face Value (Rs.)	As at March 31, 2010 Numbers	As at March 31, 2010 Value (Rs. Lacs)	As at March 31, 2009 Numbers	As at March 31, 2009 Value (Rs. Lacs)
LONG TERM TRADE (UNQUOTED), AT COST					
Subsidiaries					
Equity Shares					
Max Ateev Ltd.	10	3,14,43,600	3144.36	3,14,43,600	3144.36
Provision for Diminution			(3144.36)		(3144.36)
Max New York Life Insurance Company Ltd.	10	135,48,07,014	146058.47	131,35,00,014	131350.00
Max Healthcare Institute Ltd.	10	16,61,00,000	16610.00	16,61,00,000	16610.00
Max Bupa Health Insurance Company Ltd.	10	11,17,40,000	11174.01	-	-
Pharmax Corporation Ltd.	1	4,71,17,247	1420.65	4,71,17,247	1420.65
Max Neeman Medical International Ltd.	10	41,66,813	416.68	41,66,813	416.68
Max UK Ltd.	GBP 1	2,99,742	213.00	2,99,742	213.00
Max Healthstaff International Ltd.	10	39,45,000	447.87	39,45,000	447.87
Provision for Diminution			(447.87)		(447.87)
Neeman Medical International BV	Euro 500	38	3334.69	38	3334.69
Max Visions Inc.	USD 30	10,000	94.50	10,000	94.50
Provision for Diminution			(94.50)		(94.50)
			179227.50		**153345.02**
Preference Shares					
Pharmax Corporation Ltd.-9% CRPS	100	15,00,000	1500.00	15,00,000	1500.00
Max Neeman Medical International Ltd.	10	-	-	50,000	5.00
			1500.00		**1505.00**
LONG TERM NON TRADE (QUOTED), AT COST					
Equity Shares					
ICICI Bank Ltd.	10	250	0.65	250	0.65
			0.65		**0.65**
CURRENT NON TRADE (UNQUOTED), AT COST					
Units in Mutual Fund					
Birla Sun Life Savings Fund-Ins.-Growth	10	22,76,797	398.00	-	-
Birla Sun Life Short Term Fund - Growth	10	11,32,52,334	12389.12	7,28,22,224	7598.35
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	10	13,77,56,087	15037.87	-	-
ICICI Prudential Flexible Income Plan-Daily Dividend	10	-	-	3,88,46,655	5046.10
Reliance Medium Term Fund Growth Option	10	9,77,22,559	18643.61	-	-
TATA Floater Fund - Growth	10	13,69,13,679	18799.34	-	-
UTI Floating Rate Fund -Growth	1000	-	-	1,07,457	1535.34
UTI Treasury Advantage Fund IP - Growth	1000	9,91,373	12260.06	-	-
			77528.00		**14179.79**
TOTAL			**258256.15**		**169030.46**

Schedules annexed to and forming part of the accounts

Name of the Investment	Face value (Rs.)	Purchases		Sales	
		Shares/Units (Numbers)	Value (Rs. Lacs)	Shares/Units (Numbers)	Value (Rs. Lacs)
Movement in Investments in Subsidiaries during the year					
Max New York Life Ins. Co. Ltd.	10	4,13,07,000	14708.47	-	-
Max Bupa Health Insurance Company Ltd.	10	11,17,40,000	11174.01	-	-
Max Neeman Medical International Ltd.	10	-	-	50,000	5.00
Movement in Current Non Trade Investments (Unquoted):					
Birla Sun Life Short Term Fund - Institutional - Growth	10	37,02,62,479	39971.90	32,98,32,369	35181.12
Birla Sun Life Short Term Fund - Institutional - Daily Dividend	10	35,13,20,005	35151.32	35,13,20,005	35151.32
Birla Sun Life Cash Plus - Institutional Premium - Growth	10	8,53,27,493	12500.00	8,53,27,493	12500.00
Birla Sun Life Savings Fund Institutional - Growth	10	7,42,27,290	12899.45	7,19,50,494	12501.45
ICICI Prudential Liquid Plan Super Institutional - Growth	10	-	-	3,88,46,655	5046.10
IDFC Cash Fund - Super Inst. Plan C Growth	10	13,43,37,581	15000.00	13,43,37,581	15000.00
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	10	27,55,15,732	30039.48	13,77,59,645	15001.61
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Daily Dividend	10	15,03,56,123	15037.87	15,03,56,123	15037.87
Reliance Liquidity Fund - Growth Option	10	18,15,91,966	24600.00	18,15,91,966	24600.00
Reliance Medium Term Fund Growth Option	10	36,04,51,680	67516.47	26,27,29,122	48872.86
Reliance Medium Term Fund - Daily Dividend	10	25,10,20,948	42913.29	25,10,20,948	42913.29
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	10	4,99,93,071	5000.86	4,99,93,071	5000.86
TATA Liquid Super High Investment Fund - Appreciation	1000	17,75,756	29670.00	17,75,756	29670.00
TATA Floater Fund - Growth	10	56,06,02,529	75759.36	42,36,88,850	56960.01
TATA Floater Fund - Daily Dividend	10	45,91,90,050	46082.48	45,91,90,050	46082.48
UTI Money Market Fund - Growth Plan	1000	6,58,35,950	24298.08	6,58,35,950	24298.08
UTI Money Market Fund - Daily Dividend	1000	4,35,54,391	10572.30	4,35,54,391	10572.30
UTI Liquid Cash Plan Institution- Growth Option	1000	10,70,859	16000.00	10,70,859	16000.00
UTI Floating Rate Fund -Growth	1000	8,11,289	11767.09	9,18,746	13302.43
UTI Floating Rate Fund - Daily Dividend	1000	12,70,059	12806.70	12,70,059	12806.70
UTI Money Market Mutual Fund - Institutional Growth Plan	1000	4,95,380	5000.00	4,95,380	5000.00
UTI Treasury Advantage Fund IP - Growth	1000	40,55,164	49593.61	30,63,791	37333.55
UTI Treasury Advantage Fund IP - Daily Dividend	1000	24,11,903	24124.19	24,11,903	24124.19

18 As per information received from the suppliers, few suppliers are identified as micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. During the year, there is no instance of late payment or overdue and remaining unpaid to these suppliers. Accordingly, no interest is paid or accrued and remaining unpaid to these suppliers.

19 **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:

Schedules annexed to and forming part of the accounts

- **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 has business investments in companies operating in the areas of Life Insurance, Health Insurance, Healthcare and Clinical Research businesses. These investments along with its treasury investments have been combined to form Business Investment Segments.

The above business 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.

Segment Revenue consists of revenue from external customers only since there are no significant inter segment transfers.
Segment Result is the difference of segment revenue and segment operating expenses.
Unallocated Assets include assets pertaining to the 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 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.

(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).

Primary Segments (RS. LACS)

Particulars	Specialty Plastic Products	Business Investments	Total
a) Segment Revenue from:			
Sales to External Customers	**33863.23**	**–**	**33863.23**
	(37003.51)	(-)	(37003.51)
Income from Investment Activities	**–**	**2022.41**	**2022.41**
	(-)	(4708.91)	(4708.91)
Other Income	**118.53**	**–**	**118.53**
	(21.79)	(-)	(21.79)
Total Segment Revenue	**33981.76**	**2022.41**	**36004.17**
	(37025.30)	(4708.91)	(41734.21)
Interest Income			**37.34**
			(11.07)
Unallocated Income			**262.35**
			(247.19)
Total Revenue			**36303.86**
			(41992.47)

Schedules annexed to and forming part of the accounts

Primary Segments (RS. LACS)

Particulars	Specialty Plastic Products	Business Investments	Total
b) **Segment Results**	**3108.72**	**2022.41**	**5131.13**
	(4003.67)	(4708.91)	(8712.58)
Interest Income			**37.34**
			(11.07)
Less:-			
Unallocated Expenses			**3446.18**
			(3795.26)
Interest Expense			**1455.58**
			(1624.83)
Profit from Operations			**266.71**
			(3303.56)
Diminution in Value of Investments and Doubtful Advances			**8.53**
			(2262.17)
Profit before Tax			**258.18**
			(1041.39)
Provision for Taxation (Includes Provision for Deferred Tax Liabilities)			**316.95**
			((1142.08))
Profit / (Loss) after Tax			**(58.77)**
			(2183.47)
c) **Carrying Amount of Segment Assets**	**29454.53**	**262124.88**	**291579.41**
	(28929.50)	(174034.34)	(202963.84)
Unallocated Assets			**5416.17**
			(17559.27)
Total Assets			**296995.58**
			(220523.11)
d) **Segment Liabilities**	**2774.12**	**43.49**	**2817.61**
	(2890.94)	(17.06)	(2908.00)
Unallocated Liabilities			**61981.59**
			(11379.73)
Total Liabilities			**64799.20**
			(14287.73)
e) **Cost to Acquire Tangible and Intangible Fixed Assets**	**1652.14**	**-**	**1652.14**
	(1199.96)	(-)	(1199.96)
Unallocated			**634.06**
			(94.71)
Total Addition			**2286.20**
			(1294.67)
f) **Depreciation and Amortisation Expense**	**1184.75**	**-**	**1184.75**
	(1134.15)	(-)	(1134.15)
Unallocated Depreciation and Amortization			**75.13**
			(71.84)
Total Depreciation and Amortization			**1259.88**
			(1205.99)

Schedules annexed to and forming part of the accounts

Primary Segments (RS. LACS)

Particulars	Specialty Plastic Products	Business Investments	Total
g) Non-Cash Expenses other than Depreciation	**17.68**	**8.53**	**26.21**
and Amortization	(152.64)	(2219.07)	(2371.71)
Unallocated Non Cash Expenses			**8.22**
			(40.37)
Total			**34.43**
			(2412.08)

Secondary Segments (RS. LACS)

Particulars	India	Outside India	Total
a) Revenue from External Customers	**30597.67**	**5406.50**	**36004.17**
	(34817.66)	(6916.55)	(41734.21)
b) Carrying Amount of Segment Assets by Location of Assets	**285875.69**	**5703.72**	**291579.41**
	(197446.61)	(5517.23)	(202963.84)
c) Cost to Acquire Tangible and Intangible Fixed Assets by Location of Assets	**1652.14**	**-**	**1652.14**
	(1199.96)	(-)	(1199.96)

Note: Figures in brackets are for previous year.

20 Related Parties (as identified by the management) are classified as:

Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV, Neeman Medical International NV, Max Neeman Medical International Inc., USA, Max Medical Services Ltd., Max Healthcare Institute Ltd., Alps Hospital Ltd., Max UK Ltd., Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd., Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)
Key Management Personnel	Mr. Analjit Singh
Relatives of Key Management Personnel	Mr. Veer Singh, Ms. Tara Singh
Directors # (Stock Option)	Mr. Aman Mehta, Mr. Anuroop Singh, Mr. Ashwani Windlass, Mr. N C Singhal, Mr. N Rangachary, Mr. Piyush Mankad, Mr. S K Bijlani
Enterprises over which Key Management Personnel have Significant Influence	Liquid Investments & Trading Company, New Delhi House Services Ltd., Medicare Investments Ltd., Maxopp Investments Ltd., Cheminvest Ltd., Pivet Finances Ltd., Lakeview Enterprises, Delhi Guest House Pvt Ltd., Trophy Holdings Pvt. Ltd., M.V. Healthcare Services Pvt. Ltd., ND Callus Info Services Pvt. Ltd., Boom Investments Pvt. Ltd., Malsi Holdings Ltd., Dynavest India Pvt. Ltd., Scorpio Beverages Pvt. Ltd., Trophy Guest Houses & Resorts Pvt. Ltd., Trophy Estates Pvt. Ltd., Gaylord Impex Ltd., Pen Investments Ltd., Mohair Investment, PVT Investment Ltd., Malsi Estates Ltd, TVP Investments Pvt. Ltd., BAS Enterprises Pvt. Ltd., Vitasta Estate Pvt. Ltd., Terra Planet Estate Pvt. Ltd., Doon Holiday Resorts Pvt. Ltd., Urban Space Consultants Pvt. Ltd., Max India Foundation, Capricorn Health Services Private Ltd., Leo Retailing and Health Services Pvt. Ltd., Nurture Health Services Pvt. Ltd., Capricorn Retailing and Services Pvt. Ltd., Veer Health Services Pvt. Ltd., Wegmans Business Park Pvt. Ltd., Synergy Infracon Pvt. Ltd., Max Speciality Products Ltd., Malsi Hotels Ltd. (Effective March 20, 2009), Bhai Mohan Singh Foundation, ABK Consultants Pvt. Ltd. (effective September 14, 2009), Hometrail Properties Pvt. Ltd., Max Bupa Health Insurance Company Ltd. (Upto December 16, 2009)
Employee Benefit Funds	Max India Ltd. Employees' Provident Fund Trust, Max India Ltd. Superannuation Fund, Max India Limited Employees' Gratuity Fund

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

(RS. LACS)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Over which Key Management Personnel have Significant Influence	Employee Benefit Funds
1 Fixed Assets Purchased	**0.42**	**-**	**-**	**-**	**-**
	(45.54)	(-)	(-)	(6.32)	(-)
2 Fixed Assets Transferred	**-**	**-**	**-**	**1.40**	**-**
	(-)	(-)	(-)	(-)	(-)
3 Deposits and Advances Given	**-**	**284.22**	**-**	**-**	**-**
	(62.77)	(-)	(-)	(-)	(-)
4 Loans Given	**8.45**	**-**	**-**	**-**	**-**
	(5928.50)	(-)	(-)	(-)	(-)
5 Income and Reimbursement					
- Interest Income	**121.14**	**-**	**-**	**-**	**-**
	(287.15)	(-)	(-)	(-)	(-)
- Reimbursement of Expenses	**526.46**	**-**	**-**	**55.24**	**-**
	(381.51)	(-)	(-)	(236.79)	(-)
6 Expense					
- Services / Other Expenses Received	**438.89**	**-**	**13.28**	**222.21**	**-**
	(444.74)	(-)	(9.08)	(235.46)	(-)
- Directors' Remuneration	**-**	**215.16**	**-**	**-**	**-**
	(-)	(1295.90) *	(-)	(-)	(-)
- Company's Contribution to Trust	**-**	**-**	**-**	**-**	**124.68**
	(-)	(-)	(-)	(-)	(115.85)
7 Provision for diminution	**8.53**	**-**	**-**	**-**	**-**
	(2262.17)	(-)	(-)	(-)	(-)
8 Investments					
- Made	**23804.44**	**-**	**-**	**-**	**-**
	(55500.00)	(-)	(-)	(-)	(-)
- Advance against Equity	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(800.00)	(-)
- Redemption of Preference Shares	**5.00**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(-)	(-)
9 Warrants - Partly Paid Up	**-**	**-**	**-**	**8670.00**	**-**
	(-)	(-)	(-)	(-)	(-)
10 Corporate Guarantee Given	**15000.00**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(-)	(-)
11 Amount Outstanding					
- Corporate Guarantee	**39000.00**	**-**	**-**	**-**	**-**
	(24000.00)	(-)	(-)	(-)	(-)
- Against Loan Given	**3747.77**	**-**	**-**	**-**	**-**
	(4514.40)	(-)	(-)	(-)	(-)
- Interest Receivable	**-**	**-**	**-**	**-**	**-**
	(49.54)	(-)	(-)	(-)	(-)
- Other Receivable	**1871.37**	**284.22**	**-**	**13.49**	**-**
	(1458.56)	(-)	(-)	(204.73)	(-)
- Other Payable	**30.28**	**-**	**-**	**-**	**-**
	(17.06)	(-)	(-)	(9.33)	(-)

Other relevant information -

i) The above excludes sitting fees Rs. 16.34 Lacs (Previous year Rs. 16.44 Lacs) paid to non-executive directors.

ii) Figures in brackets are for previous year.

* Refer note B12 above.

\# Excludes expense Rs. 427.05 Lacs on 12,30,000 Stock Options granted (Of the options outstanding, 12,00,000 options have been granted to Mr. Anuroop Singh, Non Executive Vice Chairman).

Schedules annexed to and forming part of the accounts

21 Leases

Accounting for leases has been done in accordance with Accounting Standard-19 issued by the ICAI. Following are the details of lease transactions for the year:

(a) Finance Lease

The Company does not have any finance lease arrangement.

(b) Operating Lease

(i) Lease rentals recognised in the profit and loss account for the year is Rs. 231.38 Lacs (Previous year Rs. 223.33 Lacs).

(ii) 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. Further, the Company has not entered into any non-cancellable leases.

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

22 Details of Stock of Securities:

Equity Shares

	Current Year		Previous Year	
	Numbers	Value (Rs. Lacs)	Numbers	Value (Rs. Lacs)
Opening Balance	8,27,166	-	8,27,166	-
Write Off	-	-	-	-
Closing Stock	8,27,166	-	8,27,166	-

23 A. (i) Installed Capacity and Actual Production

Product	Unit	Installed Capacity* (Annual)	Actual Production
BOPP Film	Tonnes	**29,150**	**29,646.56**
		(29,150)	(28,504.10)
Soft Leather Finishing Foil	Lacs (SFT)	**591**	**69.81**
		(555)	(84.97)

Figures in brackets are for Previous year

Notes:

Licensed capacity is not applicable.

* Annual installed capacities are certified by the management.

(ii) Stock of Finished Goods

Product	Unit	Opening Stock		Closing Stock	
		Quantity	Value (Rs. Lacs)	Quantity	Value (Rs. Lacs)
Manufactured					
BOPP Film	Tonnes	**150.20**	**181.42**	**118.50**	**119.20**
		(148.89)	(153.43)	(150.20)	(181.42)
Soft Leather Finishing Foil	Lacs (SFT)	**1.25**	**5.14**	**0.68**	**3.79**
		(1.51)	(5.88)	(1.25)	(5.14)
Traded					
Soft Leather Finishing Foil	Lacs (SFT)	**0.56**	**6.04**	**-**	**-**
		(0.58)	(6.26)	(0.56)	(6.04)
Total			**192.60**		**122.99**
			(165.57)		(192.60)

Figures in brackets are for previous year

Schedules annexed to and forming part of the accounts

(iii) Turnover

Product	Unit	Quantity	Value (R. Lacs)
a) Manufactured Goods			
BOPP Film	Tonnes	**29678.26**	**34880.61**
		(28,501.99)	(38432.22)
Soft Leather Finishing Foil	Lacs (SFT)	**70.38**	**671.99**
		(85.23)	(914.56)
b) Traded Goods			
Soft Leather Finishing Foil	Lacs (SFT)	**0.56**	**0.66**
		(0.15)	(2.64)
Total			**35553.26**
			(39349.42)

Figures in brackets are for previous year

(iv) Purchase of Finished Goods

Product	Unit	Current Year		Previous Year	
		Quantity	Value (Rs. Lacs)	Quantity	Value (Rs. Lacs)
Soft Leather Finishing Foil	Lacs (SFT)	-	-	0.13	1.50
Total		**-**	**-**	**0.13**	**1.50**

(v) Raw Materials Consumed

Materials	Unit	Current Year		Previous Year	
		Quantity	Value (Rs. Lacs)	Quantity	Value# (Rs. Lacs)
Polypropylene	Tonnes	29,294.44	18557.85	28,917.20	20074.88
Polypropylene Compounds	Tonnes	1,727.86	1962.85	1,848.34	2131.77
Others *	-		911.36		1131.88
Total			**21432.06**		**23338.53**

Note:

* It is not practicable to furnish quantitative information in view of large number of items, each being less than ten percent in value of total.

\# Excludes Nil (Previous year Rs. 51.90 Lacs) relating to consumption during trial run.

(vi) Consumption of Raw Materials, Stores and Spares

Materials	Current Year		Previous Year	
	Value (Rs. Lacs)	% of Consumption	Value (Rs. Lacs)	% of Consumption
Raw Materials				
- Imported	4934.26	23.02	4635.46	19.86
- Indigenous	16497.80	76.98	18703.07	80.14
Total	**21432.06**	**100.00**	**23338.53**	**100.00**
Store and Spares				
- Imported	174.81	34.13	157.74	33.57
- Indigenous	337.45	65.87	312.15	66.43
Total	**512.26**	**100.00**	**469.89**	**100.00**

Schedules annexed to and forming part of the accounts

B. Value of Imports calculated on CIF Basis

(RS. LACS)

Particulars	Current Year	Previous Year
Raw Materials	4621.30	5140.03
Components and Spare Parts	343.16	264.29
Capital Goods	54.44	1075.09
Trading Goods	-	1.15
Total	**5018.90**	**6480.56**

C. Expenditure in Foreign Currency

(RS. LACS)

Particulars	Current Year	Previous Year
Legal and Professional	338.47	35.38
Commission	13.99	51.86
Others	110.45	154.08
Total	**462.91**	**241.32**

D. Earnings in Foreign Currency

(RS. LACS)

Particulars	Current Year	Previous Year
Exports on FOB basis	5272.85	6557.51
Total	**5272.85**	**6557.51**

24 Auditors' Remuneration

(RS. LACS)

Particulars	Current Year	Previous Year
Audit fees (including service tax)	16.55	16.55
Out of pocket expenses	1.00	0.68
Certification Fee	56.25	-
Total	**73.81**	**17.23**

25 Preferential / QIP / CCDs / Warrants Issue Proceeds

Details of additions:

(RS. LACS)

Particulars	Current Year	Previous Year
Opening Balance	2009.84	75730.39
Addition:		
On preferential allotment of equity shares	15000.00	-
On allotment of warrants	8670.00	-
On allotment of CCDs	52192.75	-
Total	**77872.59**	**75730.39**
Utilizations:		
Investment in subsidiary companies	25082.47	55500.00
Advance against Investment in subsidiary company	-	800.00
Refund of Option Deposit to New York Life International	-	17420.55
Share issue expenses	593.13	-
Total	**25675.60**	**73720.55**
Balance invested in units of mutual fund	52196.99	2009.84

Schedules annexed to and forming part of the accounts

26 Securities Premium Account

(i) Details of additions:

(RS. LACS)

Particulars	Current Year	Previous Year
1. On allotment of preferential shares (Refer note 6 above)	14793.48	-
2. Exercise of Stock Option	19.78	414.46
Total	**14813.26**	**414.46**

(ii) Details of utilization:

(RS. LACS)

Particulars	Current Year	Previous Year
1. Expenses on issuance of shares / warrants / debentures	593.13	-

27 During the year, Rs. 21.47 Lacs (Previous year Rs. 16.51 Lacs) has been charged to the profit and loss account relating to Research and Development expenditure under the heads Raw Material - Consumed and Power & Fuel.

28 During the year, the Company shared the services of some of its employees and facilities with group companies. Consequently, the share of costs attributable to these companies has been charged out to the relevant group companies.

29 As a consequence of the Company's investment of Rs. 11174.01 Lacs, Max Bupa Health Insurance Co. Ltd. became a 74% subsidiary on December 17, 2009. In addition, the Company has a put option to transfer and Bupa Singapore Pte. Ltd (Bupa Singapore) has a call option under which the Company would be required to transfer 24% of its shareholding to Bupa Singapore, subject to approval under applicable laws and regulations. As consideration of the call option granted by the Company, Bupa Singapore is obligated to pay an option fee to the Company.

30 During the previous year, 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. 1700.00 Lacs from the Company to this initiative.

Of the above, a sum of Rs. 190.00 Lacs (Previous year Rs. 130.00 Lacs) has been contributed by the Company during the current year and included under the head Charity and Donation.

31 The Company had invested Rs. 447.87 Lacs in the form of 39,45,000 equity shares of Rs. 10/- each and had extended loans of Rs. 1822.82 Lacs to its wholly owned subsidiary Max HealthStaff International Limited (MHS) till March 31, 2010. MHS is in the business of sourcing, training and placing healthcare personnel in India and abroad more particularly in the United States. The placement of healthcare personnel in United States is subject to availability of immigrant visas, which is currently unavailable given the visa retrogression in force. Consequently, MHS has considerably scaled down its operations till the time further clarity on immigration laws emerges. Accordingly, based on prudent accounting practices, the management has decided to provide for diminution in the balance value of investments and loans given to MHS for Rs. 8.53 Lacs (Previous year Rs. 2262.16 Lacs).

Schedules annexed to and forming part of the accounts

32 In line with the expansion plans of the Company, the Board of Directors of the Company in its meeting held on March 30, 2010 approved the proposal of MNYL, a 73.68% subsidiary to issue equity shares of approximately 4% of post issue equity base of MNYL to Axis Bank Ltd. ("Axis Bank) at par. The aforesaid equity issuance shall come into force post execution of definitive agreements and receipt of requisite regulatory approvals. Thereafter, on May 3, 2010, MNYL signed corporate agency agreement with Axis Bank for a period of ten years whereby Axis Bank would be distributing life Insurance products of MNYL across India.

33 Pursuant to the settlement of a dispute between General Binding Corporation ("GBC") and the Company arising out of the breach of manufacturing and sale agreement by GBC, the Company and GBC have executed a settlement agreement on May 18, 2010. As per the terms of the settlement agreement GBC is required to pay USD 3.75 Million (approx. Rs. 1700.00 Lacs) to the Company as a settlement amount. Subsequently, in May 2010, the Company has received 50% of this amount.

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

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 0 8 0 3 1 State Code 1 6

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	20688

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
29285992	29285992

SOURCES OF FUND

Paid-up Capital	Warrants against Share Capital
464749	867000
Reserves and Surplus	**Secured Loans**
21887889	810275
Unsecured Loans	**Deferred Tax Liability (Net)**
5229175	26904

APPLICATION OF FUNDS

Net Fixed Assets	Investments
2065319	25825615
Net Current assets	**Misc. Expenditure**
11505564	244494
Accumulated Losses	
NIL	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
36192977	35934779
+ - **Profit before Tax**	+ - **Profit after Tax**
√ 25818	√ 5877
+ - **Basic Earning per Share in Rs.**	**Dividend Rate (%)**
√ 0.03	NIL
+ - **Diluted Earning per Share in Rs.**	
√ 0.03	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Item Code No. (ITC code) 3920.20

Product Description FILMS SUPPORTED WITH POLYMERS OF PROPYLENE

Disclosure of Loans/Advances and Investments

AS REQUIRED UNDER CLAUSE 32 OF THE LISTING AGREEMENT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010

(RS. LACS)

SN	Name	Amount Outstanding	
		As of March 31, 2010	Maximum amount during the year
I.	**Loans and advances in the nature of loans**		
A.	**To Subsidiaries**		
A.1	Max Ateev Ltd.	676.98	676.98
A.2	Pharmax Corporation Ltd.	338.00	1138.00
A.3	Max HealthStaff International Ltd.	1822.82	1822.82
A.4	Max Neeman Medical International Ltd.	909.97	909.97
B.	**To Associates**	Nil	Nil
C.	**Where there is no repayment schedule or repayment beyond seven years**	Nil	Nil
D.	**Where there is no interest or interest below Section 372A of Companies Act**	Nil	Nil
E.	**To firms/Companies in which directors are interested**	Nil	Nil
II.	**Investments by the loanee in the shares of parent company and subsidiary company when the company has made loan or advance in the nature of loan**	Nil	Nil

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

Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest as at close of Financial Year of Subsidiary Company		Net aggregate amount of Subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are not dealt within the Company's Account		Net aggregate amount of Subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are dealt within the Company's Account		Holding Company's interest as at 31.03.2010 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 Years (Rs. Lacs)	For the Current Financial Year (Rs. Lacs)	For the Previous Financial year (Rs. Lacs)	
Domestic:								
Max New York Life Insurance Company Ltd.	31.03.2010	1,35,48,07,014 Equity Shares of Rs. 10 each	73.68%	(1540.94)	(73882.98)	NIL	NIL	Not Applicable
Max Bupa Health Insurance Company Ltd.	31.03.2010	11,17,40,000 Equity Shares of Rs. 10 each	74.00%	(3178.88)	-	NIL	NIL	Not Applicable
Max Healthcare Institute Ltd.	31.03.2010	16,61,00,000 Equity Shares of Rs. 10 each	70.04%	(232.74)	(7522.69)	NIL	NIL	Not Applicable
Max Medical Services Ltd. (Note 1)	31.03.2010	1,41,42,535 Equity Shares of Rs. 10 each	70.04%	(574.48)	(455.73)	NIL	NIL	Not Applicable
Alps Hospital Ltd. (Note 2)	31.03.2010	50,000 Equity Shares of Rs. 10 each	70.04%	(567.36)	(848.43)	NIL	NIL	Not Applicable
Hometrail Estate Pvt. Ltd. (Note 1)	31.03.2010	10,000 Equity Shares of Rs. 10 each	70.04%	(90.43)	-	NIL	NIL	Not Applicable
Hometrail Buildtech Pvt. Ltd. (Note 1)	31.03.2010	10,000 Equity Shares of Rs. 10 each	70.04%	(91.69)	-	NIL	NIL	Not Applicable
Max Neeman Medical International Ltd. (Note 5)	31.03.2010	41,66,813 Equity Shares of Rs. 10 each	100.00%	206.11	(608.21)	NIL	NIL	Not Applicable
Pharmax Corporation Ltd.	31.03.2010	4,71,17,247 Equity Shares of Re. 1 each	85.20%	165.86	(615.06)	NIL	NIL	Not Applicable
Max Ateev Ltd.	31.03.2010	3,14,43,600 Equity Shares of Rs. 10 each	100.00%	(6.04)	(3804.80)	NIL	NIL	Not Applicable
Max Healthstaff International Ltd.	31.03.2010	3,945,000 Equity Shares of Rs. 10 each	100.00%	(18.87)	(2162.75)	NIL	NIL	Not Applicable
Overseas:								
Neeman Medical International B.V.	31.03.2010	38 Ordinary Shares of Euro 500 each	100.00%	(7.91)	(5405.33)	NIL	NIL	Not Applicable
Neeman Medical International N.V. (Note 3)	31.03.2010	125 Ordinary Shares of Euro 500 each	100.00%	(23.68)	(8621.62)	NIL	NIL	Not Applicable
Max Neeman Medical International Inc., USA (Note 4)	31.03.2010	325 Shares (Note 5)	100.00%	5.51	(3674.50)	NIL	NIL	Not Applicable
Max UK Ltd., UK	31.03.2010	2,99,742 Ordinary Shares of GBP 1 each	100.00%	1.46	(142.16)	NIL	NIL	Not Applicable

Notes:

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

For and on behalf of the Board of Directors

ANALJIT SINGH
Chairman & Managing Director

New Delhi
July 30, 2010

MAX INDIA LIMITED
CONSOLIDATED

MAX

Auditors' Report

TO THE BOARD OF DIRECTORS OF MAX INDIA LIMITED

1. We have audited the attached consolidated balance sheet of Max India Limited (the "Company") and its subsidiaries hereinafter referred to as the "Group" (refer Note 1B on Schedule 27 to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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. We did not audit the financial statements of four subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 156.84 crores as at March 31, 2010, total revenue of Rs. 5.57 crores, net loss of Rs. 12.46 crores and net cash flows amounting to Rs 11.68 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211of the Companies Act, 1956.

5. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and on the other financial information of the component(s) of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, 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 Group as at March 31, 2010;

   (b) in the case of the consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date: and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 29, 2010

Consolidated Balance Sheet as at March 31, 2010

(RS. LACS)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	4647.49	4440.61
Warrants against Share Capital	2	8670.00	-
Reserves and Surplus	3	171315.13	146677.08
		184632.62	151117.69
Preference Shares	4	25000.00	25000.00
LOAN FUNDS			
Secured Loans	5	38565.88	34415.38
Unsecured Loans	6	57583.32	326.56
		96149.20	34741.94
Deferred Tax Liability (Net)	7	200.16	20.07
Policyholders' Liabilities		917108.48	498538.50
Funds for Future Appropriations - Participating Policies		6229.41	1694.32
Minority Interest (Refer Note B3 on Schedule 27)		34108.70	27637.93
		1263428.57	738750.45
APPLICATION OF FUNDS			
FIXED ASSETS	8		
Gross Block		135580.69	121743.06
Less: Depreciation		46701.42	33623.31
Net Block		88879.27	88119.75
Capital Work in Progress		7632.84	4910.38
		96512.11	93030.13
INVESTMENTS	9	**1093842.99**	563788.84
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	10	4307.81	4063.23
Sundry Debtors	11	31347.68	27347.75
Cash and Bank Balances	12	12020.86	22836.87
Other Current Assets	13	9205.15	6816.14
Loans and Advances	14	69423.75	71221.65
		126305.25	132285.64
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	15	87492.20	67954.27
Provisions	16	2964.72	2273.50
		90456.92	70227.77
NET CURRENT ASSETS		**35848.33**	62057.87
MISCELLANEOUS EXPENDITURE	17	10169.53	385.24
(To the extent not written off or adjusted)			
Profit and Loss Account		27055.61	19488.37
		1263428.57	738750.45
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	27		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Sales		44629.98	44134.41
Less: Sales Returns		(237.18)	(367.72)
Excise Duty		(2283.75)	(3606.19)
		42109.05	40160.50
Service Income	18	515030.79	410606.87
Income from Investment Activities	19	207364.71	33024.49
Other Income	20	8378.07	5352.28
		772882.62	489144.14
INCREASE / (DECREASE) IN INVENTORY	21	(110.88)	(18.87)
		772771.74	489125.27
EXPENDITURE			
Manufacturing, Trading and Direct Expenses	22	585713.55	341493.83
Personnel Expenses	23	76912.92	84375.93
General and Administration Expenses	24	94185.25	84198.22
Financial Expenses	25	5907.68	5057.40
Depreciation	8	14108.10	9700.92
		776827.50	524826.30
(LOSS) BEFORE TAX		**(4055.76)**	(35701.03)
Tax Expense	26	338.78	(2383.56)
(LOSS) AFTER TAX		**(4394.54)**	(33317.47)
Funds for Future Appropriations - Participating Policies		(4534.80)	2640.79
Minority Interest		1771.83	8838.07
NET (LOSS)		**(7157.51)**	(21838.61)
PROFIT / (LOSS) BROUGHT FORWARD		(19488.37)	3038.36
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION		**(26645.88)**	(18800.25)
APPROPRIATIONS			
(Refer Notes B4 & B12 on Schedule 27)			
Dividend on Preference Shares	(500.00)		(839.73)
Corporate Dividend Tax	(84.98)		(142.71)
	(584.98)		(982.44)
Share of Minority Interest	175.25	(409.73)	294.32
PROFIT/(LOSS) CARRIED FORWARD TO THE BALANCE SHEET		**(27055.61)**	(19488.37)
Earnings Per Share (Rs. per equity share of Rs. 2/- each)			
(Refer Note B17 on Schedule 27)			
Basic		(3.29)	(10.15)
Diluted		(3.29)	(10.15)
Number of Shares used in computing earnings per share			
Basic		230,123,298	221,998,514
Diluted		231,767,192	222,122,712
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	27		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Consolidated Cash Flow Statement for the year ended March 31, 2010

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT/(LOSS) BEFORE TAX		**(4055.76)**	(35701.03)
Adjustments for:			
Depreciation		14108.10	9700.92
Interest Expense		4628.42	3975.93
Interest Income		(33542.46)	(24481.06)
Amortisation of Discount/(Premium) on Non Trade Investments		(219.88)	(1232.09)
Dividend Income from Non Trade Investments		(3766.23)	(5284.92)
Net (Profit) / Loss on Sale of Fixed Assets		147.64	85.52
Net (Profit) / Loss on Sale of Investments		(65289.43)	27435.00
Unrealised (Gain)/Loss on Investments		(103394.40)	14410.79
Amortisation of Miscellaneous Expenditure		0.36	0.59
Fixed Assets and Spares Written off		0.89	14.77
Debts and Debit Balances Written Off		20.88	8.63
Provision for Doubtful Debts and Advances		489.20	591.22
Goodwill Written off		3208.40	403.63
Liability/ Provisions No Longer Required Written Back		(311.69)	(453.81)
Provision for Diminution in Value of Investment - Long Term		-	422.49
ESOP Lapsed Written Back		-	(180.82)
TDS on Service and Other Income		(586.39)	(275.41)
Other Provisions		(86.56)	67.35
ESOP Compensation Expense		792.28	238.39
Change in Policyholder Reserves		418569.98	175795.76
Change in reserves for unexpired risk		11.35	-
Operating Profit Before Working Capital Changes		**230724.70**	165541.85
Adjustments for:			
Trade and Other Receivables		1845.36	(21740.46)
Inventories		(244.58)	(196.78)
Trade and Other Payables		14415.29	8918.63
Provisions for Retirement Benefits		80.76	400.20
Cash Generated From Operations		**246821.53**	152923.44
Direct Taxes Refunded / (Paid) (Net)		(149.58)	(512.55)
Cash From / (Used in) Operating Activities		**246671.95**	152410.89
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(17740.93)	(30113.73)
Sale of Fixed Assets		196.50	209.53
Investments Made (Others)		(2948734.68)	(1586529.64)
Sale of Investments		2589542.45	1463870.64
Interest Received		35648.84	23899.88
Dividend Received on Non Trade Investments		55.50	3922.95
Other Loans		(2161.36)	(3131.60)
Cash From / (Used In) Investing Activities		**(343193.68)**	(127871.97)

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
C. CASH FLOW FROM FINANCING ACTIVITIES			
Preferential Issue of Shares		15000.00	-
Issue of Warrants		8670.00	-
Increase in Share Capital (Minority Share in Subsidiaries)		5617.46	19505.00
ESOPs Exercised		0.36	5.76
Proceeds from Compulsorily Convertible Debentures		52192.75	-
Shares Issue Expenses		(593.13)	-
Proceeds from Long Term Loans		7553.85	70.96
Repayment of Long Term Loans		(3958.72)	(3453.69)
Proceeds/(Repayment) of Short Term Borrowings (Net)		5675.42	355.10
Repayment of Short Term Borrowings		(56.03)	-
Refund of Other Advances		-	(17420.55)
Interest Paid		(4375.32)	(3999.71)
Cash From / (Used In) Financing Activities		**85726.64**	(4937.13)
Net Increase / (Decrease) in Cash and Cash Equivalents		**(10795.09)**	19601.79
Impact of Foreign Exchange Fluctuations		(20.92)	37.52
Cash and Cash Equivalents - Opening Balance		22836.87	3197.56
Cash and Cash Equivalents – Closing Balance		**12020.86**	22836.87

Notes

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in Hand and Balances with Banks:

	Schedule	As at March 31, 2010	As at March 31, 2009
Cash in Hand		1397.93	708.54
Stamps in Hand		40.16	19.18
Cheques in Hand		103.62	106.07
Fixed Deposits*		4812.75	6553.28
Remitance in Transit		-	7128.88
Balances with Banks **		5666.40	8320.92
Total		**12020.86**	22836.87

* held under lien by various authorities Rs. 51.03 Lacs (Previous year Rs. 38.28 Lacs)

** Includes Rs. 10.67 Lacs (Previous year Rs. 12.82 Lacs) not available for use by the Company.

3. Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 27

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 29, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman & Managing Director
N. C. SINGHAL	Director
ASHWANI WINDLASS	Director
SUJATHA RATNAM	Chief Financial Controller
V. KRISHNAN	Company Secretary

New Delhi
May 29, 2010

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
46,00,00,000 Equity Shares of Rs. 2/- each	9200.00	9200.00
(Previous year 46,00,00,000 Equity Shares of Rs. 2/- each)		
8,00,000 Preference Shares of Rs. 100/- each		
(Previous year 8,00,000 Preference Shares of Rs. 100/- each)	800.00	800.00
	10000.00	10000.00
ISSUED, SUBSCRIBED AND PAID UP		
(Refer Notes A10, B9 and B14 on Schedule 27)		
23,23,74,733 Equity Shares of Rs. 2/- each fully paid up		
(Previous year 22,20,30,310 Equity Shares of Rs. 2/- each fully paid up)	4647.49	4440.61
	4647.49	4440.61
Paid up Share Capital includes:		
- 5,76,60,400 Equity Shares of Rs. 2/- each (Previous year 5,76,60,400 Equity Shares of Rs. 2/- each) allotted as fully paid up by way of bonus shares out of Securities Premium Account; and		
- 14,68,037 Equity Shares of Rs. 2/- each (Previous year 14,49,925 Equity Shares of Rs. 2/- each) allotted under employees stock option plan		
SCHEDULE-2		
WARRANTS AGAINST SHARE CAPITAL		
(Refer Note B10 on Schedule 27)		
20,00,000 Warants of Rs. 867/- each, Partly Paid Up	8670.00	-
	8670.00	-
SCHEDULE-3		
RESERVES AND SURPLUS		
(Refer Notes A9, A10, B2, B9, B14, B28 and B30 on Schedule 27)		
Capital Reserve		
Opening Balance	50.39	50.39
Additions during the year	-	-
Closing Balance	**50.39**	50.39
Securities Premium Account		
Opening Balance	137983.00	137570.55
Additions during the year	28227.65	414.46
Deletions/utilisations during the year	13811.51	2.01
Closing Balance	**152399.14**	137983.00
Employee Stock Option Outstanding		
Opening Balance	950.59	1567.48
Additions during the year	10228.90	245.59
Deletions/utilisations during the year	19.78	862.48
Closing Balance	**11159.71**	950.59
Foreign Currency Translation Reserve		
Opening Balance	(198.59)	(177.98)
Additions during the year	-	-
Deletions/utilisations during the year	(12.79)	20.61
Closing Balance	**(185.80)**	(198.59)
General Reserve		
Opening Balance	7891.69	7891.69
Deletions/utilisations during the year	-	-
Closing Balance	7891.69	7891.69
	171315.13	146677.08

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-4		
PREFERENCE SHARES		
(Refer Notes B4 and B12 on Schedule 27)		
25,00,00,000 (Previous year 25,00,00,000), 2% Cumulative Partially Convertible Preference Shares of Rs.10/- each (issued by Max Healthcare Institute Limited, a Subsidiary Company)	25000.00	25000.00
	25000.00	25000.00
SCHEDULE-5		
SECURED LOANS		
(Refer Note B8 on Schedule 27)		
Loans and Advances from Banks		
Term Loan	5842.83	8076.60
Fund Based Working Capital Facilities	4414.75	3842.98
Term Loans from Financial Institutions	28308.30	22495.80
	38565.88	34415.38
Amount repayable within one year Rs. 10718.83 Lacs (Previous year Rs. 4793.40 Lacs)		
SCHEDULE-6		
UNSECURED LOANS		
(Refer Note B11 on Schedule 27)		
Debentures		
60,19,925 (Previous year Nil), 12% Compulsorily Convertible Debentures of Rs. 867/- each	52192.75	-
Other Loans		
From Banks*	5235.57	171.56
From Others	155.00	155.00
	57583.32	326.56
Amount repayable within one year Rs. 92.18 Lacs (Previous year Rs. 72.02 Lacs)		
* Short term loan of Rs. 5000.00 Lacs from Yes Bank, amount repayable within 18 months with an option of repayment within every six months		
SCHEDULE-7		
DEFERRED TAX LIABILITY		
(Refer Notes A11 and B15 on Schedule 27)		
Deferred Tax Liability		
Opening Balance	4133.01	4388.26
Movement during the year	442.58	(255.25)
Closing Balance	**4575.59**	4133.01
Deferred Tax Asset		
Opening Balance	(4112.94)	(966.55)
Movement during the year	(262.49)	(3146.39)
Closing Balance	**(4375.43)**	(4112.94)
Net Deferred Tax Liability	**200.16**	20.07

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE-8
FIXED ASSETS

(Refer Notes A4, A5, A6, A13, B2 and B5 on Schedule 27) (RS. LACS)

	Gross Block					Depreciation					Net Block	
	As at April 1, 2009	Additions	Deletions/ Adjustments	Translation Reserve	As at March 31, 2010	As at April 1, 2009	For the year	Deletions/ Adjustments	Translation Reserve	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets												
Land (Freehold)	210.72	127.27	-	-	337.99	-	-	-	-	-	337.99	210.72
Land (Leasehold)	6257.62	-	-	-	6257.62	-	-	-	-	-	6257.62	6257.62
Building	13243.66	270.06	-	-	13513.72	1105.27	268.75	–	–	1374.02	12139.70	12138.39
Leasehold Improvements	21405.29	1468.35	134.05	-	22739.59	6117.38	3228.13	13.55	–	9331.96	13407.63	15287.91
Plant and Machinery	37663.70	5617.53	149.94	–	43131.29	10320.80	2286.64	55.57	–	12551.87	30579.42	27342.90
Vehicles	1136.70	395.01	257.75	–	1273.96	398.10	166.43	154.04	–	410.49	863.47	738.60
Furniture, Fittings and Equipments	26780.12	4614.05	229.90	(6.20)	31158.07	11011.34	5174.30	134.16	(5.70)	16045.78	15112.29	15768.78
Intangible Assets												
Software	7203.55	2793.19	9.50	-	9987.24	3844.55	2972.39	6.48	–	6810.46	3176.78	3359.00
Goodwill*	6986.19	3208.40	3208.40	-	6986.19	-	-	–	–	–	6986.19	6986.19
Technical Know-how	855.51	-	660.49	-	195.02	825.87	11.46	660.49	-	176.84	18.18	29.64
Total	**121743.06**	**18493.86**	**4650.03**	**(6.20)**	**135580.69**	**33623.31**	**14108.10**	**1024.29**	**(5.70)**	**46701.42**	**88879.27**	**88119.75**
Previous year	91717.81	31212.00	1196.69	9.94	121743.06	24457.76	9700.92	543.00	7.63	33623.31		
Capital Work in Progress											7632.84	4910.38
											96512.11	93030.13

* arising on consolidation

Notes:-

a) Additions include:
- Pre-Operative expenses capitalised Rs. 27.47 Lacs (Previous year Rs. 26.64 Lacs).

b) Plant and Machinery includes an amount of Rs. 135.08 Lacs (Previous year Rs. 135.08 Lacs) paid to PSEB for drawing a power line representing assets not owned by the Company. The same has been depreciated over a year of five years.

c) Vehicles includes vehicles hypothecated amounting to Rs. 379.59 Lacs (Previous year Rs. 306.15 Lacs).

d) Capital work in progress includes:
- Capital Advances Rs. 2017.04 Lacs (Previous year Rs. 1373.48 Lacs)
- Pre-Operative expenses pending allocation and capitalisation Rs. 295.76 Lacs (Previous year Rs. 125.45 Lacs).
- Borrowing Cost Rs. 7.50 Lacs (Previous year Nil).

e) Leasehold Improvements represents civil and other improvements at Group's leased premises.

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-9		
INVESTMENTS		
(Refer Notes A7, B1, B10, B26 and B27 on Schedule 27)		
Life Insurance Business:		
a) Long Term-Non Trade, at cost		
(Quoted)		
Government Securities[1]	235996.65	208170.77
Equity Shares[2]	409444.86	142779.59
Bonds[3]	196231.39	137888.58
(Unquoted)		
Term Deposit	2801.49	1113.54
b) Current-Non Trade, at cost		
(Quoted)		
Government Securities	7521.28	2731.98
Bonds	22670.37	4099.42
(Unquoted)		
Units in Mutual Fund[4]	25800.43	3600.00
Commercial Paper/Certificate of Deposit	87774.80	25862.98
Term Deposit	10651.94	14284.21
	998893.21	540531.07
Health Insurance Business:		
a) Long Term-Non Trade, at cost		
(Quoted)		
Government Securities	3150.27	-
Bonds	2004.97	-
b) Current-Non Trade, at cost		
(Quoted)		
Government Securities	1009.75	-
Bonds	519.27	-
(Unquoted)		
Units in Mutual Fund	619.26	-
Commercial Paper/Certificate of Deposit	1956.63	-
	9260.15	-
Other Business:		
a) Long Term-Trade, at cost		
(Unquoted)		
Equity Shares	455.75	455.75
b) Long Term-Non Trade, at cost		
(Quoted)		
Equity Shares	0.65	0.65
c) Current-Non Trade, at cost		
(Unquoted)		
Units in Mutual Fund		
- Unutilised monies raised through preferential issue	52739.96	10365.65
- Others	32493.27	12435.72
	85689.63	23257.77
	1093842.99	563788.84
Aggregate value of unquoted investments	215293.53	68117.85
Aggregate value of quoted investments	878549.46	495670.99
Market value of quoted investments	983967.58	520684.99

1 Includes Rs. 208710.45 Lacs (Previous year Rs. 186278.37 Lacs) earmarked for Life Insurance Policyholders
2 Net of credit in fair value change account amounting to Rs. (-) 407.25 Lacs (Previous year Rs. (-) 78.49 Lacs)
3 Includes Rs. 221954.87 Lacs (Previous year Rs. 129490.76 Lacs) earmarked for Life Insurance Policyholders
4 Net of credit in fair value change account amounting to Rs. (-) 3.12 Lacs (Previous year Nil)

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

		As at March 31, 2010	As at March 31, 2009
SCHEDULE-10			
INVENTORIES			
(Refer Note A8 on Schedule 27)			
Manufacturing Activities			
Raw Materials in Stores/Transit		1239.94	1577.01
Stores and Spares		645.05	455.41
Work in Process		538.02	579.29
Finished Goods		122.99	192.60
Trading Activities			
Stock-in-trade		1571.97	1258.62
Construction Activities			
Work in Process		189.84	0.30
		4307.81	4063.23
SCHEDULE-11			
SUNDRY DEBTORS			
(Unsecured)			
Debts exceeding six months			
Considered Good	14080.16		11168.79
Considered Doubtful	927.66		806.19
Less: Provision for Doubtful Debts	(927.66)	14080.16	(806.19)
Other Debts			
Considered Good	17267.52		16178.96
Considered Doubtful	0.57		22.89
Less: Provision for Doubtful Debts	(0.57)	17267.52	(22.89)
		31347.68	27347.75
Maximum amount outstanding from directors during the year Rs. 0.08 Lacs (Previous year Rs. 0.11 Lacs)			
SCHEDULE-12			
CASH AND BANK BALANCES			
(Refer Note B20 on Schedule 27)			
Cash in Hand		1397.93	708.54
Cheques in Hand		103.62	106.07
Remitance in Transit *		-	7128.88
Balances with Scheduled Banks			
In Current Accounts		5573.99	8199.20
In Debenture Interest Accounts		10.67	12.82
In Fixed Deposit Accounts**		4812.75	6553.28
Stamps in Hand		40.16	19.18
Balances with Non-Scheduled Banks			
In Current Accounts		81.74	108.90
		12020.86	22836.87
* Represents amounts receivable against redemption of units in mutual funds			
** held under lien by various authorities Rs. 49.03 Lacs (Previous year Rs. 38.28 Lacs)			
SCHEDULE-13			
OTHER CURRENT ASSETS			
Interest Receivable***			
Considered Good	9205.15		6816.14
Considered Doubtful	23.53		23.53
Less: Provision for Doubtful Interest	(23.53)	9205.15	(23.53)
		9205.15	6816.14
*** Includes interest accrued on investments Rs. 7839.41 Lacs (Previous year Rs. 5609.91 Lacs)			

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

		As at March 31, 2010	As at March 31, 2009
SCHEDULE-14			
LOANS AND ADVANCES			
(Considered good, unless otherwise stated)			
(Refer Notes A11 and B25 on Schedule 27)			
Secured			
Housing Loans		3.64	4.18
Loans to Policyholders		860.66	482.67
Unsecured			
Advances recoverable in cash or in kind or for value to be received *			
Considered Good	13009.77		12932.06
Considered Doubtful	608.15		687.67
Less: Provision for Doubtful Advances	(608.15)	13009.77	(687.67)
Loans to Employees		19.53	19.25
Other Loans		10147.92	7986.56
Inter Corporate Deposits			
Considered Good	-		800.00
Considered Doubtful	441.60		441.60
Less: Provision for Doubtful Advances	(441.60)	-	(441.60)
Balance with Excise Authorities		7896.84	10928.35
Prepaid Expenses		10680.96	11407.44
Security Deposits			
Considered Good	8387.85		8027.00
Considered Doubtful	36.00		36.00
Less: Provision for Doubtful Deposits	(36.00)	8387.85	(36.00)
Share Application Money Pending Allotment - Companies under the same management		-	800.00
Advance Tax			
Income Tax	5360.57		5505.80
Wealth Tax	3.12		1.48
Fringe Benefit Tax	2405.00		2405.00
	7768.69		
Less: Provision for Tax			
Income Tax	(4101.32)		(3937.78)
Wealth Tax	(10.04)		(8.36)
Fringe Benefit Tax	(2412.04)		(2412.04)
	(6523.40)	1245.29	
Other Current Assets - Unit Linked		17171.29	16280.04
		69423.75	71221.65
Amount due from directors		284.22	0.54
Maximum amount outstanding during the year from directors		358.43	807.87
Amounts due from companies under the same management			
- Max Bupa Health Insurance Company Ltd.		-	985.16
Maximum amount outstanding during the year from companies under the same management			
- Max Bupa Health Insurance Company Ltd.		-	1008.91
* Includes dues from other healthcare service provider		7950.42	6502.12

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-15		
CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises	232.28	79.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	57245.59	48574.96
Advances From Policyholders	9860.95	11133.04
Claims Outstanding (Includes Claims Pending Investigation)	5646.70	1320.37
Advance from Customers	4405.01	1357.97
Investor Education and Protection Fund		
Unpaid Debenture Interest	8.09	10.24
Interest Accrued But Not Due	358.49	113.10
Other Liabilities	5356.07	4136.14
Other Current Liabilities - Unit Linked	4379.02	1228.75
	87492.20	67954.27
SCHEDULE-16		
PROVISIONS		
(Refer Notes A12, A20, B13 and B19 on Schedule 27)		
Leave Encashment	1025.30	647.67
Gratuity	360.65	643.39
Reserve for Unexpired Risk	11.35	-
Dividend on Preference Shares	1339.73	839.73
Corporate Dividend Tax	227.69	142.71
	2964.72	2273.50
SCHEDULE-17		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
(Refer Notes A14 and B18 on Schedule 27)		
Preliminary, Share and Debenture Issue Expenses	0.04	0.07
Deferred Employee Compensation	10169.49	385.17
	10169.53	385.24

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

		For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-18			
SERVICE INCOME			
(Refer Note A3 on Schedule 27)			
Life Insurance Premium		486053.87	385725.90
Less: Premium on Reinsurance Ceded		(5967.97)	(3822.54)
		480085.90	381903.36
Healthcare Business[1]		31202.17	26455.88
Health Insurance Premium (Net premium earned)		0.12	-
Construction Activities		1906.05	715.94
Clinical Research Business[2]		1816.08	1397.02
Placement Revenue		0.67	114.56
Other Services[3]		19.80	20.11
		515030.79	410606.87
1 Tax deducted at source Rs. 397.72 Lacs (Previous year Rs. 251.48 Lacs) and excludes discounts given.			
2 Tax deducted at source Rs. 80.34 Lacs (Previous year Rs. 50.32 Lacs)			
3 Tax deducted at source Rs. 15.62 Lacs (Previous year Rs. 0.46 Lacs)			
SCHEDULE-19			
INCOME FROM INVESTMENT ACTIVITIES			
(Refer Note A3 on Schedule 27)			
Dividend Income from			
Non Trade Investments-Long term	3710.73		1361.97
Non Trade Investments-Current	55.50	3766.23	3922.95
Interest on Loans and Non Trade Investments (Gross)[4]			
Government Securities	24416.39		16268.82
Bonds	7313.14		5708.07
Loans	1330.45		1018.19
Fixed Deposits	245.79		1335.24
Others	236.69	33542.46	150.74
Amortisation of Discount/(Premium) on Non Trade Investments		219.88	1232.09
Profit on Sale of Investments-Long term		62718.08	-
Profit on Sale of Investments-Current		2571.36	2026.42
Unrealised Gain on Investments		103394.40	-
Appropriation / Expropriation Adjustment Account		1152.30	-
		207364.71	33024.49
4 Tax Deducted at Source Rs. 88.16 Lacs (Previous year Rs. 197.42 Lacs)			
SCHEDULE-20			
OTHER INCOME			
Liabilities/Provisions No Longer Required Written Back		311.69	453.81
Net Gain on Foreign Exchange Fluctuation		57.86	-
Miscellaneous Income *		8008.52	4898.47
		8378.07	5352.28
*Tax deducted at source Rs. 27.34 Lacs (Previous year Rs. 42.07 Lacs)			

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-21		
INCREASE/(DECREASE) IN INVENTORY		
Opening Stock		
Work in Process	579.29	625.19
Finished Goods	192.60	165.57
	771.89	790.76
Less: Closing Stock		
Work in Process	538.02	579.29
Finished Goods	122.99	192.60
	661.01	771.89
Net Increase / (Decrease)	**(110.88)**	(18.87)
SCHEDULE-22		
MANUFACTURING, TRADING AND DIRECT EXPENSES		
Manufacturing and Trading Expenses		
(Refer Note B29 on Schedule 27)		
Raw Materials Consumed	21432.06	23338.53
Goods Purchased for Resale	-	1.50
Excise Duty on Scrap	64.23	164.49
Power and Fuel	2465.06	2317.13
Stores and Spares Consumed	512.26	469.89
Packing Material	967.43	1051.67
Freight Inward	53.31	45.08
Repairs and Maintenance-Plant and Machinery	130.85	153.12
Processing Charges	28.26	46.63
	25653.46	27588.04
Direct Expenses		
Life Insurance Business		
Agents' Commission	42120.87	39157.67
Increase in Policy Reserves	418569.98	175795.76
Unrealised loss on Investments	-	14410.79
Loss on Sale of Investments-Long term (net)	-	29461.42
Claims/other benefits	58917.37	22082.06
Policy Issuance Costs	13373.57	13209.47
Agency Training and Recruitment Expenses	1530.01	3056.65
	534511.80	297173.82
Healthcare Business		
Consumption of Medical Consumables	8719.19	4909.41
Cost of Goods Sold	6443.30	4567.08
Professional and Consultancy Fee	6592.66	5038.17
Outside Lab Investigation	252.78	262.08
Repairs and Maintenance-Medical Equipments	644.70	492.86
Patient Catering Expenses	435.76	316.66
	23088.39	15586.26
Health Insurance Business		
Commission	0.25	-
Claims incurred	0.07	-
	0.32	-
Healthcare Staffing Business		
Candidate Related Expenses	0.70	28.56
Sub-Contracting Expenses	1906.05	715.94
Clinical Research Business		
Clinical Trial Expenses (Refer Note B31 on Schedule 27)	552.83	401.21
	585713.55	341493.83

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-23		
PERSONNEL EXPENSES		
(Refer Notes B16 and B31 on Schedule 27)		
Salaries, Wages and Bonus *	68703.25	70740.97
Contribution to Provident and Other Funds	2819.10	2766.66
Recruitment and Training Expenses	3441.47	8561.31
Staff Welfare	1949.10	2306.99
	76912.92	84375.93
* Net of Employee Compensation Expenses written back amounting to NIL (Previous year Rs. 180.82 Lacs) pertaining to earlier years		
SCHEDULE-24		
GENERAL AND ADMINISTRATION EXPENSES		
(Refer Notes B23, B33 and B36 on Schedule 27)		
Rent	11272.36	8766.07
Insurance	673.81	638.34
Rates and Taxes	11815.50	11271.91
Repairs and Maintenance:		
Building	371.58	354.31
Others	13947.25	9686.58
Electricity and Water	4308.98	3667.99
Printing and Stationery	2794.85	3159.07
Travelling and Conveyance	5257.13	6481.47
Communication	6734.78	6739.01
Legal and Professional	4893.76	8058.42
Directors' Fee	20.69	19.14
Business Promotion	125.14	146.04
Commission	56.76	107.29
Trade Discount	461.35	476.52
Selling and Distribution	3370.30	2836.10
Branding, Advertisement and Publicity	16374.06	16053.17
Provision for Doubtful Debts and Advances	489.20	591.22
Net Loss on Sale/Disposal of Fixed Assets	147.64	85.52
Provision for Diminution in Investments	-	422.49
Goodwill Written off	3208.40	403.63
Debts Written Off	20.10	5.82
Debit Balances Written Off	0.78	2.81
Fixed Assets and Spares Written Off	0.89	14.77
Charity and Donation	932.11	646.50
Amortisation of Miscellaneous Expenditure	0.36	0.59
Net Loss on Foreign Exchange Fluctuation	-	64.81
Miscellaneous	7050.39	3575.36
Less: Overheads Recovered *	(142.92)	(76.73)
	94185.25	84198.22

* Tax deducted at source Rs. 0.76 Lacs (Previous year Rs. 0.32 Lacs)

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-25		
FINANCIAL EXPENSES		
Interest on:		
Debentures	353.56	-
Short Term Loan	19.92	19.48
Acceptances	9.27	32.02
Term Loans	3875.86	3371.07
Working Capital Facilities	344.69	439.15
Others	25.12	114.21
Bank Charges	1226.80	1057.47
Finance Charges	52.46	24.00
	5907.68	5057.40
SCHEDULE-26		
TAX EXPENSE		
(Refer Notes A11 and B15 on Schedule 27)		
Current year Tax		
Income Tax	156.55	79.86
Wealth Tax	2.14	7.61
Fringe Benefits Tax	-	930.61
Add:-		
Deferred Tax	180.09	(3401.64)
	338.78	(2383.56)

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE - 27

A. SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Convention

The consolidated financial statements are prepared to comply in material aspects, except as disclosed in the accounting policies given below with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 in so far as applicable to the consolidated financial statements.

The financial statements of Max New York Life Insurance Company Limited, a subsidiary company, which are included in these Consolidated Financial Statements, are prepared in accordance with the accounting principles prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statement and Auditor's Report of Insurance Companies) Regulations, 2002, the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Insurance Act 1938, Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder and the Companies Act, 1956, to the extent applicable and the practices prevailing within the insurance industry in India.

2 Basis of Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures laid down by the accounting standard on Consolidated Financial Statements issued by the ICAI.

The subsidiaries of Max India Ltd. ("Company") have been defined as those entities in which the Company owns directly or indirectly more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors of such entities. Max India Ltd. and its subsidiaries are herein after referred to as Group Companies or Group.

The financial statements of subsidiaries are consolidated from the date on which the control is transferred to a Group Company and are excluded from consolidation from the date such control ceases. The financial statements of all Group Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra-group balances and transactions and resulting unrealised gains/losses. The consolidated financial statements are prepared applying uniform accounting policies in use by the Company.

3 Revenue Recognition

(a) Life Insurance Business: Premium is recognized as income when due. Premium on lapsed policies is recognised as income when such policies are reinstated. For linked business, premium income is recognised when the associated units are created. Top-up premiums (i.e. premium paid in excess of annual target premium as per policy contract) are recognised as single premium. Fees on linked policies including fund management charges, policy administration charges, mortality charges, etc., are recovered from the linked fund and recognised in accordance with the terms and conditions of the policies.

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the re-insurers.

(b) Clinical Research Business: Revenue from services is recognised by reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

Revenue from services is recognised with reference to the stage of completion of clinical data management service projects subscribed with pharmaceutical companies.

(c) Healthcare Business: Revenue from healthcare services is recognised on the performance of related service and includes pharmacy services on patients undergoing treatment and pending billing.

Revenue from pharmacy sale is recognised on delivery of goods.

Income from Healthcare Service Providers is recognised on the performance of related services as per terms of contracts.

Income from Educational Programmes is recognised on accrual basis.

Schedules annexed to and forming part of the consolidated accounts

(d) Healthcare Staffing Business:

(i) Revenue from overseas placement of healthcare staff is recognized on the basis of time sheets received from customers on accrual basis.

(ii) Revenue from training is recognized at the time of enrolment on accrual basis.

(iii) 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.

(e) Lease Rentals

In respect of lease rentals on operating leases, revenue is recognised proportionately over the period of the related agreements.

(f) Export sales are accounted for on the basis of the date of bill of lading/airway bill. Other sales are accounted for at ex-factory prices on transfer of risks and rewards.

(g) Income from investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under advance tax.

(h) Dividend is recognised as and when the right to receive such payment is established.

4 Fixed Assets

(a) Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.

(b) Expenses of revenue nature, which can be regarded as incidental and related to project set-up are transferred to "Pre-operative Expenses Pending Capitalisation". These expenses are allocated to fixed assets/deferred revenue in the year of commencement of the related project.

(c) Assets, which are revalued, are stated at the revalued amounts. The resultant increase in carrying amounts is credited to the revaluation reserve. Depreciation relating to the revalued amounts is adjusted against the revaluation reserve.

5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 notified u/s 211(3C) of the Companies Act, 1956 on "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for its intended use or sale are complete.

6 Depreciation

(a) 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. In life insurance business, depreciation is provided for the full month in the month of acquisition of the related asset and no depreciation is provided in the month of sale/disposal of the asset.

(b) Leasehold improvements are depreciated over respective lease periods.

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

(d) Intangible assets are amortised over a period of 3-6 years based on management's estimate of economic useful life of the assets.

7 Investments

(a) Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value.

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

(c) Life insurance business:

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Investment) Regulations, 2000.

Schedules annexed to and forming part of the consolidated accounts

Investments are recorded at cost on date of purchase, which includes brokerage and statutory levies, if any and excludes interest paid, if any, on purchase. Diminution in the value of investment, other than temporary decline, is charged to revenue and profit and loss account as applicable.

i) **Classification**
Investments intended to be held for a period less than twelve months or maturing within twelve months from the balance sheet date are classified as short term investments. All other investments are classified as long-term investments.

ii) **Valuation – shareholders' investments and non-linked policyholders' investments**
Debt securities, which include government securities, are considered as 'held to maturity' and measured at historical cost. The premium/discount, if any, on purchase of debt securities is recognised and amortised in the revenue account and profit and loss account, as the case may be, over the remaining period to maturity on the basis of their intrinsic yield.
Listed equity shares, as at balance sheet date, are valued at fair value, being the last quoted closing price on the National Stock Exchange (NSE) and in case the same is not available, then on the Stock Exchange, Mumbai (BSE). Unlisted Equity shares are valued at historical cost subject to provision for diminution. Investments in mutual fund units are valued at previous day's net asset value of the respective funds.

iii) **Valuation – Linked Investments**
Government securities are valued at the prices obtained from CRISIL (Credit Rating Information Services of India Limited). Debt securities other than Government Securities are valued on the basis of Bond Valuer (CRISIL). Listed equity shares are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on the BSE. Mutual fund units are taken at the previous day's net asset values.

iv) **Transfer of Investments**
Investments in debt securities are transferred from shareholders to policyholders at net amortised cost. Investments other than debt securities are transferred from shareholders to policyholders at lower of book value or market value. Transfer of investments between unit linked funds are effected at market price as at previous day closing.

8 **Inventories**

(a) Inventories are valued at lower of cost and net realisable value. Cost for this purpose is calculated on a weighted average method except in the case of medical supplies where cost is calculated on First In First Out basis. In respect of finished goods and work in process, appropriate overheads are loaded.

(b) Stock of securities is valued at lower of cost and market value, determined category wise. Cost for this purpose is calculated under First In First Out Method.

9 **Capital Subsidy**

Capital Subsidies, received under the state capital subsidy scheme, are accounted for as capital reserve.

10 **Employee Stock Option Scheme**

Max India Limited

(a) 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 the excess of market price on grant date over the exercise price of the option and is amortised on a straight line method basis over the vesting period in line with the Securities and Exchange Board of India (SEBI) Guidelines.

(b) As and when the options are exercised, the same will be accounted for as paid up capital to the extent of the face value and Share Premium to the extent of excess of market price over face value on grant date.

(c) 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 the consolidated accounts

Max New York Life Insurance Company Limited

The value of options is equal to the aggregate of the intrinsic value of the options granted. Intrinsic value is the option discount represented by excess of market price, which is determined by the independent valuer, over the exercise price. The intrinsic value of the options is 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.

Max Healthcare Institute Limited

The value of options is equal to the aggregate of the fair value of the options granted. Fair value is the face value of the paid up equity shares at which the share capital was introduced last by the Company or the net asset value, whichever is higher. 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 last 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 options.

11 Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax, fringe benefits tax and deferred tax. A provision is made for income taxes annually based on the tax liability computed at rates as per local laws of the country in which each Group Company is incorporated after considering applicable tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income taxes and the profit as per financial statements are identified and, thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. Deferred tax assets are recognised only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

12 Employee Benefits

(a) Defined Contribution Plan

i) Certain employees of the Company are participants of a defined superannuation plan. The Company makes contributions under the superannuation plan to "Max India Limited Superannuation Fund" based on a specified percentage of each covered employee's salary.

ii) The Company makes monthly contributions to the "Max India Limited Employees' Providend Fund Trust" which is based on a specified percentage of the covered employee's salary. This fund is administered through trustees and the Company's contributions thereto are charged to revenue every year.

(b) Defined Benefit Plans

i) The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the year-end using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the year in which they occur. The Company has a recognised Trust for Gratuity benefits, "Max India Limited Employees' Gratuity Fund" to administer the Gratuity funds. The Trust has taken Master policy with the Life Insurance Corporation of India to cover its liability 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 Gratuity Fund.

ii) The liability in respect of Leave Encashment and Sick Leave is provided for on the basis of actuarial valuation carried out at the year-end for long term compensating absences using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the year in which they occur. Short term compensated absences are provided for based on estimates.

Schedules annexed to and forming part of the consolidated accounts

Other Group Companies within India have various schemes of retirement benefits namely provident fund, superannuation and gratuity. Contributions made to these benefit plans are charged to revenue every year. Accruals for gratuity and leave encashment are made on the basis of actuarial valuation done at the year end.

Group Companies situated outside India have employee benefit schemes as per their respective local laws.

13 Foreign Exchange Transactions

(a) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

(b) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the profit and loss account.

(c) Exchange difference in respect of liabilities incurred to acquire fixed assets are recognised in the profit and loss account.

(d) In case of foreign exchange forward contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

(e) In case of foreign exchange forward contracts taken for highly probable/forecast transaction, the net loss, if any, calculated on `Mark to Market` principles as at the balance sheet date is recorded.

(f) For consolidation of accounts, in respect of Group Companies situated outside India, the assets and liabilities are translated at closing rate whereas the revenue and expenses are translated using the average rate during the year. The resultant gain or loss arising out of such translation is recognised in a separate reserve "Foreign Currency Translation Reserve" as required under Accounting Standard-11 revised.

14 Miscellaneous Expenditure

(a) Preliminary and share issue expenses are amortised over a period of 5 to 10 years, except cost incurred on raising of funds, which is being amortised over the life of the respective financial instrument.

(b) Deferred employee compensation expense is amortised over the vesting period.

(c) Other deferred revenue expenditure is amortised from the year they have been incurred/related projects commence operations, over 3 to 5 years based on the period over which future benefits are expected to be received.

15 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 recognised in the profit and loss account on accrual basis.

Assets acquired on finance lease are recognised in the financial statements at an amount equal to the fair value of the leased asset at the inception of the lease. The depreciation policy for such assets is consistent with that for depreciable assets that are owned by the Group.

Operating lease expense is recognised in the profit and loss account on a straight-line basis over the lease term.

16 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. Reinsurance recoverable, where applicable, are accounted in the same period as the related claims. Withdrawals under linked policies are accounted in respective schemes along with cancellation of associated units.

Schedules annexed to and forming part of the consolidated accounts

17 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.

18 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.

19 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.

20 Provision and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved.

21 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.

Schedules annexed to and forming part of the consolidated accounts

B. NOTES TO THE ACCOUNTS

1 The consolidated financial statements have been prepared in accordance with Accounting Standard 21, Consolidated Financial Statements, issued by the ICAI. The consolidated financial statements comprises the financial statements of Max India Ltd. and its subsidiaries, listed below:

	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2010	Proportion of ownership as at March 31, 2009
Indian Subsidiaries				
1	Max New York Life Insurance Company Ltd.	India	73.68%	73.69%
2	Max Healthcare Institute Ltd.	India	70.04%	70.04%
3	Max Medical Services Ltd. [1]	India	100%	100%
4	Hometrail Estate Pvt. Ltd. [1] (Subsidiary w.e.f. April 2, 2009)	India	100%	-
5	Hometrail Buildtech Pvt. Ltd. [1] (Subsidiary w.e.f. April 2, 2009)	India	100%	-
6	Alps Hospital Ltd. [2]	India	100%	100%
7	Max Neeman Medical International Ltd. [5]	India	100%	100%
8	Max Bupa Health Insurance Company Ltd. (Subsidiary w.e.f. December 17, 2009)	India	74%	-
9	Pharmax Corporation Ltd.	India	85.20%	85.20%
10	Max Ateev Ltd.	India	100%	100%
11	Max HealthStaff International Ltd.	India	100%	100%
Foreign Subsidiaries				
1	Neeman Medical International BV	Netherlands	100%	100%
2	Neeman Medical International NV [3]	Netherlands	100%	100%
3	Max Neeman Medical International Inc. [4]	United States of America	100%	100%
4	Max UK Ltd.	United Kingdom	100%	100%

Notes:
1 Held through Max Healthcare Institute Ltd.
2 Formerly Alps Hospital Pvt. Ltd.
Held through Max Medical Services Ltd.
3 Held through Neeman Medical International BV, Netherlands
4 Formerly Neeman Medical International Inc.
Held through Neeman Medical International NV, Netherlands
5 Formerly Neeman Medical International (Asia) Ltd.

2 Reserves shown in the consolidated balance sheet represent the Group's share in the respective reserves of the Group Companies. Goodwill arising on consolidation is shown under fixed assets (Refer Schedule 8).

3 The movement in share of minority interests is as follows:

(RS. LACS)

Name of the Subsidiary	Balance as on April 1, 2009	Increase in Capital	Profit/(Loss) for the year	Adjustment*	Balance as on March 31, 2010
Max New York Life Insurance Co. Ltd.	20512.25	5617.46	(550.51)	(592.09)	24987.11
Max Healthcare Institute Ltd.	7125.68	-	(639.83)	(175.25)	6310.60
Max Bupa Health Insurance Co Ltd.	-	3926.00	(1115.01)	-	2810.99
Total	**27637.93**	**9543.46**	**(2305.35)**	**(767.34)**	**34108.70**

* The adjustments in minority interest consist of:
(i) Changes in the shareholding pattern during the year; and
(ii) Share of preference dividend

Schedules annexed to and forming part of the consolidated accounts

4 Contingent Liabilities (RS. LACS)

		Current Year	Previous Year
a)	Corporate guarantees *	11500.00	11500.00
b)	Claims not acknowledged as debts:		
	- Excise Duty	744.53	855.26
	- Customs	376.43	364.09
	- Income Tax	--- Refer Note B7 ---	
	- Service Tax	4171.00	4166.81
	- VAT	-	-
	- Other	1046.19	1160.91
	- Potential liability in respect of repudiated policyholders claims	315.66	283.14
c)	Bank Guarantees	25.00	41.00
d)	Letter of Credit outstanding	8227.82	205.38
e)	Arrears of Dividend on Preference Shares	1382.19	41.82
f)	Corporate Dividend Tax on arrears of Dividend on Preference Shares	234.90	7.11
g)	Liability on assumed IRR (Also refer Note B11 below)	6916.37	4053.42

* Loans of Rs. 5990.00 Lacs (Previous year Rs. 2195.00 Lacs) are outstanding against the aforesaid corporate guarantees

5 Capital Commitments (RS. LACS)

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for	18245.44	5761.48
Less: Capital Advances	2017.04	1373.48
Balance value of contracts	**16228.40**	4388.00

6 Concession in Custom Duty availed on Capital equipment imported during the year against export obligation undertaken under 'Export Promotion Capital Goods' Scheme is Nil (Previous year Rs. 86.55 Lacs).

Movement of EPCG export obligation is given below: (RS. LACS)

Particulars	Current Year	Previous Year
Obligation as at April 1, 2009	16792.00	19852.00
Additions during the year	-	707.00
Exports made during the year	2306.00	3767.00
Obligation as at March 31, 2010	**14486.00**	16792.00

7 Income Tax Case

(a) In the case of an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs. 9503.93 Lacs (Previous year 9503.93 Lacs) was raised by the Income Tax Authorities for the Assessment Year 1998-99 in connection with capital gains realized by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") by holding that the sale transaction pertains to previous year relevant to assessment year 1998-99 and by denying exemption under section 10(23G) of the Income Tax Act, 1961 ("the Act"). On appeal by MTVL, the CIT (Appeals), while holding that the sale transaction pertains to previous period relevant to assessment year 1998-99, quashed the order of the Assessing Officer regarding denial of exemption under section 10(23G) and the demand was cancelled. The Tax Authorities filed an appeal against this order with the Income-Tax Appellate Tribunal ("ITAT") which is pending as on date.

Schedules annexed to and forming part of the consolidated accounts

Subsequently, in the next assessment year i.e. 1999-00, the above-mentioned transaction was once again sought to be taxed both as capital gains and under a different head of income (i.e., business income) on a protective basis by the Assessing Officer as MTVL had asked the Tax Authorities to treat the transaction as that arising in Assessment Year 1999-00 and not in Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24993.19 Lacs which included the demand of Rs. 24368.00 Lacs on protective basis. On appeal by MTVL, the CIT (Appeals) decided in favor of MTVL and the demand was cancelled. The Tax Authorities have filed appeal against ITAT,which appeal is pending as on date.

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

(b) Again, in the case of the erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs.15585.17 lacs, has been raised by the Income Tax Authorities for the Assessment Year 2006-07 in connection with capital gains realized by MTVL from the sale of remaining shares of Hutchison Max Telecom Limited ("HMTL") by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence denying exemption under section 10(23G) of the Act. MTVL has filed an appeal before CIT (Appeals) against the said order. Further, on application by MTVL, the entire outstanding demand of Rs 15585.17 lacs has been stayed by the Tax Authorities till the disposal of first appeal by CIT (Appeals).

(c) The Company has received the following demands under section 156 of the Income Tax Act, 1961 relating to income tax assessments:

Assessment year	**Demand As at March 31, 2010 (Rs. Lacs)**	Demand As at March 31, 2009 (Rs. Lacs)	Appeal Pending Before
2000-2001	Nil	5.25	ITAT
2001-2002	15.65	15.65	ITAT
2002-2003	41.77	41.77	CIT (Appeal)
2003-2004	Nil	Nil	CIT (Appeal)
2004-2005	0.76	0.76	CIT (Appeal)
2005-2006	Nil	Nil	CIT (Appeal)
2006-2007	98.96	98.96	CIT (Appeal)

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

Assessment year	**Demand As at March 31, 2010 (Rs. Lacs)**	Demand As at March 31, 2009 (Rs. Lacs)	Appeal Pending Before
1992-1993	18.78	18.78	CIT (Appeal)
1993-1994	14.63	14.63	CIT (Appeal)

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

Schedules annexed to and forming part of the consolidated accounts

Max Ateev Ltd. ("Max Ateev")
There are certain income-tax proceedings pending against the Company at various stages of appeal, as per the detailed given below:

Assessment year	Demand as on March 31, 2010	Appeal Pending Before
2003-2004	Nil	CIT (Appeals)
2004-2005	Nil	CIT (Appeals)

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

Max Healthcare Institute Ltd.
Certain income-tax proceedings are pending against the company as detailed below:

(RS. LACS)

Assessment Year	2003-04	2004-05	2005-06	2006-07	2007-08
Disallowances made by the Assessing Officer	1157.72	641.01	649.14	462.42	917.31
	(1157.72)	(641.01)	(649.14)	(462.42)	(-)
Appeal against the disallowance pending Before	CIT (Appeals)	CIT (Appeals)	CIT (Appeals)	CIT (Appeals)	CIT (Appeals)
Demand (if any)	-	-	-	-	-

Previous year's figures are given in brackets.

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

Max New York Life Insurance Company Ltd. ("MNYL")
Income Tax Cases
For the Assessment Year 2002-2003, the Assessing Officer has reduced the returned loss of Rs. 6684.09 Lacs (Previous year Rs. 6684.09 Lacs) to Rs. 6482.08 Lacs (Previous year Rs. 6482.08 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. 7408.37 Lacs (Previous year Rs. 7408.37 Lacs) to Rs. 7331.92 Lacs (Previous year Rs. 7331.92 Lacs) and from Rs. 7563.42 Lacs (Previous year Rs. 7563.42 Lacs) to Rs. 7285.17 Lacs (Previous year Rs. 7285.17 Lacs) respectively by the Assessing Officer by making similar disallowances. Appeals against the above orders have been filed to the CIT (Appeals), which are pending for disposal. Further, for the assessment year 2005-06, the returned loss has been reduced from Rs. 9427.20 Lacs to Rs. 9199.80 Lacs (Previous year Rs. 8999.80 Lacs) by making disallowance of Rs. 121.70 Lacs u/s 92CA(3) of the Income Tax Act, 1961 relating to Transfer Pricing and Rs. 105.70 Lacs due to disallowance of Loss on sale of investment. Appeal against the order has been filed to CIT (Appeals). For the assessment year 2006-07, the returned loss has been reduced from Rs. 5805.44 Lacs to Rs. 5414.09 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 Dispute Resolution Panel.

8 **Loans**

a) Term loan from Punjab National Bank amounting to Rs. 2600.00 Lacs (Previous year Rs. 3400.00 Lacs) is secured by a first pari passu charge on the fixed assets and second pari passu charge on the current assets of the Company, both present and future.

b) Term loan from Oriental Bank of Commerce amounting to Rs. 2600.00 Lacs (Previous year Rs. 3400.00 Lacs) is secured by a first pari passu charge on the fixed assets and second pari passu charge on the current assets of the Company, both present and future.

c) Fund based working capital facilities from banks are secured by a first pari passu hypothecation charge on all current assets and a second charge on immovable and movable fixed assets of the Company, both present and future.

d) The Company has been sanctioned term loan of Rs. 6000.00 Lacs by IndusInd Bank and Rs. 2500.00 Lacs by Yes Bank Ltd. The Company has not availed any disbursement as at March 31, 2010. The said loans are secured by way of a first pari passu charge on the fixed assets and second pari passu charge on the current assets of the Company, both present and future.

Schedules annexed to and forming part of the consolidated accounts

Max Healthcare Institute Ltd. ("MHIL")

(a) MHIL has availed term loans to finance its hospital projects and details of loans outstanding as on date are as follows:
(i) Rs. 21370.80 Lacs (Previous year Rs. 9183.30 Lacs) from Housing Development Finance Corporation Ltd.
(ii) Nil (Previous year Rs. 6000.00 Lacs) from Infrastructure Development Finance Co. Ltd.
(iii) Rs. 6937.50 Lacs (Previous year Rs. 7312.50 Lacs) from Export Import Bank of India

The above loans from financial institution are secured by way of:
- Equitable mortgage of the immovable properties of the company and a party having business arrangements with that company
- Hypothecation of movable fixed assets of the company and its subsidiaries
- Corporate guarantees by the Company

(b) Fund based working capital facility from Yes Bank for Rs. 544.71 Lacs (Previous year Rs. 1012.80 Lacs) is secured by way of hypothecation of all current assets of the company.

(c) Fund based working capital facility from IndusInd Bank Ltd. for Rs. 967.29 Lacs (Previous year Nil) is secured by way of first pari – passu charge on current assets with other working capital lenders.

Pharmax Corporation Limited ("Pharmax")

Term loan from Canara Bank amounting to Rs. 642.83 Lacs (Previous year Rs. 848.03 Lacs) availed by Pharmax is secured against a charge on monthly lease rentals receivable from various lessees and equitable mortgage of freehold property at Okhla, New Delhi.

9 Pursuant to shareholders' approval in Extra Ordinary General Meeting held on June 12, 2009 , the Company has allotted 1,03,26,311 equity shares of Rs. 2/- each at a premium of Rs. 143.26 per equity share aggregating to Rs. 15000.00 Lacs, on June 19, 2009 on a preferential basis, to International Finance Corporation.

10 Pursuant to shareholders' approval in Extra Ordinary General Meeting held on January 22, 2010, the Company has allotted 20,00,000 warrants of the face value of Rs. 867/- each to Dynavest India Private Limited, one of the promoter group companies on February 6, 2010. Each warrant entitles the holder thereof to subscribe to four equity shares of Rs. 2/- each in the Share Capital of the Company at a premium of Rs. 214.75 per equity share. Each warrant is convertible into four Equity Share as per prevalent SEBI guidelines at any time before expiry of 18 months from the date of allotment. In consideration of the warrants, the Company has received a deposit of Rs. 8670.00 Lacs (being 50% of the consideration for the issue of shares arising upon conversion of the warrants).

11 Pursuant to shareholders' approval in Extra Ordinary General Meeting held on January 22, 2010, the Company has allotted 60,19,925 Compulsorily Convertible Debentures ('CCDs') of the face value of Rs. 867/- each for an aggregate consideration of Rs. 52192.75 Lacs to Xenok Limited, a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P. and certain affiliated funds which are controlled by The Goldman Sachs Group, Inc., on a preferential basis. The aforesaid CCDs bearing a coupon of 12% per annum will have to be compulsorily converted into four equity shares of face value of Rs. 2/- each at a premium of Rs. 214.75 per equity share on or before 15 months from the date of issue of CCDs.

12 During the financial year 2007-08, Max Healthcare Institute Limited (MHIL) together with the Company had entered into a tripartite subscription agreement dated June 29, 2007, for issue of equity and preference share capital, with International Finance Corporation, USA (IFC).

As per the agreement, IFC has subscribed to the share capital of MHIL amounting to Rs. 30000.00 Lacs on July 28, 2007, as detailed below:
a. 90,90,909 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 45/- each aggregating to Rs. 5000.00 Lacs.
b. 25,00,00,000, 8 years 2% Cumulative Partially Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25000.00 Lacs.

The Preference Shares carry a dividend rate of 2% which is cumulative in nature, payable until date of redemption or date of purchase or conversion into equity shares, whichever is earlier. The earliest date of redemption or conversion or purchase is 3 years from the date of issue of the said shares.

Also, the Preference Shares have been issued with a guaranteed internal rate of return (GIRR) of 11.25%. The said GIRR is inclusive of 2% dividend rate, premium on redemption and discount to any initial public offering (IPO) price. The Preference

Schedules annexed to and forming part of the consolidated accounts

Shareholders also have an option to convert a portion of Preference Shares into Equity Shares at a discount to a future IPO price of MHIL, subject to a maximum of 7.5% equity stake in MHIL upon such conversion.

The Preference Shares which have not been converted into equity shares shall be redeemable at the expiry of eight years from the date of issue. The said redemption of Preference Shares will be at a GIRR of 11.25% p.a. inclusive of payment of 2% annual dividend and premium on redemption of Preference Shares.

MHIL also has a right to redemption of the aforesaid preference shares at any time provided IFC is paid the redemption amount at the GIRR.

Subsequent to the above mentioned agreement, MHIL has entered into another tripartite "put option" agreement together with the Company and IFC. As per the said agreement IFC has a right to exercise the put option in respect of the said preference shares as under:-

i) At any time after 3 years from date of subscription; or
ii) At any time after giving due notice, in the event of non-performance of certain obligations by MHIL and/or the Company.

Also, the price to be determined as per the 'put option' would be equivalent to the amount paid to redeem the Preference Shares so as to generate GIRR of 11.25% as adjusted with the following:-

i) Payment of 2% preference dividend;
ii) Discount on IPO Price on such portion of Preference Shares which have been converted to Equity Shares; and
iii) Premium paid on Preference Shares already redeemed or to be redeemed.

The premium payable and the applicable discount on any future IPO price on redemption of the preference shares are dependent on future events and accordingly cannot be individually ascertained. However, the company has provided for dividend payable on these preference shares amounting to Rs. 500.00 Lacs (Previous year Rs. 839.73 Lacs) along with corporate dividend tax thereon.

13 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 Actuarial Society of India (ASI). Details of assumptions are given below:

(a) Interest: It is based upon the current and projected yields on the fund and the current and projected yields on G-sec. A valuation rate of interest of 7.75% (Previous year - 7.5%) for participating business, non-participating, health business and riders has been used. The valuation rate of interest rate was reduced by margins for adverse deviations of 0.80% (Previous year - 0.75%) for participating business and 1.80% (Previous year - 1.75%) for non-participating business. Gross unit growth rate of 7.75% pa (Previous year - 7.5% pa) has been used which was further reduced by a margin of adverse deviation of 1.30% (Previous year - 1.25%) per annum.

(b) Mortality: It is based on experience (where credible) and on assumptions used in the previous annual valuation (to avoid arbitrary discontinuities). The assumptions are based on the base table IALM (94-96). For participating Life products 90% of the base table is used in year 1 and beyond year 1 70% is used. For the majority of the unit-linked life policies 80% of the base table is used in year 1 and beyond year 1 70% is used. In general, the assumptions in the initial years have been increased to reflect anti-selection and those in the later years have been lightened in line with experience. The assumptions have been increased by a margin for adverse deviation of 10% (Previous year - 10%) for participating business and 25% (Previous year - 25%) for non-participating, unit linked and health business.

(c) Morbidity: The ASI has recommended the CIBT93 study of UK for morbidity incident rates due to lack of any published Indian experience. Proportions of 95% to 300% (Previous year - 95% to 300%) of these tables have been used which were further increased by a margin for adverse deviation of 25% (Previous year - 25%).

(d) Expenses: The per policy maintenance expenses used are based on projected expenses for the year. These are further increased by margins for adverse deviation of 10% (Previous year - 5%) for participating policies and 10% (Previous year - 10%) for non-participating policies and health.

(e) Inflation: An assumption of 6.25% pa (Previous year - 6.00% pa) for expense inflation has been used.

(f) Commission: It is based on the actual commission rates paid. There has been no change in these assumptions from those used last year.

(g) Lapses: The lapse rates are based on experience (where credible). In general the lapses have been lightened compared to the assumptions used last year. The rates were further reduced by margins for adverse deviation of 20% (2009: 20%) for participating policies 50% (2009: 50%) for non-participating policies and 20% (2009: 20%) for health plans.

Schedules annexed to and forming part of the consolidated accounts

(h) Future bonuses: Provision is made for future bonuses based on estimated expected bonus payouts consistent with valuation assumptions and policyholders' reasonable expectations.

Overall, the valuation assumptions provide a conservative set of bases.

14 Employee Stock Option plans

Max India Limited

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

The Company had instituted the 2003 Plan, which was approved by the Board of Directors in August 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.

Details of the 2003 Plan are given below: NOS

	Year Ended March 31, 2010	Year Ended March 31, 2009
Options outstanding, beginning of the year	66,320	5,67,935
Granted during the year	13,75,250	66,320
Exercised during the year	(18,112)	(2,87,765)
Forfeited during the year	-	(2,80,170)
Options outstanding, end of the year	14,23,458	66,320

Max New York Life Insurance Company Limited

Employee Stock Option Plan

	ESOP 2004	ESOP 2006	ESOP 2009
Date of Grant	28/09/2004	09/03/2007	28/08/2009
No. of options granted ('000)	5900	2500	22205
Exercise Price (Rs.)	0.001	10.00	32.04
Graded Vesting Period			
1st Year	-	-	10%
2nd Year	-	-	20%
3rd Year	-	75%	30%
4th Year	-	25%	40%
5th Year	100%	-	-
Mode of Settlement		Equity	

A summary of status of Employee Stock Based Plans is given below:

(NOS)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Outstanding at the beginning of the year	70,50,000	74,75,000
Add: granted during the year	22,20,5000	-
Exercised during the year	3,98,5000	-
Forfeited/lapsed during the year	(11,10,000)	(4,25,000)
Outstanding at the end of the year	2,41,60,000	70,50,000

Schedules annexed to and forming part of the consolidated accounts

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. The options can be exercised during two to four years from the vesting date.

Details of the 2006 Plan are given below:

(NOS)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Options outstanding, beginning of the year	9,05,000	16,20,000
Options granted during the year	25,00,000	5,35,000
Options forfeited/lapsed during the year	-	(12,00,000)
Exercised during the year	-	(50,000)
Options outstanding, end of the year	34,05,000	9,05,000

15 Deferred Tax
The movement of deferred tax is given below:

2009-10 (RS. LACS)

Particulars	As at April 01, 2009	Provision during the year	As at March 31, 2010
Deferred Tax Liability			
Depreciation Expense	4103.45	472.14	4575.59
Deferred Revenue Expenses and preoperative expenditure	44.46	(44.46)	-
Liability for increase in surcharge	(14.90)	14.90	-
Total	**4133.01**	**442.58**	**4575.59**
Deferred Tax (Assets)			
Deduction u/s 43B	(378.85)	(202.55)	(581.40)
Other Provisions	(1085.42)	(445.72)	(1531.14)
Unabsorbed Depreciation	(2648.67)	385.78	(2262.89)
Total	**(4112.94)**	**(262.49)**	**(4375.43)**
Net Deferred Tax Liability/(Asset)	**20.07**	**180.09**	**200.16**

2008-09 (RS. LACS)

Particulars	As at April 01, 2008	Provision during the year	As at March 31, 2009
Deferred Tax Liability			
Depreciation Expense	4309.80	(206.35)	4103.45
Deferred Revenue Expenses and preoperative expenditure	93.19	(48.73)	44.46
Deduction u/s 35D/35DD	0.17	(0.17)	-
Liability for increase in surcharge	(14.90)	-	(14.90)
Total	**4388.26**	**(255.25)**	**4133.01**
Deferred Tax (Assets)			
Deduction u/s 43B	(287.07)	(91.78)	(378.85)
Other Provisions	(679.48)	(405.94)	(1085.42)
Unabsorbed Depreciation	-	(2648.67)	(2648.67)
Total	**(966.55)**	**(3146.39)**	**(4112.94)**
Net Deferred Tax Liability/(Asset)	**3421.71**	**(3401.64)**	**20.07**

Note: Deferred tax assets on timing differences and unabsorbed depreciation are created to the extent of their realisability in future.

Schedules annexed to and forming part of the consolidated accounts

16 Directors' Remuneration (RS. LACS)

		Current Year	Previous Year
(a)	Salary, wages and allowances	186.00	1203.01
(b)	Contribution to provident fund and superannuation fund	29.16	74.52
(c)	Value of perquisites	-	18.37
Total		**215.16**	1295.90

The above does not include leave encashment, gratuity and ESOP.

Notes:

During the year, the Company paid remuneration to the executive directors in accordance with the resolutions passed by the Remuneration Committee of the Board of Directors and the Shareholders. An amount of Rs. 284.15 Lacs (Previous year Nil) was paid to the executive directors in excess of the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956. The Company is in the process for obtaining requisite approvals from the Central Government for the same.

In view of the aforesaid, the excess amounts of Rs. 284.15 Lacs (Previous year Nil) received by the concerned directors, are held by them in trust for the Company.

17 Earnings per Share

Calculation of EPS (Basic and Diluted)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic		
Net Loss after Tax (Rs. Lacs)	7157.51	21838.61
Less: Dividend on Preference Shares	409.73	688.12
Net Loss for EPS	**7567.24**	22526.73
Weighted average number of Equity Shares	23,01,23,298	22,19,98,514
EPS (Rupees)	**(3.29)**	(10.15)
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	**22,20,30,310**	22,17,42,545
Issued on June 19, 2009	1,03,26,311	-
Issued on February 26, 2010	18,112	-
Issued on May 5, 2008	-	2,80,175
Issued on December 31,2008	-	7,590
Outstanding as at the end of the year	23,23,74,733	22,20,30,310
Diluted		
Net (Loss) after Tax (Rs. Lacs)	7157.51	21838.61
Less: Dividend on Preference Shares	409.73	688.12
Net (Loss) for EPS	**7567.24**	22526.73
Weighted average number of Equity Shares	23,17,67,192	22,21,22,712
EPS (Rupees)	**(3.29)**	(10.15)
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	**22,20,96,630**	22,23,10,480
Issued on June 19, 2009	1,03,26,311	-
Issued Convertible Warrants on February 6, 2010	80,00,000	-
ESOPs granted under the 2003 Plan	13,62,447	66,320
ESOP forfeited	-	2,80,170
Outstanding as at the end of the year	**24,17,85,388**	22,20,96,630

Schedules annexed to and forming part of the consolidated accounts

Reconciliation of denominators used for calculating basic and diluted earnings per share

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Denominator used for computing basic Earnings Per Share	23,01,23,298	22,19,98,514
Add :- Dilutive impact of -		
(i) ESOPs granted/forfeited under the 2003 Plan	4,60,332	1,24,198
(ii) Convertible Warrants	11,83,562	-
Denominator used for computing diluted Earnings Per Share	23,17,67,192	22,21,22,712

18 Miscellaneous Expenditure

(RS. LACS)

Particulars	As At April 1, 2009	Additions	Adjustments	Amortised during the year	As at March 31, 2010
Preliminary and Issue Expenses	**0.07**	**-**	**-**	**0.03**	**0.04**
	(0.66)	(-)	(-)	(0.59)	(0.07)
Deferred Employee Compensation *	**385.17**	**10858.88**	**(284.02)**	**790.54**	**10169.49**
	(645.17)	(245.59)	((267.20))	(238.39)	(385.17)
	385.24	**10858.88**	**(284.02)**	**790.57**	**10169.53**
	(645.83)	(245.59)	((267.20))	(238.98)	(385.24)

* Amortisation has been charged to Salaries, Wages and Bonus.

19 Employee Benefits

Defined Benefit Plans

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

Unavailed leaves can be encashed (on Basic Salary) at the time of separation from the company.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

(RS. LACS)

	Gratuity		Earned Leave		Sick Leave	
	As at 31.03.2010	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009
Net employee benefit expense (recognised in Employee Cost)						
Service cost	616.79	316.78	271.56	172.34	83.69	11.14
Interest cost	109.48	73.28	49.65	41.38	-	-
Expected return on plan assets	(61.37)	(45.30)	-	-	-	-
Actuarial (gain)/loss	(186.59)	227.91	67.59	(16.54)	-	-
Net cost	**478.31**	572.67	**434.93**	197.18	**83.69**	11.14

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	Gratuity		Earned Leave		Sick Leave	
	As at 31.03.2010	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009	**As at 31.03.2010**	As at 31.03.2009
Details of Provision for gratuity and Leave Encashment Benefits						
Present value of the obligation	1905.59	1372.87	930.47	636.53	94.83	11.14
Fair value of plan assets	1544.94	729.48	-	-	-	-
Liability recognized at the year end	360.65	643.39	930.47	636.53	94.83	11.14
Change in present value of the defined benefits obligation are as follows:						
Obligations (Opening balance)	1372.87	916.26	636.54	517.20	11.14	-
Service Cost	616.79	316.78	317.69	172.34	83.69	11.14
Interest cost	109.48	73.28	49.65	41.38	-	-
Benefits paid	(118.06)	(104.63)	(141.00)	(77.85)	-	-
Actuarial (gain)/loss	(75.49)	171.18	67.59	(16.54)	-	-
Obligation (Closing Balance)	1905.59	1372.87	930.47	636.53	94.83	11.14
Change in the fair value of plan assets are as follows:						
Fair value of plan assets (Opening balance)	729.46	542.62	-	-	-	-
Expected return on plan assets	61.01	45.43	-	-	-	-
Actuarial gain/(loss)	111.46	(56.86)	-	-	-	-
Contribution	751.52	302.54	-	-	-	-
Benefits paid	(108.50)	(104.25)	-	-	-	-
Fair value of plan assets (Closing balance)	1544.95	729.48	-	-	-	-

The Company expects to contribute NIL to gratuity in 2010-11.

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

Life Insurance Corporation of India	100%	100%				
Assumptions						
Discount rate	7.80-8.25%	7.80-8.00%	7.80-8.00%	7.80-8.00%	7.80-8.00%	-
Interest Rate	5.00-8.00%	5.00-8.00%	5.00-8.00%	5.00-8.00%	5.00-8.00%	-
Estimated rate of return on plan assets	8.25-9.15%	8.00-9.15%	N.A.	N.A.	N.A.	-
Salary Increase	8.00-15.00%	8.00-15.00%	8.00-15.00%	8.00-15.00%	8.00-15.00%	-
Attrition rate	1% to 40% (Depending on Age)	1% to 40% (Depending on Age)	1% to 40% (Depending on Age)	1% to 40% (Depending on Age)	1% to 40% (Depending on Age)	-
Leave availment in the service	N.A.	N.A.	5.00-10.00%	5.00-10.00%	5.00-10.00%	-
Retirement age	58 years	58 years	58 years	58 years	58 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

Defined benefit obligation	1905.59	1372.86	930.47	647.67	94.83	11.14
Plan assets	1544.94	729.48	-	-	-	-
Surplus / (deficit)	(360.64)	(643.38)	(930.47)	(647.67)	(94.83)	(11.14)
Experience adjustments on plan liabilities	(37.22)	50.22	(57.91)	(205.24)	-	-
Experience adjustments on plan assets	111.46	(56.73)	-	-	-	-

Schedules annexed to and forming part of the consolidated accounts

Defined Contribution Plans
During the year, the Company contributed Rs. 2203.55 Lacs (Previous year Rs. 2099.54 Lacs) for provident fund and Rs. 80.83 Lacs (Previous year Rs. 70.62 Lacs) for superannuation fund which represents contribution to defined contribution plans.

Other Long Term Benefits
During the year, consequent to the adoption of AS-15 (revised 2005), the company recognized in the Profit and Loss account Rs. 13.25 Lacs (Previous year Rs 6.14 Lacs) for non-vesting compensated leaves and Rs. 2350.90 Lacs (Previous year Rs 7288.60 Lacs) for deferred compensation for employees. Transitional liability towards deferred compensation amounting to Rs 994.11 Lacs has been charged off in General Reserve in previous year.

20 Detail of Balances with Non-scheduled Banks

(RS. LACS)

Name of the Bank	Balance as on March 31, 2010	Maximum Balance Outstanding during April 01, 2009 to March 31, 2010	Balance as on March 31, 2009	Maximum Balance Outstanding during April 01, 2008 to March 31, 2009
In Current Accounts				
Wachovia Bank	14.49	83.91	9.88	47.06
Barclay Bank Plc	26.81	65.41	11.81	38.98
Rabo Bank	40.44	89.02	87.21	113.86
Total	**81.74**		**108.90**	

21 Segment Reporting

(a) Business Segments

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

- **Speciality Plastic Products** - The holding company's manufacturing facility located at Railmajra, Nawanshar (Punjab), produces packaging films supported with polymers of propylene, leather finishing transfer foils and related products.
- **Life Insurance** - This segment relates to the nation wide life insurance business carried out by one of the Company's subsidiaries.
- **Healthcare Business** - One of the Company's subsidiaries is engaged in the delivery of healthcare services in the national capital territory of Delhi through its primary and tertiary health care delivery centers. This also includes revenue from leasing of medical and other equipments.
- **Clinical Research** - Consists of business activities relating to conduct of ethical medical research involved in drug development process as a Clinical Research Service provider. The group of subsidiaries involved in this business segment offer study management services, project management services, data base management services, monitoring services and clinical trial pharmacy supply chain management services to the pharmaceutical, medical device, biotechnology and Contact Research Organizations worldwide.
- **Business Investments** - This segment is represented by treasury investments.
- **Health Insurance** - One of the Company's subsidiaries is engaged in the business of health insurance.
- **Others** - The leasing activities undertaken by one of the Company's subsidiary are classified under this segment.

The above business segments have been identified considering:

(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.

Schedules annexed to and forming part of the consolidated accounts

Segment Revenue consists of revenue from external customers and revenue from other segments.

Segment Result is the difference of segment revenue and segment operating expenses.

Unallocated Assets include assets pertaining to the holding company's corporate office such as, loans, advance and deposits.

Unallocated Liabilities include tax provisions and interest bearing loans not directly related to any business segment.

Unallocated Expenses – Expenses incurred at corporate office of the holding company relate to various business segments. As there is no reasonable basis of allocating this expenditure to various segments, the same are shown as unallocated reconciling expenses. Interest expense is not treated as part of a segment expense and is reflected as a separate line item, except interest on loans allocated to business segment.

The segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting these financial statements.

(b) Geographical Segments

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

SEGMENT INFORMATION

PRIMARY SEGMENT

(RS. LACS)

	Particulars	Speciality Plastic Products	Healthcare Business	Business Investment	Life Insurance	Health Insurance	Clinical Research Services	Others	Total
a.	**Segment Revenue from**								
	Sales to External Customers	**33863.23**	**9076.72**	**–**	**–**	**–**	**–**	**–**	**42939.95**
		(37003.51)	(4784.99)	(-)	(-)	(-)	(-)	(-)	(41788.50)
	Service Income	**–**	**33128.01**	**–**	**480085.90**	**0.12**	**1816.08**	**0.68**	**515030.79**
		(20.11)	(27171.81)	(-)	(381903.36)	(-)	(1397.03)	(114.56)	(410606.87)
	Service/Interest Income from	**–**	**4024.09**	**121.14**	**–**	**–**	**226.45**	**367.98**	**4739.66**
	Inter Segments	(-)	(3040.83)	(287.15)	(-)	(-)	(266.94)	(340.41)	(3935.33)
	Income from Investment Activities	**–**	**1639.67**	**1901.27**	**203393.24**	**130.83**	**9.33**	**119.58**	**207193.92**
		(-)	(2761.06)	(4421.76)	(25409.41)	(-)	(2.21)	(291.29)	(32885.73)
	Other Income	**118.57**	**518.75**	**–**	**6398.69**	**13.97**	**(56.02)**	**290.89**	**7284.85**
		(1.69)	(260.49)	(-)	(3001.64)	(-)	(25.20)	(188.07)	(3477.09)
	Total Segment Revenue	**33981.80**	**48387.24**	**2022.41**	**689877.83**	**144.92**	**1995.84**	**779.13**	**777189.17**
		(37025.31)	(38019.18)	(4708.91)	(410314.41)	(-)	(1691.38)	(934.33)	(492693.52)
	Less: Inter Segment Revenue								**4739.66**
									(3935.33)
	Segment Revenue from External Customers								**772449.51**
									(488758.19)
	Add: Unallocated Revenue								**262.30**
									(247.19)
	Add: Interest Income								**170.81**
									(138.76)
	Total Revenue								**772882.62**
									(489144.14)

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	Particulars	Speciality Plastic Products	Healthcare Business	Business Investment	Life Insurance	Health Insurance	Clinical Research Services	Others	Total
b.	**Segments Results**	**3100.23**	**901.07**	**1901.27**	**3389.63**	**(1422.99)**	**192.27**	**153.07**	**8214.55**
		(4003.66)	(4754.38)	(4421.76)	((40247.85))	(-)	(95.89)	(101.51)	((26870.65))
	Interest Income								**170.81**
									(138.76)
	Sub-total								**8385.36**
									((26731.89))
	Less:								
	Unallocated Expenses								**6533.44**
									(3911.74)
	Interest Expenses								**5907.68**
									(5057.40)
	(Loss) before Tax								**(4055.76)**
									((35701.03))
	Provision for Taxation								**338.78**
	(Includes Provision for Deferred Tax)								(2383.56)
	(Loss) after Tax								**(4394.54)**
									((33317.47))
c.	**Carrying Amount of Segment Assets**	**29455.13**	**89853.23**	**77528.66**	**1099674.58**	**12809.25**	**1444.84**	**2416.31**	**1313182.00**
		(28929.84)	(77547.68)	(14980.44)	(636948.14)	(-)	(1319.30)	(3727.62)	(763453.02)
	Add: Unallocated Assets								**6661.69**
									(19050.64)
	Cost of Control								**6986.19**
									(6986.19)
	Total Assets								**1326829.88**
									(789489.85)
d.	**Segment Liabilities**	**2774.12**	**8790.68**	**-**	**996989.91**	**1779.20**	**663.04**	**1729.94**	**1012726.89**
		(2890.94)	(7461.17)	(-)	(558183.70)	(-)	(687.75)	(253.29)	(569476.85)
	Add: Unallocated Liabilities								**97417.28**
									(35745.75)
	Total Liabilities								**1110144.17**
									(605222.60)
e.	**Cost to Acquire Tangible and**	**1651.27**	**5265.37**	**-**	**6568.33**	**1115.16**	**51.27**	**-**	**14651.40**
	Intangible Fixed Assets	(1199.97)	(5382.71)	(-)	(24551.60)	(-)	(30.42)	(0.45)	(31165.15)
	Unallocated								**634.06**
									(46.85)
	Total Addition								**15285.46**
									(31212.00)
f.	**Depreciation and Amortisation Expenses**	**1184.75**	**1992.99**	**-**	**10674.88**	**48.03**	**61.93**	**70.76**	**14033.34**
		(1134.14)	(1815.09)	(-)	(6515.98)	(-)	(57.96)	(106.49)	(9629.66)
	Unallocated Depreciation & Amortization								75.12
									(71.85)
	Total Depreciation and Amortization								**14108.46**
									(9701.51)

Schedules annexed to and forming part of the consolidated accounts

(RS. LACS)

	Particulars	Speciality Plastic Products	Healthcare Business	Business Investment	Life Insurance	Health Insurance	Clinical Research Services	Others	Total
g.	Non-cash expenses other than	**26.21**	**279.96**	**-**	**264.57**	**49.07**	**29.11**	**9.99**	**658.91**
	depreciation and amortisation	(109.54)	(302.00)	(-)	(537.43)	(-)	(72.78)	(60.51)	(1082.26)
	Unallocated Non cash expenses								**8.22**
									(40.37)
	Total								**667.13**
									(1122.63)

SECONDARY SEGMENT

(RS. LACS)

	Particulars	India	North America	Europe, Canada, Australia	South America	Asia	Total
a.	Revenue from external customers	**766025.39**	**521.31**	**1135.24**	**322.11**	**4445.46**	**772449.51**
		(480807.99)	(909.34)	(4142.57)	(808.81)	(2089.48)	(488758.19)
b.	Carrying amount of segment assets by location of assets	**1306828.88**	**262.42**	**4892.04**	**218.02**	**980.64**	**1313182.00**
		(757256.74)	(534.73)	(5426.33)	-	(235.22)	(763453.02)
c.	Cost to acquirer tangible and intangible fixed assets by location of assets	**14651.40**	**-**	**-**	**-**	**-**	**14651.40**
		(31164.51)	(0.64)	(-)	(-)	(-)	(31165.15)

22 Related Parties (as identified by the management) are classified as:

Key Management Personnel	Mr. Analjit Singh
Relatives of Key Management Personnel	Mr. Veer Singh, Ms. Tara Singh
Directors # (Stock Option)	Mr. Aman Mehta, Mr. Anuroop Singh, Mr. Ashwani Windlass, Mr. N C Singhal, Mr. N Rangachary, Mr. Piyush Mankad, Mr. S K Bijlani
Enterprises over which key management personnel have significant influence	Liquid Investments & Trading Company, New Delhi House Services Ltd., Medicare Investments Ltd., Maxopp Investments Ltd., Cheminvest Ltd., Pivet Finances Ltd., Lakeview Enterprises, Delhi Guest House Pvt Ltd., Trophy Holdings Pvt. Ltd., M.V. Healthcare Services Pvt. Ltd., ND Callus Info Services Pvt. Ltd., Boom Investments Pvt. Ltd., Malsi Holdings Ltd., Dynavest India Pvt. Ltd., Scorpio Beverages Pvt. Ltd., Trophy Guest Houses & Resorts Pvt. Ltd., Trophy Estates Pvt. Ltd., Gaylord Impex Ltd., Pen Investments Ltd., Mohair Investment, PVT Investment Ltd., Malsi Estates Ltd, TVP Investments Pvt. Ltd., BAS Enterprises Pvt. Ltd., Vitasta Estate Pvt. Ltd., Terra Planet Estate Pvt. Ltd., Doon Holiday Resorts Pvt. Ltd., Urban Space Consultants Pvt. Ltd., Max India Foundation, Capricorn Health Services Private Ltd., Leo Retailing and Health Services Private Ltd., Nurture Health Services Pvt. Ltd., Capricorn Retailing and Services Pvt. Ltd., Veer Health Services Pvt. Ltd., Wegmans Business Park Pvt. Ltd., Synergy Infracon Pvt. Ltd., Max Speciality Products Ltd., Malsi Hotels Ltd. (Effective March 20, 2009), Bhai Mohan Singh Foundation, ABK Consultants Pvt. Ltd. (effective September 14, 2009), Hometrail Properties Pvt. Ltd., Max Bupa Health Insurance Company Ltd. (Upto December 16, 2009)
Employee benefit funds	Max India Ltd. Employees' Provident Fund Trust, Max India Ltd. Superannuation Fund, Max India Limited Employees' Gratuity Fund

Schedules annexed to and forming part of the consolidated accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

(RS. LACS)

Particulars		Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which Key Management Personnel have Significant Influence	Employee Benefit Funds
1	Fixed Assets Purchased	-	-	36.09	-
		(-)	(-)	(88.99)	(-)
2	Fixed Assets Sold	-	-	1.40	-
		(-)	(-)	(0.06)	(-)
3	Deposits and Advances Accepted / Given	284.22	-	9400.00	-
		(-)	(-)	(-)	(-)
4	Loans Taken	-	-	-	-
		(-)	(-)	(55.00)	(-)
5	Loan Given	-	-	-	-
		(-)	(-)	(5550.00)	(-)
6	Incomes and Reimbursement				
	- Interest Income	-	-	95.34	-
		(-)	(-)	(270.30)	(-)
	- Reimbursement of Expenses	15.34	1.23	261.41	-
		(21.73)	(1.49)	(309.95)	(-)
7	Warrants - Partly Paid Up	-	-	8670.00	-
		(-)	(-)	(-)	(-)
8	Expense				
	- Services / other Expenses Received	215.16	19.11	566.95	-
		(1295.90)	(13.70)	(734.52)	(-)
	- Interest Paid	-	-	19.92	-
		(-)	(-)	(19.48)	(-)
	- Company's Contribution to Trust	-	-	-	124.68
		(-)	(-)	(-)	(115.85)
9	Amount Outstanding				
	- Against Loan Taken	-	-	-	-
		(-)	(-)	(155.00)	(-)
	- Interest Payable	-	-	-	-
		(-)	(-)	(7.68)	(-)
	- Against Loan Given	-	-	-	-
		(-)	(-)	(800.00)	(-)
	- Interest Receivable	-	-	-	-
		(-)	(-)	(53.55)	(-)
	- Other Receivable	284.22	4.14	13.49	-
		(0.54)	(1.50)	(226.38)	(-)
	- Other Payable	-	-	19.39	-
		(-)	(0.33)	(23.20)	(-)

Other relevant information -

i) The above excludes sitting fees Rs 16.34 Lacs (Previous year Rs. 16.44 Lacs) paid to non-executive diectors.

ii) Previous year's figures are given in brackets.

Excludes expense Rs. 427.05 Lacs on 12,30,000 Stock Options granted (Of the options outstanding 12,00,000 options have been granted to Mr. Anuroop Singh, Non Executive Vice Chairman).

Schedules annexed to and forming part of the consolidated accounts

23 Leases

Accounting for leases has been done in accordance with Accounting Standard-19 issued by the ICAI. Following are the details of lease transactions for the year:

(a) Finance Lease

The Company does not have any finance lease agreement.

(b) Operating Lease

(i) Lease rentals recognised in the profit and loss account for the year is Rs. 11272.36 Lacs (Previous year Rs. 8766.07 Lacs).

(ii) The Company has entered into operating leases for its office and for employees' residence, vehicles for transportation, furniture that are renewable on a periodic basis. The total of future minimum lease payments under non-cancellable leases are as follows:

(RS. LACS)

	March 31, 2010	March 31, 2009
Not later than one year	2442.84	2738.99
Later than one year and not later than five year	12.00	3587.17
Later than five year	21.05	-
Total	**2475.89**	6326.16

24 Movement in Policyholders' Liability

(RS. LACS)

	Current Year	Previous Year
Opening Balance	498538.50	322742.74
Add: Transfer to reserve	404241.36	163914.63
Add: Bonus payable to policyholders	14328.62	11881.13
Closing Balance	**917108.48**	498538.50

25 Max Medical Services Limited

(a) As at December 10, 2001 the company had entered into an agreement with a healthcare service provider to construct a hospital building. The construction, as aforesaid had been completed and the building handed over as on March 31, 2005 to the healthcare service provider for a consideration of Rs. 2431.00 Lacs. The said consideration is repayable in equal installments over 26.5 years from the handover date. In addition, since the receipt of the consideration is spread over a long period, an income amounting to Rs. 317.35 Lacs (Previous year Rs. 234.70 Lacs) which is based on a fixed percentage of the turnover of the healthcare service provider has been accrued in these accounts and disclosed under Loans and Advances.

(b) The company had entered into an agreement with a healthcare service provider on December 10, 2001 for supply of medical, other equipments and fixtures for an initial term of 30 years. Under the terms of the lease, the company is responsible for:

(i) Acquisition of equipment including its repair and servicing;
(ii) Ensuring adequate insurance coverage for the assets; and
(iii) Replacement of any existing equipment with suitable equipment in lieu thereof.

As per terms, lease rentals based on a fixed percentage of the turnover of the healthcare service provider are due to the company on a monthly basis. Accordingly, as at March 31, 2010 an amount of Rs. 626.50 Lacs (Previous year Rs. 971.52 Lacs) has been accrued as lease rentals. The lease rent being contingent on turnover, hence cannot be quantified for any future periods and disclosed under Sundry Debtors.

Schedules annexed to and forming part of the consolidated accounts

26 Preferential Issue Proceeds (Max India)

Details of additions:

(RS. LACS)

Particulars	Current Year	Previous Year
Opening Balance	2009.84	75730.39
Addition:		
On preferential allotment of equity shares	15000.00	-
On allotment of warrants	8670.00	-
On allotment of CCDs	52192.75	-
Total	**77872.59**	75730.39
Utilizations:		
Investment in subsidiary company	25082.47	55500.00
Advance against Investment in subsidiary company	-	800.00
Refund of Option Deposit to New York Life International	-	17420.55
Share issue expenses	593.13	-
Total	**25675.60**	73720.55
Balance invested in units of mutual fund	**52196.99**	2009.84

27 Preferential Issue Proceeds (MHIL)

Details of additions:

(RS. LACS)

Particulars	Current Year	Previous Year
Opening Balance	9561.61	19156.04
Total	**9561.61**	19156.04
Utilizations:		
Repayment of Loans	2374.66	614.09
Advance for purchase of Land	228.80	4992.42
Loan to Subsidiaries	3471.63	945.82
Loan to other healthcare service provider	2943.55	3042.10
Total	**9018.64**	9594.43
Balance invested in units of mutual fund	**542.97**	8355.81
Deposit with Scheduled Bank	**-**	1205.80

28 Securities Premium Account

(i) Details of additions:

(RS. LACS)

Particulars	Current Year	Previous Year
1. On allotment of preferential shares (Refer note 6 above)	14793.48	-
2. Exercise of Stock Option	19.78	414.46
Total	**14813.26***	414.46

* Excludes share premium received in MNYL Rs. 13414.40 Lacs (Previous Year Nil)

Schedules annexed to and forming part of the consolidated accounts

(ii) Details of utilization:

(RS. LACS)

Particulars		Current Year	Previous Year
1.	Expenses on issuance of shares / warrants / debentures	593.13	-
2.	Fees for increase in authorized capital and other expenses in connection with share issue#	-	2.01
Total		**593.13****	2.01

Adjusted for transfer to minority Nil (Previous year Rs. 2.01 Lacs)

** Excludes share premium utilized in MNYL Rs.13218.37 Lacs (transferred to cost of control and minority interest)

29 During the year, Rs. 21.47 Lacs (Previous year Rs. 16.51 Lacs) has been charged to the profit and loss account relating to Research and Development expenditure under the heads Raw Material - Consumed and Power & Fuel.

30 Additions/deletions in the schedule of Reserves and Surplus (Schedule 2) include adjustments in respect of consolidation level accounting in accordance with Accounting Standard 21.

31 Clinical Trial Expenses related to Clinical Research Business (Refer Schedule 22) includes:

(RS. LACS)

Particulars		Current Year	Previous Year
1.	Salaries, Wages and Bonus	531.57	384.36
2.	Contribution to Provident and Other Fund	21.26	16.85
Total Personnel Expenses		**552.83**	401.21

32 Consequent to the Company's investment of Rs. 11174.01 Lacs, Max Bupa Health Insurance Co. Ltd. (Max Bupa) became a 74% subsidiary of the Company on December 17, 2009. In addition, the Company has a put option to transfer and Bupa Singapore Pte. Ltd (Bupa Singapore) has a call option under which the Company would be required to transfer 24% of its shareholding to Bupa Singapore, subject to approval under applicable laws and regulations. As consideration of the call option granted by the Company, Bupa Singapore is obligated to pay an option fee to the Company.

33 During the previous year, a Memorandum of Understanding (MOU) dated November 12, 2008 has been entered into amongst Government of Punjab ("GOP"), Max India Group and Others ("the Founder Supporters"), together with Indian School of Business, Hyderabad ("ISB"). As per the MOU, a second campus of ISB is proposed to be established in the Knowledge city at Mohali, with an equal contribution from each of the Founder Supporters. The Shareholders' of Max India Limited and Max Healthcare Institute Limited has recommended approved contribution for an amount not exceeding Rs. 1700.00 Lacs each from the Company to this initiative.

Of the above, a sum of Rs. 578.00 Lacs (Previous year Rs. 275.00 Lacs) has been contributed by the Company during the current year and included under the head Charity and Donation.

34 On April 02, 2009, MHIL a subsidiary of the company has acquired 10000 shares of Rs.10 each, of Hometrail Estate Private Limited (HEPL) & 10000 shares of Rs.10 each, of Hometrail Buildtech Private Limited (HBPL). By virtue of the above, HEPL & HBPL became wholly owned subsidiaries of MHIL.

35 In line with the expansion plans of the Company, the Board of Directors of the Company in its meeting held on March 30, 2010 approved the proposal of MNYL, a 73.68% subsidiary to issue equity shares of approximately 4% of post issue equity base of MNYL to Axis Bank Ltd. ("Axis Bank") at par. The aforesaid equity issuance shall come into force post execution of definitive agreements and receipt of requisite regulatory approvals Thereafter, on May 3, 2010, MNYL signed corporate agency agreement with Axis Bank for a period of ten years whereby Axis Bank would be distributing life Insurance products of MNYL across India.

36 The Company's subsidiary MNYL has entered into an agreement called "The Brand License and Technical Services Agreement (Brand Agreement)" with New York Life Insurance Company and New York Life International, LLC for a duration of five years. The agreement states total consideration of Rs. 32906.83 Lacs for grant of license and provision of technical services to MNYL over the tenure of the agreement. During the current year, MNYL has recognised an expense of Rs. 6178.57 Lacs (Previous year Rs. 5084.72 Lacs) in Profit and Loss Account under the head of "Branding, Advertisement & Publicity", considering amortization of total consideration on straight line basis over the tenure of the agreement.

Schedules annexed to and forming part of the consolidated accounts

37 Derivative Instruments

i) Forward cover for foreign currency debtors outstanding as of balance sheet date is Rs. 920.82 Lacs (Previous year Rs. 890.25 Lacs).

ii) Forward cover for foreign currency creditors outstanding as of balance sheet date is Rs. 158.80 Lacs (Previous year Rs. 166.87 Lacs).

iii) Forward cover for expected future purchases or highly probable forecast transaction as of balance sheet date is Rs. 7359.77 Lacs (Previous year Nil).

iv) Foreign currency exposure (net) that are not hedged by derivative instruments or otherwise is Rs. 67.17 Lacs (Previous year Rs. 328.48 Lacs).

38 MHIL has received a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Speciality Hospital at Mohali, Punjab on Public Private Partnership (PPP) mode. Thereafter, during the year, the Company together with the Government of the State of Punjab and HEPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein.

39 MHIL has received a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Speciality Hospital at Bathinda, Punjab on Public Private Partnership (PPP) mode. Thereafter, during the year, the Company together with the Government of the State of Punjab and HBPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein.

40 One of the Company's subsidiary, Max Bupa obtained regulatory approval to undertake health insurance business on February 15, 2010 from Insurance Regulatory and Development Authority (IRDA) under section 3(2A) of the Insurance Act, 1938. Max Bupa has started selling policies in March 2010.

41 MHIL, a subsidiary company, has completed Phase-I of its plans which included setting up of a network of healthcare facilities in the National Capital Region. Subsequent phases, currently underway, are for expanding these facilities and setting up other healthcare facilities. Healthcare facilities have long gestation periods from the commencement of its operations and accordingly require significant cash outlay. Also, as part of the plan, MHIL had entered into long term service contracts either directly or through its subsidiaries with other Healthcare Service Providers and a down stream subsidiary to provide support/services to them in their hospital operations. Accordingly, amounts recoverable against these contracts are disclosed under sundry debtors and loans and advances.

42 Pursuant to the settlement of a dispute between General Binding Corporation ("GBC") and the Company arising out of the breach of manufacturing and sale agreement by GBC, the Company and GBC have executed a settlement agreement on May 18, 2010. As per the terms of the settlement agreement GBC is required to pay USD 3.75 Million (approx. Rs. 1700.00 Lacs) to the Company as a settlement amount. Subsequently, in May 2010, the Company has received 50% of this amount.

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

For and on behalf of	For and on behalf of the Board of Directors
Price Waterhouse	
Firm Registration Number 301112E	**ANALJIT SINGH** Chairman & Managing Director
Chartered Accountants	**N. C. SINGHAL** Director
	ASHWANI WINDLASS Director
V. NIJHAWAN	**SUJATHA RATNAM** Chief Financial Controller
Partner	**V. KRISHNAN** Company Secretary
Membership No. F-87228	
Gurgaon	New Delhi
May 29, 2010	**May 29, 2010**

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2010

		Indian Subsidiaries (Rs. Lacs)											Foreign Subsidiaries (Rs. Lacs)			
		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
1	Share Capital	183,881.76	15,100.00	48,714.45	1,414.25	5.00	1.00	1.00	416.68	2,055.77	3,144.36	394.50	8.26	26.81	366.08	213.00
2	Reserves and Surplus	(80,649.38)	(4,288.51)	2,826.53	(1,440.89)	(2,021.39)	(129.11)	(130.92)	(402.11)	(527.23)	(3,810.84)	(2,181.62)	4,931.10	2,748.23	(3,674.88)	(131.71)
3	Miscellaneous Expenditure to the extent not written off	7,579.98	-	144.58	0.01	-	-	-	-	-	-	-	-	-	-	-
4	Total Assets	1,090,127.56	12,808.44	94,797.52	24,945.29	4,801.35	1,031.21	876.23	1,559.70	2,932.27	13.55	83.74	4,950.82	2,917.80	96.43	91.14
5	Total Liabilities	994,475.16	1,996.95	43,401.12	24,971.94	6,817.74	1,159.32	1,006.15	1,545.12	1,403.73	680.03	1,870.86	11.45	142.76	3,405.24	9.85
6	Details of Investments (Other than investment in subsidiaries)	1,012,095.87	9,260.15	7,297.49	-	-	-	-	-	605.75	-	-	-	-	-	-
7	Turnover and Other Income	699,277.90	195.58	38,176.28	6,469.25	3,844.49	-	-	1,854.71	708.54	5.24	19.44	0.00	-	236.76	57.71
8	Profit Before Taxation	(2,091.40)	(3,660.05)	(331.85)	(879.34)	(810.05)	(129.11)	(130.92)	217.99	266.69	(6.04)	(18.87)	(7.91)	(23.68)	5.51	1.71
9	Provision for Taxation	-	-	0.44	(59.13)	-	-	-	11.89	72.02	-	-	-	-	-	0.25
10	Profit After Taxation	(2,091.40)	(3,660.05)	(332.29)	(820.21)	(810.05)	(129.11)	(130.92)	206.11	194.67	(6.04)	(18.87)	(7.91)	(23.68)	5.51	1.46
11	Proposed Dividend	-		-	-	-	-	-	-	-	-	-	-	-	-	-

Note - In respect of foreign subsidiaries:
a) Item No. 1 are translated at historical rates
b) Item Nos. 2 to 6 and 11 are translated at exchange rates as on 31st March, 2010 as follows: Pound Sterling = Rs. 67.8685 and US Dollars = Rs. 45.0301
c) Item Nos. 7 to 10 are translated at annual average exchange rates as follows: Pound Sterling = Rs. 75.8498 and US Dollars = Rs. 47.9997
The above details have been annexed in terms of Letter No.47/352/2010-CL-III dated June 7, 2010 issued by Government of India, Ministry of Company Affairs under Section 212(8) of the Companies Act, 1956.

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED

■ ■ ■ ■

MAX

Directors' Report

Your Directors have the pleasure in presenting the Tenth Annual Report of your Company with the audited accounts for the Financial Year ended March 31, 2010.

BUSINESS HIGHLIGHTS

Highlights for the Financial Year ended March 31, 2010 are as under:

(RS CRORES)

Particulars	2009–10	2008–09
Financial Performance		
New Business Premium (First Year Premium and Single Premium)	**1,849**	1,842
Adjusted First Year Premium*	**1,668**	1,619
Renewal Premium	**3,011**	2,014
Commission Expense	**421**	392
Operating Expense	**1,615**	1,680
Shareholders Profit / (Loss) After Tax	**(21)**	(393)
Key Business Parameters		
Solvency Capital Ratio	**321%**	304%
Share Capital	**1,839**	1,782
Assets Under Management	**10,121**	5,557
No. of Policies In-Force ('000s)	**2,985**	2,526
Sum Assured In-Force	**123,278**	93,593
No. of Employees	**10,454**	15,402
No. of Agents	**72,813**	84,355
No. of Offices	**705**	700

* Adjusted First Year Premium = First Year Premium plus 10% of Single Premium

Your Company registered gross premium income of Rs. 4,860 Crores for the financial year, an increase of 26% over the previous year. Renewal premium income grew by 50% to Rs. 3,011 Crores. The cumulative sum assured crossed Rs. 123,000 Crores and the assets under management rose to Rs. 10,121 Crores, a growth of 82% over the last financial year. The Shareholders Loss (after tax) has reduced significantly from Rs. 393 Crores for the previous year to Rs. 21 Crores for this Financial Year.

DYNAMIC ECONOMIC AND REGULATORY ENVIRONMENT

Financial Year 2009-10 may prove to be a landmark year for the life insurance industry in India. The year began with continued contraction in new business premium for the private life insurance companies in the first half (-15%) but rebounded with a reasonable recovery in the second half (+26%).

The year posed new challenges for life insurers. Although the stock markets recovered, consumer confidence, which was adversely affected due to global financial turmoil and its resultant impact on the Indian economy, did not recover fully. Low risk appetite was evident in growing popularity of high NAV guaranteed products. This also resulted in a greater acceptance of traditional endowment plans.

The year was also of significance in terms of regulatory changes. Some of the important regulatory changes included:

Unit linked cap on charges - For all ULIPs which have a maturity of up to 10 years, the difference between the gross yield and net yield is required to be maintained at 300 basis points or 3 per cent. Out of this, the fund management charge cannot be more than 1.35 per cent. For ULIPs with tenure longer than 10 years, the overall cap is required to be 2.25 per cent with a fund management charge cap of 1.25 per cent. This change resulted in revised ULIP portfolios for all life insurance companies. This move by the Regulator was intended to bring about cost transparency and to help the customer in his/her decision making process.

Investment norms - Concurrent audits have been made mandatory for the investment function, and Investment Risk Management System and Process Audits have been made mandatory once every three years. This change will bring more accountability in the investment function.

Disclosure norms - IRDA made it mandatory for life insurers to publish their financial results and key financial ratios on their websites. Companies are also required to publish financial results biannually from September 2010.

The year also witnessed a public debate on cost structure, product design and transparency of ULIPs, distributors' commission structure and misselling in the life insurance industry. The debate started with SEBI's decision to abolish entry load in Mutual Funds and the recommendation by the Committee on Investor Awareness and Protection headed by Mr. D. Swarup to move towards zero first year commission in life insurance. The issue gained significant media attention after the SEBI issued notices to 14 private life insurers and laid the claim that ULIPs should be regulated by SEBI because they are akin to mutual funds in nature. The Finance Ministry has guided the SEBI and the IRDA to seek the opinion of the court of law on who has the authority to regulate ULIPs.

Directors' Report

The Life Insurance industry believes that ULIPs are transparent products designed to meet policyholders' long-term needs of protection and wealth creation. The industry also believes that, given the fact that life insurance is sold and not bought, it is important to invest in the training of intermediaries and to reward them suitably for their initial efforts to explain the products and provide the right solutions to customers. Through its recent guidelines, the IRDA has taken constructive steps towards making ULIPs a long-term savings instrument and increasing the life insurance cover in pension plans.

CONSOLIDATING DISTRIBUTION REACH

During the Financial Year, the focus shifted to consolidation and improvement in the efficiency of the distribution channel of your Company, after significant expansion in the previous year. As part of this consolidation, your Company has sought to utilize its network to reach more customers at a lower cost.

In addition to its Agency distribution network in over 390 cities across India, your Company has 60 Bancassurance relationships for both urban and rural markets and 48 Partnership Distribution relationships.

During the year, your Company took a major step towards strengthening its bancassurance channel by partnering with Axis Bank. The tie-up was formalized with the signing up of a Corporate Agency agreement in April 2010. Axis Bank is the third largest private sector bank in India. Axis Bank offers a vast spectrum of services, serving large and mid-corporates, SME, agri-business, retail and international customers. Axis Bank has a network of over 1,000 branches and over 4,300 ATMs across the country. The branches, spread across more than 640 cities and towns, enable the Bank to reach out to a large cross-section of over 10 million customers with an array of products and services catering to both the retail and the corporate segment.

COMPREHENSIVE PRODUCT PORTFOLIO

Your Company launched eight new products which made the product portfolio more competitive and comprehensive. The new range of products included "Healthy Family", a multi-life based health policy, and "Secure Dreams", the first universal life endowment plan in India, demonstrating thought leadership and a pro-active approach to the global financial crisis. This will also help your Company to achieve balance in its portfolio between unit-linked and non unit-linked solutions.

In response to the guidelines on unit-linked cap charges issued by the IRDA, your Company introduced a compliant suite of unit-linked products including two differentiated child plans, supported by a 360 degree marketing effort. Your Company launched "Shiksha Plus" and "Magic Builder", which now form a 20% share of the Company's new business. "Fortune Builder", the new flagship unit-linked endowment plan designed for all sections of the society, has contributed more than 15% to the overall sales of the Company. Retirement offering was further strengthened by launching Smart Invest Pension Super which now contributes 10% to the overall sales of the Company.

Customers' investment options were further enhanced with the launch of a Money Market Fund, investing solely in money market instruments, which offered the promise of "NAV never to fall".

BONUS / DIVIDEND PAYMENT

Your Company declared bonuses to Participating Policyholders based on the underlying performance of the Participating Fund for the Financial Year 2009-10. The bonus is payable in respect of eligible policies on third and later policy anniversaries falling due in the 12 months period commencing July 1, 2010. In view of the accumulated losses, the Directors do not recommend any dividends to the Shareholders.

STRENGTHENING THE BRAND

In a service industry with long-term contracts, brand plays an important role in consumer decision-making.

During the year, your Company increased its advertising and public relations effort to communicate with the policyholders and prospects about the growth initiatives of the Company and new products launched to meet customer needs.

During the year, CRM initiatives helped open a direct communication channel with customers, which not only helped increase cross sell and up sell opportunities but also helped the Company maintain renewal rates even in difficult market conditions. These multiple media marketing campaigns were well received by agent advisors and policyholders.

Towards the end of the Financial Year, your Company launched 'I-Genius', a comprehensive Parent-Child nurture programme. The 'I-Genius' programme was designed to support talent development of children by identifying and rewarding those who display all-round skills. The programme also supports parents in their quest to provide an enabling environment for the multi-faceted growth of their children. I-Genius Scholarship, the first pillar of this programme, has received tremendous response with more than 5.5 Lacs enrollments.

Directors' Report

The Max New York Life Insurance brand awareness stands at 89% at the end of the Financial Year recording a 13 percentage point increase in the Financial Year, the best in a single year. During the year, your Company's retirement and life television commercials earned five Abby Awards, another first for advertising.

BUILDING SUPERIOR CUSTOMER EXPERIENCE

Providing superior customer experience is one of the cornerstones of your Company's vision to become the most admired life insurance Company in India. By constantly upgrading service offering to customers and distributors, your Company has successfully leveraged customer service as a differentiator in the industry.

In the Financial Year 2009-10, Max New York Life Insurance completed a major outsourcing initiative. The objective of this initiative was to establish a relationship with a business partner who has competency in providing customer experience commensurate with your Company's service quality expectations in the customer helpline, customer service backend and policy owner services.

Your Company successfully tied up with Genpact, a reputed leader in the business process delivery space, and transitioned its customer service delivery to them, resulting in an aggregate saving of Rs. 4 Crores, with incremental cost savings expected in the future. Your Company also successfully outsourced renewal collections operations to Aegis and Genpact.

In addition, your Company rolled out several other key initiatives:

- **Technology applications:** A customer portal was launched, which already has more than 50,000 registrations. Also, a claims management system was launched leading to online management of claims with better productivity and accuracy.
- **Policy servicing:** Enhanced payment options were launched through Interactive Voice Response in 10 languages, where the usage reached 29% last year, and is increasing. Various other self service initiatives were launched through email and SMS in areas such as premium payment, cheque clearance and policy issuance.
- **Policy issuance:** Given the need to build scale in the processing capabilities to manage rising new business, your Company has invested in a new expert underwriting system, Planetsoft. This is expected to provide significant benefits, including segmented underwriting, a flexible rules engine and processing at branch offices.
- **Claims:** In line with your Company's endeavour to attain a reputation of "best-in-class" claims processing, claims processes have been re-engineered. This includes: 1) setting up of a regional claims support unit, 2) jet processing for accident claims, 3) making available claims forms on channel partners' intranet and 4) regionalization of claims communication changes. Your Company settled over 5,000 individuals and over 10,000 group claims during the year with an average settlement time of 8 days.

Your Company's ongoing goal is to improve its customer experience and to validate it, through various customer listening posts and insight mechanisms.

BUILDING STRONG HUMAN RESOURCES

The Financial Year 2009-10 has been a year of accelerated change for your Company. The employees have remained focused on building a quality business in these times. To align and galvanize the employees to the new business strategy, a comprehensive communications initiative was launched in the last quarter of 2009, culminating in office level employee town halls in March 2010. Besides helping employees understand the new strategy, equal focus was placed on remaining customer-centric and productive in these challenging times. Initiatives such as CEO webcasts and functional meetings have helped in re-aligning the employees to the new industry and organizational realities.

People are the real asset and competitive advantage of the organization and the Company continues to build its Human Capital with emphasis on quality hiring, leadership development and commitment to its values. Through sustained efforts, your Company intends to not only preserve what it has built over the years but leverage this strength to become the 'Most Admired Life Insurance Company in India'.

CORPORATE SOCIAL REPONSIBILITY (CSR)

Your Company believes that it is important to engage with the society it operates in. Such engagement goes beyond providing the right products for customers' needs and being ethical and honest in business practices.

Your Company has decided to focus providing help to build a safe and secure future for the children in the age group of 0 to 12 years old. Your Company worked closely with Max India Foundation, an independent social service organization of Max India Group, to take up immunization as its societal agenda to ensure protection against major diseases for the underprivileged children. The immunization program provided about 15,542 immunization shots to 8,386 children through 123 immunization camps at 51 locations across the country.

Directors' Report

Your Company actively participated in an international initiative by New York Life called 'Global Month of Service'. This initiative is aimed at driving the culture of volunteerism and social responsibility among the employees of associate and subsidiary companies of New York Life across the globe.

CORPORATE GOVERNANCE

A) Board of Directors

During the Financial Year, Messrs John Harrison and Rajesh Khanna resigned from the Board w.e.f August 28, 2009 and March 30, 2010, respectively.

The Directors place on record their appreciation for the valuable contribution made by Messrs John Harrison and Rajesh Khanna during their association with the Company as Directors.

The Board appointed Mr. William Beaty as an additional Director effective August 28, 2009. Mr. Beaty is the Vice Chairman of New York Life International, LLC. Pursuant to Section 260 of the Companies Act, 1956, Mr. Beaty holds office only up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member proposing the candidature of Mr. Beaty for appointment as Director.

The Board appointed Mr. Leo Puri as an additional Director effective December 11, 2009. Mr. Puri is a Managing Director of Warburg Pincus India Pvt. Ltd. Prior to joining Warburg Pincus, Mr. Puri was Director with McKinsey & Company in India, where he was a Co-Leader of the financial services practice in Asia. At McKinsey, Mr. Puri provided advice on a variety of business, strategy and organisational issues to leading banks, insurance and asset management companies and financial regulators. Mr. Puri is also serving on the boards of Max India Limited, Max Bupa Health Insurance Limited and Max Healthcare Institute Limited as a non-executive Director. Pursuant to Section 260 of the Companies Act, 1956, Mr. Puri holds office only up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member proposing the candidature of Mr. Puri for appointment as Director.

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.

B) Board Committees

IRDA issued Corporate Governance Guidelines for all insurance companies in August 2009, defining governance responsibilities of the Board and the Management. All companies are required to ensure full compliance from the Financial Year 2010-11.

The Corporate Governance Guidelines mandate constitution of the following mandatory Committees:

1. Audit Committee
2. Investment Committee
3. Asset Liability Management Committee
4. Policyholder Protection Committee
5. Risk Management Committee

Your Company already has the Audit and Investment Committees in place. The Risk Management Committee was constituted on December 11, 2009, comprising of Mr. Richard Mucci, Ms. Marielle Theron, Mr. Rajesh Sud, Mr. John Poole and Mr. Craig Merdian. The Policyholder Protection Committee was constituted on March 25, 2010, comprising of Ms. Marielle Theron, Mr. William Beaty and Mr. Rajit Mehta. As permitted by IRDA, the Terms of Reference of the Asset Liability Management Committee were merged with the Risk Management Committee on March 25, 2010.

The Board has the following four mandatory committees as per the Corporate Governance Guidelines, scope of which, inter alia, includes the following:

Committee	Scope
Audit Committee	1. To review internal control, compliance, audit systems, internal and external auditors' reports and management letters. 2. To review accounting policies, financials statements prior to approval by the Board. 3. To review the summary and impact assessment of regulatory and other legislative changes announced.
Investment Committee	1. To review and recommend the investment policy of the Company for approval of the Board. The investment policy as approved by the Board (the "Approved Investment Policy") will be implemented by the Committee. 2. To carry out a review of the Approved Investment Policy on a half yearly basis. 3. To review the investment portfolio and compliance with all applicable regulations and the Approved Investment Policy.

Directors' Report

Committee	Scope
Policyholder Protection Committee	1. To address various compliance issues relating to protection of policyholders' interest.
Product, Actuarial and Risk Committee (includes the Terms of Reference of the Asset Liability Management Committee)	1. To assist the Board in fulfilling its statutory and fiduciary responsibilities with respect to overseeing the risk management, asset liability management, product approval and actuarial activities of the Company. 2. Actuarial Report and Abstract. 3. Any reports into actuarial management matters conducted by or on behalf of the Company's Auditors and Internal Audit Department.

The disclosures, as per the Corporate Governance Guidelines, form part of the Directors' Report as Annexure I.

C) Internal Audit & Risk Management Framework

Your Company recognizes the risks associated with the life insurance business and manages it by adopting prudent policies commensurate with the needs of the life insurance business. Your Company has in place an internal audit framework with a risk based audit approach. The internal audit covers auditing of processes as well as transactions. Key audit observations and recommendations made are reported to the Audit Committee. Implementation of the recommendations is actively monitored.

D) Code of Conduct & Whistle Blower Policy

In order to uphold the highest standards of ethical behavior, employees are encouraged to observe the Code of Conduct applicable across the organization. The Company, through the Whistle Blower Policy, has provided employees a channel for communicating any breaches of the Company's Values, Code of Conduct, Anti Money Laundering Policy and other regulatory and statutory requirements. Appropriate action is initiated against any violation of the values, code or policies.

RURAL & SOCIAL SECTOR OBLIGATIONS

Your Company has issued over 2.7 Lacs policies in rural areas during the year, contributing to 29% of the total policy issuances. In addition, during the Financial Year, your Company has covered over 80 Lacs of social lives under the social sector category. During the year, your Company exceeded regulatory requirement for sales of policies in both rural areas and social sector.

EMPLOYEE STOCK OPTION PLAN

The Board of Directors in their meeting held on August 28, 2009 and the Shareholders in their Extraordinary General Meeting held on August 29, 2009, approved a 2009 Employee Stock Option Scheme.

IRDA, vide a circular dated March 17, 2009, issued clarification that, in case shares of a Company are offered as ESOPs to full time Directors, the same shall be governed by SEBI Employee Stock Option Scheme (ESOS) Guidelines 1999, except the pricing of the shares. The disclosures, as required by SEBI Guidelines, form part of the Directors' Report as Annexure II.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, forms part of this report as Annexure III. However, as permitted by the Companies Act, 1956, this Annual Report is being sent to all shareholders excluding the said Annexure III. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary at the registered office of the Company.

SHARE CAPITAL

During the Financial Year, the paid up share capital of your Company increased to Rs.1,839 Crores and share premium increased to Rs. 134 Crores. Your Company continues to be one of the well capitalized private life insurance companies in India.

SOLVENCY

Your Company has continually monitored its solvency margins and has ensured that, at all times, in keeping with the requirements of IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000, the margin is maintained at least at 150% of the statutory required level. At the end of Financial Year 2010, the solvency margin was in excess of 300%.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

AUDITORS

The Joint Auditors M/s. Price Waterhouse & Co., Chennai, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to be re-appointed at the forthcoming Annual General Meeting. The Company has received certificate from M/s Price Waterhouse & Co., Chennai, that their appointment as auditors, if made, will

Directors' Report

be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

The Joint Auditors M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be re-appointed at the Annual General Meeting.

M/s S. R. Batliboi and Associates, Chartered Accountants are proposed to be appointed as joint auditors of the Company at the ensuing Annual General Meeting. The Company has received certificates from M/s S. R. Batliboi and Associates that their appointment as auditors, if made, will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

CAUTIONARY STATEMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

1. In the preparation of the Annual Accounts for the Financial Year ended March 31, 2010, the applicable accounting standards have been followed, along with proper explanation relating to any material departures.

2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the Annual Accounts on a going concern basis.

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 31.03.2010 (Rs. In Crores)
Earnings/Inflow (including equity infusion)	: 54
Outgo	: 99
Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc.	: NA

ACKNOWLEDGMENTS

The Directors wish to place on record their deep appreciation for the hard work, dedicated efforts, teamwork and professionalism shown by the employees and the agents advisors, which have enabled your Company to successfully establish itself amongst the leading private life insurance companies in India.

The Directors also express gratitude to the Insurance Regulatory and Development Authority of India, the Reserve Bank of India, Central and State Governments and the joint venture partners, Max India Limited and New York Life International, LLC for their continued cooperation, support and assistance.

For and on behalf of the Board of Directors

May 20, 2010 **ANALJIT SINGH** Chairman

Annexure - 'I'

DISCLOSURES AS PER THE CORPORATE GOVERNANCE GUIDELINES

Following are the disclosures as mandated by the Corporate Governance Guidelines:

a. Constitution of the Board, number of meetings held and attendance by Directors.

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Analjit Singh	4	3
Anuroop Singh	4	4
Rajesh Sud	4	4
Rajit Mehta	4	4
Marielle Theron *	4	4
Omkar Goswami	4	4
Richard Mucci	4	4
William Beaty **	3	3
Rajesh Khanna ***	4	3
Leo Puri ****	2	2
John Harrison *****	1	1

* appointed w.e.f. May 5, 2009
** appointed w.e.f. August 28, 2009
*** resigned w.e.f. March 30, 2010
**** appointed w.e.f. December 11, 2009
***** resigned w.e.f. August 28, 2009

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
Rajesh Sud *	5	5
Marielle Theron **	3	3
William Beaty ***	2	2
Rajesh Khanna ****	2	2
John Harrison *****	3	3

Mr. Leo Puri was appointed member of the Audit Committee w.e.f. March 25, 2010.

* ceased to be a member w.e.f. March 25, 2010
** appointed as member w.e.f. May 27, 2009
*** appointed as member w.e.f. August 28, 2009
**** ceased to be a member w.e.f. August 28, 2009
***** ceased to be a member w.e.f. August 28, 2009

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
Rajesh Sud	4	4
Marielle Theron*	3	3
William Beaty **	2	2
John Harrison ***	2	2
Omkar Goswami	4	2
John Poole	4	4
Sunil Kakar	4	4
Prashant Sharma	4	4
Mohit Talwar	4	3
Stan Tai	4	4

* appointed as member w.e.f. May 27, 2009
** appointed as member w.e.f. August 28, 2009
*** ceased to be a member w.e.f. August 28, 2009

Annexure - 'I'

d. Constitution of the Risk Management Committee, number of meetings held and attendance by Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Rajesh Sud	2	2
Marielle Theron	2	2
John Poole	2	2
Richard Mucci	2	2
Craig Merdian	2	2

The Risk Management Committee was constituted w.e.f. December 11, 2009.

e. Details of Directors and their status of Directorship and qualifications.

Name	Status of Directorship	Qualifications
Mr. Analjit Singh	Chairman, Non Executive	MBA from Graduate School of Management, Boston University, Boston, USA.
Mr. Anuroop Singh	Vice Chairman, Non Executive	Fellow member of Institute of Chartered Accountants of India
Mr. Rajesh Sud	Chief Executive Officer and Managing Director	MBA from FMS, Delhi University and completed Advance Management Program from Wharton University, USA
Mr. Rajit Mehta	Executive Director and Chief Operating Officer	Post Graduate in Human Resources and completed Advanced Management Program from INSEAD, France
Mr. Richard Mucci	Non Executive Director	Trained as an actuary and has a Bachelor's and a Master's degree in Mathematics from Boston College, USA
Mr. William Beaty	Non Executive Director	Graduate in Psychology from Baldwin Wallace College and Master of Business Administration in Taxation from Golden Gate University. Certified Life Underwriter and Chartered Financial Consultant.
Ms. Marielle Theron	Independent, Non Executive Director	Fellow of Society of Actuary and B.Sc. majored in Actuarial Science, Laval University, Canada
Mr. Leo Puri	Non Executive Director	M.A. in Politics, Philosophy and Economics from Oxford University and obtained an M.A. in Law from Cambridge University
Dr. Omkar Goswami	Independent, Non Executive Director	Masters of Economics from Delhi School of Economics and D. Phil (Ph.D) from Oxford
Mr. John Harrison *	Non Executive Director	Fellow of the Society of Actuaries and graduate from the University of Toronto
Mr. Rajesh Khanna **	Non Executive Director	Chartered Accountant, MBA from the Indian Institute of Management, Ahmedabad

* Resigned w.e.f. August 28, 2009
** Resigned w.e.f. March 30, 2010

f. Your Company did not pay any remuneration to the Independent Directors.

Certification from the Compliance Officer in the format prescribed:

I, Rajiv Mathur, hereby certify that the Company has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Sd/-
RAJIV MATHUR
Director – Legal & Compliance & Company Secretary

Annexure - 'II'

DETAILS OF EMPLOYEE STOCK OPTION SCHEME - 2009

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;	22,205,000
(b) the pricing formula;	Intrinsic method
(c) options vested;	NIL
(d) options exercised;	NIL
(e) the total number of shares arising as a result of exercise of option;	NIL
(f) options lapsed;	785,000
(g) variation of terms of options;	NIL
(h) money realised by exercise of options;	NIL
(i) total number of options in force;	21,420,000
(j) employee wise details of options granted to;-	
(i) senior managerial personnel;	Wholetime Directors and Senior Management Members : 87,45,000 options
(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	N.A.
(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	N.A.
(k) diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	(0.12)
(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. 6.60 Crores Basic EPS- (0.16) Dilutive EPS- (0.16)
(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,	7.59%
(ii) expected life,	7.85
(iii) expected volatility,	13.87%
(iv) expected dividends, and	0%
(v) the price of the underlying share in market at the time of option grant.	Rs 35.6

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, 2010, and 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 (hereinafter referred to as "financial statements"), 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. In accordance with the provisions of Section 11 of 'The Insurance Act, 1938' ('the Insurance Act') read with the 'Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002' ('the Regulations'), and the provisions of sub-sections (1), (2) and (5) of Section 211 and sub-section (5) of Section 227 of 'The Companies Act, 1956' ('the Companies Act'), the Balance Sheet, the Policyholders' Revenue Account and the Shareholders' Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule VI to the Companies Act. The Balance Sheet, the Policyholders' Revenue Account and the Shareholders' Profit and Loss Account are, therefore, drawn up in conformity with Regulation 3(1) of the Regulations.

4. 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 our knowledge 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) The financial accounting systems of the Company are centralised and therefore accounting returns for the purposes of our audit are not required to be prepared and submitted by branches and other offices;

   (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 policies in force is the responsibility of the Company's appointed actuary ('the appointed actuary'). The actuarial valuation of liabilities for policies in force has been duly certified by the appointed actuary. The appointed actuary has certified to the Company that 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 authority. We have relied upon the appointed actuary's certificate in this regard in forming our opinion on the financial statements of the Company;

   (f) On the basis of written representations received from the Directors, and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act.

5. In our opinion and to the best of our information and according to the explanations given to us:

   (a) The accounting policies selected by the Company are appropriate and are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act and with the accounting principles prescribed in the Regulations and orders or directions issued by IRDA in this behalf.

   (b) The Balance Sheet, the Policyholders' Revenue Account, the Shareholders' Profit and Loss Account

Auditors' Report

and the Receipts and Payments Account referred to in this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act.

(c) Investments of the Company have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/ directions issued by Insurance Regulatory and Development Authority in this behalf.

(d) In our opinion and to the best of our knowledge and according to the explanations given to us, the said financial statements together with the significant accounting policies and the notes thereon and attached thereto are prepared in accordance with the requirements of the Insurance Act, the Insurance Regulatory and Development Authority Act, 1999, the Regulations and the Companies Act, 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, 2010;

ii. in the case of the Policyholders' Revenue Account, of the surplus/deficit (before transfer by shareholders) for the year ended March 31, 2010;

iii. in the case of the Shareholders' Profit and Loss Account, of the profit/loss for the year ended March 31, 2010; and

iv. in the case of the Receipts and Payments Account, of the receipts and payments for the year ended March 31, 2010.

6. 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, 2010 and have found no apparent mistake or material inconsistency with the financial statements;

(b) Based on information and explanations received during the normal course of our audit, management representation and compliance certificate submitted to the Board by the officers of the Company charged with compliance and 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.

V. NIJHAWAN
Partner
Membership No-F87228
For and on behalf of
For Price Waterhouse & Co., Chennai
Firm Registration No.: 50032S
Chartered Accountants
Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No : F9169
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration No.: 000038N
Chartered Accountants
New Delhi
May 20, 2010

Auditors' Certificate

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 ('the Company') for the year ended March 31, 2010, we certify that:

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments by actual inspection or on the basis of certificates/confirmations received from the custodians and /or depository participant appointed by the Company, as the case may be.

2. As at March 31, 2010, the Company had no loans, reversions and life interests;

3. The Company is not the trustee of any trust; and

4. 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 requirements of 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.

V. NIJHAWAN
Partner
Membership No-F87228
For and on behalf of
For Price Waterhouse & Co., Chennai
Firm Registration No.: 50032S
Chartered Accountants
Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No : F9169
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration No.: 000038N
Chartered Accountants
New Delhi
May 20, 2010

Balance Sheet as at March 31, 2010

FORM A-BS

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	Schedule		As at March 31, 2010		As at March 31, 2009
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
Share Capital	5		18,388,176		17,824,326
			18,388,176		17,824,326
EMPLOYEE STOCK OPTION PLAN OUTSTANDING [Refer to Note II (j) on Schedule 16]			789,952		79,941
RESERVES AND SURPLUS	6		1,341,440		-
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT			40,355		7,845
Sub-Total			**20,559,923**		17,912,112
BORROWINGS	7		-		-
POLICYHOLDERS' FUNDS:					
CREDIT/ (DEBIT) FAIR VALUE CHANGE ACCOUNT			682		5
POLICY LIABILITIES (Refer to Note II (r) & (s) on Schedule 16)					
- Participating Individual Life Policies			22,703,230		17,673,319
- Participating Pension Policies			369,561		320,457
- Non-Participating Individual Life Policies			1,226,672		917,116
- Non-Participating Health Insurance Policies			9,936		18,128
- Non-Participating Group Policies			370,689		203,052
- Non-Participating Individual Linked Policies			1,212,862		370,006
- Non-Participating Linked Pension Policies			38,498		2,926
- Non-Participating Group Linked Policies			-		-
INSURANCE RESERVES			-		-
PROVISION FOR LINKED LIABILITIES					
- Non- Participating Individual Linked Policies					
- Linked Liabilities		52,680,864		29,534,268	
- Fair Value Change		8,819,505	61,500,369	(818,429)	28,715,839
- Non - Participating Linked Pension Policies					
- Linked Liabilities		3,208,943		1,567,617	
- Fair Value Change		502,989	3,711,932	(130,306)	1,437,311
- Non - Participating Linked Group Policies					
- Linked Liabilities		551,512		200,205	
- Fair Value Change		15,588	567,100	(4,508)	195,697
Sub-Total			**91,711,531**		49,853,856
FUNDS FOR FUTURE APPROPRIATIONS			622,938		169,460
TOTAL			112,894,392		67,935,428
APPLICATION OF FUNDS					
INVESTMENTS					
Shareholders' Investments	8		8,301,316		5,229,050
Policyholders' Investments	8A		27,128,870		20,018,320
Assets Held to Cover Linked Liabilities	8B		65,779,401		30,348,847
LOANS	9		86,065		48,267
FIXED ASSETS	10		2,744,831		3,248,733

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
REGISTRATION NO: 104; DATE OF REGISTRATION WITH IRDA: NOVEMBER 15, 2000

Balance Sheet as at March 31, 2010

FORM A-BS

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	Schedule	As at March 31, 2010	As at March 31, 2009
CURRENT ASSETS			
Cash and Bank Balances	11	518,684	216,463
Advances and Other Assets	12	4,453,589	4,449,965
Sub-Total (A)		**4,972,273**	4,666,428
CURRENT LIABILITIES	13	7,110,208	5,650,221
PROVISIONS	14	2,839	26,958
Sub-Total (B)		**7,113,047**	5,677,179
NET CURRENT ASSETS (C) = (A) – (B)		**(2,140,774)**	(1,010,751)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	757,998	25,417
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (SHAREHOLDERS' ACCOUNT)		10,236,685	10,027,545
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		**112,894,392**	67,935,428
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

V. NIJHAWAN
Partner
Membership No. F-87228
For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

Profit and Loss Account for the year ended March 31, 2010

FORM A-PL

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	Schedule	Year Ended March 31, 2010	Year Ended March 31, 2009
TRANSFER FROM THE POLICYHOLDERS' ACCOUNT			
- Participating Individual Life Policies (Technical Account)		137,080	108,726
- Participating Pension Policies (Technical Account)		1,452	1,393
- Non-participating Individual Life Policies (Technical Account)		-	-
- Non-participating Health Insurance Policies (Technical Account)		-	-
- Non-participating Group Policies		-	-
- Non-participating Individual Linked Policies		883,226	-
- Non-participating Linked Pension Policies		6,759	-
- Non-participating Linked Group Policies		4,943	-
INCOME FROM INVESTMENTS			
(a) Interest, Dividends & Rent - Gross [Gross of tax deducted at source Rs. Nil (2009: Rs Nil)]		324,119	262,367
(b) Profit on sale/redemption of investments		71,043	65,354
(c) (Loss) on sale/ redemption of investments		(9,884)	(55,014)
(d) Amortisation of discount/(premium)		12,882	65,541
Other income			
- Miscellaneous income		299	301
Total (A)		**1,431,919**	448,668
EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS			
Employees remuneration and welfare benefits [Refer to Notes II (i), (j), (p) and (y) on Schedule 16]		84,023	47,179
Filing fees, rates and taxes		53,673	19,605
Donations		25,000	24,151
Others			
- Interest and bank charges		28,128	20,345
- Advertisement and publicity (Refer to Note II (o) on Schedule 16)		640,370	508,469
- Travel, conveyance and vehicle running expenses		14,713	-
- Training expenses		29,211	-
- Consultancy charges		53,877	-
- Other miscellaneous expenses		44,269	861
- Depreciation		104,799	163
Bad debts written off		-	-
Contribution to the Policyholders Account (Technical Account) (Refer to Note II (q) on Schedule 16)			
- Participating Individual Life Policies		-	-
- Participating Pension Policies		-	-
- Non-participating Individual Life Policies		296,880	643,362
- Non-participating Health insurance Policies		128,443	310,115
- Non-participating Group Policies		160,877	5,709
- Non-participating Individual Linked Policies		-	2,470,055
- Non-participating Linked Pension Policies		-	195,992
- Non-participating Linked Group Policies		-	90,569

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
REGISTRATION NO: 104; DATE OF REGISTRATION WITH IRDA: NOVEMBER 15, 2000

Profit and Loss Account for the year ended March 31, 2010

FORM A-PL

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	Schedule	Year Ended March 31, 2010	Year Ended March 31, 2009
PROVISIONS (OTHER THAN TAXATION)			
(a) For diminution in the value of investments (Net)		(47,387)	42,249
(Refer to Note I (e) on Schedule 16)			
(b) Provision for doubtful debts		24,183	-
(c) Others		-	-
Total (B)		**1,641,059**	4,378,824
Profit/(Loss) before tax (C)=(A)-(B)		(209,140)	(3,930,156)
Provision for Taxation		-	-
Profit/ (loss) after tax		(209,140)	(3,930,156)
Appropriations			
(a) Balance at the beginning of the year		(10,027,545)	(6,097,389)
(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		**(10,236,685)**	(10,027,545)
Earning per Share (Basic and Diluted)		**(0.12)**	(2.76)
[(Refer to Note II (x) on Schedule 16)]			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

V. NIJHAWAN
Partner
Membership No. F-87228
For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

Revenue Account for the year ended March 31, 2010

FORM A-RA

POLICY HOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Schedule	YEAR ENDED MARCH 31, 2010								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			Total
		Individual Life	Pension	Individual Life	Health Insurance	Group	Linked Individual	Linked Pension	Linked Group	
Premiums earned - net										
Premiums	1	12,964,409	81,357	828,669	172,563	582,756	31,415,325	2,179,947	380,362	48,605,388
Less : Reinsurance Ceded		109,407	-	37,018	59,498	285,285	105,589	-	-	596,797
Add : Reinsurance Accepted		-	-	-	-	-	-	-	-	-
		12,855,002	**81,357**	**791,651**	**113,065**	**297,471**	**31,309,736**	**2,179,947**	**380,362**	**48,008,591**
Income from Investments										
(a) Interest, Dividends & Rent - Gross		1,635,218	38,107	101,213	1,714	29,907	1,338,097	70,823	23,303	3,238,382
(b) Profit on sale/ redemption of investments		13,142	-	81	-	-	6,943,309	259,960	6,796	7,223,288
(c) (Loss) on sale/ redemption of investments		(22)	-	-	-	(1)	(844,202)	(131,294)	(5,098)	(980,617)
(d) Transfer/ Gain on revaluation/change in fair value*		-	-	-	-	-	9,637,935	633,294	20,096	10,291,325
(e) Amortisation of discount/(premium)		9,202	(328)	775	(10)	(298)	(513)	15	-	8,843
(f) Appropriation / Expropriation Adjustment Account		-	-	-	-	-	108,618	6,689	(77)	115,230
Other Income										
Contribution from the Shareholders' Account		-	-	296,880	128,443	160,877	-	-	-	586,200
Miscellaneous Income		1,136	1	73	1,718	35	1,552	110	4	4,629
Total (A)		**14,513,678**	**119,137**	**1,190,673**	**244,930**	**487,991**	**48,494,532**	**3,019,544**	**425,386**	**68,495,871**
Commission	2	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	4,212,087
Operating Expenses related to Insurance Business	3	5,159,766	8,550	638,476	193,327	142,845	8,405,672	491,112	4,191	15,043,939
Provision for doubtful debts		830	1	54	32	26	1,139	77	1	2,160
Bad debts written off		773	1	50	30	24	1,059	72	1	2,010
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-
Provision (other than taxation)										
(a) For diminution in the value of investments (Net)		-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-
Total (B)		**6,475,900**	**9,416**	**769,583**	**220,999**	**146,758**	**11,068,038**	**565,220**	**4,282**	**19,260,196**
Benefits Paid (Net)	4	2,448,932	27,540	111,535	32,124	173,596	2,915,882	137,373	44,759	5,891,741
Interim Bonuses Paid		-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force:										
(a) Gross **		5,038,500	49,105	306,390	(8,243)	267,286	33,627,386	2,310,192	371,402	41,962,018
(b) Amount ceded in Reinsurance		(8,588)	-	3,165	50	(99,649)	-	-	-	(105,022)
(c) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	-
Total (C)		**7,478,844**	**76,645**	**421,090**	**23,931**	**341,233**	**36,543,268**	**2,447,565**	**416,161**	**47,748,737**
SURPLUS/ (DEFICIT) (D)= (A) - (B) - (C)		**558,934**	**33,076**	**-**	**-**	**-**	**883,226**	**6,759**	**4,943**	**1,486,938**
Opening balance of Funds available for Future Appropriation		55,269	114,191	-	-	-	-	-	-	169,460
SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION		614,203	147,267	-	-	-	883,226	6,759	4,943	1,656,398
APPROPRIATIONS										
Transfer to Shareholders' Account		137,080	1,452	-	-	-	883,226	6,759	4,943	1,033,460
Transfer to Other Reserves		-	-	-	-	-	-	-	-	-
Funds available for Future Appropriations		477,123	145,815	-	-	-	-	-	-	622,938
Insurance reserve carried to the Balance Sheet		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0)**
Details of Surplus										
(a) Interim Bonus Paid		-	-	-	-	-	-	-	-	-
(b) Allocation of Bonus to Policyholders [Refer to Note II (r) on Schedule 16]		1,418,584	14,278	-	-	-	-	-	-	1,432,862
(c) Surplus Shown in the Revenue Account		614,203	147,267	-	-	-	883,226	6,759	4,943	1,656,398
(d) Total Surplus : [(a)+(b)+(c)]		2,032,787	161,545	-	-	-	883,226	6,759	4,943	3,089,260

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 16

* Represents the deemed realised gain/(loss) as per norms specified by the Authority

** Represents Mathematical Reserve considering allocation of Bonus

As required by Section 40 B(4) of the Insurance Act, 1938 we certify that all expenses of management in respect of life insurance business in India by the Insurer have been fully debited to Policyholder Revenue Accounts as expenses.

The Schedules referred to above form an integral part of the Revenue Account

As per our report of even date attached

V. NIJHAWAN
Partner
Membership No. F-87228

For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169

For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
REGISTRATION NO: 104; DATE OF REGISTRATION WITH IRDA: NOVEMBER 15, 2000

Revenue Account for the year ended March 31, 2009

FORM A-RA

POLICY HOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Schedule	YEAR ENDED MARCH 31, 2009								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			Total
		Individual Life	Pension	Individual Life	Health Insurance	Group	Linked Individual	Linked Pension	Linked Group	
Premiums earned - net										
Premiums	1	10,886,717	85,463	376,217	254,652	204,627	25,319,058	1,271,215	174,642	38,572,591
Less : Reinsurance Ceded		118,248	-	49,097	36,243	59,730	118,936	-	-	382,254
Add : Reinsurance Accepted		-	-	-	-	-	-	-	-	-
		10,768,469	85,463	327,120	218,409	144,897	25,200,122	1,271,215	174,642	38,190,337
Income from Investments										
(a) Interest, Dividends & Rent - Gross		1,190,219	34,471	54,804	138	27,863	768,160	34,826	7,358	2,117,839
(b) Profit on sale/ redemption of investments		12,887	-	-	-	-	1,146,370	32,229	8,556	1,200,042
(c) (Loss) on sale/ redemption of investments		(2,925)	-	-	-	-	(3,949,957)	(149,712)	(15,077)	(4,117,671)
(d) Transfer/ Gain on revaluation/change in fair value *		-	-	-	-	-	(1,328,886)	(107,215)	(4,978)	(1,441,079)
(e) Amortisation of discount/(premium)		58,454	(191)	(430)	-	(193)	13	14	-	57,667
Other Income										
Contribution from the Shareholders' Account		-	-	643,362	310,115	5,709	2,470,055	195,992	90,569	3,715,802
Miscellaneous Income		2,960	5	284	270	47	5,389	463	44	9,462
Total (A)		**12,030,064**	**119,748**	**1,025,140**	**528,932**	**178,323**	**24,311,266**	**1,277,812**	**261,114**	**39,732,399**
Commission	2	1,054,781	922	51,459	50,958	4,175	2,705,514	47,589	367	3,915,765
Operating Expenses related to Insurance Business	3	4,502,777	7,929	521,086	449,137	155,815	9,727,788	625,075	99,964	16,089,571
Provision for doubtful debts		4,013	8	468	400	106	7,635	487	99	13,216
Bad debts written off		177	-	21	18	5	336	21	4	582
Provision for Tax - Fringe Benefit Tax		24,120	46	2,813	2,401	635	45,895	2,924	596	79,430
Provision (other than taxation)										
(a) For diminution in the value of investments(Net)		-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-
Total (B)		**5,585,868**	**8,905**	**575,847**	**502,914**	**160,736**	**12,487,168**	**676,096**	**101,030**	**20,098,564**
Benefits Paid (Net)	4	1,432,747	22,056	56,617	7,890	43,896	591,706	7,068	46,224	2,208,204
Interim Bonuses Paid		-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force:										
(a) Gross **		5,200,704	61,624	407,469	38,028	(21,116)	11,232,392	594,648	113,860	17,627,609
(b) Amount ceded in Reinsurance		(8,148)	-	(14,793)	(19,900)	(5,193)	-	-	-	(48,034)
(c) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	-
Total (C)		**6,625,303**	**83,680**	**449,293**	**26,018**	**17,587**	**11,824,098**	**601,716**	**160,084**	**19,787,779**
SURPLUS/ (DEFICIT) (D)= (A) - (B) - (C)		**(181,107)**	**27,163**	**-**	**-**	**-**	**-**	**-**	**-**	**(153,944)**
Opening balance of Funds available for Future Appropriation		345,102	88,421	-	-	-	-	-	-	433,523
SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION		**163,995**	**115,584**	**-**	**-**	**-**	**-**	**-**	**-**	**279,579**
APPROPRIATIONS										
Transfer to Shareholders' Account		108,726	1,393	-	-	-	-	-	-	110,119
Transfer to Other Reserves		-	-	-	-	-	-	-	-	-
Funds available for Future Appropriations		55,269	114,191	-	-	-	-	-	-	169,460
Insurance reserve carried to the Balance Sheet		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Details of Surplus										
(a) Interim Bonus Paid		-	-	-	-	-	-	-	-	-
(b) Allocation of Bonus to Policyholders [Refer to Note II (r) on Schedule16]		1,174,106	14,007	-	-	-	-	-	-	1,188,113
(c) Surplus Shown in the Revenue Account		163,995	115,584	-	-	-	-	-	-	279,579
(d) Total Surplus : [(a)+(b)+(c)]		1,338,101	129,591	-	-	-	-	-	-	1,467,692

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

V. NIJHAWAN
Partner
Membership No. F-87228

For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169

For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

Receipts and Payments Account for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	48,445,617	38,447,726
Amount received in Advance from customers	200,567	(250,744)
Commission paid to agents	(4,354,943)	(3,564,321)
Claims Paid to policyholders	(5,650,322)	(2,298,846)
Claims Recovered from Reinsurers	138,965	86,191
Loan Against Policies	(37,798)	(19,495)
Reinsurance Premium Paid	(434,993)	(259,792)
Payments/advances to suppliers/employees	(13,696,004)	(16,804,685)
Deposit recovered / given from / to RBI	-	-
Cash deployed in operations	**24,611,089**	15,336,034
Wealth tax paid	(411)	(484)
Fringe Benefit Tax Paid	(57)	(81,389)
Gratuity Paid	(72,205)	(29,759)
Net cash deployed in operating activities	**24,538,416**	15,224,402
Cash flows from investing activities		
Purchase of fixed assets	(567,394)	(2,206,903)
Proceed from sale of fixed assets	19,012	12,200
Purchase of Investments	(228,368,427)	(139,382,599)
Proceeds from sale/maturity of investments	199,352,585	116,644,238
Interest received	3,422,739	2,231,418
Tax deducted at Source	-	-
Net cash from investing activities	**(26,141,485)**	(22,701,646)
Cash flows from financing activities		
Proceeds from issuance of share capital (Including Share Premium)	1,905,290	7,500,000
Interest paid	-	-
Net cash generated from financing activities	**1,905,290**	7,500,000
Net increase/ (decrease) in cash and cash equivalents	**302,221**	22,756
Cash and cash equivalents at beginning of year	**216,463**	193,707
Cash and cash equivalents at end of year	**518,684**	216,463

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.

	As at March 31, 2010	As at March 31, 2009
Cash in hand	134,505	65,865
Stamps in hand	3,987	1,986
Cheques in hand	-	-
Balance with banks		
- Current Account (including Remittances in Transit)	380,192	148,612
Total	**518,684**	216,463

As per our report of even date attached

V. NIJHAWAN
Partner
Membership No. F-87228

For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169

For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE 1
PREMIUM
(Refer to Note I (a) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
First year premiums	3,257,970	2,375	582,847	105,251	443,160	10,614,441	1,092,556	376,146	16,474,746
Renewal premiums	8,597,604	65,917	243,843	67,312	62,891	20,171,629	901,223	4,216	30,114,635
Single premiums	1,108,835	13,065	1,979	-	76,705	629,255	186,168	-	2,016,007
Total premium	**12,964,409**	**81,357**	**828,669**	**172,563**	**582,756**	**31,415,325**	**2,179,947**	**380,362**	**48,605,388**
Business %	26.67%	0.17%	1.70%	0.36%	1.20%	64.63%	4.48%	0.78%	100%
Total premium in India	**12,964,409**	**81,357**	**828,669**	**172,563**	**582,756**	**31,415,325**	**2,179,947**	**380,362**	**48,605,388**
Total Premium outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

PREMIUM
(Refer to Note I (a) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2009								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
First year premiums	2,498,401	510	198,394	217,623	60,620	12,027,688	762,492	171,447	15,937,175
Renewal premiums	7,491,880	72,313	172,527	37,029	66,890	11,876,331	423,324	3,195	20,143,489
Single premiums	896,436	12,640	5,296	-	77,117	1,415,039	85,399	-	2,491,927
Total premium	**10,886,717**	**85,463**	**376,217**	**254,652**	**204,627**	**25,319,058**	**1,271,215**	**174,642**	**38,572,591**
Business %	28.22%	0.22%	0.98%	0.66%	0.53%	65.64%	3.30%	0.45%	100%
Total premium in India	**10,886,717**	**85,463**	**376,217**	**254,652**	**204,627**	**25,319,058**	**1,271,215**	**174,642**	**38,572,591**
Total Premium outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

SCHEDULE 2
COMMISSION
(Refer to Note I (c) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct first year premiums	987,624	51	121,465	23,744	2,752	1,917,477	61,786	49	3,114,948
Direct renewal premiums	326,320	813	9,509	3,866	1,111	736,845	10,947	40	1,089,451
Direct single premiums	587	-	29	-	-	5,846	1,226	-	7,688
Total (A)	**1,314,531**	**864**	**131,003**	**27,610**	**3,863**	**2,660,168**	**73,959**	**89**	**4,212,087**
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	**1,314,531**	**864**	**131,003**	**27,610**	**3,863**	**2,660,168**	**73,959**	**89**	**4,212,087**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)
SCHEDULE 2 (Contd...)

Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Agents	970,104	829	86,969	26,671	3,473	1,276,279	69,947	14	2,434,286
Brokers	11,043	3	1,011	105	390	22,703	1,385	75	36,715
Corporate Agency	258,734	20	30,217	72	-	1,226,952	1,131	-	1,517,126
Referral Fees	7,048	-	1,453	52	-	11,528	342	-	20,423
Others									
Bancassurance	67,602	12	11,353	710	-	122,706	1,154	-	203,537
Direct Selling	-	-	-	-	-	-	-	-	-
Total (B)	**1,314,531**	**864**	**131,003**	**27,610**	**3,863**	**2,660,168**	**73,959**	**89**	**4,212,087**

COMMISSION
(Refer to Note I (c) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2009								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct first year premiums	760,960	16	44,190	48,907	2,481	2,306,453	40,905	355	3,204,267
Direct renewal premiums	293,056	904	7,190	2,051	1,694	386,044	6,042	12	696,993
Direct single premiums	765	2	79	-	-	13,017	642	-	14,505
Total (A)	**1,054,781**	**922**	**51,459**	**50,958**	**4,175**	**2,705,514**	**47,589**	**367**	**3,915,765**
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	**1,054,781**	**922**	**51,459**	**50,958**	**4,175**	**2,705,514**	**47,589**	**367**	**3,915,765**

Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	YEAR ENDED MARCH 31, 2009								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Agents	750,981	897	42,537	46,327	3,826	1,373,193	41,703	364	2,259,828
Brokers	3,805	5	344	25	-	11,836	301	-	16,316
Corporate Agency	247,283	13	6,258	2,451	-	1,166,229	4,247	-	1,426,481
Referral Fees	6,546	-	426	108	-	13,260	319	-	20,659
Others									
Bancassurance	46,118	7	1,814	1,787	-	140,953	1,018	-	191,697
Direct Selling	48	-	80	260	349	43	1	3	784
Total (B)	**1,054,781**	**922**	**51,459**	**50,958**	**4,175**	**2,705,514**	**47,589**	**367**	**3,915,765**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE 3

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Refer to Note I (k) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits									
[Refer to Notes II (i), (j), (p) and (y) on Schedule 16]	2,273,181	3,850	156,291	85,963	65,941	3,215,288	206,297	1,785	6,008,596
Travel, conveyance and vehicle running expenses	142,834	261	9,178	5,565	4,453	195,785	13,297	119	371,492
Training expenses (including Agent advisors)	117,499	214	7,548	4,577	3,664	161,055	10,939	100	305,596
Rent, rates & taxes	443,759	812	28,514	17,289	13,838	608,266	41,311	375	1,154,164
Repairs & Maintenance	153,203	279	9,843	5,968	4,778	209,997	14,264	131	398,463
Printing and stationery	93,396	171	6,001	3,638	2,915	128,023	8,695	80	242,919
Communication expenses	236,878	624	14,053	8,215	6,606	356,496	22,433	188	645,493
Legal, professional and consultancy charges									
[Refer to Note II (p) on Schedule 16]	79,555	77	7,337	2,533	1,404	130,676	6,249	38	227,869
Medical fees	20,643	38	1,326	804	644	28,294	1,922	17	53,688
Auditors' fees, expenses etc :									
(a) as auditor	1,000	2	64	39	31	1,370	93	1	2,600
(b) as advisor or in any other capacity, in respect of :									
(i) Taxation matters	39	-	2	1	1	53	4	-	100
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-
(c) in any other capacity									
- Certification	-	-	-	-	-	-	-	-	-
- Out of pocket expenses	598	1	38	23	19	820	56	1	1,556
Advertisement and publicity									
[Refer to Note II (p) on Schedule 16]	438,036	680	32,174	16,042	11,707	639,609	38,682	315	1,177,245
Interest and bank charges	26,690	49	1,715	1,040	832	36,698	2,485	25	69,534
Others:									
Service Tax Expenditure	39,238	-	7,491	3,271	-	1,032,764	31,250	320	1,114,334
Information technology maintenance expenses	136,123	249	148,498	5,303	4,242	186,589	12,673	115	493,792
Recruitment (including Agent advisors)	47,676	21	5,233	1,308	439	86,405	3,312	9	144,403
Electricity ,water and utilities	127,649	234	8,202	4,973	3,981	174,967	11,883	108	331,997
Insurance	12,829	23	825	500	399	17,586	1,194	10	33,366
Policy issuance and servicing costs	390,968	274	169,856	11,548	5,165	676,836	28,886	135	1,283,668
(Profit)/Loss on fluctuation in foreign exchange	(1,384)	(3)	(89)	(54)	(43)	(1,897)	(129)	(1)	(3,600)
Other miscellaneous expenses	9,219	17	592	359	287	12,637	858	7	23,976
Depreciation	370,137	677	23,784	14,422	11,542	507,355	34,458	313	962,688
Total	**5,159,766**	**8,550**	**638,476**	**193,327**	**142,845**	**8,405,672**	**491,112**	**4,191**	**15,043,939**

Particulars	YEAR ENDED MARCH 31, 2009								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits									
[Refer to Notes II (i), (j), (p) and (y) on Schedule 16]	1,963,075	3,578	221,383	192,818	64,147	3,878,867	232,283	46,309	6,602,460
Travel, conveyance and vehicle running expenses	144,687	277	16,873	14,404	6,954	275,324	17,536	3,574	479,629
Training expenses (including Agent advisors)	227,935	438	26,579	22,697	6,974	433,729	27,628	5,629	751,609
Rent, rates & taxes	282,359	544	32,928	28,114	7,544	537,287	34,225	6,974	929,975
Repairs & Maintenance	101,200	195	11,804	10,074	2,697	192,562	12,265	2,499	333,296
Printing and stationery	85,676	164	9,991	8,531	2,339	163,027	10,385	2,115	282,228
Communication expenses	198,845	533	21,357	17,949	5,530	372,165	22,837	4,438	643,654
Legal, professional and consultancy charges									
[Refer to Note II (p) on Schedule 16]	206,404	394	23,997	20,507	7,782	394,156	24,935	5,068	683,243
Medical fees	18,708	36	2,182	1,863	784	35,599	2,268	462	61,902
Auditors' fees, expenses etc :									
(a) as auditor	728	1	85	73	19	1,388	88	18	2,400
(b) as advisor or in any other capacity, in respect of :									
(i) Taxation matters	20	-	2	2	1	39	2	1	67
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-
(c) in any other capacity									
- Certification	33	-	4	3	1	61	4	1	107
- Out of pocket expenses	364	1	42	36	23	692	44	9	1,211
Advertisement and publicity									
[Refer to Note II (p) on Schedule 16]	320,770	545	35,140	30,571	7,703	719,433	124,316	6,985	1,245,463
Interest and bank charges	21,382	41	2,494	2,129	623	40,686	2,592	529	70,476
Others:									
Service Tax Expenditure	127,888	123	37,523	28,433	-	868,096	33,545	136	1,095,744
Information technology maintenance expenses	76,647	146	8,940	7,630	2,044	145,847	9,291	1,894	252,439
Recruitment (including Agent advisors)	105,076	116	9,603	8,863	2,038	251,012	9,682	1,497	387,887
Electricity ,water and utilities	84,911	163	9,903	8,454	2,294	161,574	10,292	2,097	279,688
Insurance	7,670	14	894	765	6,181	14,595	930	1,751	32,800
Policy issuance and servicing costs	317,975	215	24,824	24,270	23,318	841,248	24,419	2,780	1,259,049
(Profit)/Loss on fluctuation in foreign exchange	4,079	8	476	406	107	7,762	494	101	13,433
Other miscellaneous expenses	8,915	17	1,039	888	250	16,962	1,081	221	29,373
Depreciation	197,430	380	23,023	19,657	6,462	375,677	23,933	4,876	651,438
Total	**4,502,777**	**7,929**	**521,086**	**449,137**	**155,815**	**9,727,788**	**625,075**	**99,964**	**16,089,571**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE 4
BENEFITS PAID [NET] IN INDIA
(Refer to Note I (d) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) By death	452,839	1,689	123,733	15,460	269,641	639,603	6,773	-	1,509,738
(b) By Maturity	4,484	-	-	-	-	-	-	-	4,484
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits									
– Surrenders	496,356	12,786	1,701	-	20	2,312,530	130,600	153	2,954,146
– Health	-	-	-	30,375	-	-	-	-	30,375
– Survival Benefit	270,733	-	655	-	-	-	-	-	271,388
– Bonus to Policyholders [Refer to Note II (r) on Schedule 16]	1,233,724	13,065	-	-	-	-	-	-	1,246,789
–Others	6,635	-	369	1,700	2,246	10,471	-	44,606	66,027
Total paid	**2,464,771**	**27,540**	**126,458**	**47,535**	**271,907**	**2,962,604**	**137,373**	**44,759**	**6,082,947**
(Amount ceded in re-insurance) :									
(a) By death	(15,839)	-	(14,923)	(15,411)	(98,311)	(46,722)	-	-	(191,206)
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total ceded	**(15,839)**	**-**	**(14,923)**	**(15,411)**	**(98,311)**	**(46,722)**	**-**	**-**	**(191,206)**
Amount accepted in re-insurance :									
(a) By death	-	-	-	-	-	-	-	-	-
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Paid	**2,448,932**	**27,540**	**111,535**	**32,124**	**173,596**	**2,915,882**	**137,373**	**44,759**	**5,891,741**

* Including claim investigation expenses amounting to Rs. 9,182

Particulars	YEAR ENDED MARCH 31, 2009								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies (refer Annexures to the Revenue Account)			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) By death	319,865	946	58,428	1,700	76,472	374,897	1,850	43	834,201
(b) By Maturity	836	-	-	-	638	-	-	20,494	21,968
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits									
– Surrenders	187,024	8,570	2,345	-	-	244,928	5,218	25,687	473,772
– Health	-	-	-	8,390	-	-	-	-	8,390
– Survival Benefit	3,509	-	-	-	-	-	-	-	3,509
– Bonus to Policyholders [Refer to Note II (r) on Schedule 16]	978,531	12,540	-	-	-	-	-	-	991,071
– Others	8,571	-	1,516	-	100	3,545	-	-	13,732
Total paid	**1,498,336**	**22,056**	**62,289**	**10,090**	**77,210**	**623,370**	**7,068**	**46,224**	**2,346,643**
(Amount ceded in re-insurance) :									
(a) By death	(65,589)	-	(5,672)	(2,200)	(33,314)	(31,664)	-	-	(138,439)
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total ceded	**(65,589)**	**-**	**(5,672)**	**(2,200)**	**(33,314)**	**(31,664)**	**-**	**-**	**(138,439)**
Amount accepted in re-insurance :									
(a) By death	-	-	-	-	-	-	-	-	-
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Paid	**1,432,747**	**22,056**	**56,617**	**7,890**	**43,896**	**591,706**	**7,068**	**46,224**	**2,208,204**

* Including claim investigation expenses amounting to Rs.1,510

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE-5
SHARE CAPITAL

Particulars	As at March 31, 2010	As at March 31, 2009
Authorised Capital		
3,000,000,000 Equity Shares of Rs 10 each		
(Previous Year: 3,000,000,000 Equity Shares)	30,000,000	30,000,000
Issued and Subscribed Capital		
1,838,817,586 Equity Shares of Rs 10 each		
(Previous Year: 1,782,432,600 Equity Shares)	18,388,176	17,824,326
Called up Capital		
1,838,817,586 Equity Shares of Rs 10 each		
(Previous Year: 1,782,432,600 Equity Shares)	18,388,176	17,824,326
Less: Calls unpaid		
Add : Shares forfeited (Amount originally paid up)		
Less: Par value of equity shares bought back	-	-
Less: Preliminary Expenses (to the extent not written off or adjusted)	-	-
Total	**18,388,176**	**17,824,326**

Of the above 1,354,807,014 equity shares of Rs 10 each fully paid up (2009:1,313,500,014 equity shares of Rs 10 each fully paid up) are held by Max India Limited (the holding company) and its nominees.

SCHEDULE - 5A
PATTERN OF SHAREHOLDING (as certified by Management)

Particulars	As at March 31, 2010		As at March 31, 2009	
Shareholder	Shares of Rs 10 each fully paid up	% of Holding	Shares of Rs 10 each fully paid up	% of Holding
Promoters				
· Indian	1,354,807,014	73.68%	1,313,500,014	73.69%
· Foreign	478,092,572	26.00%	463,432,586	26.00%
Others	5,918,000	0.32%	5,500,000	0.31%
Total	**1,838,817,586**	**100%**	**1,782,432,600**	**100%**

SCHEDULE - 6
RESERVE AND SURPLUS

Particulars	As at March 31, 2010	As at March 31, 2009
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	1,341,440	-
Revaluation Reserve	-	-
General Reserve	-	-
Less: Debit balance in Profit and Loss Account, if any	-	-
Less: Amount utilised for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance of profit/ (loss) in Profit and Loss Account	-	-
Total	**1,341,440**	**-**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE – 7
BORROWINGS

Particulars	As at March 31, 2010	As at March 31, 2009
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	**-**	**-**

SCHEDULE – 8
INVESTMENTS SHAREHOLDERS (IN INDIA)
(Refer to Notes I (d), II (g) & (h) on Schedule 16)

Particulars	As at March 31, 2010	As at March 31, 2009
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	3,382,014	2,314,361
Other Approved Securities	-	-
Other investments		
(a) Shares		
Equity	102,162	144,068
Preference Shares	506	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	965,810	150,000
(e) Other Securities	-	-
Commercial Paper / Certificate of Deposits	-	-
Deposits with Bank	50,000	61,354
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	1,704,866	808,893
Application Monies	-	-
Other than Approved Investments	-	-
Debentures/ Bonds	-	119,791
Equity Shares	12,096	37,415
Pass Through Certificates	-	-
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	249,590	98,322
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
Equity	-	-
Preference Shares	-	506
(b) Mutual Funds	370,344	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	9,002
(e) Other Securities		
Commercial Paper / Certificate of Deposits	1,174,851	492,725
Deposits with Bank	239,093	928,421
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	49,984	49,972
Other than Approved Investments		
Pass Through Certificates	-	14,220
Mutual Fund	-	-
Total	**8,301,316**	**5,229,050**
Aggregate Amount of Investments other than listed equity securities and derivative instruments	**8,182,166**	**5,047,567**
Aggregate Market Value of Investments other than listed equity securities and derivative instruments	**8,082,332**	**5,015,584**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE - 8A

INVESTMENTS POLICYHOLDERS (IN INDIA)

(Refer to Note I (d), II (g) and (h) on Schedule 16)

Particulars	As at March 31, 2010	As at March 31, 2009
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills *	17,885,626	13,502,065
Other Approved Securities		
(a) Shares		
Equity	3,162	468
Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	1,920,451	1,244,815
(e) Other Securities		
Commercial Paper / Certificate of Deposits	-	-
Deposits with Bank	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
(h) Policy Loans	-	-
Application Monies	-	-
Investments in Infrastructure and Social Sector	5,822,421	4,077,230
Other than Approved Investments	-	
Debentures/ Bonds	-	169,669
Equity Shares	363	38
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	351,235	190,540
Other Approved Securities		
(a) Shares	-	
Equity	-	-
Preference	-	-
(b) Mutual Funds	154,101	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	270,247	141,197
(e) Others Securities		
Commercial Paper / Certificate of Deposits	-	476,259
Deposits with Bank	571,401	30,133
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	149,863	185,906
Other than Approved Investments		
Mutual Funds	-	-
Total	**27,128,870**	**20,018,320**
Aggregate Amount of Investments other than listed equity securities and derivative instruments	**27,124,612**	**20,017,814**
Aggregate Market Value of Investments other than listed equity securities and derivative instruments	**26,490,199**	**20,005,805**

* Includes Rs 106,449 (2009 : 106,605) of securities under section 7 of Insurance Act, 1938 (Refer to Note II (g) on Schedule 16)

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE - 8B

ASSETS HOLD TO COVER LINKED LIABILITIES

(Refer to Note I (d), II (g) and (h) on Schedule 16)

Particulars	As at March 31, 2010	As at March 31, 2009
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	1,957,351	4,662,035
Other Approved Securities	-	-
Other investments		
(a) Shares		
Equity	30,136,418	11,146,385
Preference Shares	6,642	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,178,409	3,625,658
(e) Other securities- Fixed Deposits	230,149	50,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	9,430,012	2,426,646
Other than Approved Investments		
(a) Debentures/ Bonds	-	-
(b) Equity	6,579,939	2,912,700
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	676,833	273,198
Other Approved Securities	-	-
Other Investments		
(a) Shares		
Equity	-	-
Preference	-	-
(b) Mutual Funds	2,055,911	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	865,987	409,942
(e) Others - Commercial Paper and Certificate of Deposit	8,569,725	1,809,141
Fixed Deposit	254,700	500,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	1,558,098	617,604
Other than Approved Investments		
(a) Debentures/ Bonds	-	50,409
(b) Mutual Funds	-	360,000
Net Current Assets	1,279,227	1,505,129
Total	**65,779,401**	**30,348,847**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE - 9

LOANS

Particulars	As at March 31, 2010	As at March 31, 2009
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	86,065	48,267
(d) Others	-	-
Unsecured	-	-
Total	**86,065**	**48,267**
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	86,065	48,267
(f) Others	-	-
Total	**86,065**	**48,267**
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	86,065	48,267
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	**86,065**	**48,267**
MATURITY- WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	86,065	48,267
Total	**86,065**	**48,267**

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE – 10
FIXED ASSETS

(Refer Notes I (f) on Schedule 16)

Particulars	Gross Block				Depreciation				Net Block	
	April 1, 2009	Additions	Sale/ Disposal	March 31, 2010	April 1, 2009	For the Year	On Sales/ Disposal	March 31, 2010	March 31, 2010	March 31, 2009
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	624,481	228,497	-	852,978	332,392	280,217	-	612,609	240,369	292,089
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold improvements *	1,854,730	66,256	6,813	1,914,173	421,194	296,575	1,015	716,754	1,197,419	1,433,536
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures *	468,915	122,184	2,705	588,394	109,952	79,575	1,266	188,261	400,133	358,963
Information Technology equipment (Including communication networks and servers)	1,178,685	94,731	3,393	1,270,023	560,015	259,801	1,530	818,286	451,737	618,670
Vehicles	55,245	15,958	17,648	53,555	26,310	10,769	12,832	24,247	29,308	28,935
Office equipment	566,042	129,210	5,392	689,860	209,162	140,550	2,193	347,519	342,341	356,880
Others	-	-	-	-	-	0	0	-	-	-
Total	**4,748,098**	**656,836**	**35,951**	**5,368,983**	**1,659,025**	**1,067,487**	**18,836**	**2,707,676**	**2,661,307**	**3,089,073**
Capital Work in Progress (including Capital advances)									83,524	159,660
Grand Total	**4,748,098**	**656,836**	**35,951**	**5,368,983**	**1,659,025**	**1,067,487**	**18,836**	**2,707,676**	**2,744,831**	**3,248,733**
Previous year	2,341,227	2,455,161	48,290	4,748,098	1,045,821	651,601	38,385	1,659,037	3,248,733	

* Note : Assets retired from active use and held for disposal during the year Gross Block : Rs 175,259 (2009 : Rs Nil), Accumulated Depreciation Rs 69,105 (2009 : Rs. Nil)

SCHEDULE – 11
CASH AND BANK BALANCES

Particulars	As at March 31, 2010	As at March 31, 2009
Cash [Including Insurance Stamp Rs 3,987 (Previous Year : Rs 1,986]	138,492	67,851
Balances with banks in India*		
(a) Deposit Accounts		
(aa) Short-term fixed deposit (i.e. maturing in 12 months)	-	-
(bb) Others	-	-
(b) Current accounts	380,192	148,612
[Including Remittances in Transit Rs 225,905 (Previous Year: Rs. 134,513)]		
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	**518,684**	**216,463**

*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, unless otherwise stated)

SCHEDULE – 12

ADVANCES AND OTHER ASSETS

Particulars		As at March 31, 2010		As at March 31, 2009
ADVANCES				
Reserve deposit with ceding companies		-		-
Application money for investments		-		-
Prepayments		1,007,077		1,111,043
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		19,199		5,351
Others				
- Advances to suppliers	241,826		391,799	
Less : Provision for doubtful expenses	6,665	235,161	5,551	386,248
- Advances to employees for imprest, travel, etc.	42,540		71,046	
Less : Provision for doubtful expenses	17,528	25,012	19,667	51,379
Total (A)		**1,286,449**		1,554,021
OTHER ASSETS				
Income accrued on investments		763,066		560,991
Outstanding Premiums		690,519		533,917
Agents' Balances	156,877		7,751	
Less : Provision for doubtful expenses	3,295	153,582	3,032	4,719
Foreign Agencies Balances		-		-
Due from other entities carrying on insurance business (including reinsurers)		187,517		135,276
Due from subsidiaries / holding company		-		-
Deposits with Reserve Bank of India				
(Pursuant to Section 7 of Insurance Act, 1938) *		-		-
Others:				
- Service Tax Unutilised Credit		743,495		1,062,786
- Security and other deposits		628,961		598,255
Total (B)		**3,167,140**		2,895,944
Total (C) = (A) + (B)		**4,453,589**		4,449,965

* (Refer to Note II (g) on Schedule 16)

SCHEDULE – 13

CURRENT LIABILITIES

Particulars	As at March 31, 2010	As at March 31, 2009
Agents' balances	491,149	477,128
Balance due to other insurance companies	499,456	337,652
Deposits held on reinsurance companies	-	-
Premium received in advance	389,673	60,495
Unallocated premium	342,383	526,099
Sundry creditors	3,809,091	3,233,233
Due to holding company	2,827	1,063
Claims Outstanding (includes pending investigation) *	564,662	132,037
Annuities Due	-	-
Due to Officers/ Directors	-	-
Others:		
- Proposal / Policyholder deposits	642,310	587,205
- Withholding Tax Deducted at Source	341,522	258,914
- Service Tax Liability	5	619
- Other Statutory liabilities	27,130	35,776
Total	**7,110,208**	5,650,221

*Includes claims incurred but not reported Rs. 205,553 (2009; Rs. 81,873)

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE - 14

PROVISIONS

Particulars	As at March 31, 2010	As at March 31, 2009
For taxation (less payments and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others :		
- Provision for gratuity	-	25,376
- Provision for fringe benefit tax	-	57
- Provision for non compensated leaves	2,439	1,114
- Provision for wealth tax	400	411
Total	**2,839**	26,958

SCHEDULE 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(Refer to Note II (j) on Schedule 16)

Particulars	As at March 31, 2010	As at March 31, 2009
Discount Allowed in issue of shares/ debentures	-	-
Others		
- Deferred Employee Compensation	757,998	25,417
Total	**757,998**	25,417

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
REGISTRATION NO: 104; DATE OF REGISTRATION WITH IRDA: NOVEMBER 15, 2000

Annexure to Revenue Account–break up of Unit Linked Business (UL)

Revenue Account for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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		5,780,939	25,634,386	31,415,325	175,129	2,004,818	2,179,947	-	380,362	380,362	33,975,634
(b) Reinsurance ceded		(105,589)	-	(105,589)	-	-	-	-	-	-	(105,589)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		37,817	1,300,280	1,338,097	1,034	69,789	70,823	-	23,303	23,303	1,432,223
(b) Profit on sale/redemption of investments		627	6,942,682	6,943,309	-	259,960	259,960	-	6,796	6,796	7,210,065
(c) Loss on sale/redemption of investments		-	(844,202)	(844,202)	-	(131,294)	(131,294)	-	(5,098)	(5,098)	(980,594)
(d) Unrealised gain/(loss)		-	9,637,935	9,637,935	-	633,294	633,294	-	20,096	20,096	10,291,325
(e) Amortisation of discount/(premium)		(513)	-	(513)	15	-	15	-	-	-	(498)
(f) App / Exp Adj Account		-	108,618	108,618	-	6,689	6,689	-	(77)	(77)	115,230
Other income:											
(a) Linked Income	UL1	7,117,105	(7,117,105)	-	416,175	(416,175)	-	8,904	(8,904)	-	-
(b) Contribution from the Shareholders' Account		-	-	-	-	-	-	-	-	-	-
(c) Others		1,559	(7)	1,552	106	4	110	-	4	4	1,666
TOTAL (A)		12,831,945	35,662,587	48,494,532	592,459	2,427,085	3,019,544	8,904	416,482	425,386	51,939,462
Commission Paid		2,660,168	-	2,660,168	73,959	-	73,959	89	-	89	2,734,216
Operating Expenses related to Insurance Business		7,902,214	503,458	8,405,672	475,897	15,215	491,112	3,871	320	4,191	8,900,975
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-	-
Provision for doubtful debts		1,139	-	1,139	77	-	77	1	-	1	1,217
Bad debts written off		1,059	-	1,059	72	-	72	1	-	1	1,132
TOTAL (B)		10,564,580	503,458	11,068,038	550,005	15,215	565,220	3,962	320	4,282	11,637,540
Benefits Paid (Net)	UL2	541,283	2,374,599	2,915,882	124	137,249	137,373	-	44,759	44,759	3,098,014
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-
Change in Valuation Liability		842,856	32,784,530	33,627,386	35,571	2,274,621	2,310,192	(1)	371,403	371,402	36,308,980
TOTAL (C)		1,384,139	35,159,129	36,543,268	35,695	2,411,870	2,447,565	(1)	416,162	416,161	39,406,994
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		883,226	-	883,226	6,759	-	6,759	4,943	-	4,943	894,928
APPROPRIATIONS											
Transfer to Shareholders' Account		-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-
Total (D)		-	-	-	-	-	-	-	-	-	-

Revenue Account for the year ended March 31, 2009

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		4,911,922	20,407,136	25,319,058	267,918	1,003,297	1,271,215	414	174,228	174,642	26,764,915
(b) Reinsurance ceded		(118,936)	-	(118,936)	-	-	-	-	-	-	(118,936)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		24,456	743,704	768,160	1,033	33,793	34,826	-	7,358	7,358	810,344
(b) Profit on sale/redemption of investments		-	1,146,370	1,146,370	-	32,229	32,229	-	8,556	8,556	1,187,155
(c) Loss on sale/redemption of investments		-	(3,949,957)	(3,949,957)	-	(149,712)	(149,712)	-	(15,077)	(15,077)	(4,114,746)
(d) Unrealised gain/(loss)		-	(1,328,886)	(1,328,886)	-	(107,215)	(107,215)	-	(4,978)	(4,978)	(1,441,079)
(e) Amortisation of discount/(premium)		13	-	13	14	-	14	-	-	-	27
Other income:											
(a) Linked Income	UL1	5,279,440	(5,279,440)	-	202,080	(202,080)	-	9,866	(9,866)	-	-
(b) Contribution from the Shareholders' Account		2,470,055	-	2,470,055	195,992	-	195,992	90,569	-	90,569	2,756,616
(c) Others		4,882	507	5,389	443	20	463	44	-	44	5,896
TOTAL (A)		12,571,832	11,739,434	24,311,266	667,480	610,332	1,277,812	100,893	160,221	261,114	25,850,192
Commission Paid		2,705,514	-	2,705,514	47,589	-	47,589	367	-	367	2,753,470
Operating Expenses related to Insurance Business		9,303,462	424,326	9,727,788	618,294	6,781	625,075	99,827	137	99,964	10,452,827
Provision for Tax - Fringe Benefit Tax		45,895	-	45,895	2,924	-	2,924	596	-	596	49,415
Provision for doubtful debts		7,635	-	7,635	487	-	487	99	-	99	8,221
Bad debts written off		336	-	336	21	-	21	4	-	4	361
TOTAL (B)		12,062,842	424,326	12,487,168	669,315	6,781	676,096	100,893	137	101,030	13,264,294
Benefits Paid (Net)	UL2	326,301	265,405	591,706	537	6,531	7,068	-	46,224	46,224	644,998
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-
Change in Valuation Liability		182,689	11,049,703	11,232,392	(2,372)	597,020	594,648	-	113,860	113,860	11,940,900
TOTAL (C)		508,990	11,315,108	11,824,098	(1,835)	603,551	601,716	-	160,084	160,084	12,585,898
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		-	-	-	-	-	-	-	-	-	-
APPROPRIATIONS											
Transfer to Shareholders' Account		-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-
Total (D)		-	-	-	-	-	-	-	-	-	-

Schedules annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Schedule-UL1

Linked Income (recovered from linked funds)*

Particulars	YEAR ENDED MARCH 31, 2010			
	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	599,472	31,025	3,104	633,601
Policy Administration charge	3,278,781	176,594	5,800	3,461,175
Surrender charge	1,816,109	208,340	-	2,024,449
Switching charge	113	10	-	123
Mortality charge	1,422,630	206	-	1,422,836
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
TOTAL (UL-1)	**7,117,105**	**416,175**	**8,904**	**7,542,184**

* (net of service tax, if any)

Schedule-UL1

Linked Income (recovered from linked funds)*

Particulars	YEAR ENDED MARCH 31, 2009			
	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	268,460	13,095	1,260	282,815
Policy Administration charge	2,672,061	38,558	8,606	2,719,225
Surrender charge	1,340,778	150,419	-	1,491,197
Switching charge	41	8	-	49
Mortality charge	998,100	-	-	998,100
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
TOTAL (UL-1)	5,279,440	202,080	9,866	5,491,386

* (net of service tax, if any)

Schedules annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE-UL2
BENEFITS PAID [NET]

Particulars	YEAR ENDED MARCH 31, 2010									
	Linked Life			Linked Pension			Linked Group			
	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Unit Linked
	(1)	(2)	(3)=(1) + (2)	(4)	(5)	(6)=(4) + (5)	(7)	(8)	(9)= (7) + (8)	(10)=(3)+ (6)+(9)
1 Insurance Claims										
(a) Claims by Death	577,534	62,069	639,603	124	6,649	6,773	-	-	-	646,376
(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	2,312,530	2,312,530	-	130,600	130,600	-	153	153	2,443,283
- Survival	-	-	-	-	-	-	-	-	-	-
- Others	10,471	-	10,471	-	-	-	-	44,606	44,606	55,077
Sub Total (A)	**588,005**	**2,374,599**	**2,962,604**	**124**	**137,249**	**137,373**	**-**	**44,759**	**44,759**	**3,144,736**
2 Amount Ceded in reinsurance										
(a) Claims by Death	46,722	-	46,722	-	-	-	-	-	-	46,722
(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	**46,722**	**-**	**46,722**	**-**	**-**	**-**	**-**	**-**	**-**	**46,722**
TOTAL (A) - (B)	**541,283**	**2,374,599**	**2,915,882**	**124**	**137,249**	**137,373**	**-**	**44,759**	**44,759**	**3,098,014**
Benefits paid to claimants:										
In India	588,005	2,374,599	2,962,604	124	137,249	137,373	-	44,759	44,759	3,144,736
Outside India	-	-	-	-	-	-	-	-	-	-
TOTAL (UL2)	**588,005**	**2,374,599**	**2,962,604**	**124**	**137,249**	**137,373**	**-**	**44,759**	**44,759**	**3,144,736**

SCHEDULE-UL2
BENEFITS PAID [NET]

Particulars	YEAR ENDED MARCH 31, 2009									
	Linked Life			Linked Pension			Linked Group			
	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	354,420	20,477	374,897	537	1,313	1,850	-	43	43	376,790
(b) Claims by Maturity	-	-	-	-	-	-	-	20,494	20,494	20,494
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	244,928	244,928	-	5,218	5,218	-	25,687	25,687	275,833
- Survival	-	-	-	-	-	-	-	-	-	-
- Others	3,545	-	3,545	-	-	-	-	-	-	3,545
Sub Total (A)	**357,965**	**265,405**	**623,370**	**537**	**6,531**	**7,068**	**-**	**46,224**	**46,224**	**676,662**
2 Amount Ceded in reinsurance										
(a) Claims by Death	31,664	-	31,664	-	-	-	-	-	-	31,664
(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	**31,664**	**-**	**31,664**	**-**	**-**	**-**	**-**	**-**	**-**	**31,664**
TOTAL (A) - (B)	**326,301**	**265,405**	**591,706**	**537**	**6,531**	**7,068**	**-**	**46,224**	**46,224**	**644,998**
Benefits paid to claimants:										
In India	357,965	265,405	623,370	537	6,531	7,068	-	46,224	46,224	676,662
Outside India	-	-	-	-	-	-	-	-	-	-
TOTAL (UL2)	**357,965**	**265,405**	**623,370**	**537**	**6,531**	**7,068**	**-**	**46,224**	**46,224**	**676,662**

Schedules annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Form A-BS (UL)

Fund Balance Sheet as at March 31, 2010

Particulars	Schedule	Funds											
		Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Sources of Funds													
Policyholders' Funds:													
Policyholder contribution	F-1	2,492,204	228,336	638,829	30,752,069	11,609,595	184,411	855,469	19,573	3,101	334,414	29,465	142,032
Revenue Account		586,482	82,859	75,403	9,474,994	4,124,172	40,248	149,826	1,888	256	29,924	5,158	7,123
Total		**3,078,686**	**311,195**	**714,232**	**40,227,063**	**15,733,767**	**224,659**	**1,005,295**	**21,461**	**3,357**	**364,338**	**34,623**	**149,155**
Application of Funds													
Investments	F-2	2,976,412	294,828	691,070	39,427,641	15,617,689	218,744	959,301	20,302	3,101	341,469	33,308	143,901
Current Assets	F-3	168,223	21,287	43,145	1,071,614	170,320	7,801	56,194	1,160	256	31,187	6,242	13,305
Less: Current Liabilities and Provisions	F-4	65,949	4,920	19,983	272,192	54,242	1,885	10,199	-	-	8,318	4,927	8,051
Net current assets		102,274	16,367	23,162	799,422	116,078	5,916	45,995	1,160	256	22,869	1,315	5,254
Total		**3,078,686**	**311,195**	**714,232**	**40,227,063**	**15,733,767**	**224,660**	**1,005,296**	**21,462**	**3,357**	**364,338**	**34,623**	**149,155**
Net Asset Value (NAV) per Unit:		20.65	17.66	14.70	28.33	15.38	11.43	12.71	12.61	12.11	14.41	13.77	13.01
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		3,078,686	311,195	714,232	40,227,063	15,733,767	224,660	1,005,296	21,462	3,357	364,338	34,623	149,155
(b) Number of Units outstanding		149,095,752	17,620,684	48,581,808	1,420,104,574	1,022,669,979	19,650,098	79,076,706	1,701,891	277,241	25,280,879	2,514,161	11,468,846
(c) NAV per Unit (a)/(b) (Rs.)		20.65	17.66	14.70	28.33	15.38	11.43	12.71	12.61	12.11	14.41	13.77	13.01

Significant accounting policies and notes to the accounts 16

The Schedules referred to above form an integral part of the Fund Balance Sheet.

Form A-BS (UL)

Fund Balance Sheet as at March 31, 2010

Particulars	Schedule	Funds										
		Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Sources of Funds												
Policyholders' Funds:												
Policyholder contribution	F-1	1,364,509	1,228,745	152,081	246,519	109,555	132	17,011	361	93,052	84,150	50,585,613
Revenue Account		283,541	287,021	11,713	17,784	11,478	37	389	41	1,240	2,208	15,193,785
Total		**1,648,050**	**1,515,766**	**163,794**	**264,303**	**121,033**	**169**	**17,400**	**402**	**94,292**	**86,358**	**65,779,398**
Application of Funds												
Investments	F-2	1,601,628	1,489,938	122,024	249,952	119,539	150	14,402	364	93,099	81,312	64,500,174
Current Assets	F-3	66,405	31,332	47,623	22,402	1,494	19	4,011	38	1,193	9,044	1,774,295
Less: Current Liabilities and Provisions	F-4	19,983	5,504	5,853	8,051	-	-	1,013	-	-	3,998	495,068
Net current assets		46,422	25,828	41,770	14,351	1,494	19	2,998	38	1,193	5,046	1,279,227
Total		**1,648,050**	**1,515,766**	**163,794**	**264,303**	**121,033**	**169**	**17,400**	**402**	**94,292**	**86,358**	**65,779,401**
Net Asset Value (NAV) per Unit:		16.48	9.42	14.23	13.19	13.67	13.41	10.44	12.28	10.20	10.27	-
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		1,648,050	1,515,766	163,794	264,303	121,033	169	17,400	402	94,292	86,358	65,779,401
(b) Number of Units outstanding		99,978,794	160,841,701	11,511,358	20,042,311	8,856,623	12,530	1,666,996	32,747	9,244,633	8,405,967	-
(c) NAV per Unit (a)/(b) (Rs.)		16.48	9.42	14.23	13.19	13.67	13.41	10.44	12.28	10.20	10.27	-

Significant accounting policies and notes to the accounts 16

The Schedules referred to above form an integral part of the Fund Balance Sheet.

Schedules annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Form A-BS (UL)

Fund Balance Sheet as at March 31, 2009

Particulars	Schedule	Funds											
		Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Sources of Funds													
Policyholders' Funds:													
Policyholder contribution	F-1	1,548,058	230,212	356,540	21,377,786	6,741,318	91,314	301,264	12,085	1,771	117,777	28,985	52,789
Revenue Account		88,814	33,277	42,143	(935,452)	(1,139,864)	(24,255)	(9,631)	398	61	647	1,598	1,543
Total		**1,636,872**	**263,489**	**398,683**	**20,442,334**	**5,601,454**	**67,059**	**291,633**	**12,483**	**1,832**	**118,424**	**30,583**	**54,332**
Application of Funds													
Investments	F-2	1,517,359	248,803	361,729	19,408,859	5,431,405	63,052	273,100	11,430	1,628	111,055	29,056	51,029
Current Assets	F-3	128,102	56,697	47,151	1,153,921	216,024	12,697	18,533	1,345	227	9,145	1,527	3,303
Less: Current Liabilities and Provisions	F-4	8,589	42,011	10,197	120,446	45,975	8,690	-	292	23	1,776	-	-
Net current assets		119,513	14,686	36,954	1,033,475	170,049	4,007	18,533	1,053	204	7,369	1,527	3,303
Total		**1,636,872**	**263,489**	**398,683**	**20,442,334**	**5,601,454**	**67,059**	**291,633**	**12,483**	**1,832**	**118,424**	**30,583**	**54,332**
Net Asset Value (NAV) per Unit:		16.33	14.85	13.78	19.43	8.45	6.71	8.94	11.48	11.11	12.18	12.41	12.21
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		1,636,872	263,489	398,683	20,442,334	5,601,454	67,059	291,633	12,483	1,832	118,424	30,583	54,332
(b) Number of Units outstanding		100,231,892	17,738,229	28,939,096	1,052,157,795	662,927,618	9,994,386	32,606,290	1,087,528	164,877	9,721,255	2,465,301	4,449,602
(c) NAV per Unit (a)/(b) (Rs.)		16.33	14.85	13.78	19.43	8.45	6.71	8.94	11.48	11.11	12.18	12.41	12.21

Significant accounting policies and notes to the accounts 16

The Schedules referred to above form an integral part of the Fund Balance Sheet.

Form A-BS (UL)

Fund Balance Sheet as at March 31, 2009

Particulars	Schedule	Funds										
		Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Sources of Funds												
Policyholders' Funds:												
Policyholder contribution	F-1	757,822	671,393	36,209	107,375	47,299	419	4,382	175	-	-	32,484,973
Revenue Account		(51,725)	(143,518)	935	5,129	(6,234)	8	-	-	-	-	(2,136,126)
Total		**706,097**	**527,875**	**37,144**	**112,504**	**41,065**	**427**	**4,382**	**175**	**-**	**-**	**30,348,847**
Application of Funds												
Investments	F-2	678,610	520,421	35,987	59,686	40,433	76	-	-	-	-	28,843,718
Current Assets	F-3	33,634	28,741	2,720	52,818	1,340	351	4,382	175	-	-	1,772,833
Less: Current Liabilities and Provisions	F-4	6,147	21,287	1,563	-	708	-	-	-	-	-	267,704
Net current assets		27,487	7,454	1,157	52,818	632	351	4,382	175	-	-	1,505,129
Total		**706,097**	**527,875**	**37,144**	**112,504**	**41,065**	**427**	**4,382**	**175**	**-**	**-**	**30,348,847**
Net Asset Value (NAV) per Unit:		11.58	5.54	11.96	12.36	10.59	11.79	10.00	10.02	-	-	-
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		706,097	527,875	37,144	112,504	41,065	427	4,382	175	-	-	30,348,847
(b) Number of Units outstanding		60,989,919	95,292,215	3,105,698	9,101,679	3,877,133	36,227	438,151	17,465	-	-	-
(c) NAV per Unit (a)/(b) (Rs.)		11.58	5.54	11.96	12.36	10.59	11.79	10.00	10.02	-	-	-

Significant accounting policies and notes to the accounts 16

The Schedules referred to above form an integral part of the Fund Balance Sheet.

Schedules annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Form A-RA (UL)

Fund Revenue Account Year Ended March 31, 2010

Particulars	Schedule	Funds											
		Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Income from investments													
Interest income		106,725	18,668	39,813	713,932	47,654	1,037	15,992	1,158	160	9,169	2,434	6,595
Dividend income		7,972	346	-	225,202	113,034	1,444	3,629	28	3	492	50	-
Profit on sale of investment		345,688	38,214	18,417	3,948,185	2,498,308	19,213	63,940	202	48	9,516	259	496
Loss on sale of investment		(151,347)	(15,053)	(22,341)	(341,032)	(273,191)	(3,328)	(34,465)	(303)	(30)	(3,657)	(301)	(1,409)
Profit on inter fund transfer/ sale of investment		779	1,868	1,141	5,201	-	658	438	-	-	490	835	954
loss on inter fund transfer/ sale of investment		(23)	(504)	(325)	(1,187)	(33)	(36)	(9)	-	(1)	(100)	(104)	(1,644)
Miscellaneous Income		-	2	-	(10)	(2)	1	-	1	1	1	2	-
Unrealised Gain/loss*		214,328	8,823	2,074	6,243,555	3,001,842	47,495	117,243	722	54	15,452	739	1,537
Appropriation / Expropriation		2,452	95	39	62,682	40,480	344	2,511	5	1	283	11	8
Total (A)		**526,574**	**52,459**	**38,818**	**10,856,528**	**5,428,092**	**66,828**	**169,279**	**1,813**	**236**	**31,646**	**3,925**	**6,537**
Fund management expenses		26,207	2,608	5,039	404,426	148,736	2,107	8,904	292	37	2,148	331	868
Service tax on FMC		2,699	269	519	41,656	15,320	217	917	30	4	221	34	89
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-	-
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)		**28,906**	**2,877**	**5,558**	**446,082**	**164,056**	**2,324**	**9,821**	**322**	**41**	**2,369**	**365**	**957**
Net Income for the year (A-B)		**497,668**	**49,582**	**33,260**	**10,410,446**	**5,264,036**	**64,504**	**159,458**	**1,491**	**195**	**29,277**	**3,560**	**5,580**
Add: Fund revenue account at the beginning of the period		88,814	33,277	42,143	(935,452)	(1,139,864)	(24,256)	(9,632)	397	61	647	1,598	1,543
Fund revenue account at the end of the year Mar 31, 2010		**586,482**	**82,859**	**75,403**	**9,474,994**	**4,124,172**	**40,248**	**149,826**	**1,888**	**256**	**29,924**	**5,158**	**7,123**

* 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.

Form A-RA (UL)

Fund Revenue Account Year Ended March 31, 2010

Particulars	Schedule	Funds										
		Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Income from investments												
Interest income		27,983	6,892	3,851	15,109	3,051	11	686	8	-	3,483	1,024,411
Dividend income		6,836	9,338	169	-	417	1	-	2	-	-	368,963
Profit on sale of investment		121,425	124,762	1,586	1,241	2,385	17	36	7	140	48	7,194,133
Loss on sale of investment		(63,133)	(60,900)	(1,128)	(1,662)	(1,530)	(1)	(109)	(3)	-	(945)	(975,868)
Profit on inter fund transfer/ sale of investment		662	560	95	1,005	414	2	10	-	-	194	15,306
loss on inter fund transfer/ sale of investment		(1)	(45)	(40)	(426)	(60)	(4)	(134)	(1)	-	(50)	(4,727)
Miscellaneous Income		1	-	2	-	2	-	-	-	-	-	1
Unrealised Gain/loss*		254,590	360,976	6,842	(970)	14,221	5	(31)	30	1,853	(55)	10,291,325
Appropriation / Expropriation		2,526	3,861	85	(14)	(160)	-	12	1	3	5	115,230
Total (A)		**350,889**	**445,444**	**11,462**	**14,283**	**18,740**	**31**	**470**	**44**	**1,996**	**2,680**	**18,028,774**
Fund management expenses		14,164	13,513	620	1,476	932	2	73	3	685	428	633,599
Service tax on FMC		1,459	1,392	64	152	96	-	8	-	71	44	65,261
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-
Total (B)		**15,623**	**14,905**	**684**	**1,628**	**1,028**	**2**	**81**	**3**	**756**	**472**	**698,860**
Net Income for the year (A-B)		**335,266**	**430,539**	**10,778**	**12,655**	**17,712**	**29**	**389**	**41**	**1,240**	**2,208**	**17,329,914**
Add: Fund revenue account at the beginning of the period		(51,725)	(143,518)	935	5,129	(6,234)	8	-	-	-	-	(2,136,129)
Fund revenue account at the end of the year Mar 31, 2010		283,541	287,021	11,713	17,784	11,478	37	389	41	1,240	2,208	15,193,785

* 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 annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Form A-RA (UL)

Fund Revenue Account Year Ended March 31, 2009

Particulars	Schedule	Funds											
		Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Income from investments													
Interest income		59,223	13,231	15,013	487,479	38,108	656	2,600	453	70	3,290	577	1,598
Dividend income		3,151	209	-	91,244	31,206	360	689	11	1	128	8	-
Profit on sale of investment		35,576	7,550	24,075	846,848	187,562	611	3,677	241	1	1,845	771	1,206
Loss on sale of investment		(75,643)	(11,011)	(7,043)	(2,549,699)	(1,252,562)	(14,437)	(13,739)	(407)	(29)	(5,372)	(505)	(48)
Profit on inter fund transfer/ sale of investment		1,164	1,784	6,019	22,325	7,561	247	1,085	43	1	124	403	334
loss on inter fund transfer/ sale of investment		(263)	(3,032)	(8,687)	(3,607)	(9,685)	(66)	-	(38)	(9)	(12)	(109)	(427)
Miscellaneous Income		7	-	-	354	144	-	2	-	-	-	-	-
Unrealised Gain/loss*		(65,422)	1,268	3,033	(1,295,409)	40,191	(10,864)	(1,505)	(179)	1	(590)	626	(1,055)
Total (A)		**(42,207)**	**9,999**	**32,410**	**(2,400,465)**	**(957,475)**	**(23,493)**	**(7,191)**	**124**	**36**	**(587)**	**1,771**	**1,608**
Fund management expenses		12,513	1,752	1,991	200,702	48,432	726	2,180	146	18	721	148	247
Service tax on FMC		1,350	190	220	21,608	5,312	79	261	16	2	80	17	28
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-	-
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)		**13,863**	**1,942**	**2,211**	**222,310**	**53,744**	**805**	**2,441**	**162**	**20**	**801**	**165**	**275**
Net Income for the year (A-B)		**(56,070)**	**8,057**	**30,199**	**(2,622,775)**	**(1,011,219)**	**(24,298)**	**(9,632)**	**(38)**	**16**	**(1,388)**	**1,606**	**1,333**
Add: Fund revenue account at the beginning of the period		144,884	25,220	11,944	1,687,323	(128,645)	42	-	435	45	2,035	(8)	210
Fund revenue account at the end of the year Mar 31, 2009		**88,814**	**33,277**	**42,143**	**(935,452)**	**(1,139,864)**	**(24,256)**	**(9,632)**	**397**	**61**	**647**	**1,598**	**1,543**

* 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.

Form A-RA (UL)

Fund Revenue Account Year Ended March 31, 2009

Particulars	Schedule	Funds										
		Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Income from investments												
Interest income		17,669	4,695	3,403	2,007	1,487	4	-	-	-	-	651,563
Dividend income		3,099	2,729	228	-	229	-	-	-	-	-	133,292
Profit on sale of investment		19,682	4,044	3,238	2,434	759	1	-	-	-	-	1,140,121
Loss on sale of investment		(74,989)	(67,986)	(6,901)	(452)	(6,154)	-	-	-	-	-	(4,086,977)
Profit on inter fund transfer/ sale of investment		3,101	719	1,089	232	803	-	-	-	-	-	47,034
loss on inter fund transfer/ sale of investment		(5)	(259)	(1,331)	(104)	(135)	-	-	-	-	-	(27,769)
Miscellaneous Income		7	13	-	-	-	-	-	-	-	-	527
Unrealised Gain/loss*		(63,295)	(42,901)	(1,213)	1,176	(4,944)	3	-	-	-	-	(1,441,079)
Total (A)		**(94,731)**	**(98,946)**	**(1,487)**	**5,293**	**(7,955)**	**8**	**-**	**-**	**-**	**-**	**(3,583,288)**
Fund management expenses		7,561	4,419	555	262	442	-	-	-	-	-	282,815
Service tax on FMC		811	482	57	30	49	-	-	-	-	-	30,592
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-
Total (B)		**8,372**	**4,901**	**612**	**292**	**491**	**-**	**-**	**-**	**-**	**-**	**313,407**
Net Income for the year (A-B)		**(103,103)**	**(103,847)**	**(2,099)**	**5,001**	**(8,446)**	**8**	**-**	**-**	**-**	**-**	**(3,896,695)**
Add: Fund revenue account at the beginning of the period		51,378	(39,671)	3,034	128	2,212	-	-	-	-	-	1,760,566
Fund revenue account at the end of the year Mar 31, 2009		(51,725)	(143,518)	935	5,129	(6,234)	8	-	-	-	-	(2,136,129)

* 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 to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE: F-1

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Opening balance	1,548,058	230,212	356,540	21,377,786	6,741,318	91,314	301,264	12,085	1,771	117,777	28,985	52,789
Add: Additions during the year*	975,562	104,591	367,236	9,474,019	5,432,107	104,554	568,508	8,513	1,750	233,496	22,431	108,036
Less: Deductions during the year*	31,417	106,467	84,947	99,736	563,830	11,457	14,303	1,025	420	16,859	21,951	18,793
Closing balance	**2,492,204**	**228,336**	**638,829**	**30,752,069**	**11,609,595**	**184,411**	**855,469**	**19,573**	**3,101**	**334,414**	**29,465**	**142,032**

* Additions represents units creation and deductions represent units cancellation

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Opening balance	757,822	671,393	36,209	107,375	47,299	419	4,382	175	-	-	**32,484,973**
Add: Additions during the year*	642,709	630,880	122,304	219,641	84,243	111	12,816	224	96,706	85,956	**19,296,393**
Less: Deductions during the year*	36,022	73,528	6,432	80,497	21,987	398	187	38	3,654	1,807	**1,195,753**
Closing balance	**1,364,509**	**1,228,745**	**152,081**	**246,519**	**109,555**	**132**	**17,011**	**361**	**93,052**	**84,149**	**50,585,613**

* Additions represents units creation and deductions represent units cancellation

SCHEDULE: F-1

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Opening balance	814,819	137,078	133,944	12,122,851	2,669,765	38,221	-	7,304	905	37,670	6,517	11,845
Add: Additions during the year*	748,395	102,757	232,069	9,696,783	4,301,223	58,179	307,755	6,640	1,277	82,319	23,943	54,778
Less: Deductions during the year*	15,156	9,623	9,473	441,848	229,670	5,086	6,491	1,859	411	2,212	1,475	13,834
Closing balance	**1,548,058**	**230,212**	**356,540**	**21,377,786**	**6,741,318**	**91,314**	**301,264**	**12,085**	**1,771**	**117,777**	**28,985**	**52,789**

* Additions represents units creation and deductions represent units cancellation

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Opening balance	488,414	281,901	42,466	2,860	31,089	49	-	-	-	-	16,827,698
Add: Additions during the year*	359,618	408,894	60,999	106,649	36,459	832	4,382	175	-	-	16,594,126
Less: Deductions during the year*	90,210	19,402	67,256	2,134	20,249	462	-	-	-	-	936,851
Closing balance	**757,822**	**671,393**	**36,209**	**107,375**	**47,299**	**419**	**4,382**	**175**	**-**	**-**	**32,484,973**

* Additions represents units creation and deductions represent units cancellation

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
REGISTRATION NO: 104; DATE OF REGISTRATION WITH IRDA: NOVEMBER 15, 2000

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE: F-2

INVESTMENTS AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Approved Investments												
Government Bonds	686,173	163,629	369,638	870,210	-	-	9,712	12,027	2,353	83,148	18,902	81,843
Corporate Bonds	346,206	45,435	142,625	2,099,799	31,804	6,578	106,287	1,091	253	40,902	5,357	30,515
Infrastructure Bonds	541,789	35,204	100,093	7,574,611	1,677,088	27,697	213,209	3,036	206	77,259	3,817	16,504
Equity	711,743	29,907	-	16,608,629	10,471,866	140,350	386,023	1,783	175	67,454	3,129	-
Money Market	443,691	6,994	54,914	6,638,767	981,804	8,982	135,674	2,156	100	42,482	-	8,439
Mutual Funds	62,841	-	7,900	1,467,302	360,306	7,500	20,202	-	-	600	-	600
Deposit with Bank	39,800	8,500	15,900	314,749	19,800	-	13,000	-	-	12,200	2,000	6,000
Total	**2,832,243**	**289,669**	**691,070**	**35,574,067**	**13,542,668**	**191,107**	**884,107**	**20,093**	**3,087**	**324,045**	**33,205**	**143,901**
Other Investments												
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Equity	144,169	5,159	-	3,853,574	2,075,021	27,637	75,194	209	14	17,424	103	-
Money Market	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	**144,169**	**5,159**	**-**	**3,853,574**	**2,075,021**	**27,637**	**75,194**	**209**	**14**	**17,424**	**103**	**-**
GRAND TOTAL	**2,976,412**	**294,828**	**691,070**	**39,427,641**	**15,617,689**	**218,744**	**959,301**	**20,302**	**3,101**	**341,469**	**33,308**	**143,901**
% of Approved Investments to Total	95%	98%	100%	90%	87%	87%	92%	99%	100%	95%	100%	100%
% of Other Investments to Total	5%	2%	0%	10%	13%	13%	8%	1%	0%	5%	0%	0%

INVESTMENTS AS AT MARCH 31, 2010

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Approved Investments											
Government Bonds	-	-	27,958	136,503	15,327	63	9,751	94	93,099	53,754	2,634,184
Corporate Bonds	102,874	8,634	16,900	38,027	11,505	28	83	45	-	9,448	3,044,396
Infrastructure Bonds	430,473	157,829	33,118	57,276	24,615	20	3,271	57	-	10,938	10,988,110
Equity	685,990	952,682	28,308	-	48,185	36	-	157	-	-	30,136,417
Money Market	123,543	91,977	9,789	9,046	5,899	-	1,297	-	-	4,172	8,569,726
Mutual Funds	70,430	54,630	-	1,100	2,500	-	-	-	-	-	2,055,911
Deposit with Bank	32,900	4,000	2,500	8,000	2,500	-	-	-	-	3,000	484,849
Total	**1,446,210**	**1,269,752**	**118,573**	**249,952**	**110,531**	**147**	**14,402**	**353**	**93,099**	**81,312**	**57,913,593**
Other Investments											
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-
Equity	155,418	220,186	3,451	-	9,008	3	-	11	-	-	6,586,581
Money Market	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
Total	**155,418**	**220,186**	**3,451**	**-**	**9,008**	**3**	**-**	**11**	**-**	**-**	**6,586,581**
GRAND TOTAL	**1,601,628**	**1,489,938**	**122,024**	**249,952**	**119,539**	**150**	**14,402**	**364**	**93,099**	**81,312**	**64,500,174**
% of Approved Investments to Total	90%	85%	97%	100%	92%	98%	100%	97%	100%	100%	90%
% of Other Investments to Total	10%	15%	3%	0%	8%	2%	0%	3%	0%	0%	10%

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE: F-2

INVESTMENTS AS AT MARCH 31, 2009

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Approved Investments												
Government Bonds	537,090	137,303	205,649	3,501,314	296,190	2,273	14,571	7,133	1,357	22,732	17,192	28,331
Corporate Bonds	380,406	45,727	70,300	2,926,388	386,050	-	44,755	-	-	21,493	-	6,436
Infrastructure Bonds	175,213	32,185	52,149	2,269,315	196,985	10,222	56,688	2,078	-	21,278	4,336	6,377
Equity	162,344	12,728	-	7,009,233	3,285,684	40,252	122,849	1,251	131	11,257	1,674	-
Money Market	176,405	12,170	32,631	1,129,798	247,406	2,223	10,775	660	94	31,789	5,638	9,839
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-
Deposit with Bank	24,000	1,000	1,000	441,500	70,000	-	-	-	-	-	-	-
Total	**1,455,458**	**241,113**	**361,729**	**17,277,548**	**4,482,315**	**54,970**	**249,638**	**11,122**	**1,582**	**108,549**	**28,840**	**50,983**
Other Investments												
Corporate Bonds	-	5,118	-	44,976	-	-	-	121	23	35	-	46
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Equity	51,901	2,572	-	1,846,335	849,090	8,082	23,462	187	23	2,471	216	-
Money Market	-	-	-	-	-	-	-	-	-	-	-	
Mutual Funds	10,000	-	-	240,000	100,000	-	-	-	-	-	-	-
Total	**61,901**	**7,690**	**-**	**2,131,311**	**949,090**	**8,082**	**23,462**	**308**	**46**	**2,506**	**216**	**46**
GRAND TOTAL	**1,517,359**	**248,803**	**361,729**	**19,408,859**	**5,431,405**	**63,052**	**273,100**	**11,430**	**1,628**	**111,055**	**29,056**	**51,029**
% of Approved Investments to Total	96%	97%	100%	89%	83%	87%	91%	97%	97%	98%	99%	100%
% of Other Investments to Total	4%	3%	0%	11%	17%	13%	9%	3%	3%	2%	1%	0%

INVESTMENTS AS AT MARCH 31, 2009

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Approved Investments											
Government Bonds	99,802	12,566	10,765	31,079	9,814	76	-	-	-	-	4,935,237
Corporate Bonds	94,456	23,541	9,518	16,048	10,483	-	-	-	-	-	4,035,601
Infrastructure Bonds	95,538	65,105	4,419	6,517	1,121	-	-	-	-	-	2,999,526
Equity	217,493	310,731	4,940	-	10,541	-	-	-	-	-	11,191,108
Money Market	102,753	29,396	5,545	5,953	6,065	-	-	-	-	-	1,809,140
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
Deposit with Bank	12,500	-	-	-	-	-	-	-	-	-	550,000
Total	**622,542**	**441,339**	**35,187**	**59,597**	**38,024**	**76**	**-**	**-**	**-**	**-**	**25,520,612**
Other Investments											
Corporate Bonds	-	-	-	89	-	-	-	-	-	-	50,408
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-
Equity	56,068	69,082	800	-	2,409	-	-	-	-	-	2,912,698
Money Market	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	10,000	-	-	-	-	-	-	-	-	360,000
Total	**56,068**	**79,082**	**800**	**89**	**2,409**	**-**	**-**	**-**	**-**	**-**	**3,323,106**
GRAND TOTAL	**678,610**	**520,421**	**35,987**	**59,686**	**40,433**	**76**	**-**	**-**	**-**	**-**	**28,843,718**
% of Approved Investments to Total	92%	85%	98%	100%	94%	100%	0%	0%	0%	0%	88%
% of Other Investments to Total	8%	15%	2%	0%	6%	0%	0%	0%	0%	0%	12%

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE: F-3

CURRENT ASSETS AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Accrued Interest	46,610	6,507	15,758	318,846	3,643	687	8,835	362	65	4,492	613	2,744
Cash & Bank Balance	111,107	12,597	15,865	681,685	126,194	6,770	44,848	793	190	19,105	398	5,333
Dividend Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Receivable for Sale of Investments	8,054	2,088	11,483	8,401	-	-	-	-	-	7,307	5,220	5,220
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	2,452	95	39	62,682	40,483	344	2,511	5	1	283	11	8
Total	168,223	21,287	43,145	1,071,614	170,320	7,801	56,194	1,160	256	31,187	6,242	13,305

Represents inter fund receivables or payables, if any

CURRENT ASSETS AS AT MARCH 31, 2010

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Accrued Interest	14,545	516	1,565	5,411	1,374	3	334	5	-	1,729	434,644
Cash & Bank Balance	49,334	26,955	43,885	11,785	280	16	3,665	32	1,190	5,222	1,167,249
Dividend Receivable	-	-	-	-	-	-	-	-	-	-	-
Receivable for Sale of Investments	-	-	2,088	5,220	-	-	-	-	-	2,088	57,169
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	2,526	3,861	85	(14)	(160)	-	12	1	3	5	115,233
Total	66,405	31,332	47,623	22,402	1,494	19	4,011	38	1,193	9,044	1,774,295

Represents inter fund receivables or payables, if any

CURRENT ASSETS AS AT MARCH 31, 2009

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Accrued Interest	33,750	5,474	7,292	283,899	26,926	491	3,949	254	36	2,165	734	1,053
Cash & Bank Balance	82,390	8,099	29,578	823,278	180,501	8,685	8,390	1,058	189	5,953	792	2,250
Dividend Receivable	-	-	-	-	9	-	-	-	-	-	-	-
Receivable for Sale of Investments	11,962	43,124	10,281	46,744	8,588	3,521	6,194	33	2	1,027	1	-
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Total	128,102	56,697	47,151	1,153,921	216,024	12,697	18,533	1,345	227	9,145	1,527	3,303

Represents inter fund receivables or payables, if any

CURRENT ASSETS AS AT MARCH 31, 2009

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Accrued Interest	9,833	3,363	832	2,054	771	2	-	-	-	-	382,878
Cash & Bank Balance	19,400	19,334	269	50,764	(705)	349	4,382	175	-	-	1,245,131
Dividend Receivable	-	-	-	-	-	-	-	-	-	-	9
Receivable for Sale of Investments	4,401	6,044	1,619	-	1,274	-	-	-	-	-	144,815
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Total	33,634	28,741	2,720	52,818	1,340	351	4,382	175	-	-	1,772,833

Represents inter fund receivables or payables, if any

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE: F-4

CURRENT LIABILITIES AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Payable for Purchase of Investments	65,949	4,920	19,983	272,192	54,242	1,885	10,199	-	-	8,318	4,927	8,051
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Total	65,949	4,920	19,983	272,192	54,242	1,885	10,199	-	-	8,318	4,927	8,051

Represents inter fund receivables or payables, if any

CURRENT LIABILITIES AS AT MARCH 31, 2010

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Payable for Purchase of Investments	19,983	5,504	5,853	8,051	-	-	1,013	-	-	3,998	495,068
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-
Total	19,983	5,504	5,853	8,051	-	-	1,013	-	-	3,998	495,068

Represents inter fund receivables or payables, if any

CURRENT LIABILITIES AS AT MARCH 31, 2009

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Payable for Purchase of Investments	8,588	42,010	10,196	120,378	45,974	8,690	-	292	23	1,776	-	-
Other Current Liabilities (for Investments)	1	1	1	68	1	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,589	42,011	10,197	120,446	45,975	8,690	-	292	23	1,776	-	-

Represents inter fund receivables or payables, if any

CURRENT LIABILITIES AS AT MARCH 31, 2009

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Payable for Purchase of Investments	6,146	21,287	1,563	-	708	-	-	-	-	-	267,631
Other Current Liabilities (for Investments)	1	-	-	-	-	-	-	-	-	-	73
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-
Total	6,147	21,287	1,563	-	708	-	-	-	-	-	267,704

Represents inter fund receivables or payables, if any

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SCHEDULE: F-5

OTHER EXPENSES* AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

OTHER EXPENSES* AS AT MARCH 31, 2010

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

OTHER EXPENSES* AS AT MARCH 31, 2009

Particulars	Funds											
	Balanced	Conservative	Debt	Growth	Growth Super	High Growth	Dynamic Opportunities Fund	Guaranteed Fund Dynamic	Guaranteed Fund Income	Pension Balanced	Pension Conservative	Pension Debt
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

OTHER EXPENSES* AS AT MARCH 31, 2009

Particulars	Funds										
	Pension Growth	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Money Market Fund	Secure Plus Fund	Total
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(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, 2010.
The Company offers a range of participating, non participating and linked products covering life insurance, pension and health benefits including riders for individual and group segments. These products are distributed by individual agents, corporate agents, banks, brokers and other channels.

I Significant Accounting Policies

Basis of preparation

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDA Financial Statements Regulations'), subsequent circulars, if any, the accounting standards notified under Companies (Accounting Standards) Rules 2006, provisions of the Insurance Regulatory and Development Authority Act, 1999, the Insurance Act, 1938 & Companies Act, 1956, to the extent applicable, and in the manner so required and the practices prevailing in the insurance industry in India. The accounting policies have been consistently applied by the Company.

Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements.

Any revision to accounting estimates is recognized prospectively in current and future periods.

(a) Revenue Recognition

Premium Income

Premium is recognized as income when due. Premium on lapsed policies is recognised as income when such policies are reinstated.
For linked business, premium income is recognised when the associated units are created. Top-up premiums (i.e. premium paid in excess of annual target premium as per policy contract) 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 and loans

Interest on investments and policy loan is recognised on accrual basis and taken to the Revenue account and Profit and Loss Account, as appropriate. Dividend income is recognised when the right to receive dividend is established.
Realised gains/loss on debt securities for other than linked business is the difference between the sale consideration and the amortised cost, which is computed on weighted average basis, as on the date of sale/redemption. Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any and excludes interest accrued till transaction settlement date. In case of listed equity shares /mutual fund units, the profit/loss on actual sale of investment includes the accumulated changes in the fair value, previously recognised under "Fair Value Change Account". Unrealised gains/ losses due to changes in fair value of listed equity shares and mutual fund units are credited/debited to the 'Fair Value Change Account'.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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.

(b) Reinsurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer.

(c) Acquisition Costs

Acquisition costs are expenses incurred to solicit and underwrite insurance contracts such as commission, medical fee etc. and are expensed in the year in which they are incurred.

(d) Benefits Paid

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.

(e) Investments

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) Regulations, 2000, as amended by subsequent circulars/notifications. Investments are recorded at cost on date of purchase, which includes brokerage and statutory levies, if any and excludes interest paid, if any, on purchase. Diminution in the value of investment, other than temporary decline, is charged to revenue and profit and loss account as applicable.

Classification

Investments intended to be held for a period less than twelve months or maturing within twelve months from the balance sheet date are classified as short term investments. All other investments are classified as long-term investments.

Valuation – shareholders' investments and non-linked policyholders' investments

Debt securities, which include government securities, are considered as 'held to maturity' and measured at historical cost. The premium/discount, if any, on purchase of debt securities 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 equity shares, as at balance sheet date, are valued at fair value, being the last quoted closing price on the National Stock Exchange (NSE) and in case the same is not available, then on the Bombay Stock Exchange (BSE). Unlisted Equity shares are valued at historical cost subject to provision for diminution which is other than temporary. Investments in Mutual fund units are valued at previous day's net asset value of the respective funds.

Valuation – linked investments

Government securities are valued at the prices obtained from CRISIL (Credit Rating Information Services of India Limited).
Debt securities other than Government Securities are valued on the basis of Bond Valuer (CRISIL). Listed 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 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.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Transfer of Investments

Investments in debt securities are transferred from shareholders to policyholders at net amortised cost.

Investments other than debt securities are transferred from shareholders to policyholders at lower of book value or market value.

Transfer of investments between unit linked funds are effected at market price as at previous day closing.

(f) Fixed Assets, Depreciation and Impairment

Fixed Assets are stated at cost less accumulated depreciation. Cost includes acquisition, installation and other incidental expenses, including freight and taxes incurred to bring the asset to its present location and working condition for its intended use. Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset. Intangible assets comprising software are stated at cost less amortisation.

Assets individually costing upto rupees five thousand and not as part of composite contract are fully depreciated in the year of acquisition.

Fixed assets at third party locations and not under direct physical control of the Company are fully depreciated in the year of purchase.

Depreciation is provided for the full month in the month of acquisition of the related asset. No depreciation is provided in the month of sale/disposal of asset. Depreciation on assets is charged on straight-line method at the following rates over their economic useful lives as estimated by management.

Assets	Estimated Useful life
Software (excluding Policy Administration System and Satellite systems)	4 years
Policy Administration & Satellite systems (hardware and software)	6 years
Leasehold Improvements	Renewable period of respective leases subject to a maximum of 10 years
Furniture and Fixtures	10 years
Information Technology equipment, communication networks and servers	4 years
Vehicles	5 years
Office Equipment	5 years
Hand Held Data Devices	1 year

Impairment of Fixed Assets

The management assesses as at balance sheet date, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

(g) Liability for Life Policies

The estimated liability for life policies in force is determined by the Company's appointed actuary, pursuant to his annual investigation of life insurance business, using appropriate methods and assumptions that conform with regulations issued by the IRDA and Guidance notes issued by the Institute of Actuaries of India. The liability is so calculated that together with future premium payments and investment income, the Company meets all future claims (including bonus entitlements to policyholders, if applicable,) and expenses.

Liabilities, if any, as determined by the appointed actuary, in respect of linked policies which have lapsed are maintained by a charge from the Revenue account till the expiry of the revival period.

Liabilities under linked policies comprise of unit liability representing the fund value of policies and non unit liability for meeting future claims and expenses in excess of future charges, which is based on actuarial valuation carried out by the appointed actuary.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(h) Employees' Benefits

All short term employees' benefits are accounted on undiscounted basis during the accounting period in which the related services are rendered.

Liability for non-vesting compensating leaves is calculated considering past experience, attrition rate and discount rate as at the balance sheet date.

Company's contributions towards Provident Fund, a defined contribution plan, which is administered through a trust, is at the rate as notified and charged to the revenue account and profit and loss account, as applicable.

The Company's liability towards Gratuity and Long Term Incentive Plan, being defined benefit plans, is accounted for on the basis of independent actuarial valuations carried out at the year end and actuarial gains / losses related there to are expensed. The actuarial method used for measuring the aforesaid liabilities is 'Projected Unit Credit Method'.

(i) Employee Stock Options Plans

The value of options is equal to the aggregate of the intrinsic value of the options granted. Intrinsic value is the option discount represented by excess of market price, which is determined by the independent valuer, over the exercise price. The intrinsic value of the options is amortised on a straight line basis over the vesting period. As and when the options are exercised, the same are accounted for as paid up capital to the extent of the face value.

Options that lapse are reversed by a credit to employee compensation expense equal to the amortised portion of the value of the lapsed options and a credit to deferred employee compensation expense equal to the unamortised option.

(j) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at year end closing rates. The resulting exchange gain or loss, if any, is reflected in the profit and loss account / revenue account.

(k) Segmental Reporting

The Company operates in India in the following segments : Individual Life Participating business, Participating Pension business, Individual Life Non-participating business , Group business, Health, Linked Individual, Linked Pension, Linked Group and Shareholders' Funds. Non-participating businesses include policies with committed cash flows, with no rights to the surplus in the business. Participating business include policies other than those of non-participating businesses. Investment of shareholder funds constitute investible funds relating to shareholders. Accordingly, the Company has provided primary segment information for these segments as per the Accounting Standard 17 on ' Segment Reporting', read with the relevant IRDA Regulations.

There are no reportable geographical segments, since all business is written in India.

Allocation of assets, liabilities, revenues and expenses

Assets, liabilities, revenues and expenses directly attributable and identifiable to the respective business segment are allocated on an actual basis. Assets, liabilities, revenues and expenses, other than above , are apportioned to the business segment by adopting one or more of the following basis, which is considered as appropriate by the management:

- total number of policies in-force
- annualised first year premium ,
- subsequent year premium ,
- total premium ,
- weighted combination of sum assured, first year premium , renewal premium income and total number of policies in force,
- sum assured and
- first year commission.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(l) Contribution to Policyholders' Account (Technical Account)

Contribution to Policyholders' Account (Technical Account) is made as decided by the Board of Directors and approved by the Shareholders.

(m) Taxation

Income Tax expense comprises current tax, and deferred tax charge or credit. The difference that results between the taxable profit and the profit as per financial statements are identified and thereafter deferred tax assets or deferred tax liabilities are recorded as timing differences.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Deferred tax assets are revalued at each balance sheet date and written up / down to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Service tax liability on risk premium and charges is set off against the service tax credits available from service tax paid on input services. Unutilised credit are carried forward for future set off in subsequent periods. Relevant provision is created, if required, based on estimated realisation of the unutilised credit.

(n) Operating Lease

Lease of assets under which lessor retains substantially all the risks and benefits of ownership over lease term are classified as operating leases. Operating lease rentals including escalations are recognised in the revenue account and profit and loss account, as applicable, on a straight line basis over the period of the lease.

(o) Loans

Loans are stated at historical cost, subject to provision for impairment, if any.

(p) Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that would probably result in an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. However, contingent assets are not recognized on prudent basis.

(q) Earnings Per Share

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

(r) Appropriation/Expropriation

In accordance with the Unit Linked guidelines issued by the IRDA effective October 1, 2009, the Company has followed the Appropriation/Expropriation method for calculating the Net Asset Value ('NAV'). This method provides for adjusting the NAV on account of the 'Dealing Costs'. The accounting for dealing costs is disclosed in the Revenue Account as an adjustment with corresponding changes to the Change in Valuation of Policy Liability Account. Corresponding adjustments are also made in the Assets Held to cover Policy Liabilities and the Provisions for Linked Liabilities in the Balance Sheet.

(s) Funds for future appropriations

The balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders or to shareholders, has not been determined at the balance sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholder fund.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

II NOTES TO ACCOUNTS

(a) Contingent Liability

Particulars	As at March 31, 2010	As at March 31, 2009
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	15,815	14,254
Statutory demands/ liabilities in dispute, not provided for	383,198	389,844
Reinsurance obligations to the extent not provided for in accounts	-	-
Others *	31,566	28,315
Total	**430,579**	432,413

* Represents potential liability in respect of repudiated Policyholders claims

(b) Actuarial assumptions

The Company's Appointed Actuary has determined valuation assumptions that conform with regulations issued by the IRDA and professional guidance notes issued by the Institute of Actuaries of India. Details of assumptions are given below:

Interest:

It is based upon the current and projected yields on the fund and the current and projected yields on G-sec.
A valuation rate of interest of 7.75% (2009: 7.5%) for participating business, non-participating, health business and riders has been used.
The valuation rate of interest rate was reduced by margins for adverse deviations of 0.8% (2009: 0.75%) for participating business and 1.8% (2009: 1.75%) for non-participating business. Gross unit growth rate of 7.75% pa (2009: 7.5% pa) has been used which was further reduced by a margin of adverse deviation of 1.30% (2009: 1.25%) per annum.

Mortality:

It is based on experience (where credible) and on assumptions used in the previous annual valuation (to avoid arbitrary discontinuities). The assumptions are based on the base table I ALM (94-96). For participating Life products 90% of the base table is used in year 1 and beyond year 1 70% is used. For the majority of the unit-linked life policies 80% of the base table is used in year 1 and beyond year 1 70% is used. In general, the assumptions in the initial years have been increased to reflect anti-selection and those in the later years have been kept same in line with experience.
The assumptions have been increased by a margin for adverse deviation of 10% (2009: 10%) for participating business and 25% (2009:25%) for non-participating, unit linked and health business.

Morbidity:

The IAI has recommended the CIBT93 study of UK for morbidity incident rates, due to lack of any published Indian experience.
Proportions of 95% to 300% (2009: 95% to 300%) of these tables have been used which were further increased by a margin for adverse deviation of 25% (2009: 25%).

Expenses:

The maintenance expenses assumption are based on the current expenses level of the company. For prudence, future expected savings in expenses are not allowed for. These were further increased by margins for adverse deviation of 10% (2009: 10%) for participating policies and 10% (2009: 10%) for non-participating and health policies.

Inflation:

An assumption of 6.25% pa (2009: 6% pa) for expense inflation has been used.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Commission:
It is based on the actual commission rates paid. There has been no change in these assumptions from those used last year.

Lapses:
The lapse rates are based on experience (where credible). In general the lapses have been kept same from those used last year except rationalisation done in few products. The rates were further reduced by margins for adverse deviation of 20% (2009 : 20%) for participating policies 50% (2009: 50%) for non-participating policies and 20% (2009: 20%) for health plans.

Future bonuses:
Provision is made for future bonuses based on estimated expected bonus payouts consistent with the valuation assumptions and policyholders' reasonable expectations.

(c) Restructured Assets
The total of loan assets, standard assets, sub-standard assets and doubtful assets which are subject to restructuring is Rs Nil (2009:Rs. Nil).

(d) Encumbrances
The assets of the Company are free from all encumbrances.

(e) Commitments
Estimated amount of contracts remaining to be executed on fixed assets (net of advances) is Rs 24,996 (2009 Rs 140,294)
Commitments made and outstanding for investments and loans is Rs Nil (2009 Rs Nil).

(f) Taxation
The Company carries the business of Life Insurance, therefore the provisions of section 44 and the first schedule of Income tax Act 1961, are applicable for computation of profit and gains of business. In the opinion of the management, provision for income tax is not required as Company does not have any taxable income during the current financial year. As per Accounting Standard 22 on "Accounting for taxes on income", virtual certainty supported by conclusive evidence is necessary to create deferred tax asset on unabsorbed losses under the Income Tax laws. The life insurance business has a long gestation period and hence, deferred tax asset on unabsorbed carried forward losses has not been created.

(g) Investments
The investments are effected from the respective funds of the policyholders and shareholders and income thereon has been accounted accordingly.
All the investments are performing in nature.
The Company does not have any investment in property.
There are no assets require to be deposited by the Company under any local laws or otherwise encumbered in or outside India other than investments under Section 7 of the Insurance Act 1938 as below:

Statutory Deposit Details	As at March 31, 2010	As at March 31, 2009
10.18% Government of India Security 2026 (Face value Rs. 100,000) in lieu of deposit with Reserve Bank of India*	106,449	106,605
Total	**106,449**	106,605

* This is in the constituent subsidiary general ledger account maintained with HSBC Bank, Mumbai, India under intimation to IRDA.

(h) Value of unsettled contracts relating to investments
Value of contracts in relation to investments, for:
(a) Purchases where deliveries are pending- Rs 495,069 (2009 Rs 735,465)
(b) Sales where payments are overdue- Rs Nil (2009 Rs Nil)

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(i) Managerial Remuneration

Managerial remuneration details are as below:

Particulars	**2009-10**	2008-09
Salary & Allowances	68,596	81,886
Contribution to Provident Fund	1,490	965
Value of Perquisites	5,984	10,009
Total	**76,070**	92,860

Note :

(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 32,141 (2009: Rs 27,091) 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.

(j) Employee Stock Option Plans (ESOP)

	ESOP 2004	**ESOP 2006**	**ESOP 2009**
Date of Grant	**28-Sep-04**	**9-Mar-07**	**28-Aug-09**
No. of options granted	5,900	2,500	22,205
Exercise Price (Rs.)	0.001	10.00	32.04
Graded Vesting Period			
1st Year	-	-	10%
2nd Year	-	-	20%
3rd Year	-	75%	30%
4th Year	-	25%	40%
5th Year	100%	-	-
Mode of Settlement		Equity	

During the year Rs. 12,026 (2009: Rs. 17,222) has been accrued as ESOP cost in the Revenue account /Profit & Loss account as applicable.

A summary of status of Company's Employee Stock Option Plans is as given below:

Particulars	**As At March 31, 2010 (No.) in'000**	As At March 31, 2009 (No.) in'000
Outstanding at the beginning of the year	7,050	7,475
Add: granted during the year	22,205	-
Less: Forfeited/lapsed during the year	1,110	425
Exercised during the year	3,985	-
Outstanding at the end of the year	24,160	7,050

Had the Company used the fair value of the options to value its Employee Stock Option Plans, the loss in profit and loss account (Shareholders' Account) would have been higher by Rs 73,988 (2009: Rs 9,098) and basic and dilutive loss per share would have been Rs 0.16 (2009: Rs 2.77).

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The Key assumptions used to estimate fair value of options are:

Risk-free interest rate	5.47%–7.6%
Expected life	4–8 Years
Expected Volatility	40%
Expected dividend yield	0%

(k) Percentage of Business sector-wise

Percentage of policies written business sector - wise is as below:

Particulars	2009-10		
	Policy Nos.	First year Premium Income*	No of Lives covered
Total Business	952,477	18,480,681	9,570,392
Rural Sector	274,486	2,819,519	
As % of Total Business	28.82%	15.26%	
Social Sector		449,823	8,261,071
As % of Total Business		2.43%	86.32%

* excluding premium due & unpaid Rs. 10,072

Particulars	2008-09		
	Policy Nos.	First year Premium Income**	No of Lives covered
Total Business	1,207,062	18,437,115	442,785
Rural Sector	301,774	3,420,285	
As % of Total Business	25.00%	18.55%	
Social Sector		4,153	58,391
As % of Total Business		0.02%	13.19%

** excluding premium due & unpaid Rs. (8,031)

(l) Percentage of risk-retained and risk-reinsured

The extent of risk retained and reinsured is given below :

Particulars	Premium		Sum Assured	
	2009-10	2008-09	2009-10	2008-09
Individual Business :				
Risk retained	99.47%	99.25%	77.64%	80.28%
Risk reinsured	0.53%	0.75%	22.36%	19.72%
Group Business :				
Risk retained	70.38%	84.25%	51.28%	55.96%
Risk reinsured	29.62%	15.75%	48.72%	44.04%

(m) Operating lease commitments

The Company has leased office premises under various agreements with various expiration dates extending upto 10 years. Lease payments made under operating lease agreements have been fully recognised in the books of account. The lease rental charged under non cancelable operating leases during the current period and maximum obligation on such leases payable at the balance sheet date are as follows :

	2010	2009
Lease rentals for non-cancelable leases paid during the year	241,419	203,471
Lease obligations for non-cancelable lease		
Within one year of the balance sheet date	239,167	234,432
Due in a period between one year and five years	87,829	299,913
Due after five years	2,105	-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(n) Claims outstanding

Claims, which are settled and unpaid for more than 6 months as on balance sheet date amount to Rs Nil (2009-Rs Nil)

(o) The Company had entered into an agreement in the year ended March 31, 2009, "The Brand License and Technical Services Agreement (Brand Agreement)" with New York Life Insurance Company and New York Life International, LLC for a duration of five years. The agreement states total consideration of Rs. 3,290,683 (USD 72,566) for grant of license and provision of technical services to Company over the tenure of the agreement. During the current year, the Company has recognised expense of Rs. 617,857 (2009: Rs 508,469) in Profit and Loss Account (Shareholder's Account), considering amortization of the total consideration on straight line basis over the tenure of the agreement.

(p) During the year, the Company has received an innovation grant of Rs 4,770 (2009: Rs 10,000) 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

(q) Contributions from Shareholders' Fund to Non Participating Policyholders' Funds

The Company has transferred amount aggregating to Rs 586,200 (2009: Rs 3,715,802) 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.

(r) Policyholders' Bonus

The Bonus to participating policyholders, for current year as recommended by Appointed Actuary has been included in change in valuation against policies in force.

(s) Policy Liabilities

The movement of policy liabilities (forming part of Policyholders funds) 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	17,673,319	320,457	917,116	18,128	203,052	29,085,845	1,440,237	195,697	49,853,851
Add : Change in valuation of liability against life policies in force, Net	3,611,327	34,826	309,556	(8,192)	167,637	33,627,386	2,310,193	371,403	40,424,136
Add : Policyholder Bonus provided	1,418,584	14,278	-	-	-	-	-	-	1,432,862
At end of Year	22,703,230	369,561	1,226,672	9,936	370,689	62,713,231	3,750,430	567,100	91,710,849

(t) (i) Segmental Reporting

1. Business Segments

The Company operates in India in the following segments : Individual Life Participating business, Participating Pension business, Individual Life Non-participating business , Group business, Health, Linked Individual, Linked Pension, Linked Group and Shareholders' Funds. Non-participating businesses include policies with committed cash flows, with no rights to the surplus in the business. Participating business include policies other than those of non-participating businesses. Investment of shareholder funds constitute investible funds relating to shareholders. Accordingly, the Company has provided primary segment information for these segments as per the Accounting Standard 17 on ' Segment Reporting', issued by the ICAI, read with the relevant IRDA Regulations.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

2. Geographical Segments

Since the business operation of the Company is in India only, the same is considered as single geographical segment.

The segmental report for the year ended March 31, 2010 is given below :

Particulars	Participating Policies		Non-Participating Policies			Linked Policies				
	Individual Life	Pension	Individual Life	Health	Group	Individual Linked	Linked Pension	Linked Group	Shareholders Funds	Total
Segmental Shareholders' / Policyholders' account										
Revenue										
Premium earned - net	12,855,002	81,357	791,651	113,065	297,471	31,309,736	2,179,947	380,362	-	48,008,591
Income from Investments	1657,540	37,779	102,069	1,704	29,608	17,183,244	839,487	45,020	398,160	20,294,611
Other Income	1,136	1	296,953	130,161	160,912	1,552	110	4	299	591,128
Unallocated Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue (net)	**14,513,678**	**119,137**	**1,190,673**	**244,930**	**487,991**	**48,494,532**	**3,019,544**	**425,386**	**398,459**	**68,894,330**
Expenses										
Commission	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	-	4,212,087
Operating Expenses including provision for doubtful debts and bad debts written off	5,161,369	8,552	638,580	193,389	142,895	8,407,870	491,261	4,193	1,102,246	16,150,355
Provision for Tax - Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-
Benefits Paid (Net)	2,448,932	27,540	111,535	32,124	173,596	2,915,882	137,373	44,759	-	5,891,741
Interim Bonus	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force (Net)	5,029,912	49,105	309,555	(8,193)	167,637	33,627,386	2,310,192	371,402	-	41,856,996
Net Contribution to policyholders fund	-	-	-	-	-	-	-	-	586,200	586,200
Provisions (other than taxation) for diminution in the value of investments (Net)	-	-	-	-	-	-	-	-	(47,387)	(47,387)
Total Expenses	**13,954,744**	**86,061**	**1,190,673**	**244,930**	**487,991**	**47,611,306**	**3,012,785**	**420,443**	**1,641,059**	**68,649,992**
SEGMENT OPERATING RESULTS	**558,934**	**33,076**	**-**	**-**	**-**	**883,226**	**6,759**	**4,943**	**(1,242,600)**	**244,338**
Transfer (to Shareholder) / from Policyholders	(137,080)	(1,452)	-	-	-	(883,226)	(6,759)	(4,943)	1,033,460	-
Unallocated other income	-	-	-	-	-	-	-	-	-	-
Shareholder expenses	-	-	-	-	-	-	-	-	-	-
Net Operating Profit/(Loss)										**244,338**
SEGMENTAL BALANCE SHEET										
Segment assets										
Investments	23,336,546	509,029	1,524,475	21,087	385,305	62,810,910	3,753,818	567,101	8,301,316	101,209,586
Loan	86,065	-	-	-	-	-	-	-	-	86,065
Net Fixed Assets	1,055,248	1,934	67,806	41,113	33,168	1,446,438	98,234	894	(4)	2,744,831
Advances and Other Assets	1,442,563	6,942	104,581	55,458	143,856	2,420,803	158,355	10,581	66,239	4,409,378
Total Segment Assets	**25,920,422**	**517,905**	**1,696,862**	**117,657**	**562,329**	**66,678,151**	**4,010,407**	**578,576**	**8,367,551**	**108,449,860**
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	10,236,685	10,236,685
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Unallocated Assets										
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	518,684
Advances and Other Assets	-	-	-	-	-	-	-	-	-	44,211
Total Assets	-	-	-	-	-	-	-	-	-	**119,249,440**
Segment Liabilities										
Policy Liabilities	22,703,230	369,561	1,226,672	9,936	370,689	62,713,231	3,750,430	567,100	-	91,710,849
Current Liabilities	2,432,344	5,664	150,558	83,909	75,727	3,765,696	243,966	10,821	-	6,768,685
Fair Value Change Account	-	-	-	-	-	-	-	-	41,037	41,037
Total Segment Liabilities	**25,135,574**	**375,225**	**1,377,230**	**93,845**	**446,416**	**66,478,927**	**3,994,396**	**577,921**	**41,037**	**98,520,571**
Segment Reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserves and Surplus	-	-	-	-	-	-	-	-	-	1,341,440
Equity Capital	-	-	-	-	-	-	-	-	-	18,388,176
Employee Share Based Payment Plan Outstanding	-	-	-	-	-	-	-	-	-	789,952
Funds For Future Appropriations	477,123	145,815	-	-	-	-	-	-	-	622,938
Unallocated Liabilities										
Current Liabilities	-	-	-	-	-	-	-	-	-	341,522
Provisions	-	-	-	-	-	-	-	-	-	2,839
Deferred Expenditure	-	-	-	-	-	-	-	-	-	(757,998)
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**119,249,440**
Other Information										
Capital Expenditure during the year	223,270	409	14,346	8,699	6,962	306,040	20,785	189	-	580,700
Depreciation for the year	370,137	677	23,784	14,422	11,542	507,355	34,458	313	104,799	1,067,487
Non-cash expenditure other than depreciation										
Liabilities to Policyholders	5,029,912	49,105	309,555	(8,193)	167,637	33,627,386	2,310,192	371,402	-	41,856,996
Unallocated preliminary expenses	-	-	-	-	-	-	-	-	-	-

MAX NEW YORK LIFE INSURANCE COMPANY LIMITED
REGISTRATION NO: 104; DATE OF REGISTRATION WITH IRDA: NOVEMBER 15, 2000

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The segmental report for the year ended March 31, 2009 is given below :

Particulars	Participating Policies		Non-Participating Policies			Linked Policies				
	Individual Life	Pension	Individual Life	Health	Group	Individual Linked	Linked Pension	Linked Group	Shareholders Funds	Total
Segmental Shareholders' / Policyholders' account										
Revenue										
Premium earned - net	10,768,469	85,463	327,120	218,409	144,897	25,200,122	1,271,215	174,642	-	38,190,337
Income from Investments	1,258,635	34,280	54,374	138	27,670	(3,364,300)	(189,858)	(4,141)	338,248	(1,844,954)
Other Income	2,960	5	643,646	310,385	5,756	2,475,444	196,455	90,613	301	3,725,565
Unallocated Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue (net)	**12,030,064**	**119,748**	**1,025,140**	**528,932**	**178,323**	**24,311,266**	**1,277,812**	**261,114**	**338,549**	**40,070,948**
Expenses										
Commission	1,054,781	922	51,459	50,958	4,175	2,705,514	47,589	367	-	3,915,765
Operating Expenses including provision for doubtful debts and bad debts written off	4,506,967	7,937	521,575	449,555	155,926	9,735,759	625,583	100,067	47,179	16,150,548
Provision for Tax - Fringe Benefit Tax	24,120	46	2,813	2,401	635	45,895	2,924	596	-	79,430
Benefits Paid (Net)	1,432,747	22,056	56,617	7,890	43,896	591,706	7,068	46,224	-	2,208,204
Interim Bonus	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force (Net)	5,192,556	61,624	392,676	18,128	(26,309)	11,232,392	594,648	113,860	-	17,579,575
Net Contribution to policyholders fund	-	-	-	-	-	-	-	-	3,715,802	3,715,802
Provisions (other than taxation) for diminution in the value of investments (Net)	-	-	-	-	-	-	-	-	42,249	42,249
Total Expenses	**12,211,171**	**92,585**	**1,025,140**	**528,932**	**178,323**	**24,311,266**	**1,277,812**	**261,114**	**3,805,230**	**43,691,573**
SEGMENT OPERATING RESULTS	**(181,107)**	**27,163**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,466,681)**	**(3,620,625)**
Transfer (to Shareholder) / from Policyholders	(108,726)	(1,393)	-	-	-	-	-	-	110,119	-
Unallocated other income	-	-	-	-	-	-	-	-	-	-
Shareholder expenses	-	-	-	-	-	-	-	-	(573,594)	(573,594)
Net Operating Profit/(Loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,194,219)**
SEGMENTAL BALANCE SHEET										
Segment assets										
Investments	17,878,701	458,868	925,169	21,096	322,095	29,086,226	1,449,182	195,697	5,229,050	55,566,084
Loan	48,267	-	-	-	-	-	-	-	-	48,267
Net Fixed Assets	986,411	1,901	115,033	98,216	26,250	1,876,992	119,567	24,363	-	3,248,733
Advances and Other Assets	1,357,684	7,662	131,056	102,871	69,074	2,495,384	148,643	28,115	52,746	4,393,235
Total Segment Assets	**20,271,063**	**468,431**	**1,171,258**	**222,183**	**417,419**	**33,458,602**	**1,717,392**	**248,175**	**5,281,796**	**63,256,319**
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	10,027,545	10,027,545
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Unallocated Assets										
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	246,596
Advances and Other Assets	-	-	-	-	-	-	-	-	-	56,730
Total Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**73,587,190**
Segment Liabilities										
Policy Liabilities	17,673,319	320,457	917,116	18,128	203,052	29,085,845	1,440,237	195,697	-	49,853,851
Current Liabilities	1,600,918	4,559	154,991	132,032	37,238	3,244,548	182,976	34,045	-	5,391,307
Fair Value Change Account	-	-	-	-	-	-	-	-	7,850	7,850
Total Segment Liabilities	**19,274,237**	**325,016**	**1,072,107**	**150,160**	**240,290**	**32,330,393**	**1,623,213**	**229,742**	**7,850**	**55,253,008**
Segment Reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserves and Surplus	-	-	-	-	-	-	-	-	-	-
Equity Capital	-	-	-	-	-	-	-	-	-	17,824,326
Employee Share Based Payment Plan Outstanding	-	-	-	-	-	-	-	-	-	79,941
Funds For Future Appropriations	55,269	114,191	-	-	-	-	-	-	-	169,460
Unallocated Liabilities										
Current Liabilities	-	-	-	-	-	-	-	-	-	258,914
Provisions	-	-	-	-	-	-	-	-	-	26,958
Deferred Expenditure	-	-	-	-	-	-	-	-	-	(25,417)
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**73,587,190**
Other Information										
Capital Expenditure during the year	708,778	1,365	82,656	70,571	18,673	1,348,695	85,913	17,506	-	2,334,157
Depreciation for the year	197,430	380	23,023	19,657	6,462	375,677	23,933	4,876	163	651,601
Non-cash expenditure other than depreciation										
Liabilities to Policyholders	5,192,556	61,624	392,676	18,128	(26,309)	11,232,392	594,648	113,860	-	17,579,575
Unallocated preliminary expenses	-	-	-	-	-	-	-	-	-	-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(u) The ratios as prescribed by IRDA are given below :

Ratios		Year Ended March 31, 2010	Year Ended March 31, 2009
(a)	New Business Premium Income Growth (segment wise) (Current Year New Business Premium as a % of Previous Year New Business Premium)		
	Individual Life - Participating	128.63%	107.60%
	Pension - Participating	117.41%	95.62%
	Individual Life - Non Participating	287.12%	178.71%
	Health Insurance	48.36%	531.62%
	Group	377.43%	38.50%
	Individual Linked	83.64%	115.46%
	Linked Pension	150.81%	142.39%
	Linked Group	219.39%	291.30%
(b)	Net Retention Ratio (Net premium as a % of gross premium)	98.77%	99.01%
(c)	Ratio of Expenses of Management (Expenses of Management as a % of Gross Premium)	39.63%	52.11%
(d)	Commission Ratio (Gross Commission as a % of Gross Premium)	8.67%	10.15%
(e)	Ratio of Policy holders' liabilities to shareholders' funds (Policyholders' Liability as a % of Shareholders' Fund)	271.10%	248.18%
(f)	Growth rate of Shareholders' Fund (Increase/ (Decrease) in Shareholders' Fund over previous year as a % of Shareholders' Funds of Previous year)	21.71%	80.39%
(g)	Ratio of Policyholders' Surplus to Policy holders' liability (Policyholders' Surplus as a % of Policyholders' Liability) (Refer to Note II (q) on Schedule 16)	6.39%	1.43%
(h)	Change in net worth (over previous year) (Increase/ (Decrease) in Net Worth over previous year as a % of Net Worth of Previous year)	21.71%	80.39%
(i)	Profit after tax / Total Income (Refer to Note II (q) on Schedule 16)	(14.61)%	(875.96)%
(j)	(Total Real Estate+Loans)/ Cash & Invested assets	NA	NA
(k)	Total Investments/(Capital + Total Surplus)	347.76%	314.69%
(l)	Total Affiliated Investments/(Capital + Total Surplus)	NA	NA

Notes for calculation of above Ratios

1) Expenses of Management include operating expenses and commission.

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).

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(v) Related parties Disclosures

During the year ended 31st March 2010, 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 is given below :

Summary of Related Parties Transactions for the year ended March 31, 2010

	Holding Company (a)	Fellow Subsidiaries (b)	Shareholders with Significant (c)	Key Management Personnel (d)	Enterprises over which key management personnel have significant influence (e)	Total
Capital Contribution	1,343,544	-	521,896	-	-	1,865,440
Sale of Investments *	-	208,098	-	-	-	208,098
Receiving of Services **	-	3,483	574,337	76,070	6,202	660,092
Reimbursement of Expenses	1,764	14,705	6,082	-	194	22,745
Recovery of Expenses	-	-	5,811	-	-	5,811
Voluntary Contribution ***	-	-	-	-	25,000	25,000
Management Contracts Including for deputation of employees	-	-	-	-	-	-
Balance receivable/(payable) as on March 31, 2010	(2,827)	(1,552)	(683)	-	(1,691)	-

* Represents transaction with Max Bupa Health Insurance Company Limited

** Amount charged to Profit & Loss Account Rs 617,857 {Refer to Note II (o) on Schedule 16}

*** Represents payment to Max India Foundation

Description of relationship		Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Pharmax Corporation Ltd. Max Healthcare Institute Ltd. Max Medical Services Ltd. Alps Hospital Ltd. Neeman Medical International Bv, Netherlands Neeman Medical International Nv, Netherlands Max Neeman Medical International Inc, USA Max Neeman Medical International Ltd. Max Ateev Ltd. Max Uk Ltd, Uk Max Healthstaff International Ltd . Max Bupa Health Insurance Company Ltd.
(c)	Shareholder with significant influence	New York Life International LLC
		New York Life Insurance Company **
(d)	Key Management Personnel	Analjit Singh (Chairman), Rajesh Sud (CEO & Managing Director), Rajit Mehta (Executive Director & COO)
(e)	Enterprises over which Key Management Personnel have significant Influence	Liquid Investments & Trading Company, New Delhi House Services Ltd., Medicare Investments Ltd., Maxopp Investments Ltd., Cheminvest Ltd., Pivet Finances Ltd., Lakeview Enterprises, Delhi Guest Houses Pvt. Ltd., Trophy Holdings Pvt. Ltd., M.V. Healthcare Services Pvt. Ltd., ND Callus Info Services Pvt. Ltd., Boom Investments Pvt. Ltd., Malsi Holdings Ltd., Dynavest India Pvt. Ltd., Scorpios Beverages Pvt. Ltd., Trophy Resorts & Guest Houses Pvt. Ltd., Trophy Estates Pvt. Ltd., Gaylord Impex Ltd., Pen Investments Ltd., Mohair Investment & Trading Co. Pvt. Ltd., PVT Investments Ltd., Malsi Estates Ltd., TVP Investments Pvt. Ltd., BAS Investments Pvt. Ltd., Vitasta Estate Pvt. Ltd., Terra Planet Estates Pvt. Ltd., Doon Holiday Resorts Pvt. Ltd., Urban Space Consultants Pvt. Ltd., Capricorn Health Services Pvt. Ltd., Leo Retailing and Health Services Pvt. Ltd., Nurture Health Services Pvt. Ltd., Capricorn Retailing and Services Pvt. Ltd., Veer Health Services Pvt. Ltd., Wegmans Business Park Pvt. Ltd., Synergy Infracon Pvt. Ltd., Max Speciality Products Ltd., Max India Foundation, Max Bupa Health Insurance Company Ltd.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Summary of Related Parties Transactions for the year ended March 31, 2009

	Holding Company (a)	Fellow Subsidiaries (b)	Shareholders with Significant (c)	Key Management Personnel (d)	Enterprises over which key management personnel have significant influence (e)	Total
Equity Share Capital	5,550,000	-	1,950,000	-	-	**7,500,000**
Receiving of Services *	-	4,700	937,466	92,860	4,533	**1,039,559**
Reimbursement of Expenses	1,180	16,532	19,962	-	93	**37,767**
Voluntary Contribution**	-	-	-	-	25,000	**25,000**
Balance receivable/(payable) as at March 31, 2009	(1,063)	(3,515)	(38,996)	-	(485)	**-**

* Amount charged to Profit & Loss Account Rs 508,469 {Refer to Note II (o) on Schedule 16}

** Represents payment to Max India Foundation

Description of relationship		Name of Party
(a)	Holding Company	Max India Ltd.
(b)	Fellow Subsidiaries	Pharmax Corporation Ltd. Max Healthcare Institute Ltd. Max Medical Services Ltd. Alps Hospital Ltd. Neeman Medical International Bv, Netherlands Neeman Medical International Nv, Netherlands Max Neeman Medical International Inc, USA Max Neeman Medical International Ltd. Max Ateev Ltd. Max Uk Ltd, Uk Max Healthstaff International Ltd .
(c)	Shareholder with significant influence	New York Life International LLC New York Life Insurance Company *
(d)	Key Management Personnel	Analjit Singh (Chairman) / Gary Bennett (CEO & Managing Director, till 31-10-2008) / Sunil Sharma (Executive Director & COO, till 31-12-2008)/ Rajesh Sud (CEO & Managing Director, w.e.f 01-11-2008)/ Rajit Mehta (Executive Director & COO, w.e.f 01-11-2008)
(e)	Enterprises related to Key Management Personnel	Liquid Investments & Trading Company, New Delhi House Services Ltd., Medicare Investments Ltd., Maxopp Investments Ltd., Cheminvest Ltd., Pivet Finances Ltd., Lakeview Enterprises, Delhi Guest Houses Pvt. Ltd., Trophy Holdings Pvt. Ltd., M.V. Healthcare Services Pvt. Ltd., ND Callus Info Services Pvt. Ltd., Boom Investments Pvt. Ltd., Malsi Holdings Ltd., Dynavest India Pvt. Ltd., Scorpios Beverages Pvt. Ltd., Trophy Resorts & Guest Houses Pvt. Ltd., Trophy Estates Pvt. Ltd., Gaylord Impex Ltd., Pen Investments Ltd., Mohair Investment & Trading Co. Pvt. Ltd., PVT Investments Ltd., Malsi Estates Ltd., TVP Investments Pvt. Ltd., BAS Investments Pvt. Ltd., Vitasta Estate Pvt. Ltd., Terra Planet Estates Pvt. Ltd., Doon Holiday Resorts Pvt. Ltd., Urban Space Consultants Pvt. Ltd., Capricorn Health Services Pvt. Ltd., Leo Retailing and Health Services Pvt. Ltd., Nurture Health Services Pvt. Ltd., Capricorn Retailing and Services Pvt. Ltd., Veer Health Services Pvt. Ltd., Wegmans Business Park Pvt. Ltd., Synergy Infracon Pvt. Ltd., Max Speciality Products Ltd., Max India Foundation, Max Bupa Health Insurance Company Ltd.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(w) Summary of Financial Statements forming part of Notes to Accounts (Rs in lakhs) is given below:

	Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
	POLICYHOLDERS' A/C					
1	Gross Premium Income	486,054	385,726	271,460	150,028	78,813
2	Net Premium Income (Net of Re-insurance ceded)	480,086	381,903	269,255	148,542	77,972
3	Income from Investments (Net of losses)	198,965	(21,832)	22,411	9,308	6,245
4	Other Income (Miscellaneous Income)	46	95	36	99	123
5	Contribution from the Shareholders' a/c	5,862	37,158	17,913	7,419	6,516
6	**Total Income (2+3+4+5)**	**684,959**	**397,324**	**309,615**	**165,368**	**90,856**
7	Commission	42,121	39,158	38,446	22,852	13,447
8	Brokerage	-	-	-	-	-
9	Operating Expenses related to Insurance Business	150,481	161,034	86,634	51,429	33,946
10	Provision for Tax - Fringe Benefit Tax	-	794	469	311	256
11	**Total Expenses (7+8+9+10)**	**192,602**	**200,986**	**125,549**	**74,592**	**47,649**
12	Payments to Policyholders (includes Bonus to Policyholders)	58,917	22,082	13,601	8,337	4,254
13	Increase in Actuarial Liability	418,570	175,796	166,034	82,285	38,393
14	Surplus/Deficit from Operations	14,870	(1,540)	4,431	154	560
	SHAREHOLDERS' A/C					
15	Total Income under Shareholders' Account	3,985	3,385	2,168	1,819	776
16	Profit/(loss) before Tax	(2,091)	(39,302)	(15,693)	(6,047)	(6,006)
17	Provision for Tax	-	-	-	-	-
18	**Profit/ loss after tax**	**(2,091)**	**(39,302)**	**(15,693)**	**(6,047)**	**(6,006)**
19	Profit/ loss carried to Balance Sheet	(102,366)	(100,275)	(60,973)	(45,280)	(39,233)
	MISCELLANEOUS					
20	**Policyholders' account:**					
	Total Funds (Including Fund for Future Appropriation)	923,345	500,233	327,077	157,404	74,978
	Total Investments (Including Linked)	929,083	503,853	330,226	157,396	75,180
	Yield on Investments (%) (Controlled Funds)	8.26%	8.31%	7.92%	7.86%	7.92%
	Yield on Investments (%) (Unit Linked Funds)	46.17%	(13.56)%	11.27%	9.20%	31.29%
	Shareholders' account:					
	Total Funds	95,652	78,592	43,568	28,611	17,087
	Total Investments	83,013	52,291	41,673	27,097	13,432
	Yield on Investments (%)	6.06%	7.47%	6.51%	7.22%	6.45%
21	Yield on Total Investments	29.74%	(3.90)%	9.24%	9.03%	10.81%
22	Paid up Equity capital (including Share Premium)	197,296	178,243	103,243	73,243	55,743
23	Weighted Average Number of Shares	1,784,120	1,423,255	802,924	611,693	504,642
24	Net Worth	95,652	78,592	43,568	28,611	16,717
25	Total Assets	1,018,997	578,825	370,646	186,016	91,696
26	Earning per share - Basic & Diluted (Face Value : Rs 10 each) in Rs.	(0.12)	(2.76)	(1.95)	(0.99)	(1.19)
27	Book Value per Share: Rs 10 Paid up	5.20	4.41	4.22	3.97	3.07

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(x) Earnings per equity share :

Particulars		Year Ended March 31, 2010	Year Ended March 31, 2009
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	(209,140)	(3,930,156)
2	Weighted average number of equity shares for earnings per equity share		
	a) For basic earnings per equity share	1,784,119,719	1,423,254,518
	b) For diluted earnings per equity share (as per 2a)	1,784,119,719	1,423,254,518
	Weighted average number of equity shares for diluted earnings equity share	1,784,119,719	1,423,254,518
3	Earning per equity share		
	a) Basic (in Rs.)	(0.12)	(2.76)
	b) Diluted (in Rs.)	(0.12)	(2.76)

(y) Employee Benefits – Disclosures as per revised AS 15

(Refer to Note I (g) on Schedule 16)

i Defined Contribution Plans – Provident Fund

During the year the Company has recognised the following amounts in the Revenue account / Profit and Loss account :

Provident Fund	2009-2010	2008-2009
Employers Contribution to Provident Fund*	182,789	179,171

* Included in employees remuneration and welfare benefits in schedule 3 of Revenue account and salaries and allowances in Profit and Loss account

ii Defined Benefit Plans – Gratuity

Particulars	2009-2010	2008-2009
Change in Defined Benefit Obligation		
Opening Present value obligation	83,582	45,106
Impact of Transition provision of AS-15	-	-
Interest cost	6,687	3,608
Past Service cost	-	-
Current service cost	48,870	23,387
Benefits Paid	(6,669)	(6,790)
Actuarial (gain)/ loss on Obligations	(16,868)	18,271
Closing Present value obligation	**115,602**	**83,582**
Changes in the Fair value of Plan Assets		
Opening Fair value of Plan Assets	58,206	37,721
Expected return on Plan Assets	4,657	3,018
Contributions	72,204	29,759
Benefits Paid	(6,669)	(6,790)
Actuarial gain/ (loss) on Obligations	11,286	(5,502)
Closing Fair value of Plan Assets	**139,684**	**58,206**
Expenses Recognised		
Current service cost	48,870	23,387
Past Service cost	-	-
Interest cost	6,687	3,608
Expected return on Plan Assets	(4,657)	(3,018)
Net Actuarial (gain)/ loss recognised during the year	(28,155)	23,773
Total Expense recognised in Profit & Loss Account	**22,745**	**47,750**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	2009-2010	2008-2009
Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets		
Closing Present value obligation	115,602	83,582
Closing Fair value of Plan Assets	139,684	58,206
Net asset/ (liability) recognised in Balance Sheet	**24,082**	**(25,376)**
Major categories of plan assets:		
Insurer Managed Funds	139,684	58,206
Actuarial Assumptions:		
Discount Rate (per annum)	8.25%	8%
Rate of increase in compensation levels *	8.00%	5%
Rate of return on plan assets **	8.25%	8%
Expected Average remaining working lives of employees (years)	14	24

* Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

** Expected rate of return on plan assets is on the basis of average long term rate of return expected on investments of the fund during the estimated term of obligation.

- Non-vesting compensated leaves : Rs. 1,325 (2009 - Rs. 614)

Para 132 of AS 15 does not require any specific disclosures except where expense resulting from Compensated Absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of management the expense resulting from Compensated Absence is not significant and hence no disclosures are prepared under various paragraphs of AS15 (Revised).

iii Other long term benefits

During the year, Company has recognised the following expense in the Revenue account and Profit and Loss account :
Deferred compensation (Long Term Incentive Plan) : Rs. 235,090 (2009 - Rs. 728,860)

(z) Disclosures For ULIP Business

1 Performance of the Fund (Absolute Growth %)

Fund Name	Year of Inception	2009-2010	Year 2008-2009	2007-2008	Since Inception
Balanced	2004-05	26.44%	-5.98%	17.29%	106.49%
Conservative	2004-05	18.89%	3.53%	12.96%	76.61%
Growth	2004-05	45.80%	-15.62%	24.18%	183.27%
Secured	2004-05	6.71%	13.66%	8.30%	47.02%
Pension Balanced	2005-06	18.30%	-4.38%	17.19%	44.12%
Pension Conservative	2005-06	11.01%	4.29%	10.24%	37.71%
Pension Growth	2005-06	42.38%	-16.65%	20.92%	64.84%
Pension Secured	2005-06	6.51%	7.65%	7.20%	30.05%
Group Gratuity Balanced	2006-07	18.97%	-1.44%	15.44%	42.29%
Group Gratuity Conservative	2006-07	6.69%	12.20%	7.60%	31.87%
Group Gratuity Growth	2006-07	29.02%	-13.79%	22.23%	36.66%
Guaranteed Fund Dynamic	2006-07	9.86%	-0.28%	12.28%	26.11%
Guaranteed Fund Income	2006-07	9.05%	1.29%	8.29%	21.12%
High Growth	2007-08	70.40%	-33.06%	0.23%	14.33%
Growth Super	2007-08	82.08%	-27.79%	17.02%	53.85%
Pension Growth Super	2007-08	70.12%	-30.27%	-20.56%	-5.76%
Group Superannuation Balanced	2007-08	13.84%	14.60%	2.76%	34.06%
Group Superannuation Conservative	2007-08	4.39%	0.00%	-	4.39%
Group Superannuation Growth	2007-08	22.77%	0.00%	-	22.77%
Dynamic Opportunities	2008-09	42.14%	-10.56%	-	27.13%
Money Market Fund	2009-10	2.00%	-	-	2.00%
Secure Plus Fund-Pr Driven	2009-10	2.73%	-	-	2.73%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

2 **Investment Management**

• Activities outsourced	:	None
• Fee paid for various activities charged to Policyholders' Account	:	Nil
• Basis of payment of fees	:	Nil

3 **Related party transactions – Fund wise details**

• Brokerage, custodial fee or any other payments and receipts made to/from related parties (as defined in AS 18 issued by ICAI)	:	Nil
• Company-wise details of investments held in the Promoter Group along with its percentage to funds under management. This information is required to be given fund-wise and also for total funds under ULIPs.	:	Nil

4	Provision for doubtful debts on assets of the respective Fund	:	Nil
5	Unclaimed redemptions of units : Rs Nil (2009: Rs Nil)	:	Nil

6 **Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2010**

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Balanced	20.675	16.384	20.649
Conservative	17.680	14.889	17.661
Growth	28.411	19.559	28.327
Secured	14.702	13.801	14.702
Growth Super Fund	15.470	8.534	15.385
High Growth Fund	11.445	6.759	11.433
Dynamic Opportunities	12.753	9.015	12.713
Pension Balanced	14.423	12.224	14.412
Pension Conservative	13.797	12.429	13.771
Pension Growth	16.551	11.658	16.484
Pension Secured	13.009	12.225	13.005
Pension Growth Super	9.472	5.599	9.424
Group Gratuity Balanced	14.244	11.998	14.229
Group Gratuity Conservative	13.187	12.377	13.187
Group Gratuity Growth	13.724	10.661	13.666
Guaranteed Fund- Dynamic	12.623	11.501	12.611
Guaranteed Fund-Income	12.123	11.121	12.112
Superannuation Balanced Fund	13.431	11.759	13.406
Superannuation Conservative Fund	10.439	9.997	10.439
Superannuation Growth Fund	12.384	9.996	12.277
Money Market Fund	10.200	10.000	10.200
Secure Plus Fund-Pr Driven	10.275	9.831	10.273

Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2009

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Balanced	17.953	15.156	16.331
Conservative	15.310	13.870	14.854
Secured	14.132	12.091	13.777
Growth	24.319	17.575	19.429
Growth Super	12.742	7.219	8.450
High Growth	11.251	5.825	6.710
Guaranteed Fund Dynamic	11.738	10.756	11.479

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Guaranteed Fund Income	11.232	10.724	11.107
Pension Balanced	13.060	11.373	12.182
Pension Conservative	12.463	11.494	12.405
Pension Secured	12.756	11.288	12.211
Pension Growth	14.657	10.486	11.577
Pension Growth Super	8.553	4.859	5.540
Group Gratuity Balanced	12.439	11.062	11.960
Group Gratuity Conservative	12.544	11.018	12.361
Group Gratuity Growth	12.908	9.848	10.592
Group Superannuation Balanced	12.334	10.278	11.777
Group Superannuation Conservative	10.000	10.000	10.000
Group Superannuation Growth	10.000	10.000	10.000
Dynamic Opportunities	10.156	7.969	8.944

7 Expenses Charged to Fund %

Annualized expense ratio to average daily assets of the Fund

Fund Name	Ratios as at March 31, 2010	Ratios as at March 31, 2009
Balanced	1.21%	1.22%
Conservative	0.99%	1.00%
Secured	0.99%	1.00%
Growth	1.38%	1.38%
Growth Super	1.44%	1.50%
High Growth	1.46%	1.50%
Guaranteed Fund Dynamic	1.88%	1.88%
Guaranteed Fund Income	1.66%	1.66%
Pension Balanced	1.21%	1.22%
Pension Conservative	0.99%	1.00%
Pension Secured	0.99%	1.00%
Pension Growth	1.38%	1.38%
Pension Growth Super	1.45%	1.50%
Group Gratuity Balanced	0.94%	0.94%
Group Gratuity Conservative	0.83%	0.83%
Group Gratuity Growth	1.05%	1.06%
Group Superannuation Balanced	0.90%	0.94%
Group Superannuation Conservative	0.83%	-
Group Superannuation Growth	1.05%	-
Dynamic Opportunities	1.59%	1.79%
Secure Plus	0.99%	-
Money Market	1.38%	-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

8 Ratio of gross income (including unrealized gains) to average daily net assets

Fund Name	Ratios as at March 31, 2010	Ratios as at March 31, 2009
Balanced	20.90%	-3.71%
Conservative	17.12%	5.13%
Secured	5.94%	14.65%
Growth	32.18%	-14.95%
Growth Super	46.28%	-26.69%
High Growth	40.40%	-43.68%
Guaranteed Fund Dynamic	8.66%	1.46%
Guaranteed Fund Income	7.81%	3.00%
Pension Balanced	14.99%	-0.90%
Pension Conservative	9.67%	10.79%
Pension Secured	5.79%	5.86%
Pension Growth	29.58%	-15.66%
Pension Growth Super	41.96%	-30.23%
Group Gratuity Balanced	14.77%	-2.28%
Group Gratuity Conservative	6.43%	15.14%
Group Gratuity Growth	18.13%	-17.10%
Group Superannuation Balanced	12.88%	11.85%
Group Superannuation Conservative	3.97%	-
Group Superannuation Growth	14.93%	-
Dynamic Opportunities	25.88%	-4.71%
Secure Plus	4.65%	-
Money Market	2.27%	-

9 Fund-wise disclosure of appreciation and/or (depreciation) in value of investments segregated class-wise

Fund Name	Bonds	Equity	Government Securities	Money Market	Total
Balanced	14,806	164,869	(6,423)	5,299	178,551
Conservative	1,359	9,279	(1,837)	70	8,871
Secured	3,855	-	(2,643)	841	2,053
Growth	151,170	5,262,603	(7,008)	123,613	5,530,378
Growth Super	7,312	2,788,858	-	9,368	2,805,538
High Growth	156	36,055	-	266	36,477
Guaranteed Fund Dynamic	34	571	(190)	14	429
Guaranteed Fund Income	(0)	65	(31)	0	34
Pension Balanced	1,084	13,462	(686)	363	14,223
Pension Conservative	99	1,124	(139)	-	1,084
Pension Secured	774	-	(723)	178	229
Pension Growth	7,292	193,955	-	1,106	202,353
Pension Growth Super	687	278,597	-	557	279,841
Group Gratuity Balanced	260	5,196	(218)	181	5,419
Group Gratuity Conservative	1,242	-	(1,312)	204	134
Group Gratuity Growth	341	8,835	(119)	175	9,232
Group Superannuation Balanced	0	8	(0)	-	8
Group Superannuation Conservative	10	-	(80)	13	(57)
Group Superannuation Growth	(0)	30	(1)	-	29
Dynamic Opportunities	3,546	110,239	(60)	1,071	114,796
Money Market Fund	-	-	-	574	574
Secure Plus	219	-	(361)	36	(106)

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

10 **Statement of Industry Wise Disclosure of Investments (with exposure of 5% and above)**

GROUP SUPERANNUATION BALANCED FUND

Industry	Security Name	Amount	Percentage of NAV
Financial Institutions	ILFS 9.35% Secured NCD	14.21	
Financial Institutions Total		**14.21**	**8%**
Government of India	7.37 GOI 16 April 2014	10.08	
	9.39 GOI 2 Jul 2011	52.49	
Government of India Total		**62.57**	**37%**
Infrastructure	Bharat Heavy Electricals Ltd	4.78	
	Larsen & Toubro Ltd	6.52	
Infrastructure Total		**11.30**	**7%**
Oil and Gas	Oil & Natural Gas Corp Ltd	4.39	
	Reliance Industries Ltd.	4.30	
	Oil and Gas Total	8.69	5%
Utilities	6.15 NPCIL 14 Aug 2010	9.99	
	NTPC Ltd	3.11	
Utilities Total		**13.10**	**8%**
Others	6% Indian Hotels 13May2011	13.38	
	Maruti Udyog Ltd	4.25	
	Housing Development Finance Corp Bank	7.73	
	Hindustan Unilever Ltd	3.11	
	ITC Ltd	3.16	
	Sterlite Industries (India) Ltd	4.25	
	Bharti Airtel Ltd	3.13	
	Net Current Assets	19.10	
Others Total		**58.11**	**35%**
Grand Total		**167.98**	**100%**

GROUP SUPERANNUATION CONSERVATIVE FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	Federal Bank CD 23 April 2010	298.91	
	ICICI Bank Ltd CD 15 Apr 2010	698.70	
	Punjab National Bank CD 06 April 2010	299.76	
Banking Services Total		**1,297.37**	**7%**
Financial Institutions	8.95PFC 30 March 2015	1,015.07	
Financial Institutions Total		**1,015.07**	**6%**
Government of India	7.37 GOI 16 April 2014.	8,155.36	
	9.40GOI 2012	1,596.04	
Government of India Total		**9,751.40**	**56%**
Others	6%Indian Hotels13May2011	83.25	
	Net Current Assets	2,998.34	
Others Total		**3,081.59**	**18%**
Utilities	5.5 NPC 14 Aug 2013	996.31	
	8.90 Power Grid Corporation Limited 25 Feb 2017	1,260.08	
Utilities Total		**2,256.39**	**13%**
Grand Total		**17,401.82**	**100%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

GROUP SUPERANNUATION GROWTH FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	Axis Bank Ltd	2.34	
	Housing Development Finance Corp Bank	15.47	
	State Bank of India	18.70	
Banking Services Total		**36.51**	**9%**
Financial Institutions	ILFS 9.35% Secured NCD	30.44	
Financial Institutions Total		**30.44**	**8%**
Government of India	9.39 GOI 2 Jul 2011	89.24	
	9.40GOI 2012	4.58	
Government of India Total		**93.82**	**23%**
Information Technology	Infosys Technologies Ltd	20.93	
	Tata Consultancy Services Ltd	2.34	
Information Technology Total		**23.27**	**6%**
Infrastructure	Bharat Heavy Electricals Ltd	19.13	
	DLF Ltd	9.27	
	Jaiprakash Associates Ltd	2.39	
	Larsen & Toubro Ltd	16.31	
Infrastructure Total		**47.10**	**12%**
Oil and Gas	Oil & Natural Gas Corp Ltd	16.48	
	Reliance Industries Ltd.	21.49	
Oil and Gas Total		**37.97**	**9%**
Others	6%Indian Hotels13May2011	14.87	
	Net Current Assets	37.50	
Others Total		**52.37**	**13%**
Utilities	6.15 NPCIL 14 Aug 2010	29.96	
	NTPC Ltd	8.08	
Utilities Total		**38.04**	**9%**
Others	Maruti Udyog Ltd	9.93	
	Hindustan Unilever Ltd	6.71	
	ITC Ltd	12.36	
	Housing Development Finance Corp Ltd	2.72	
	Sterlite Industries (India) Ltd	4.25	
	Bharti Airtel Ltd	6.56	
Others Total		**42.53**	**11%**
Grand Total		**402.05**	**100%**

GUARANTEED DYNAMIC FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	9.95 Axis Bank 28 March 2019	1,069.08	
	Axis Bank Ltd	96.96	
	Federal Bank CD 23 April 2010	99.64	
	HDFC Bank CD 08 March 2011	282.75	
	Housing Development Finance Corp Bank	106.34	
	ICICI Bank Ltd	113.35	
	ICICI Bank Ltd CD 15 Apr 2010	399.05	
	Punjab National Bank CD 06 April 2010	399.68	
	Punjab National Bank Ltd	25.32	
	State Bank of India	114.30	
Banking Services Total		**2,706.47**	**13%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Financial Institutions	9.45% REC 04Apr2013	1,046.42	
	ILFS 9.35% Secured NCD	5.07	
	REC CP 20 April 2010	498.84	
	Reliance Capital CP 03 Jan 2011	476.10	
Financial Institutions Total		**2,026.43**	**9%**
Government of India	11.50% GOI 2010	101.37	
	6.57 GOI 24Feb2011	202.56	
	7.27% GOI 2013	487.63	
	7.55 GOI 14 May 2010	1,053.99	
	9.39 GOI 2 Jul 2011	7,999.86	
	9.40 GOI 2012	2,181.26	
Government of India Total		**12,026.67**	**56%**
Others	11.65% HDFC 09 Sep 2010	1,020.44	
	Infosys Technologies Ltd	115.10	
	Tata Consultancy Services Ltd	78.07	
	Wipro Ltd	35.35	
	Bharat Heavy Electricals Ltd	90.84	
	Jaiprakash Associates Ltd	22.43	
	Larsen & Toubro Ltd	35.88	
	Network 18% CP	0.57	
	Television Eighteen India Ltd	1.90	
	Sterlite Industries (India) Ltd	51.00	
	6%Indian Hotels 13 May 2011	16.85	
	Asian Paints (India) Ltd	28.54	
	Exide Industries Ltd	59.01	
	Net Current Assets	1,159.92	
	Bajaj Auto Ltd	14.10	
	Mahindra & Mahindra Ltd.	11.91	
	Maruti Udyog Ltd	38.28	
	Cairn India Ltd	18.34	
	Oil & Natural Gas Corp Ltd	128.55	
	Reliance Industries Ltd.	311.53	
	Sun Pharmaceutical Industries Ltd	44.80	
	Bharti Airtel Ltd	73.45	
	6.15 NPCIL 14 Aug 2010	908.72	
	Reliance Energy Ltd	24.98	
	Tata Power Limited	57.69	
	Grasim Ltd	84.45	
	Hindustan Unilever Ltd	151.16	
	ITC Ltd	118.37	
Others Total		**4,702.23**	**22%**
Grand Total		**21,461.80**	**100%**

GUARANTEED INCOME FUND

Industry	Security Name	Amount	Percentage of NAV
Financial Institutions	ILFS 9.35% Secured NCD	202.96	
Financial Institutions Total		**202.96**	**6%**
Government of India	11.50% GOI 2010	1.01	
	7.27% GOI 2013	91.43	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	7.50% GOI 2010	150.70	
	7.55 GOI 14 May 2010	281.06	
	9.39 GOI 2 Jul 2011	1,541.18	
	9.40 GOI 2012	287.29	
Government of India Total		**2,352.67**	**70%**
Utilities	6.15 NPCIL 14 Aug 2010	199.72	
	Reliance Energy Ltd	3.00	
	Tata Power Limited	6.87	
Utilities Total		**209.59**	**6%**
Others	Axis Bank Ltd	11.68	
	Housing Development Finance Corp Bank	13.53	
	ICICI Bank Ltd	8.57	
	ICICI Bank Ltd CD 15 Apr 2010	99.76	
	Punjab National Bank Ltd	10.13	
	State Bank of India	8.31	
	Sun Pharmaceutical Industries Ltd	3.58	
	Bharti Airtel Ltd	6.25	
	Bajaj Auto Ltd	2.01	
	Mahindra & Mahindra Ltd.	1.08	
	Maruti Udyog Ltd	2.84	
	Grasim Ltd	5.63	
	Hindustan Unilever Ltd	7.19	
	ITC Ltd	14.47	
	Marico Ltd	1.74	
	Infosys Technologies Ltd	7.85	
	Wipro Ltd	14.14	
	Bharat Heavy Electricals Ltd	4.78	
	Jaiprakash Associates Ltd	2.24	
	Larsen & Toubro Ltd	3.26	
	Network 18% CP	0.09	
	Television Eighteen India Ltd	0.15	
	Sterlite Industries (India) Ltd	7.65	
	Cairn India Ltd	3.36	
	Oil & Natural Gas Corp Ltd	9.89	
	Reliance Industries Ltd.	25.78	
	6% Indian Hotels 13 May 2011	49.55	
	Asian Paints (India) Ltd	4.08	
	Exide Industries Ltd	5.17	
	Net Current Assets	255.93	
Others Total		**590.69**	**18%**
Grand Total		**3,355.91**	**100%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

HIGH GROWTH FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	Axis Bank Ltd	4,148.46	
	Bank of Baroda Ltd	3,578.68	
	Housing Development Finance Corp Bank	10,440.90	
	ICICI Bank Ltd	5,429.25	
	ICICI Bank Ltd CD 15 Apr 2010	8,981.77	
	Jammu & Kashmir Bank Ltd.	3,067.65	
	Kotak Mahindra Bank Ltd	2,431.49	
	State Bank of India	1,249.00	
Banking Services Total		**39,327.20**	**18%**
Financial Institutions	11% IDFC 21Jul2010	2,026.14	
	ICICI Prudential Liquid Plan-		
	Institutional Plan - Growth-	7,500.00	
	Rural Electrification Corporation Limited	1,740.01	
	Sundaram Finance Limited	4,867.66	
Financial Institutions Total		**16,133.81**	**7%**
Housing Finance	7.24 LIC Housing Finance 23 June 2011	6,013.96	
	Housing Development Finance Corp Ltd	7,879.88	
Housing Finance Total		**13,893.84**	**6%**
Information Technology	ICSA (India) Limited	146.83	
	Infosys Technologies Ltd	12,033.37	
	Tata Consultancy Services Ltd	3,239.70	
	Wipro Ltd	2,898.50	
Information Technology Total		**18,318.40**	**8%**
Infrastructure	Alstom Projects India Limited	2,865.89	
	Bharat Earth Movers Ltd	1,591.19	
	Bharat Heavy Electricals Ltd	7,291.48	
	Crompton Greaves Ltd	1,438.36	
	IVRCL Infrastructures & Projects Ltd	2,420.61	
	Larsen & Toubro Ltd	6,849.57	
	Madhucon Projects Ltd	785.65	
	Patel Engineering Ltd	295.95	
	Thermax Ltd	1,022.93	
	Transformers And Rectifiers (India) Limited	1,849.44	
Infrastructure Total		**26,411.07**	**12%**
Utilities	Godawari Power Ispat Ltd	3,057.34	
	Gujarat State Petronet Ltd	2,729.03	
	GVK Power & Infrastructure Limited	560.63	
	National Hydroelectric Power Corporation Ltd	933.51	
	NTPC Ltd	1,036.25	
	Reliance Energy Ltd	2,048.05	
	Tata Power Limited	2,390.15	
Utilities Total		**12,754.96**	**6%**
Oil and Gas	Cairn India Ltd	2,047.86	
	Hindustan Petroleum Corporation Limited.	796.38	
	Oil & Natural Gas Corp Ltd	5,273.76	
	Reliance Industries Ltd.	11,387.05	
Oil and Gas Total		**19,505.05**	**9%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Others	Bajaj Auto Ltd	2,014.80	
	Wabco TVs	1,386.31	
	10.48% Grasim 16 Dec 2013	4,316.89	
	8.25 Secured Redeemable NCD Bonus Debenture	103.54	
	Britannia Industries Ltd	959.43	
	Hindustan Unilever Ltd	2,203.86	
	ITC Ltd	4,932.19	
	Nestle India Ltd	1,869.42	
	Jagran Prakashan Ltd	588.00	
	Television Eighteen India Ltd	94.88	
	Hindustan Zinc Ltd	1,144.13	
	Phillips Carbon Black Ltd	3,325.22	
	Sterlite Industries (India) Ltd	4,079.76	
	11.90% Pidilite Bond 5 Dec 2013	2,261.55	
	Amara Raja Batteries Limited	3,119.80	
	Blue Star Ltd	2,906.49	
	Everest Industries Limited	2,845.01	
	Exide Industries Ltd	1,563.65	
	Great Eastern Shipping Co Ltd	4,486.55	
	Net Current Assets	5,916.97	
	Nirma Limited	2,854.99	
	Opto Circuits (India) Limited.	217.35	
	Pidilite Industries Limited	4,949.45	
	Tata Chemicals Ltd	3,469.20	
	United Spirits Ltd	1,919.99	
	Zodiac Clothing Company Limited	2,464.10	
	IPCA Laboratories Limited	1,425.41	
	Lupin Limited	3,336.07	
	Sun Pharmaceutical Industries Ltd	3,218.43	
	Bharti Airtel Ltd	4,344.45	
Others Total		**78,317.89**	**35%**
Grand Total		**224,662.22**	**100%**

DYNAMIC OPPORTUNITIES FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	5,000.00	
	7.50 State Bank of Travancore 18 Jan 2011	8,000.00	
	Allahabad Bank CD 07 April 10	9,989.88	
	Allahabad Bank CD 7 June 2010	39,568.43	
	Axis Bank Ltd	10,601.87	
	Bank of Baroda CD 12 Jul 2010	9,862.44	
	Bank of Baroda Ltd	4,856.78	
	Canara Bank CD 07 April 2010	9,990.24	
	Canara Bank CD 15June2010	9,912.43	
	Federal Bank CD 02 July 2010	9,868.33	
	Federal Bank CD 23 April 2010	5,978.20	
	HDFC Bank CD 08 March 2011	4,712.53	
	Housing Development Finance Corp Bank	22,921.64	
	ICICI Bank Ltd	31,875.41	
	ICICI Bank Ltd CD 15 Apr 2010	2,993.64	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Jammu & Kashmir Bank Ltd.	4,703.73	
	Kotak Mahindra Bank Ltd	2,169.64	
	Oriental Bank of Commerce	772.21	
	PNB CD 19 April 2010	8,976.38	
	Punjab National Bank CD 28 Jan 2011	9,498.54	
	State Bank of India	16,781.47	
	Union Bank of India	876.90	
Banking Services Total		**229,910.69**	**23%**
Fast Moving Capital Goods	8.25 Secured Redeemable NCD Bonus Debenture	140.99	
	9.40 Tatatea 08Nov2010	8,124.22	
	Britannia Industries Ltd	1,306.42	
	Dabur India Ltd	1,429.20	
	Hindustan Unilever Ltd	13,283.05	
	ITC Ltd	17,295.54	
	Marico Ltd	403.49	
	Nestle India Ltd	9,347.10	
Fast Moving Capital Goods Total		**51,330.01**	**5%**
Financial Institutions	11% IDFC 21Jul2010	7,091.50	
	6.42 National Housing Bank 27 Nov 12	29,675.41	
	6.55 National Housing Bank 20 Nov 2012	4,957.69	
	7.65 IDFC 26 Feb 2012	10,096.46	
	7.90 REC 6 Oct 2012	5,022.93	
	8.49PFC09Oct2011	4,076.07	
	8.69%IRFC2011.	5,087.46	
	Bajaj Holdings And Investment Ltd	1,208.30	
	ICICI Prudential Liquid Plan Institutional Plus - Growth Plan	20,202.15	
	Il & Fs CP 19 Nov 2010	9,648.26	
	India Infoline Ltd	696.32	
	Reliance Capital CP 09 March 2011	4,675.11	
	Rural Electrification Corporation Limited	5,138.33	
Financial Institutions Total		**107,575.99**	**11%**
Housing Finance	11.15% HDFC 06 Aug 2018.	4,540.74	
	11.65% HDFC 09Sep2010.	5,102.22	
	11.95 HDFC 26 Nov 2018	5,928.42	
	6.9 LIC Housing Finance 23 April 2011	17,062.24	
	7.24 LIC Housing Finance 23 June 2011	18,041.89	
	7.99 LIC Housing Finance 12 March 2013	8,066.24	
	9.15LIC Housing Finance 22Oct10	4,054.95	
	Housing Development Finance Corp Ltd	19,292.12	
	LIC Housing CP 6 Dec 2010	5,777.41	
Housing Finance Total		**87,866.23**	**9%**
Information Technology	7.55% HCL 25 Aug 2011	10,071.26	
	ICSA (India) Limited	445.73	
	Infosys Technologies Ltd	41,135.81	
	Mphasis Ltd	930.68	
	Tata Consultancy Services Ltd	11,241.36	
	Wipro Ltd	7,299.26	
Information Technology Total		**71,124.10**	**7%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Infrastructure	9.2 L&T 21 Jan 2012	2,068.82	
	Alstom Projects India Limited	3,529.27	
	BGR Energy Systems Limited	2,242.06	
	Bharat Earth Movers Ltd	367.36	
	Bharat Heavy Electricals Ltd	22,077.65	
	Crompton Greaves Ltd	2,169.02	
	DLF Ltd	1,544.50	
	IVRCL Infrastructures & Projects Ltd	6,742.92	
	Jaiprakash Associates Ltd	7,630.79	
	Jyoti Structures Limited	1,364.58	
	Lanco Infratech Limited	1,564.50	
	Larsen & Toubro Ltd	22,204.02	
	Madhucon Projects Ltd	131.16	
	Nagarjuna Cons Co Ltd	2,768.79	
	Patel Engineering Ltd	1,957.79	
	Punj Lloyd Ltd	1,963.60	
	Thermax Ltd	1,091.12	
	Unitech Ltd	736.00	
Infrastructure Total		**82,153.95**	**8%**
Oil and Gas	11.45 Reliance Industries 2013	5,580.15	
	7.00 IOC 24 Jul 2012	7,958.38	
	Cairn India Ltd	5,196.05	
	Hindustan Petroleum Corporation Limited.	2,070.58	
	Oil & Natural Gas Corp Ltd	14,140.27	
	Oil India Limited	346.43	
	Reliance Industries Ltd.	39,611.89	
Oil and Gas Total		**74,903.75**	**7%**
Others	2 Tata Motors 31 Mar 2013	10,757.08	
	2.00 Tata Motors 31 Mar 2011	5,204.57	
	Apollo Tyres Ltd	1,885.87	
	Bajaj Auto Ltd	6,548.10	
	Mahindra & Mahindra Ltd.	2,923.29	
	Maruti Udyog Ltd	3,332.18	
	10.48% Grasim 16 Dec 2013	21,584.46	
	Grasim Ltd	3,659.31	
	Mangalam Cement Ltd	32.08	
	7.02 GOI 17 Aug 2016	9,712.25	
	Jagran Prakashan Ltd	793.80	
	Sun TV Network Limited	2,140.00	
	Television Eighteen India Ltd	512.33	
	Hindustan Zinc Ltd	3,191.53	
	Jindal Steel & Power Ltd	8,683.29	
	Phillips Carbon Black Ltd	98.53	
	Steel Authority of India Ltd	631.38	
	Sterlite Industries (India) Ltd	10,666.87	
	Tata Steel Ltd	6,668.13	
	Usha Martin Limited	762.00	
	Cadila Healthcare Limited	4,192.72	
	IPCA Laboratories Limited	2,883.13	
	Lupin Limited	8,055.38	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Piramal Healthcare Ltd	637.13	
	Sun Pharmaceutical Industries Ltd	8,243.20	
	Bharti Airtel Ltd	19,346.85	
	6.15 NPCIL 14 Aug 2010	14,978.86	
	Adani Power Limited	1,972.00	
	CESC Ltd.	325.30	
	Godawari Power Ispat Ltd	1,181.25	
	Gujarat State Petronet Ltd	2,689.54	
	GVK Power & Infrastructure Limited	269.10	
	National Hydroelectric Power Corporation Ltd	1,223.12	
	NTPC Ltd	2,730.10	
	Reliance Energy Ltd	10,110.39	
	Tata Power Limited	9,066.09	
	10% Non-Convertible Debentures Tata Chemicals 2 Jul 2019	10,640.70	
	6%Indian Hotels13May2011	991.10	
	7.40 Tata Chemical 23 Nov 2011	20,064.49	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	5,310.38	
	Amara Raja Batteries Limited	2,380.90	
	Asian Paints (India) Ltd	1,427.20	
	Bayer Cropscience Limited	488.55	
	Bharat Electronics Ltd	3,744.17	
	Blue Star Ltd	1,706.72	
	Exide Industries Ltd	246.40	
	Great Eastern Shipping Co Ltd	4,354.16	
	Net Current Assets	45,995.71	
	Nirma Limited	544.95	
	Opto Circuits (India) Limited.	434.70	
	Pidilite Industries Limited	7,581.31	
	Sintex Industries Ltd	1,182.00	
	Tata Chemicals Ltd	443.00	
	United Spirits Ltd	1,717.82	
	Voltas Ltd.	3,264.33	
	Zodiac Clothing Company Limited	222.26	
Others Total		**300,432.06**	**30%**
Grand Total		**1,005,296.78**	**100%**

GROUP GRATUITY BALANCED FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	1,000.00	
	7.50 State Bank of Travancore 18 Jan 2011	1,500.00	
	9.95 Axis Bank 28 March 2019	6,414.48	
	Axis Bank Ltd	518.70	
	Bank of Baroda Ltd	613.49	
	Corporation Bank CD 1 Nov 2010	2,905.26	
	Housing Development Finance Corp Bank	1,637.67	
	ICICI Bank Ltd	2,623.19	
	ICICI Bank Ltd CD 15 Apr 2010	1,995.76	
	Oriental Bank of Commerce	230.12	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	State Bank of India	1,184.57	
	State Bank of Mysore 15 Jul 2010	3,935.36	
	Union Bank of India	301.07	
Banking Services Total		**24,859.67**	**15%**
Financial Institutions	6.42 National Housing Bank 27 Nov 12	989.18	
	6.55 National Housing Bank 20 Nov 2012	1,983.07	
	6.85 IRFC 14 Sep 2010	1,001.83	
	8.15% Reliance Capital 22 July 2011	2,024.71	
	8.69%IRFC2011.	1,017.49	
	8.95PFC 30 March 2015	5,075.37	
	9.25 Reliance Capital 30 May 2011	1,026.65	
	9.45%REC 04Apr2013	1,046.42	
	Reliance Capital CP 03 Jan 2011	952.20	
Financial Institutions Total		**15,116.92**	**9%**
Government of India	11.50% GOI 2010	13.18	
	6.57 GOI 24Feb2011	2,025.60	
	7.38% GOI 03Sep15	198.60	
	7.55 GOI 14 May 2010	2,308.74	
	9.39 GOI 2 Jul 2011	23,411.66	
Government of India Total		**27,957.78**	**17%**
Infrastructure	9.2 L&T 21 Jan 2012	3,103.23	
	Bharat Heavy Electricals Ltd	1,742.78	
	DLF Ltd	762.98	
	Jaiprakash Associates Ltd	596.55	
	Larsen & Toubro Ltd	3,388.91	
	Punj Lloyd Ltd	422.51	
	Unitech Ltd	7.36	
Infrastructure Total		**10,024.32**	**6%**
Oil and Gas	11.45 Reliance Industries 2013	3,348.09	
	7.00 IOC 24 Jul 2012	994.80	
	Cairn India Ltd	404.99	
	Oil & Natural Gas Corp Ltd	797.66	
	Reliance Industries Ltd.	3,963.98	
Oil and Gas Total		**9,509.52**	**6%**
Utilities	6.15 NPCIL 14 Aug 2010	998.59	
	8.68 PGCI I 07Dec2010	1,267.46	
	9.47% PGCI 31Mar2012	5,215.82	
	GVK Power & Infrastructure Limited	112.13	
	NTPC Ltd	481.86	
	Tata Power Limited	1,196.45	
Utilities Total		**9,272.31**	**6%**
Others	2 Tata Motors 31 Mar 2013	1,077.12	
	Bajaj Auto Ltd	531.91	
	Mahindra & Mahindra Ltd.	1,141.17	
	Maruti Udyog Ltd	1,070.55	
	Grasim Ltd	301.19	
	8.25 Secured Redeemable NCD Bonus Debenture	8.97	
	Britannia Industries Ltd	83.15	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Hindustan Unilever Ltd	596.48	
	ITC Ltd	779.42	
	Marico Ltd	475.68	
	Nestle India Ltd	349.85	
	Glaxosmithkline Consumer Healthcare Ltd	685.49	
	Lupin Limited	577.71	
	Sun Pharmaceutical Industries Ltd	643.33	
	Bharti Airtel Ltd	638.54	
	11.15% HDFC 06 Aug 2018.	3,405.56	
	7.99 LIC Housing Finance 12 March 2013	1,008.28	
	Housing Development Finance Corp Ltd	2,703.61	
	7.55% HCL 25 Aug 2011	2,014.25	
	Infosys Technologies Ltd	2,092.76	
	Tata Consultancy Services Ltd	671.36	
	Wipro Ltd	948.73	
	Network 18% CP	4.14	
	Sun TV Network Limited	491.34	
	Jindal Steel & Power Ltd	703.10	
	Sterlite Industries (India) Ltd	1,014.84	
	Tata Steel Ltd	821.67	
	Exide Industries Ltd	443.15	
	Net Current Assets	41,769.09	
Others Total		**67,052.44**	**41%**
Grand Total		**163,792.96**	**100%**

GROUP GRATUITY CONSERVATIVE FUND

Industry	Security Name	Amount	Percentage of NAV
Automobiles	2 Tata Motors 31 Mar 2013	12,908.50	
	2.00 Tata Motors 31 Mar 2011	3,122.74	
Automobiles Total		**16,031.24**	**6%**
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	6,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	2,000.00	
	Corporation Bank CD 1 Nov 2010	3,873.69	
	Federal Bank CD 23 April 2010	298.91	
	ICICI Bank Ltd CD 15 Apr 2010	1,397.03	
	Punjab National Bank CD 06 April 2010	999.21	
Banking Services Total		**14,568.84**	**6%**
Financial Institutions	10% IDFC 2012	4,223.21	
	6.55 National Housing Bank 20 Nov 2012	4,957.69	
	7.65 IDFC 26 Feb 2012	3,028.94	
	8.69% IRFC 2011	6,104.95	
	8.95PFC 30 March 2015	6,090.44	
	9.3%PFC12Mar2011	3,075.83	
	Il & Fs CP 19 Nov 2010	481.98	
	REC CP 20 April 2010	1,995.37	
	Tata Liquid High Investment Plan - Growth	1,100.00	
Financial Institutions Total		**31,058.41**	**12%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Government of India	11.50% GOI 2010	16.22	
	11.83% GOI 12 Nov 2014.	1,253.10	
	6.57 GOI 24 Feb 2011	17,977.20	
	7.02 GOI 17 Aug 2016	2,913.68	
	7.37 GOI 16 April 2014.	13,306.64	
	7.55 GOI 14 May 2010	49,045.67	
	9.39 GOI 2 Jul 2011	50,287.82	
	9.40P GOI 2012	1,702.45	
Government of India Total		**136,502.78**	**52%**
Utilities	6.10 Gail 22 Aug 2011	4,934.53	
	9.47% PGCI 31 Mar 2012	15,647.46	
Utilities Total		**20,581.99**	**8%**
Others	10.48% Grasim 16 Dec 2013	2,158.45	
	6.9 LIC Housing Finance 23 April 2011	2,007.32	
	7.99 LIC Housing Finance 12 March 2013	3,024.84	
	8.00% ICICI Housing Finance 14 Sep 2011	3,034.95	
	9.15 LIC Housing Finance 22 Oct 10	1,013.74	
	9.7 LIC Housing Finance 7 April 2013	2,106.26	
	LIC Housing CP 6 Dec 2010	1,925.80	
	7.55% HCL 25 Aug 2011	1,007.13	
	9.2 L&T 21 Jan 2012	1,034.41	
	7.00 IOC 24 Jul 2012	4,973.99	
	11.50Aditya Birla Nuvo 19 Dec 2011	2,137.06	
	11.90% Pidilite Bond 5 Dec 2013	6,784.66	
	Net Current Assets	14,350.11	
Others Total		**45,558.72**	**17%**
Grand Total		**264,301.98**	**100%**

GROUP GRATUITY GROWTH FUND

Industry	Security Name	Amount	Percentage of NAV
Automobiles	2 Tata Motors 31 Mar 2013	6,454.25	
	Bajaj Auto Ltd	1,027.55	
	Mahindra & Mahindra Ltd.	898.64	
	Maruti Udyog Ltd	850.77	
Automobiles Total		**9,231.21**	**8%**
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	2,500.00	
	Axis Bank Ltd	2,616.88	
	Bank of Baroda Ltd	766.86	
	Corporation Bank CD 1 Nov 2010	2,905.26	
	Housing Development Finance Corp Bank	2,617.96	
	ICICI Bank Ltd	2,731.77	
	ICICI Bank Ltd CD 15 Apr 2010	2,993.64	
	Oriental Bank of Commerce	425.26	
	State Bank of India	1,816.35	
Banking Services Total		**19,373.98**	**16%**
Fast Moving Capital Goods	8.25 Secured Redeemable NCD Bonus Debenture	20.71	
	Britannia Industries Ltd	191.89	
	Hindustan Unilever Ltd	1,732.43	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	ITC Ltd	3,063.22	
	Marico Ltd	322.24	
	Nestle India Ltd	1,564.97	
Fast Moving Capital Goods Total		**6,895.46**	**6%**
Financial Institutions	11% IDFC 21Jul2010	5,065.36	
	6.85 IRFC 14 Sep 2010	1,001.83	
	8.15% Reliance Capital 22 July 2011	3,037.07	
	Rural Electrification Corporation Limited	1,127.93	
	Tata Liquid High Investment Fund - Growth	2,500.33	
Financial Institutions Total		**12,732.52**	**11%**
Oil and Gas	Cairn India Ltd	244.52	
	Oil & Natural Gas Corp Ltd	2,551.18	
	Reliance Industries Ltd.	7,367.21	
Oil and Gas Total		**10,162.91**	**8%**
Government of India	9.39 GOI 2 Jul 2011	15,327.81	
Government of India Total		**15,327.81**	**13%**
Housing Finance	11.15% HDFC 06 Aug 2018.	1,135.19	
	6.9 LIC Housing Finance 23 April 2011	3,010.98	
	7.99 LIC Housing Finance 12 March 2013	1,008.28	
	9.5% HDFC 280213.	1,046.23	
	Housing Development Finance Corp Ltd	3,594.86	
Housing Finance Total		**9,795.54**	**8%**
Information Technology	7.55% HCL 25 Aug 2011	2,014.25	
	Infosys Technologies Ltd	5,103.72	
	Tata Consultancy Services Ltd	2,711.20	
	Wipro Ltd	2,156.20	
Information Technology Total		**11,985.37**	**10%**
Infrastructure	9.2 L&T 21 Jan 2012	1,034.41	
	Bharat Heavy Electricals Ltd	3,313.44	
	DLF Ltd	617.80	
	IVRCL Infrastructures & Projects Ltd	249.00	
	Jaiprakash Associates Ltd	1,727.30	
	Larsen & Toubro Ltd	4,077.13	
	Punj Lloyd Ltd	195.03	
	Unitech Ltd	55.20	
Infrastructure Total		**11,269.31**	**9%**
Others	Grasim Ltd	182.97	
	Jagran Prakashan Ltd	9.41	
	Network 18% CP	4.71	
	Sun TV Network Limited	85.60	
	Sterlite Industries (India) Ltd	2,701.14	
	Asian Paints (India) Ltd	391.46	
	Exide Industries Ltd	2,091.94	
	Net Current Assets	1,494.23	
	Tata Chemicals Ltd	48.24	
	Cadila Healthcare Limited	62.15	
	Sun Pharmaceutical Industries Ltd	809.98	
	Bharti Airtel Ltd	2,902.96	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	6.15 NPCIL 14 Aug 2010	1,997.18	
	National Hydroelectric Power Corporation Ltd	45.68	
	Reliance Energy Ltd	299.72	
	Tata Power Limited	1,133.26	
Others Total		**14,260.63**	**12%**
Grand Total		**121,034.74**	**100%**

BALANCED FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	10.35 Deposit With ICICI Bank Feb12.	10,000.00	
	10.40 PNB Perpetualbondsr1	13,085.57	
	5.55 Yes Bank FD 22 April 2010	10,000.00	
	7.50 FD State Bank of Travancore 13 Jan 2011	9,900.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	9,900.00	
	8.96SBI12Sep2021	12,105.29	
	Allahabad Bank CD 07 April 10	16,982.80	
	Allahabad Bank CD 7 June 2010	9,892.11	
	Axis Bank CD 21 Jan 2011	47,600.05	
	Axis Bank Ltd	5,342.41	
	Bank of Baroda Ltd	3,195.25	
	Citifinancialconfin210610	13,810.31	
	Corporation Bank CD 1 Nov 2010	38,736.86	
	Federal Bank CD 02 July 2010	49,341.63	
	Housing Development Finance Corp Bank	36,473.54	
	ICICI Bank CD 13 April 2010	9,980.34	
	ICICI Bank Ltd	39,242.05	
	ICICI Bank Ltd CD 15 Apr 2010	14,968.22	
	IDBI Bank CD 20 Dec 2010	85,823.55	
	Jammu & Kashmir Bank Ltd.	7,954.76	
	Kotak Mahindra Bank Ltd	2,667.90	
	PNB CD 19 April 2010	79,820.15	
	Punjab National Bank CD 28 Jan 2011	9,498.54	
	State Bank of India	21,471.96	
	Union Bank of India	876.90	
Banking Services Total		**558,670.19**	**18%**
Financial Institutions	10% IDFC 2012	10,558.03	
	11% IDFC 21Jul 2010	83,071.87	
	6.42 National Housing Bank 27 Nov 12	19,783.60	
	6.55 National Housing Bank 20 Nov 2012	29,746.11	
	6.85 IRFC 14 Sep 2010	17,031.15	
	8.15% Reliance Capital 22 July 2011	21,259.47	
	8.49PFC 09 Oct 2011	5,095.09	
	8.69% IRFC 2011.	10,174.92	
	8.85% Tatasons 2016	8,249.17	
	9.25 Reliance Capital 30 May 2011	14,373.06	
	9.3%PFC 12 Mar 2011.	10,252.78	
	Bajaj Finserv Ltd	2,622.31	
	Bajaj Holdings And Investment Ltd	3,020.75	
	ICICI Prudential Liquid Plan Institutional Plus-Growth Plan	62,840.75	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	II & Fs CP 19 Nov 2010	4,819.81	
	India Infoline Ltd	6,562.71	
	IRFC 8.75%07Jan13.	12,364.91	
	REC CP 20 April 2010	19,953.69	
	Reliance Capital CP 03 Jan 2011	9,522.05	
	Reliance Capital CP 09 March 2011	46,751.09	
	SBI Micf Cash Plan Growth Option	-	
Financial Institutions Total		**398,053.32**	**13%**
Government of India	11.50% GOI 2010	253.43	
	11.83% GOI 12Nov2014.	11,569.31	
	6.57 GOI 24Feb2011	23,294.40	
	6.90 GOI 13 July 2019	27.99	
	7.02 GOI 17 Aug 2016	78,669.23	
	7.27%GOI2013	3,373.80	
	7.4 GOI 3 May 2012.	20,480.00	
	7.55 GOI 14 May 2010	80,304.00	
	9.39 GOI 2 Jul 2011	466,658.33	
	9.40GOI 2012	1,542.84	
Government of India Total		**686,173.33**	**22%**
Housing Finance	10.35 HDFC ltd 06June2017	1,087.04	
	11.15% HDFC 06 Aug 2018.	11,351.86	
	11.25 HDFC 4 Sep 2018	15,984.83	
	11.65% HDFC 09Sep2010.	10,204.44	
	6.85 LIC Housing Finance 28 Sep 2011	9,969.85	
	6.9 LIC Housing Finance 23 April 2011	10,036.61	
	7.24 LIC Housing Finance 23 June 2011	22,051.20	
	7.99 LIC Housing Finance 12 March 2013	27,223.56	
	8.00% ICICI Housing Finance 14 Sep 2011	10,116.51	
	9.5% HDFC 270213.	10,461.84	
	9.5% HDFC 280213	5,231.15	
	Housing Development Finance Corp Ltd	47,083.64	
	Zero Coupon HDFC 24 Aug 2011	36,516.83	
Housing Finance Total		**217,319.36**	**7%**
Information Technology	7.55% HCL 25 Aug 2011	69,491.69	
	Hexaware Technologies Limited	762.63	
	Infosys Technologies Ltd	77,670.17	
	Polaris Software Labs Limited	2,106.12	
	Tata Consultancy Services Ltd	25,643.57	
	Wipro Ltd	12,481.91	
Information Technology Total		**188,156.09**	**6%**
Infrastructure	9.15 L&T 5 Jan 2019	15,319.63	
	9.2 L&T 21 Jan 2012	31,032.29	
	Alstom Projects India Limited	4,493.11	
	BGR Energy Systems Limited	4,297.20	
	Bharat Earth Movers Ltd	1,994.24	
	Bharat Heavy Electricals Ltd	23,643.53	
	Crompton Greaves Ltd	2,352.73	
	DLF Ltd	2,780.10	
	IVRCL Infrastructures & Projects Ltd	2,262.91	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Jain Irrigation System Ltd	1,440.90	
	Jaiprakash Associates Ltd	3,313.28	
	Lanco Infratech Limited	4,199.12	
	Larsen & Toubro Ltd	41,658.43	
	Madhucon Projects Ltd	8,863.14	
	Nagarjuna Cons Co Ltd	3,425.08	
	Patel Engineering Ltd	854.14	
	Thermax Ltd	1,191.37	
	Transformers And Rectifiers (India) Limited	269.98	
	TRF Ltd	20,632.46	
	Unitech Ltd	3,017.60	
Infrastructure Total		**177,041.24**	**6%**
Others	2 Tata Motors 31 Mar 2013	5,378.54	
	2.00 Tata Motors 31 Mar 2011	31,227.44	
	Apollo Tyres Ltd	9,507.76	
	Bajaj Auto Ltd	7,241.19	
	Eicher Motors Ltd	231.88	
	Mahindra & Mahindra Ltd.	18,827.07	
	Maruti Udyog Ltd	12,000.11	
	10.48% Grasim 16 Dec 2013	10,792.23	
	Grasim Ltd	2,533.37	
	Mangalam Cement Ltd	16,861.39	
	8.25 Secured Redeemable NCD Bonus Debenture	64.71	
	9.40Tatatea08Nov2010	10,155.27	
	Britannia Industries Ltd	599.64	
	Dabur India Ltd	5,182.44	
	Hindustan Unilever Ltd	23,764.08	
	ITC Ltd	51,922.91	
	Marico Ltd	8,796.74	
	Nestle India Ltd	27,240.12	
	Procter & Gamble Hygiene & Healthcare Lt	24,135.00	
	Jagran Prakashan Ltd	4,303.57	
	Network 18% CP	175.68	
	Sun TV Network Limited	6,610.46	
	Television Eighteen India Ltd	208.73	
	Hindustan Zinc Ltd	2,001.63	
	Jindal Steel & Power Ltd	11,425.38	
	Jsw Steel Limited.	1,458.30	
	Phillips Carbon Black Ltd	2,218.98	
	Steel Authority of India Ltd	1,136.48	
	Sterlite Industries (India) Ltd	6,355.08	
	Tata Steel Ltd	10,998.93	
	10.75% Ril 8 Dec 2018	24,539.49	
	11.45 Reliance Industries 2013	11,160.30	
	7.00 IOC 24 Jul 2012	16,911.57	
	Cairn India Ltd	4,077.68	
	Hindustan Petroleum Corporation Limited.	5,309.59	
	Oil & Natural Gas Corp Ltd	12,277.97	
	Reliance Industries Ltd.	71,302.27	
	Cadila Healthcare Limited	5,148.09	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	GlaxoSmithKline Consumer Healthcare Ltd	6,160.48	
	IPCA Laboratories Limited	15,417.08	
	Lupin Limited	12,696.58	
	Piramal Healthcare Ltd	4,799.68	
	Sun Pharmaceutical Industries Ltd	9,194.75	
	Bharti Airtel Ltd	23,104.63	
	Onmobile Global Ltd	1,264.98	
	6.15 NPCIL 14 Aug 2010	14,978.86	
	9.47%PGCI 31Mar2012	2,607.91	
	Adani Power Limited	580.00	
	CESC Ltd.	2,750.46	
	Godawari Power Ispat Ltd	7,039.46	
	Gujarat State Petronet Ltd	6,221.21	
	GVK Power & Infrastructure Limited	669.70	
	Indiabull Power Limited	228.35	
	National Hydroelectric Power Corporation Ltd	1,002.23	
	NTPC Ltd	9,492.05	
	Reliance Energy Ltd	11,237.31	
	Tata Power Limited	21,861.64	
	10% Non-Convertible Debentures Tata Chemicals 2 Jul 2019	9,576.63	
	11.50Aditya Birla Nuvo 19 Dec 2011	21,370.59	
	11.90% Pidilite Bond 5 Dec 2013	11,307.77	
	6%Indian Hotels13May2011	4,941.61	
	7.40 Tata Chemical 23 Nov 2011	10,032.24	
	9.5%Indhotel2012	5,196.06	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	21,241.53	
	Amara Raja Batteries Limited	3,284.00	
	Asian Paints (India) Ltd	4,361.10	
	Bayer Crop science Limited	1,314.53	
	Bharat Electronics Ltd	4,944.50	
	Exide Industries Ltd	10,400.05	
	Great Eastern Shipping Co Ltd	8,819.82	
	Net Current Assets	102,274.39	
	Opto Circuits (India) Limited.	1,956.15	
	Pidilite Industries Limited	12,096.00	
	Tata Chemicals Ltd	3,061.97	
	United Phosphorous Limited	1,703.71	
Others Total		**853,272.08**	**28%**
Grand Total		**3,078,685.61**	**100%**

CONSERVATIVE FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	5,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	3,500.00	
	8.96 SBI 12Sep2021	1,008.77	
	Axis Bank CD 21 Jan 2011	3,808.00	
	Axis Bank Ltd	397.21	
	Bank of Baroda Ltd	191.72	
	Corporation Bank CD 1 Nov 2010	2,222.05	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Housing Development Finance Corp Bank	1,160.10	
	ICICI Bank Ltd	953.45	
	Jammu & Kashmir Bank Ltd.	225.64	
	State Bank of India	721.14	
Banking Services Total		**19,188.08**	**6%**
Financial Institutions	10% IDFC 2012	1,055.80	
	6.42 National Housing Bank 27 Nov 12	1,978.36	
	6.85 IRFC 14 Sep 2010	4,007.33	
	7.65 IDFC 26 Feb 2012	2,019.29	
	8.49PFC09Oct2011	1,019.02	
	8.69%IRFC2011.	5,087.46	
	8.80% Sundaram Finance Ltd 23 Dec 2011	4,100.05	
	8.85%Tatasons2016	1,031.15	
	9.45%Nabard22Apr2011	2,003.84	
	Il & Fs CP 19 Nov 2010	963.96	
	India Infoline Ltd	114.15	
	IRFC8.75%07Jan13.	3,091.23	
Financial Institutions Total		**26,471.64**	**9%**
Government of India	11.50% GOI 2010	963.03	
	6.57 GOI 24Feb2011	17,217.60	
	7.02 GOI 17 Aug 2016	8,741.03	
	7.4 GOI 3 May 2012.	23,500.80	
	7.50%GOI2010	502.33	
	7.55 GOI 14 May 2010	64,554.38	
	9.39 GOI 2 Jul 2011	47,085.77	
	9.40GOI 2012	1,064.03	
Government of India Total		**163,628.97**	**53%**
Others	2 Tata Motors 31 Mar 2013	11,832.79	
	2.00 Tata Motors 31 Mar 2011	2,081.83	
	Apollo Tyres Ltd	3.12	
	Maruti Udyog Ltd	1,023.76	
	10.48% Grasim 16 Dec 2013	5,396.11	
	Grasim Ltd	253.34	
	Mangalam Cement Ltd	193.70	
	8.25 Secured Redeemable NCD Bonus Debenture	24.85	
	9.40Tatatea08Nov2010	2,031.05	
	Britannia Industries Ltd	230.26	
	Dabur India Ltd	15.88	
	Hindustan Unilever Ltd	948.38	
	ITC Ltd	4,102.53	
	Marico Ltd	85.93	
	Nestle India Ltd	2,136.48	
	11.25 HDFC 4 Sep 2018	2,283.55	
	11.65% HDFC 09Sep2010.	4,081.78	
	11.95 HDFC 26 Nov 2018	1,185.68	
	7.99 LIC Housing Finance 12 March 2013	3,024.84	
	9.5%HDFC280213.	1,046.23	
	Housing Development Finance Corp Ltd	1,309.69	
	7.55% HCL 25 Aug 2011	3,021.38	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Infosys Technologies Ltd	2,851.39	
	Tata Consultancy Services Ltd	1,951.63	
	Wipro Ltd	282.78	
	Bharat Heavy Electricals Ltd	1,718.88	
	Jain Irrigation System Ltd	192.12	
	Jaiprakash Associates Ltd	134.60	
	Larsen & Toubro Ltd	1,467.77	
	Madhucon Projects Ltd	95.75	
	Nagarjuna Cons Co Ltd	40.66	
	TRF Ltd	1,236.27	
	Jagran Prakashan Ltd	349.15	
	Hindustan Zinc Ltd	446.81	
	Jindal Steel & Power Ltd	140.62	
	Phillips Carbon Black Ltd	987.81	
	Sterlite Industries (India) Ltd	419.88	
	Tata Steel Ltd	63.21	
	11.45 Reliance Industries 2013	2,232.06	
	Cairn India Ltd	530.61	
	Oil & Natural Gas Corp Ltd	109.87	
	Reliance Industries Ltd.	3,959.69	
	11.50Aditya Birla Nuvo 19 Dec 2011	5,342.65	
	11.90% Pidilite Bond 5 Dec 2013	3,392.33	
	6%Indian Hotels13May2011	3,964.39	
	Asian Paints (India) Ltd	81.55	
	Bayer Cropscience Limited	95.10	
	Bharat Electronics Ltd	55.06	
	Exide Industries Ltd	322.78	
	Net Current Assets	16,367.39	
	Pidilite Industries Limited	469.09	
	Tata Chemicals Ltd	473.52	
	GlaxoSmithKline Consumer Healthcare Ltd	2,041.55	
	IPCA Laboratories Limited	1,572.13	
	Sun Pharmaceutical Industries Ltd	89.60	
	Bharti Airtel Ltd	1,187.69	
	CESC Ltd.	267.89	
	Gujarat State Petronet Ltd	131.63	
	Indiabull Power Limited	10.36	
	NTPC Ltd	17.82	
	Reliance Energy Ltd	499.53	
Utilities Total		**101,906.78**	**33%**
Grand Total		**311,195.47**	**100%**

GROWTH FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	10.35 Deposit With ICICI Bank Feb12	40,000.00	
	10.40 PNB Perpetualbondsr1	74,151.59	
	5.55 Yes Bank FD 22 April 2010	74,800.00	
	7.25 ICICI Bank FD 19 Oct 2011	60,049.53	
	7.25 ICICI Bank FD 20 Oct 2011	120,099.06	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	7.50 FD State Bank of Travancore 15 Jan 2011	9,900.00	
	7.50 State Bank of Travancore 18 Jan 2011	9,900.00	
	8.75% HDFC Bank 2014	7,047.54	
	8.96SBI12Sep2021	6,052.64	
	9.95 Axis Bank 28 March 2019	38,486.87	
	Allahabad Bank CD 07 April 10	154,843.70	
	Allahabad Bank CD 7 June 2010	93,975.03	
	Axis Bank CD 21 Jan 2011	137,088.13	
	Axis Bank Ltd	72,374.26	
	Bank of Baroda CD 12 Jul 2010	168,638.61	
	Bank of Baroda Ltd	394,759.08	
	Bank of India CD 18 March 2011	235,171.22	
	Bank of India CD 7 April 2010	199,829.78	
	Canara Bank CD 07 April 2010	134,868.18	
	Canara Bank CD 15June2010	195,274.79	
	Canara Bank Ltd	3,923.97	
	Citifinancialconfin210610	81,875.39	
	Corporation Bank CD 1 Nov 2010	140,609.61	
	Corporation Bank CD 09 April10	249,713.94	
	Federal Bank CD 02 July 2010	88,814.93	
	Federal Bank CD 23 April 2010	127,833.80	
	Federal Bank Limited	64,143.80	
	HDFC Bank CD 08 March 2011	221,206.21	
	Housing Development Finance Corp Bank	1,009,192.26	
	ICICI Bank CD 13 April 2010	624,848.19	
	ICICI Bank Ltd	728,270.07	
	ICICI Bank Ltd CD 15 Apr 2010	208,060.13	
	IDBI Bank CD 20 Dec 2010	152,575.20	
	IDBI CD 21 Jan 2011	47,627.88	
	Jammu & Kashmir Bank Ltd.	216,897.85	
	Kotak Mahindra Bank Ltd	84,670.38	
	Oriental Bank of Commerce	18,810.56	
	PNB CD 19 April 2010	963,571.61	
	PNB CD 6 July 2010	246,642.34	
	Punjab And Sind Bank CD 15 April 2010	249,562.04	
	Punjab National Bank CD 06 April 2010	22,881.92	
	Punjab National Bank CD 28 Jan 2011	56,991.22	
	Punjab National Bank Ltd	44,652.15	
	Punjab National Bank CD 13 April10	249,577.08	
	State Bank of India	528,367.80	
	State Bank of Mysore 15 Jul 2010	197,253.75	
	State Bank of Mysore CD 13 Apr 2010	199,677.17	
	State Bank of Travancore CD 17 Sep 2010	243,729.51	
	Union Bank of India	196,500.72	
Banking Services Total		**9,495,791.49**	**24%**
Financial Institutions	10% IDFC 2012	27,450.87	
	10.75 REC 24 July 2013	54,334.71	
	10.95 REC 14 Aug 2011	20,962.20	
	11% IDFC 21Jul2010	209,705.83	
	11.5 Rural Electrification Corp 26 Nov 2013	111,765.01	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	12 Sundaram Finance Ltd 18 August 2010	50,911.21	
	6.42 National Housing Bank 27 Nov 12	46,491.47	
	6.55 National Housing Bank 20 Nov 2012	140,798.26	
	6.85 IRFC 14 Sep 2010	16,029.31	
	7.4 IDFC 22 April 2012	50,289.83	
	7.65 IDFC 26 Feb 2012	59,569.09	
	7.75 REC 17 Nov 2012	45,063.58	
	7.90 REC 6 Oct 2012	246,123.56	
	8.15% Reliance Capital 22 July 2011	14,172.98	
	8.20 IRFC 27 April 2011	152,511.39	
	8.49PFC09Oct2011	238,450.13	
	8.50 Exim 12 Sep 2011	6,109.51	
	8.60IDFCltd24Nov2011	30,668.29	
	8.69%IRFC2011.	20,349.84	
	8.80% Sundaram Finance Ltd 23 Dec 2011	92,251.04	
	8.83%IRFC29Oct2012.	8,241.93	
	8.85%TataSons2016	20,622.93	
	8.94%PFC15Jan2013.	51,530.46	
	9%Tatasons27July2010	100,840.83	
	9.25 Reliance Capital 30 May 2011	57,492.26	
	9.3%PFC12Mar2011.	37,935.30	
	9.40%PFC25Mar2013.	104,484.16	
	9.45%Nabard22Apr2011	47,090.21	
	9.45%REC04Apr2013	249,048.60	
	9.80%PFC20Sep2012	13,636.22	
	Bajaj Finserv Ltd	130,401.32	
	Bajaj Holdings And Investment Ltd	93,039.10	
	Birla Sun Life Cash Plus - Instl. Prem. - Growth	30,115.07	
	Exim Bank CD 15 Jul 2010	246,362.50	
	HDFC Liquid Premium Fund Growth Plan	425,055.29	
	ICICI Prudential Liquid Plan Super Institutional-Growth Plan	10,016.43	
	Il & Fs CP 19 Nov 2010	271,473.24	
	ILFS 9.35% Secured NCD	101,226.49	
	India Infoline Ltd	107,837.28	
	IRFC8.75%07Jan13.	75,219.90	
	Kotak Liquid (Institutional Premium) - Growth	306,765.60	
	REC CP 20 April 2010	104,257.35	
	Reliance Capital CP 03 Jan 2011	71,891.44	
	Reliance Capital CP 09 March 2011	84,151.97	
	Reliance Liquidity Fund-Growth Option	259,971.58	
	Rural Electrification Corporation Limited	66,357.58	
	State Bank of Patiala CD 07 April 2010	249,764.04	
	Tata Liquid Super High Inv.Fund - Appreciation	435,377.88	
	Zero Coupon IDFC 4 Mar 2011	94,376.17	
Financial Institutions Total		**5,488,591.24**	**14%**
Housing Finance	0.00% HDFC 8 Oct 2010	145,173.14	
	10.25 HDFC 29May2012.	53,053.30	
	10.35 HDFC ltd 06June2017	53,264.82	
	11.15% HDFC 06 Aug 2018.	21,568.53	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	11.25 HDFC 4 Sep 2018	376,785.34	
	11.65% HDFC 09Sep2010.	70,410.66	
	11.95 HDFC 26 Nov 2018	47,427.35	
	6.84 HDFC 22 Apr 2011	100,312.70	
	6.85 LIC Housing Finance 28 Sep 2011	120,635.15	
	6.9 LIC Housing Finance 23 April 2011	181,662.64	
	7.24 LIC Housing Finance 23 June 2011	239,556.24	
	7.99 LIC Housing Finance 12 March 2013	91,753.49	
	8.00% ICICI Housing Finance 14 Sep 2011	72,838.89	
	8.95HDFCCD29Oct2010	101,313.93	
	9.15LIC Housing Finance22Oct10	21,288.48	
	9.32%HDFCCD17Dec2012.	103,865.57	
	9.35LIC Housing23Nov2014	51,920.14	
	9.5% HDFC 10 Dec 2017	51,912.66	
	9.5%HDFC270213.	36,616.43	
	9.5%HDFC280213.	89,975.85	
	9.7 LIC Housing Finance 7 April 2013	50,550.28	
	9.75 ICICI Housing Fin Subordinate (Tier Ii) Bonds 24 Apr 2019	117,516.63	
	9.7HDFC19July2017.	46,357.98	
	9.9% NCD 19 Dec 2013	105,762.29	
	HDFC10.10%NCDmd13092017	91,120.76	
	Housing Development Finance Corp Ltd	629,999.12	
	LIC Housing CP 6 Dec 2010	165,618.98	
	Zero Coupon HDFC 24 Aug 2011	36,516.83	
Housing Finance Total		**3,274,778.18**	**8%**
Information Technology	7.55% HCL 25 Aug 2011	51,363.42	
	Hexaware Technologies Limited	16,869.35	
	ICSA (India) Limited	44,349.64	
	Infosys Technologies Ltd	1,639,993.99	
	Mphasis Ltd	24,500.33	
	Tata Consultancy Services Ltd	732,652.52	
	Wipro Ltd	474,643.40	
Information Technology Total		**2,984,372.65**	**7%**
Infrastructure	9.15 L&T 5 Jan 2019	153,196.28	
	9.2 L&T 21 Jan 2012	200,675.46	
	Alstom Projects India Limited	3,422.46	
	Anant Raj Industries Limited	12,863.14	
	BGR Energy Systems Limited	7,520.10	
	Bharat Earth Movers Ltd	22,528.61	
	Bharat Heavy Electricals Ltd	661,796.47	
	Crompton Greaves Ltd	199,729.83	
	Cummins India Ltd	11,281.31	
	DLF Ltd	269,031.82	
	IVRCL Infrastructures & Projects Ltd	38,014.00	
	Jain Irrigation System Ltd	68,845.24	
	Jaiprakash Associates Ltd	160,426.02	
	Jyoti Structures Limited	17,733.69	
	Kec International Limited	26,874.23	
	Lanco Infratech Limited	106,206.86	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Larsen & Toubro Ltd	1,049,029.58	
	Madhucon Projects Ltd	108,783.78	
	Nagarjuna Cons Co Ltd	87,004.25	
	Patel Engineering Ltd	123,134.52	
	Punj Lloyd Ltd	1,120.36	
	Sadbhav Engineering Limited	124.62	
	Thermax Ltd	35,393.89	
	TRF Ltd	63,615.81	
	Unitech Ltd	99,725.64	
Infrastructure Total		**3,528,077.97**	**9%**
Oil and Gas	10.75% Ril 8 Dec 2018	4,461.73	
	11.45 Reliance Industries 2013	80,354.15	
	11.45% Reliance Industries Ltd 25 Nov 2013	111,602.99	
	7.00 IOC 24 Jul 2012	12,932.37	
	Cairn India Ltd	245,050.91	
	Hindustan Petroleum Corporation Limited.	236,008.28	
	Oil & Natural Gas Corp Ltd	595,304.23	
	Oil India Limited	161.67	
	Reliance Industries Ltd.	2,320,685.09	
Oil and Gas Total		**3,606,561.42**	**9%**
Others	2 Tata Motors 31 Mar 2013	86,056.67	
	2.00 Tata Motors 31 Mar 2011	211,305.70	
	Apollo Tyres Ltd	70,219.86	
	Bajaj Auto Ltd	85,663.25	
	Eicher Motors Ltd	2,454.29	
	Mahindra & Mahindra Ltd.	279,718.79	
	Maruti Udyog Ltd	248,519.84	
	10.48% Grasim 16 Dec 2013	92,813.18	
	Grasim Ltd	191,902.40	
	Mangalam Cement Ltd	104,599.36	
	Shree Cement Ltd	41,367.80	
	8.25 Secured Redeemable NCD Bonus Debenture	6,854.11	
	9.40Tatatea08Nov2010	223,415.99	
	Britannia Industries Ltd	63,511.07	
	Dabur India Ltd	74,132.13	
	Gillette India Ltd.	119,005.82	
	Hindustan Unilever Ltd	317,536.70	
	ITC Ltd	726,521.74	
	Marico Ltd	137,276.39	
	Nestle India Ltd	172,478.03	
	Procter & Gamble Hygiene & Healthcare Lt	73,706.28	
	11.50% GOI 2010	2,126.78	
	6.35% GOI 2 Jan 2020	35,960.00	
	6.57 GOI 24Feb2011	33,878.16	
	7.02 GOI 17 Aug 2016	203,374.52	
	7.27%GOI2013	35.56	
	7.37 GOI 16 April 2014.	17,338.96	
	7.38% GOI 03Sep15	993.00	
	7.4 GOI 3 May 2012.	46,448.64	
	7.50%GOI2010	1,306.05	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	7.55 GOI 14 May 2010	17,646.80	
	7.59% GOI 2016	50,660.61	
	7.99%GOI2017	36,067.20	
	8.07%GOI15Jan17	15,390.00	
	9.39 GOI 2 Jul 2011	400,550.32	
	9.40GOI 2012	1,801.08	
	91 Days T Bill 23 April 2010	2,993.11	
	91 Days T Bill 30 April 2010	3,638.94	
	IBN 18 Broadcast Ltd	35,357.46	
	IBN-18Rights1	3,551.02	
	Jagran Prakashan Ltd	210,725.09	
	Network 18% CP	4,772.74	
	Sun TV Network Limited	138,851.33	
	Television Eighteen India Ltd	135,611.67	
	Gujarat Nre Coke Ltd	16,713.36	
	Hindustan Zinc Ltd	133,302.28	
	Jindal Steel & Power Ltd	296,066.27	
	Jsw Steel Limited.	39,838.35	
	Phillips Carbon Black Ltd	46,180.64	
	Steel Authority of India Ltd	12,627.50	
	Sterlite Industries (India) Ltd	373,468.03	
	Tata Steel Ltd	332,977.21	
	Usha Martin Limited	72,518.63	
	10% Non-Convertible Debentures Tata Chemicals 2 Jul 2019	101,086.69	
	11.50Aditya Birla Nuvo 19 Dec 2011	74,797.07	
	11.90% Pidilite Bond 5 Dec 2013	41,838.75	
	6%Indian Hotels13May2011	86,061.50	
	7.40 Tata Chemical 23 Nov 2011	115,370.80	
	9.5%Indhotel2012	46,764.51	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	108,331.79	
	Amara Raja Batteries Limited	13,390.02	
	Asian Paints (India) Ltd	356,036.22	
	Bayer Cropscience Limited	104.22	
	Bharat Electronics Ltd	9,360.41	
	Blue Star Ltd	33,916.45	
	Everest Kanto Cylinder Limited	3,907.16	
	Exide Industries Ltd	252,903.11	
	Great Eastern Shipping Co Ltd	85,371.54	
	Net Current Assets	799,421.78	
	Opto Circuits (India) Limited.	22,619.83	
	Pidilite Industries Limited	91,473.64	
	Sintex Industries Ltd	119,999.60	
	Tata Chemicals Ltd	102,902.92	
	United Phosphorous Limited	72,678.01	
	United Spirits Ltd	150,944.84	
	Voltas Ltd.	51,502.40	
	Welspun Gujarat Stahl Rohren Limited	9,454.36	
	Cadila Healthcare Limited	31,114.76	
	GlaxoSmithKline Consumer Healthcare Ltd	140,802.47	
	IPCA Laboratories Limited	229,951.99	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Lupin Limited	113,408.39	
	Piramal Healthcare Ltd	123,437.02	
	Sun Pharmaceutical Industries Ltd	436,156.67	
	Bharti Airtel Ltd	745,363.30	
	Onmobile Global Ltd	2,362.99	
	5.5 NPC 14 Aug 2013	97,738.29	
	6.15 NPCIL 14 Aug 2010	58,767.06	
	6.7%Relinfra19Aug18	4,354.76	
	8.68PGCI I07Dec2010	21,546.77	
	8.90 Power Grid Corporation Limited 25 Feb 2017	49,143.14	
	9.25Powergridco09Feb2011	12,780.72	
	9.47%PGCI 31Mar2012	14,343.50	
	9.47PGCI 31Mar2013	52,346.66	
	Adani Power Limited	79,050.17	
	CESC Ltd.	32,791.65	
	Godawari Power Ispat Ltd	12,734.40	
	Gujarat State Petronet Ltd	57,907.28	
	GVK Power & Infrastructure Limited	20,195.33	
	Indiabull Power Limited	5,668.30	
	National Hydroelectric Power Corporation Ltd	43,840.39	
	NTPC Ltd	2,071.88	
	Reliance Energy Ltd	357,380.17	
	Tata Power Limited	301,561.51	
Others Total		**11,848,887.90**	**29%**
Grand Total		**40,227,060.85**	**100%**

GROWTH SUPER FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 15 Jan 2011	9,900.00	
	7.50 State Bank of Travancore 18 Jan 2011	9,900.00	
	Allahabad Bank CD 07 April 10	29,969.64	
	Allahabad Bank CD 7 June 2010	49,460.54	
	Axis Bank CD 21 Jan 2011	47,600.05	
	Axis Bank Ltd	159,804.92	
	Bank of Baroda Ltd	123,835.11	
	Canara Bank CD 07 April 2010	79,921.88	
	Canara Bank CD 15June2010	29,737.28	
	Corporation Bank CD 1 Nov 2010	48,421.07	
	Federal Bank CD 02 July 2010	98,683.26	
	Federal Bank Limited	115,294.41	
	Housing Development Finance Corp Bank	641,138.93	
	ICICI Bank Ltd	674,942.45	
	Jammu & Kashmir Bank Ltd.	124,419.11	
	Kotak Mahindra Bank Ltd	40,027.52	
	Oriental Bank of Commerce	19,381.85	
	PNB CD 19 April 2010	39,885.63	
	Punjab National Bank CD 06 April 2010	199,842.12	
	Punjab National Bank CD 28 Jan 2011	56,991.22	
	State Bank of India	453,614.95	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	State Bank of Mysore 15 Jul 2010	45,368.36	
	Union Bank of India	54,152.67	
Banking Services Total		**3,152,292.97**	**20%**
Fast Moving Capital Goods	8.25 Secured Redeemable NCD Bonus Debenture	3,573.05	
	Britannia Industries Ltd	33,108.33	
	Dabur India Ltd	98,017.08	
	Gillette India Ltd.	34,020.43	
	Hindustan Unilever Ltd	223,456.55	
	ITC Ltd	413,482.51	
	Marico Ltd	52,423.93	
	Nestle India Ltd	122,647.31	
	Procter & Gamble Hygiene & Healthcare Lt	30,385.97	
Fast Moving Capital Goods Total		**1,011,115.16**	**6%**
Financial Institutions	8.69%IRFC2011.	11,192.41	
	Bajaj Finserv Ltd	57,523.33	
	Bajaj Holdings And Investment Ltd	30,207.50	
	Birla Sun Life Cash Plus - Instl. Prem. - Growth	320,185.27	
	HDFC Liquid Premium Fund Growth Plan	-	
	ICICI Prudential Liquid Plan Super Institutional-Growth Plan	40,121.07	
	Il & Fs CP 19 Nov 2010	144,680.69	
	India Infoline Ltd	79,890.05	
	Kotak Liquid (Institutional Premium) - Growth	-	
	REC CP 20 April 2010	111,242.28	
	Rural Electrification Corporation Limited	65,644.98	
	SBI Micf Cash Plan Growth Option	-	
Financial Institutions Total		**860,687.58**	**5%**
Information Technology	Hexaware Technologies Limited	23,546.25	
	ICSA (India) Limited	31,286.07	
	Infosys Technologies Ltd	1,125,873.49	
	Mphasis Ltd	3,722.70	
	Polaris Sowtware Labs Limited	15,734.40	
	Tata Consultancy Services Ltd	437,972.75	
	Wipro Ltd	291,556.78	
Information Technology Total		**1,929,692.44**	**12%**
Infrastructure	9.15 L&T 5 Jan 2019	35,745.80	
	9.2 L&T 21 Jan 2012	10,344.10	
	Alstom Projects India Limited	5,694.93	
	Anant Raj Industries Limited	10,080.93	
	BGR Energy Systems Limited	20,467.56	
	Bharat Earth Movers Ltd	44,112.59	
	Bharat Heavy Electricals Ltd	415,267.86	
	Crompton Greaves Ltd	69,003.79	
	Cummins India Ltd	9,747.05	
	DLF Ltd	146,765.19	
	IVRCL Infrastructures & Projects Ltd	41,037.52	
	Jain Irrigation System Ltd	13,472.42	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Jaiprakash Associates Ltd	93,816.60	
	Jyoti Structures Limited	7,519.81	
	Kec International Limited	20,193.56	
	Lanco Infratech Limited	19,090.97	
	Larsen & Toubro Ltd	671,243.18	
	Madhucon Projects Ltd	60,719.70	
	Nagarjuna Cons Co Ltd	41,264.47	
	Patel Engineering Ltd	88,661.48	
	Thermax Ltd	50,919.84	
	Transformers And Rectifiers (India) Limited	8,681.73	
	TRF Ltd	68,569.72	
	Unitech Ltd	62,707.20	
Infrastructure Total		**2,015,128.00**	**13%**
Metals	Gujarat Nre Coke Ltd	22,388.86	
	Hindustan Zinc Ltd	119,889.43	
	Jindal Steel & Power Ltd	189,487.56	
	Jsw Steel Limited.	20,553.25	
	Phillips Carbon Black Ltd	93,684.07	
	Steel Authority of India Ltd	20,961.65	
	Sterlite Industries (India) Ltd	156,747.78	
	Tata Steel Ltd	250,648.91	
	Usha Martin Limited	29,464.00	
Metals Total		**903,825.51**	**6%**
Oil and Gas	10.75% Ril 8 Dec 2018	15,616.04	
	Cairn India Ltd	148,396.74	
	Hindustan Petroleum Corporation Limited.	75,241.19	
	Oil & Natural Gas Corp Ltd	305,758.32	
	Reliance Industries Ltd.	1,247,733.86	
Oil and Gas Total		**1,792,746.15**	**11%**
Others	Amara Raja Battries Limited	10,436.55	
	Asian Paints (India) Ltd	140,170.94	
	Bayer Cropscience Limited	19,642.97	
	Bharat Electronics Ltd	28,907.16	
	Blue Star Ltd	57,879.76	
	Exide Industries Ltd	131,888.06	
	Great Eastern Shipping Co Ltd	59,269.53	
	Net Current Assets	116,077.69	
	Opto Circuits (India) Limited.	55,867.21	
	Pidilite Industries Limited	7,235.71	
	Sintex Industries Ltd	58,770.22	
	Tata Chemicals Ltd	68,381.87	
	United Phosphorous Limited	39,250.04	
	United Spirits Ltd	12,960.29	
	Voltas Ltd.	38,686.66	
	Apollo Tyres Ltd	67,961.05	
	Bajaj Auto Ltd	72,242.67	
	Eicher Motors Ltd	17,798.79	
	Mahindra & Mahindra Ltd.	180,989.55	
	Maruti Udyog Ltd	217,906.30	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	10.48% Grasim 16 Dec 2013	16,188.34	
	Grasim Ltd	114,052.09	
	Mangalam Cement Ltd	40,579.27	
	Shree Cement Ltd	45,623.86	
	11.95 HDFC 26 Nov 2018	2,371.37	
	9.15 LIC Housing Finance 22Oct10	20,274.75	
	Housing Development Finance Corp Ltd	626,839.02	
	LIC Housing CP 6 Dec 2010	38,516.04	
	Jagran Prakashan Ltd	44,211.84	
	Network 18% CP	1,446.63	
	Sun TV Network Limited	45,720.24	
	Television Eighteen India Ltd	21,586.64	
	Cadila Healthcare Limited	13,257.60	
	Glaxosmithkline Consumer Healthcare Ltd	83,491.32	
	IPCA Laboratories Limited	92,357.14	
	Lupin Limited	90,651.53	
	Piramal Healthcare Ltd	64,169.11	
	Sun Pharmaceutical Industries Ltd	174,537.22	
	Bharti Airtel Ltd	443,356.86	
	Onmobile Global Ltd	18,706.34	
	9.47%PGCI 31Mar2012	5,215.82	
	Adani Power Limited	22,665.47	
	CESC Ltd.	19,287.70	
	Godawari Power Ispat Ltd	27,258.79	
	Gujarat State Petronet Ltd	78,637.60	
	GVK Power & Infrastructure Limited	38,182.06	
	Indiabull Power Limited	3,107.69	
	National Hydroelectric Power Corporation Ltd	18,580.53	
	NTPC Ltd	14,196.63	
	Reliance Energy Ltd	171,930.51	
	Tata Power Limited	268,956.55	
Others Total		**4,068,279.58**	**26%**
Grand Total		**15,733,767.39**	**100%**

PENSION BALANCED FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	5.55 Yes Bank FD 22 April 2010	5,200.00	
	7.50 FD State Bank of Travancore 13 Jan 2011	5,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	2,000.00	
	Allahabad Bank CD 07 April 10	5,993.93	
	Axis Bank CD 21 Jan 2011	1,904.00	
	Axis Bank Ltd	1,829.48	
	Bank of Baroda Ltd	1,725.44	
	Housing Development Finance Corp Bank	3,886.34	
	ICICI Bank Ltd	9,392.60	
	ICICI Bank Ltd CD 15 Apr 2010	8,879.06	
	Kotak Mahindra Bank Ltd	283.55	
	Oriental Bank of Commerce	320.95	
	Punjab National Bank CD 06 April 2010	4,996.05	
	Union Bank of India	2,046.10	
Banking Services Total		**53,457.50**	**15%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Financial Institutions	10.95 REC 14 Aug 2011	5,240.55	
	6.42 National Housing Bank 27 Nov 12	11,870.16	
	6.55 National Housing Bank 20 Nov 2012	2,974.61	
	6.85 IRFC 14 Sep 2010	2,003.66	
	7.65 IDFC 26 Feb 2012	4,038.58	
	8.49PFC 09Oct2011	2,038.04	
	8.69% IRFC 2011	8,139.94	
	8.80% Sundaram Finance Ltd 23 Dec 2011	1,025.01	
	8.95PFC 30 March 2015	5,075.37	
	9.25 Reliance Capital 30 May 2011	3,079.94	
	Il & Fs CP 19 Nov 2010	9,639.62	
	REC CP 20 April 2010	4,489.60	
	Reliance Capital CP 03 Jan 2011	1,904.41	
	Reliance Capital CP 09 March 2011	4,675.11	
	Rural Electrification Corporation Limited	250.65	
	Sundaram Finance Limited	1,768.17	
	Tata Liquid High Investment Plan - Growth	600.00	
Financial Institutions Total		**68,813.42**	**19%**
Government of India	11.50% GOI 2010	1,013.72	
	6.57 GOI 24Feb2011	23,800.80	
	7.02 GOI 17 Aug 2016	10,683.48	
	7.37 GOI 16 April 2014.	5,040.40	
	7.4 GOI 3 May 2012.	2,867.20	
	7.50%GOI2010	552.56	
	9.39 GOI 2 Jul 2011	34,508.57	
	9.40GOI 2012	4,681.73	
Government of India Total		**83,148.46**	**23%**
Housing Finance	11.15% HDFC 06 Aug 2018.	3,405.56	
	6.9 LIC Housing Finance 23 April 2011	2,007.32	
	7.99 LIC Housing Finance 12 March 2013	4,033.12	
	9.15 LIC Housing Finance 22Oct10	4,054.95	
	9.7HDFC19July2017.	1,053.59	
	Housing Development Finance Corp Ltd	8,673.30	
Housing Finance Total		**23,227.84**	**6%**
Information Technology	7.55% HCL 25 Aug 2011	10,071.26	
	Infosys Technologies Ltd	7,664.73	
	Polaris Sowtware Labs Limited	65.23	
	Tata Consultancy Services Ltd	2,565.22	
	Wipro Ltd	618.58	
Information Technology Total		**20,985.02**	**6%**
Infrastructure	9.2 L&T 21 Jan 2012	1,034.41	
	Alstom Projects India Limited	367.92	
	BGR Energy Systems Limited	59.09	
	Bharat Earth Movers Ltd	734.72	
	Bharat Heavy Electricals Ltd	4,496.81	
	Crompton Greaves Ltd	684.99	
	Jaiprakash Associates Ltd	2,450.83	
	Lanco Infratech Limited	286.83	
	Larsen & Toubro Ltd	8,229.27	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Madhucon Projects Ltd	32.79	
	Thermax Ltd	340.98	
	Transformers And Rectifiers (India) Limited	58.30	
Infrastructure Total		**18,776.94**	**5%**
Oil and Gas	11.45 Reliance Industries 2013	5,580.15	
	7.00 IOC 24 Jul 2012	2,984.39	
	Cairn India Ltd	2,735.57	
	Oil & Natural Gas Corp Ltd	1,631.57	
	Reliance Industries Ltd.	7,427.36	
Oil and Gas Total		**20,359.04**	**6%**
Others	6% Indian Hotels 13May2011	991.10	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	3,186.23	
	Bharat Electronics Ltd	748.83	
	Everest Industries Limited	97.26	
	Exide Industries Ltd	311.20	
	Great Eastern Shipping Co Ltd	361.87	
	Net Current Assets	22,871.13	
	Pidilite Industries Limited	4,147.20	
	Tata Chemicals Ltd	1,388.07	
	United Phosphorous Limited	567.26	
	Zodiac Clothing Company Limited	1,586.40	
	2 Tata Motors 31 Mar 2013	13,984.21	
	Apollo Tyres Ltd	1,026.70	
	Mahindra & Mahindra Ltd.	1,106.52	
	Wabco TVs	434.59	
	Grasim Ltd	492.60	
	Mangalam Cement Ltd	2,213.90	
	8.25 Secured Redeemable NCD Bonus Debenture	20.71	
	Britannia Industries Ltd	191.89	
	Hindustan Unilever Ltd	778.54	
	ITC Ltd	3,603.79	
	Marico Ltd	127.48	
	Nestle India Ltd	932.04	
	Jagran Prakashan Ltd	235.20	
	Jindal Steel & Power Ltd	1,515.18	
	Phillips Carbon Black Ltd	545.24	
	Sarda Energy	190.00	
	Steel Authority of India Ltd	1,983.78	
	Cadila Healthcare Limited	473.13	
	Lupin Limited	218.06	
	Sun Pharmaceutical Industries Ltd	2,059.01	
	Bharti Airtel Ltd	406.32	
	6.15 NPCIL 14 Aug 2010	1,997.18	
	Gujarat State Petronet Ltd	1,228.50	
	GVK Power & Infrastructure Limited	1,339.49	
	National Hydroelectric Power Corporation Ltd	10.29	
	NTPC Ltd	518.13	
	Reliance Energy Ltd	599.43	
	Tata Power Limited	1,083.81	
Others Total		**75,572.27**	**21%**
Grand Total		**364,340.49**	**100%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

PENSION CONSERVATIVE FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	1,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	1,000.00	
	Axis Bank Ltd	203.28	
	Housing Development Finance Corp Bank	48.34	
	ICICI Bank Ltd	242.89	
	State Bank of India	440.58	
Banking Services Total		**2,935.09**	**8%**
Financial Institutions	6.42 National Housing Bank 27 Nov 12	989.18	
	6.85 IRFC 14 Sep 2010	1,001.83	
	8.80% Sundaram Finance Ltd 23 Dec 2011	1,025.01	
Financial Institutions Total		**3,016.02**	**9%**
Government of India	11.50% GOI 2010	58.80	
	6.57 GOI 24Feb2011	3,038.40	
	7.02 GOI 17 Aug 2016	5,438.86	
	7.55 GOI 14 May 2010	2,208.36	
	9.39 GOI 2 Jul 2011	8,157.33	
Government of India Total		**18,901.75**	**55%**
Oil and Gas	7.00 IOC 24 Jul 2012	994.80	
	Oil & Natural Gas Corp Ltd	214.25	
	Reliance Industries Ltd.	736.94	
Oil and Gas Total		**1,945.99**	**6%**
Others	11.90% Pidilite Bond 5 Dec 2013	2,261.55	
	Asian Paints (India) Ltd	26.51	
	Net Current Assets	1,314.47	
	Tata Chemicals Ltd	7.55	
	2 Tata Motors 31 Mar 2013	1,075.71	
	8.25 Secured Redeemable NCD Bonus Debenture	0.52	
	Britannia Industries Ltd	4.80	
	Hindustan Unilever Ltd	127.68	
	ITC Ltd	278.31	
	Marico Ltd	2.40	
	9.5%HDFC280213.	1,046.23	
	Housing Development Finance Corp Ltd	203.79	
	Infosys Technologies Ltd	408.09	
	Tata Consultancy Services Ltd	12.49	
	Alstom Projects India Limited	62.47	
	Bharat Heavy Electricals Ltd	129.10	
	Larsen & Toubro Ltd	366.94	
	Sterlite Industries (India) Ltd	12.75	
	Sun Pharmaceutical Industries Ltd	114.69	
	Bharti Airtel Ltd	90.01	
	NTPC Ltd	196.89	
	Reliance Energy Ltd	11.99	
	Tata Power Limited	68.68	
Others Total		**7,823.62**	**23%**
Grand Total		**34,622.47**	**100%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

PENSION GROWTH FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	5.55 Yes Bank FD 22 April 2010	10,000.00	
	7.50 FD State Bank of Travancore 13 Jan 2011	5,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	8,000.00	
	7.50 State Bank of Travancore 18 Jan 2011	9,900.00	
	8.96SBI12Sep2021	1,008.77	
	Allahabad Bank CD 07 April 10	14,984.82	
	Allahabad Bank CD 7 June 2010	29,676.32	
	Axis Bank Ltd	21,671.04	
	Bank of Baroda CD 12 Jul 2010	13,807.41	
	Bank of Baroda Ltd	10,671.50	
	Canara Bank CD 07 April 2010	9,990.24	
	Canara Bank CD 15June2010	9,912.43	
	Citifinancialconfin210610	2,959.35	
	Federal Bank CD 23 April 2010	9,963.66	
	Federal Bank Limited	1,612.57	
	HDFC Bank CD 08 March 2011	9,425.06	
	Housing Development Finance Corp Bank	46,452.34	
	ICICI Bank CD 13 April 2010	13,972.48	
	ICICI Bank Ltd	45,379.96	
	ICICI Bank Ltd CD 15 Apr 2010	2,993.64	
	Jammu & Kashmir Bank Ltd.	7,782.97	
	Kotak Mahindra Bank Ltd	9,269.58	
	Oriental Bank of Commerce	7,863.28	
	Punjab National Bank CD 06 April 2010	3,996.84	
	State Bank of India	24,075.95	
Banking Services Total		**330,370.21**	**20%**
Fast Moving Capital Goods	8.25 Secured Redeemable NCD Bonus Debenture	167.74	
	9.40Tatatea08Nov2010	3,046.58	
	Britannia Industries Ltd	1,554.28	
	Dabur India Ltd	840.21	
	Hindustan Unilever Ltd	18,937.63	
	ITC Ltd	28,255.25	
	Marico Ltd	5,943.23	
	Nestle India Ltd	27,774.24	
Fast Moving Capital Goods Total		**86,519.16**	**5%**
Financial Institutions	10% IDFC 2012	2,111.61	
	11% IDFC 21Jul2010	47,614.37	
	6.42 National Housing Bank 27 Nov 12	29,675.41	
	6.85 IRFC 14 Sep 2010	5,009.16	
	7.65 IDFC 26 Feb 2012	20,192.91	
	8.49PFC 09Oct2011	2,038.04	
	8.69% IRFC 2011	9,157.43	
	8.85%Tatasons2016	1,031.15	
	8.95PFC 30 March 2015	15,226.10	
	Bajaj Holdings And Investment Ltd	2,416.60	
	ICICI Prudential Liquid Plan Institutional Plus-Growth Plan	70,430.35	
	Il & Fs CP 19 Nov 2010	4,819.81	
	India Infoline Ltd	3,281.81	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	IRFC8.75%07Jan13.	11,334.50	
	Rural Electrification Corporation Limited	250.65	
	Sundaram Finance Limited	293.88	
Financial Institutions Total		**224,883.78**	**14%**
Housing Finance	11.15% HDFC 06 Aug 2018.	11,351.86	
	11.65% HDFC 09Sep2010	7,143.11	
	6.85 LIC Housing Finance 28 Sep 2011	14,954.77	
	6.9 LIC Housing Finance 23 April 2011	15,054.91	
	7.24 LIC Housing Finance 23 June 2011	40,093.09	
	7.99 LIC Housing Finance 12 March 2013	10,082.80	
	8.00% ICICI Housing Finance 14 Sep 2011	10,116.51	
	9.5% HDFC 280213.	5,231.15	
	9.7HDFC19July2017.	5,267.95	
	Housing Development Finance Corp Ltd	40,431.94	
	LIC Housing CP 6 Dec 2010	19,258.02	
	Zero Coupon HDFC 24 Aug 2011	31,300.14	
Housing Finance Total		**210,286.25**	**13%**
Information Technology	7.55% HCL 25 Aug 2011	20,142.52	
	Hexaware Technologies Limited	2,450.58	
	ICSA (India) Limited	382.05	
	Infosys Technologies Ltd	73,468.96	
	Mphasis Ltd	164.42	
	Polaris Sowtware Labs Limited	2,704.35	
	Tata Consultancy Services Ltd	37,197.97	
	Wipro Ltd	4,517.41	
Information Technology Total		**141,028.26**	**9%**
Infrastructure	9.2 L&T 21 Jan 2012	5,172.05	
	Alstom Projects India Limited	4,894.13	
	BGR Energy Systems Limited	2,954.33	
	Bharat Earth Movers Ltd	5,384.45	
	Bharat Heavy Electricals Ltd	36,799.28	
	Crompton Greaves Ltd	6,301.94	
	IVRCL Infrastructures & Projects Ltd	2,649.36	
	Jain Irrigation System Ltd	3,155.57	
	Jaiprakash Associates Ltd	6,004.43	
	Jyoti Structures Limited	3,560.90	
	Lanco Infratech Limited	4,596.92	
	Larsen & Toubro Ltd	48,054.63	
	Madhucon Projects Ltd	2,719.44	
	Nagarjuna Cons Co Ltd	4,731.16	
	Patel Engineering Ltd	3,892.82	
	Punj Lloyd Ltd	1,529.21	
	Thermax Ltd	5,813.62	
	Transformers And Rectifiers (India) Limited	619.40	
Infrastructure Total		**148,833.64**	**9%**
Oil and Gas	10.75% Ril 8 Dec 2018	11,154.31	
	Cairn India Ltd	8,430.44	
	Hindustan Petroleum Corporation Limited.	4,300.43	
	Oil & Natural Gas Corp Ltd	17,112.25	
	Reliance Industries Ltd.	86,616.78	
Oil and Gas Total		**127,614.21**	**8%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Others	2 Tata Motors 31 Mar 2013	19,362.75	
	Apollo Tyres Ltd	886.25	
	Bajaj Auto Ltd	8,603.20	
	Mahindra & Mahindra Ltd.	11,908.62	
	Maruti Udyog Ltd	7,089.75	
	10.48% Grasim 16 Dec 2013	21,584.46	
	Mangalam Cement Ltd	12,204.50	
	IBN 18 Broadcast Ltd	463.00	
	IBN-18Rights1	46.50	
	Jagran Prakashan	4,493.03	
	Network 18% CP	134.42	
	Television Eighteen India Ltd	113.85	
	Hindustan Zinc Ltd	4,130.92	
	Jindal Steel & Power Ltd	13,956.54	
	Phillips Carbon Black Ltd	1,309.99	
	Sterlite Industries (India) Ltd	12,494.27	
	Usha Martin Limited	660.40	
	10% Non-Convertible Debentures Tata Chemicals 2 Jul 2019	5,320.35	
	11.90% Pidilite Bond 5 Dec 2013	6,784.66	
	6%Indian Hotels13May2011	1,982.20	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	8,496.61	
	Amara Raja Battries Limited	1,149.40	
	Asian Paints (India) Ltd	10,124.93	
	Bayer Cropscience Limited	651.40	
	Bharat Electronics Ltd	1,101.23	
	Blue Star Ltd	3,421.46	
	Exide Industries Ltd	6,444.22	
	Great Eastern Shipping Co Ltd	4,560.10	
	Net Current Assets	46,421.85	
	Nirma Limited	6,980.99	
	Pidilite Industries Limited	7,665.87	
	Tata Chemicals Ltd	4,019.84	
	United Phosphorous Limited	746.00	
	United Spirits Ltd	3,633.85	
	Voltas Ltd.	7,902.49	
	Zodiac Clothing Company Limited	943.54	
	Cadila Healthcare Limited	3,894.42	
	Glaxosmithkline Consumer Healthcare Ltd	5,183.76	
	IPCA Laboratories Limited	8,139.26	
	Lupin Limited	14,402.05	
	Piramal Healthcare Ltd	1,357.08	
	Sun Pharmaceutical Industries Ltd	13,196.29	
	Bharti Airtel Ltd	24,250.13	
	9.47%PGCI 31Mar2012	2,607.91	
	Adani Power Limited	3,886.00	
	CESC Ltd.	3,202.43	
	Godawari Power Ispat Ltd	2,625.00	
	Gujarat State Petronet Ltd	6,061.33	
	GVK Power & Infrastructure Limited	1,876.70	
	Indiabull Power Limited	195.82	
	National Hydroelectric Power Corporation Ltd	7,615.51	
	NTPC Ltd	5,693.99	
	Reliance Energy Ltd	14,351.35	
	Tata Power Limited	12,181.53	
Others Total		**378,514.00**	**23%**
Grand Total		**1,648,049.51**	**100%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

PENSION GROWTH SUPER FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 15 Jan 2011	4,000.00	
	Allahabad Bank CD 07 April 10	11,987.86	
	Allahabad Bank CD 7 June 2010	24,730.27	
	Axis Bank Ltd	34,142.11	
	Bank of Baroda Ltd	15,884.23	
	Canara Bank CD 07 April 2010	14,985.35	
	Federal Bank CD 23 April 2010	4,981.83	
	Federal Bank Limited	7,254.85	
	Housing Development Finance Corp Bank	84,275.46	
	ICICI Bank Ltd	55,987.95	
	Jammu & Kashmir Bank Ltd.	8,300.38	
	Kotak Mahindra Bank Ltd	9,987.80	
	Oriental Bank of Commerce	6,260.45	
	PNB CD 19 April 2010	4,985.70	
	Punjab National Bank CD 06 April 2010	15,987.37	
	Punjab National Bank CD 28 Jan 2011	9,498.54	
	State Bank of India	34,924.15	
	Union Bank of India	621.14	
Banking Services Total		**348,795.44**	**23%**
Fast Moving Capital Goods	8.25 Secured Redeemable NCD Bonus Debenture	264.38	
	Britannia Industries Ltd	2,985.43	
	Dabur India Ltd	1,588.00	
	Gillette India Ltd.	1,619.01	
	Hindustan Unilever Ltd	29,217.43	
	ITC Ltd	35,543.32	
	Marico Ltd	1,286.79	
	Nestle India Ltd	16,899.56	
Fast Moving Capital Goods Total		**89,403.92**	**6%**
Information Technology	Hexaware Technologies Limited	1,166.67	
	ICSA (India) Limited	413.89	
	Infosys Technologies Ltd	94,880.51	
	Mphasis Ltd	6,824.95	
	Polaris Sowtware Labs Limited	2,028.10	
	Tata Consultancy Services Ltd	38,359.58	
	Wipro Ltd	30,391.07	
Information Technology Total		**174,064.77**	**11%**
Oil and Gas	Cairn India Ltd	15,918.86	
	Hindustan Petroleum Corporation Limited.	8,600.85	
	Oil & Natural Gas Corp Ltd	30,457.06	
	Oil India Limited	2,363.77	
	Reliance Industries Ltd.	93,794.92	
Oil and Gas Total		**151,135.46**	**10%**
Infrastructure	Alstom Projects India Limited	7,663.21	
	BGR Energy Systems Limited	4,791.92	
	Bharat Earth Movers Ltd	5,887.21	
	Bharat Heavy Electricals Ltd	35,068.44	
	Crompton Greaves Ltd	5,548.32	
	IVRCL Infrastructures & Projects Ltd	13,401.51	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Jain Irrigation System Ltd	3,650.28	
	Jaiprakash Associates Ltd	16,309.92	
	Jyoti Structures Limited	5,674.87	
	Kec International Limited	2,356.20	
	Lanco Infratech Limited	4,719.58	
	Larsen & Toubro Ltd	61,209.06	
	Madhucon Projects Ltd	6,698.18	
	Nagarjuna Cons Co Ltd	3,259.18	
	Patel Engineering Ltd	1,616.32	
	Punj Lloyd Ltd	1,001.39	
	Thermax Ltd	3,181.30	
	Transformers And Rectifiers (India) Limited	2,400.70	
Infrastructure Total		**184,437.59**	**12%**
Others	10% IDFC 2012	2,111.61	
	Bajaj Holdings And Investment Ltd	3,020.75	
	ICICI Prudential Liquid Plan Institutional Plus - Growth Plan	54,629.84	
	Il & Fs CP 19 Nov 2010	4,819.81	
	India Infoline Ltd	2,283.00	
	Rural Electrification Corporation Limited	4,302.16	
	Sundaram Finance Limited	4,321.78	
	Apollo Tyres Ltd	1,683.88	
	Bajaj Auto Ltd	11,081.40	
	Mahindra & Mahindra Ltd.	21,506.75	
	Maruti Udyog Ltd	7,544.91	
	10.48% Grasim 16 Dec 2013	8,633.78	
	Grasim Ltd	10,707.69	
	Mangalam Cement Ltd	12,204.50	
	Shree Cement Ltd	7,543.75	
	9.5%HDFC280213.	1,046.23	
	Housing Development Finance Corp Ltd	52,811.50	
	LIC Housing CP 6 Dec 2010	9,629.01	
	IBN 18 Broadcast Ltd	694.50	
	IBN-18Rights1	69.75	
	Jagran Prakashan Ltd	6,287.48	
	Network 18% CP	102.96	
	Television Eighteen India Ltd	104.36	
	Hindustan Zinc Ltd	7,635.58	
	Jindal Steel & Power Ltd	21,620.33	
	Jsw Steel Limited.	702.60	
	Phillips Carbon Black Ltd	3,789.27	
	Sarda Energy	269.42	
	Steel Authority of India Ltd	1,231.94	
	Sterlite Industries (India) Ltd	29,083.59	
	Usha Martin Limited	6,096.00	
	Amara Raja Battries Limited	5,254.40	
	Asian Paints (India) Ltd	3,054.20	
	Bayer Cropscience Limited	977.10	
	Bharat Electronics Ltd	10,571.76	
	Blue Star Ltd	6,676.36	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	Everest Industries Limited	1,391.49	
	Exide Industries Ltd	10,878.19	
	Great Eastern Shipping Co Ltd	7,559.17	
	Net Current Assets	25,828.06	
	Pidilite Industries Limited	16,088.14	
	Sintex Industries Ltd	2,513.23	
	Tata Chemicals Ltd	6,743.48	
	United Phosphorous Limited	86.54	
	United Spirits Ltd	5,219.53	
	Voltas Ltd.	7,675.58	
	Zodiac Clothing Company Limited	195.84	
	Cadila Healthcare Limited	7,074.59	
	Glaxosmithkline Consumer Healthcare Ltd	11,026.14	
	IPCA Laboratories Limited	6,987.09	
	Lupin Limited	7,323.08	
	Piramal Healthcare Ltd	1,803.06	
	Sun Pharmaceutical Industries Ltd	19,916.29	
	Bharti Airtel Ltd	32,692.73	
	9.47%PGCI 31Mar2012	1,303.95	
	Adani Power Limited	7,563.08	
	CESC Ltd.	2,414.07	
	Godawari Power Ispat Ltd	2,514.49	
	Gujarat State Petronet Ltd	9,362.93	
	GVK Power & Infrastructure Limited	5,777.76	
	Indiabull Power Limited	262.88	
	National Hydroelectric Power Corporation Ltd	6,664.13	
	NTPC Ltd	5,990.15	
	Reliance Energy Ltd	18,159.73	
	Tata Power Limited	12,809.29	
Others Total		**567,928.64**	**37%**
Grand Total		**1,515,765.82**	**100%**

PENSION SECURED FUND

Industry	Security Name	Amount	Percentage of NAV
Automobiles	2 Tata Motors 31 Mar 2013	10,757.08	
Automobiles Total		**10,757.08**	**7%**
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	4,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	2,000.00	
	ICICI Bank Ltd CD 15 Apr 2010	1,696.47	
Banking Services Total		**7,696.47**	**5%**
Financial Institutions	7.65 IDFC 26 Feb 2012	2,019.29	
	8.50 Exim 12 Sep 2011	3,054.75	
	8.69%IRFC2011.	4,069.97	
	8.80% Sundaram Finance Ltd 23 Dec 2011	1,025.01	
	8.95PFC 30 March 2015	6,090.44	
	9.25 Reliance Capital 30 May 2011	5,133.24	
	9.45%Nabard22Apr2011	1,001.92	
	Il & Fs CP 19 Nov 2010	5,790.77	
	Reliance Capital CP 03 Jan 2011	952.20	
	Tata Liquid High Investment Plan - Growth	600.00	
Financial Institutions Total		**29,737.59**	**20%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Government of India	6.57 GOI 24Feb2011	42,031.20	
	7.02 GOI 17 Aug 2016	3,884.90	
	7.37 GOI 16 April 2014.	5,040.40	
	7.55 GOI 14 May 2010	30,204.34	
	9.39 GOI 2 Jul 2011	682.40	
Government of India Total		**81,843.24**	**55%**
Others	10.48% Grasim 16 Dec 2013	2,158.45	
	11.65%HDFC09Sep2010.	1,020.44	
	7.55% HCL 25 Aug 2011	4,028.50	
	9.2 L&T 21 Jan 2012	1,034.41	
	11.45 Reliance Industries 2013	2,232.06	
	7.00 IOC 24 Jul 2012	994.80	
	11.90% Pidilite Bond 5 Dec 2013	1,130.78	
	Net Current Assets	5,252.63	
	8.68 PGCI I 07Dec2010	1,267.46	
Others Total		**19,119.53**	**13%**
Grand Total		**149,153.91**	**100%**

SECURED FUND

Industry	Security Name	Amount	Percentage of NAV
Automobiles	2 Tata Motors 31 Mar 2013	35,498.38	
	2.00 Tata Motors 31 Mar 2011	4,163.66	
Automobiles Total		**39,662.04**	**6%**
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	9,900.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	6,000.00	
	9.95 Axis Bank 28 March 2019	7,483.56	
	Allahabad Bank CD 07 April 10	4,994.94	
	Bank of Baroda CD 12 Jul 2010	4,931.22	
	Corporation Bank CD 1 Nov 2010	2,421.05	
	ICICI Bank Ltd CD 15 Apr 2010	998.13	
Banking Services Total		**36,728.90**	**5%**
Financial Institutions	10% IDFC 2012	5,279.01	
	6.42 National Housing Bank 27 Nov 12	3,956.72	
	6.55 National Housing Bank 20 Nov 2012	9,915.37	
	6.85 IRFC 14 Sep 2010	3,005.50	
	7.75 REC 17 Nov 2012	5,007.06	
	8.15% Reliance Capital 22 July 2011	10,123.56	
	8.49PFC 09Oct2011	2,038.04	
	8.50 Exim 12 Sep 2011	1,018.25	
	8.69%IRFC2011	1,017.49	
	8.80% Sundaram Finance Ltd 23 Dec 2011	3,075.03	
	8.95PFC 30 March 2015	10,150.73	
	9.25 Reliance Capital 30 May 2011	20,532.95	
	ICICI Prudential Liquid Plan Institutional Plus - Growth Plan	7,900.00	
	Il & Fs CP 19 Nov 2010	25,063.02	
	IRFC8.75%07Jan13.	1,030.41	
	REC CP 20 April 2010	6,983.82	
	Reliance Capital CP 03 Jan 2011	9,522.05	
Financial Institutions Total		**125,619.01**	**18%**

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
Government of India	11.50% GOI 2010	2,041.63	
	6.57 GOI 24Feb2011	74,643.36	
	7.02 GOI 17 Aug 2016	13,597.15	
	7.27%GOI2013	71.11	
	7.37 GOI 16 April 2014.	43,347.40	
	7.4 GOI 3 May 2012.	9,103.36	
	7.55 GOI 14 May 2010	60,358.49	
	9.39 GOI 2 Jul 2011	165,944.54	
	9.40GOI 2012	530.95	
Government of India Total		**369,637.99**	**52%**
Housing Finance	11.25 HDFC 4 Sep 2018	4,567.10	
	11.65% HDFC 09Sep2010	3,061.33	
	11.95 HDFC 26 Nov 2018	2,371.37	
	6.85 LIC Housing Finance 28 Sep 2011	3,987.94	
	6.9 LIC Housing Finance 23 April 2011	20,073.22	
	7.99 LIC Housing Finance 12 March 2013	2,016.56	
	8.00% ICICI Housing Finance 14 Sep 2011	5,058.26	
	9.5% HDFC 270213	5,230.92	
	9.75 ICICI Housing Fin Subordinate (Tier II) Bonds 24 Apr 2019	2,117.42	
Housing Finance Total		**48,484.12**	**7%**
Others	10.48% Grasim 16 Dec 2013	4,316.89	
	9.40 Tatatea 08Nov2010	7,108.69	
	7.55% HCL 25 Aug 2011	28,199.53	
	11.50Aditya Birla Nuvo 19 Dec 2011	3,205.59	
	11.90% Pidilite Bond 5 Dec 2013	2,261.55	
	7.40 Tata Chemical 23 Nov 2011	5,016.12	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	10,620.76	
	Net Current Assets	23,162.26	
	6.15 NPCIL 14 Aug 2010	4,992.95	
	9.47% PGCI 31Mar2012	5,215.82	
Others Total		**94,100.16**	**13%**
Grand Total		**714,232.22**	**100%**

MONEY MARKET FUND

Industry	Security Name	Amount	Percentage of NAV
Government of India	91 Days T Bill 23 April 2010	46,891.89	
	91 Days T Bill 30 April 2010	46,206.78	
Government of India Total		**93,098.67**	**99%**
Others	Net Current Assets	1,192.43	
Others Total		**1,192.43**	**1%**
Grand Total		**94,291.10**	**100%**

SECURE PLUS FUND

Industry	Security Name	Amount	Percentage of NAV
Banking Services	7.50 FD State Bank of Travancore 13 Jan 2011	2,000.00	
	7.50 FD State Bank of Travancore 15 Jan 2011	1,000.00	
	Canara Bank CD 15June2010	2,973.73	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Industry	Security Name	Amount	Percentage of NAV
	ICICI Bank Ltd CD 15 Apr 2010	798.34	
	Punjab National Bank CD 06 April 2010	399.68	
Banking Services Total		**7,171.75**	**8%**
Financial Institutions	6.42 National Housing Bank 27 Nov 12	2,967.54	
	6.55 National Housing Bank 20 Nov 2012	2,974.61	
	8.95PFC 30 March 2015	2,030.15	
	9.25 Reliance Capital 30 May 2011	1,026.65	
Financial Institutions Total		**8,998.95**	**10%**
Government of India	11.50% GOI 2010	1,013.72	
	6.57 GOI 24Feb2011	15,090.72	
	7.02 GOI 17 Aug 2016	2,913.68	
	7.27% GOI 2013	4.06	
	7.37 GOI 16 April 2014.	8,568.67	
	7.55 GOI 14 May 2010	5,822.04	
	9.39 GOI 2 Jul 2011	20,305.15	
	9.40 GOI 2012	36.18	
Government of India Total		**53,754.22**	**62%**
Others	2.00 Tata Motors 31 Mar 2011	3,122.74	
	9.2 L&T 21 Jan 2012	2,068.82	
	11.45 Reliance Industries 2013	1,116.03	
	7.00 IOC 24 Jul 2012	994.80	
	10% Non-Convertible Debentures Tata Chemicals 2 Jul 2019	1,064.07	
	9.80% Non-Convertible Debentures Gesco 3 Jul 2009	2,124.15	
	Net Current Assets	5,045.57	
	5.5 NPC 14 Aug 2013	896.68	
Others Total		**16,432.86**	**19%**
Grand Total		**86,357.78**	**100%**

(aa) Statement showing Controlled Fund

(RS. IN CRORES)

1 Computation of Controlled fund as per the Balance Sheet

	2009-10	2008-09
Policyholders' Fund (Life Fund)		
Participating		
Individual Assurance	2,270	1,767
Individual Pension	37	32
Any other (Pl. Specify)		
Non-participating		
Individual Assurance	123	92
Group Assurance	37	20
Individual Annuity	-	-
Health Assurance	1	2
Linked		
Individual Assurance	6,271	2,909
Group Assurance	57	20
Individual Pension	375	144
Group Superannuation	-	-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	2009-10	2008-09
Group Gratuity	-	-
Any other (Pl. Specify)	-	-
Funds for Future Appropriations	62	17
Total (A)	**9,233**	5,003
Shareholders" Fund		
Paid up Capital	1,839	1,782
Reserves & Surpluses	134	-
Fair Value Change	4	1
Employee Stock Option Plan Outstanding	79	8
Total (B)	**2,056**	1,791
Misc. expenses not written off	(76)	(3)
Credit / (Debit) from P&L A/c	(1,023)	(1,003)
Total (C)	**(1,099)**	(1,006)
Total shareholders' funds (B+C)	**957**	785
Controlled Fund (Total (A+B-C))	**10,190**	5,788

2 **Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account**

	2009-10	2008-09
Opening Balance of Controlled Fund	5,788	3,706
Add: Inflow		
Income		
Premium Income	4,861	3,857
Less: Reinsurance ceded	60	38
Net Premium	4,801	3,819
Investment Income	1,990	(218)
Other Income	0	1
Funds transferred from Shareholders' Accounts	59	372
Total Income	**6,850**	3,974
Less: Outgo		
(i) Benefits paid (Net)	589	221
(ii) Interim Bonus Paid	-	-
(iii) Change in Valuation of Liability	4,186	1,758
(iv) Commission	421	392
(v) Operating Expenses	1,505	1,610
(vi) Provision for Taxation		
(a) FBT	-	8
(b) I.T.	-	-
Total Outgo	**6,701**	3,989
Surplus of the Policyholders' Fund	148	(15)
Less: transferred to Shareholders' Account	103	11
Net Flow in Policyholders' account	45	(26)
Add: Net income in Shareholders' Fund	(21)	(393)
Net In Flow / Outflow	24	(419)
Add: change in valuation Liabilities	4,186	1,758
Add: Increase in Paid up Capital	56	750

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	2009-10	2008-09
Closing Balance of Controlled Fund	10,055	5,795
As Per Balance Sheet	10,190	5,788
Difference, if any	135	(7)
- ESOP	71	0
- FV Change	3	(8)
- Reserves & Surplus	134	-
- Misc Expenditure	(73)	1

3 Reconciliation with Shareholders' and Policyholders' Fund

	2009-10	2008-09
Policyholders' Funds		
Policyholders' Funds - Traditional-PAR and NON-PAR		
Opening Balance of the Policyholders' Fund	1,930	1,392
Add: Surplus of the Revenue Account	45	(26)
Add: change in valuation Liabilities	555	564
Total	**2,530**	**1,930**
As per Balance Sheet	2,530	1,930
Difference, if any	-	-
Policyholders' Funds - Linked		
Opening Balance of the Policyholders' Fund	3,072	1,878
Add: Surplus of the Revenue Account *	-	-
Add: change in valuation Liabilities	3,631	1,194
Total	**6,703**	**3,072**
As per Balance Sheet	6,703	3,072
Difference, if any *	(0)	-
Shareholders'' Funds		
Opening Balance of Shareholders' Fund	786	436
Add: Net income of Shareholders' account (P&L)	(21)	(393)
Add: Infusion of Capital	56	750
Closing Balance of the Shareholders'' fund	821	793
As per Balance Sheet	956	786
Difference, if any **	135	(7)

*Surplus in Linked Fund transferred to Shareholders

**Represents change in Fair value Change, Reserves & Surplus, Employee Stock Option & Miscellaneous Expenditure

(ab) Additional information related to expenses incurred under following activities included under respective heads in Schedule-3:

Heads	Year Ended March 31, 2010	Year Ended March 31, 2009
Outsourcing Expenses	605,047	844,290
Business Development	753	3,450
Marketing Support	660	2,096

(ac) Additional information on Remuneration:

Information under section 217(2A) of the Companies Act, 1956 read with Companies (employees) rules, 1975, as amended, are annexed in the Director's Report.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(ad) The Micro, Small and Medium Enterprises Development Act, 2006:

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

(ae) Comparatives

Previous year figures, under following heads, have been re-classified wherever necessary and significant, to conform to current year's presentation.

Previous year Schedule number/ Line Item	Amount Reclassed	Current year Schedule number/ Line Item
Schedule 11- Current Accounts	30,133	Schedule 8 A - Investments
Schedule 8 A - Investments	48,267	Schedule 9 Loans
Schedule 1- Renewal Premiums	17	Schedule 1- Single Premiums

Impact of Change in Accounting Policies :

Unrealised Loss due to Change in Fair Value of Equity:

Effective this year unrealised losses arising due to change in the fair value of listed equity shares are recognised as under the head 'Fair Value Change Account', as against the policy of recognising in the revenue / profit and loss account. Consequent to the change, the losses in the revenue / profit and loss account for the year would have been higher by Rs 113 and Fair Value Change Account would have been lower to this extent.

Change in Valuation of Investments in Mutual Fund:

Effective this year, Investments in Mutual fund units are valued at previous day's net asset value of the respective fund as against the policy of valuing at net asset value of same day. Consequent to the change, value of investments and Fair Value Change Account would have been lower by Rs 90.

(af) Disclosures forming part of Financial Statements under circular No.005/IRDA/F&A/CIR/MAY-09

2009-10

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
Service Tax Authorities	Delay in Submission of Service Tax Return	4	4	Nil
Income Tax Authorities	Nil	Nil	Nil	Nil
Any other Tax Authorities	Nil	Nil	Nil	Nil
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
Securities and Exchange Board of India	Nil	Nil	Nil	Nil
Competition Commission of India	Nil	Nil	Nil	Nil
Any other Central/State/Local Government / Statutory Authority	Electricity Deptt. Penalty	160	160	NA

Schedules annexed to and forming part of financial statements for the year ended March 31, 2010

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

2008-09

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	(i) Violation u/s 64VB of the Insurance Act 1938, section 6(2) of IRDA (Insurance Advertisements and disclosure) regulations 2000; (ii) Violation of guidelines for ULIP issued vide circular 032/IRDA/Act1/Dec-2005 dt December 21, 2005.	500	500	Nil
Service Tax Authorities	Nil	Nil	Nil	Nil
Income Tax Authorities	Nil	Nil	Nil	Nil
Any other Tax Authorities	Nil	Nil	Nil	Nil
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956 Nil	Nil	Nil	Nil	
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
Securities and Exchange Board of India	Nil	Nil	Nil	Nil
Competition Commission of India	Nil	Nil	Nil	Nil
Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

Signatures to Schedules 1 to 16

As per our report of even date attached

V. NIJHAWAN
Partner
Membership No. F-87228
For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

With respect to the operations of the Max New York Life Company Ltd. (Company) for the financial year April 1, 2009 to March 31, 2010 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 31st March 2010 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 year 2010-11.

2. The Company has duly paid all 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 regulatory 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 31st March, 2010 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 7,342 lakhs in aggregate as at 31st March, 2010.

7. No part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 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:

   (a) 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.

   (b) The investment risk is mitigated 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's business plans. The Company's funds, in case of 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.

   (c) 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.

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(d) 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.

(e) The Company has constituted a Product, Actuarial and Risk Committee for reviewing Risk management elements as required by the Corporate governance guidelines issued by the IRDA.

(f) 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.

	2009-10	2008-09	2007-08	2006-07	2005-06
Average Claim Settlement time (in days)	8	5	9	14	16

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	290	67,600	823	60,400	1,113	128,000
30 Days to 6 months	433	105,700	418	81,100	851	186,800
6 months to 1 year	7	2,000	6	300	13	2,300
1 year – 5 years	-	-	-	-	-	-
5 years & above	-	-	-	-	-	-
Grand Total	**730**	**175,300**	**1,247**	**141,800**	**1,977**	**317,100**

11. The value of investments as shown in Balance Sheet have been arrived as follows :

(i) 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 NSE and in case the same is not available, then on the BSE) as on balance sheet date and mutual fund investments have been valued at previous day's net asset value.

(ii) Valuation - linked investments

In case of Linked business - Government securities are valued at the rate obtained from CRISIL (Credit Rating Information Services of India Ltd.). Debt securities other than Government Securities are valued on the basis of Bond Valuer (CRISIL). Listed equity shares are valued at fair value, being the last quoted closing price on 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.

12. The Company has invested the controlled fund in accordance with the IRDA guidelines. Investments in corporate papers are made selectively in only highly rated papers with thorough research on the issuer. All investments in Controlled fund (with the exception of equities and mutual fund units) are made with clear intention of holding them till maturity and accordingly, the management is confident of the quality of investments.

13. Schedule of payments, which have been made to the individuals, firms, companies and organisations in which Directors are interested.

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Name of the Director	Entity in which Director is interested	Interested as	Amount of Payment During the Year 2009-10	Amount of Payment During the Year 2008-09
Analjit Singh	Pharmax Corporation Limited	Relative of interested Party	-	21,210
	Max India Foundation	Relative of interested Party	25,000	24,988
	New Delhi House Services Ltd	Relative of interested Party	6,397	4,638
	Max India Limited	Executive Chairman	1,764	1,180
	Max Healthcare Institute Limited	Chairman & Managing Director	8	22
Anuroop Singh	Max Healthcare Institute Limited	Vice Chairman	8	22
Leo Puri	Max Healthcare Institute Limited	Director	8	22
William Beaty	New York Life International , LLC	Director	271	19,962
John Harrison	New York Life International , LLC	Director	271	19,962
Richard L. Mucci	New York Life International , LLC	Director	271	19,962

14. The financial statements of the Company and all information in this annual report are the responsibility of the Management and have been reviewed by the Audit Committee and approved by the Board of Directors.

(a) The financial statements have been prepared in accordance with applicable accounting standards, regulations stipulated by 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, 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.

(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.

As per our report of even date attached

V. NIJHAWAN
Partner
Membership No. F-87228
For and on behalf of
Price Waterhouse & Co., Chennai
Firm Registration Number 50032S
Chartered Accountants

Gurgaon
May 20, 2010

K.N. GUPTA
Partner
Membership No. 9169
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Firm Registration Number 000038N
Chartered Accountants

New Delhi
May 20, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH	Chairman
WILLIAM BEATY	Director
MARIELLE THERON	Director
RAJESH SUD	Managing Director & Chief Executive Officer
RAJIT MEHTA	Executive Director & Chief Operating Officer
JOHN POOLE	Chief Actuary (Appointed Actuary)
SUNIL KAKAR	Chief Financial Officer
RAJIV MATHUR	Director-Legal & Compliance & Company Secretary

Gurgaon
May 20, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 1 0 6 7 2 3 State Code 5 5

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement/Others**
NIL	5638500

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
11289439 2	11289439 2

SOURCES OF FUNDS

Paid-up Capital	Secured Loans
1838817 6	NIL
Reserves and Surplus	**Unsecured Loans**
1341440	NIL
Policyholder Funds	**Others**
9171153 1	1453343

APPLICATION OF FUNDS

Net Fixed Assets	Investments
2744831	10129565 2
Net Current assets	**Misc. Expenditure**
-2140774	757998
Accumulated Losses	
1023668 5	

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Total Income	Total Expenditure
6835551 7	6811111 79
Profit/Loss before Tax	**Profit/Loss after Tax**
244338	244338

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description LIFE INSURANCE PRODUCTS

A Max India Joint Venture

Max Bupa
Health Insurance

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

MAX

Directors' Report

Your Directors have pleasure in presenting the Second Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2010

BUSINESS HIGHLIGHTS

Highlights for the Financial Year ended March 31, 2010 are as under:

(Rs in '000)

Particulars	2009-10	05-09-2008 to 31-03-2009
Gross Written Premium	1274	0
Less Reinsurance Premium	127	0
Net Premium	1147	0
Unexpired Risk Reserve	1135	0
Earned Premium	12	0
Total Underwriting Revenue	12	0
Net Incurred Claims	7	0
Commission paid (net)	25	0
Expenses of Management	385531	63977
Total Underwriting expenses	385563	63977
Underwriting Profit/Loss	(385551)	(63977)
Investment Income:		
Allocated to Revenue A/c.	6	0
Allocated to P&L A/c.	18242	958
Other Income	1298	(5.00)
(Loss)/Profit before Tax	(366005)	(63024)
Key Business Parameters		
Solvency Ratio	2.07 : 1	NA
Share Capital (Rs. crores)	151	.05
Foreign Direct Investment (Rs. crores)	39.26	0
No. of Employees	376	11
No. of offices	5	1
No. of Agents	271	0
No. of Policies	253	0

INDUSTRY OVERVIEW

Health Insurance has turned out to be the fastest growing segment in the non-life insurance business with a 39% Compounded Annual Growth Rate (CAGR) over the last 5 years. The premium from Non life insurance business is expected to cross Rs 10,000 crore for FY 2010, with the share of Health Insurance touching almost 22%.

Health insurance premium as per IRDA reports as on December end 2009 grew at 25%, twice as fast as other non-life premiums. From being almost non-existent a decade ago, health insurance has become the second-largest business after motor insurance for the non-life industry.

The future of the health insurance industry is promising as the business is predicted to grow at CAGR of 25 - 30%, till FY 2015 to reach the market size of Rs. 28, 000 crores. Approximately, a sum of Rs. 16, 800 crores for FY 2015 is projected to be the contribution of public and private health insurance companies to healthcare funding, if the industry premium growth is at a CAGR of 25% - 30 % between FY 2008 and FY 2015.

REGISTRATION

The Company was granted Certificate of Registration on February 15, 2010 by Insurance Regulatory and Development Authority (IRDA) to carry on health insurance business in India. Further, the Company received approval of its first insurance product "Heart Beat" from IRDA on March 15, 2010.

PHILOSOPHY

The Company's vision is to play a leading role in the Indian health insurance sector and be recognized as India's most admired health insurance company.

Through its philosophy of "Your Health First" Max Bupa's mission is to help customers' live healthier and more successful lives.

OPERATIONS

The Company's customer sales and service operations are enabled by in-house computer systems technology that is designed to operate and function as a private medical insurance system (sell, service, enroll, bill and renew, claim, report) within the context of the Indian market.

The service delivery concept of the Company is focused on the following five key areas:

1. Nurture a customer first culture business-wide which is measurable through customer satisfaction.
2. Build in-house capabilities and controls specific to health insurance such as contact service, underwriting, pre-auth, and claims.
3. Provide simple accessible customer touch-points through retail branches and 24/7 customer contact centre.
4. Drive efficiency and productivity with automation of processes, across customers and providers, and the standardization of information.
5. Create customer welfare services through information and education, targeting health wellness and prevention.

Max Bupa brings together a combination of Bupa's global health insurance and customer service expertise with Max India's understanding and experience of the Indian health and insurance sectors.

After having invested a year in building its teams, systems, processes and products, the Company commenced its commercial operations in March 2010.

Directors' Report

The Company now offers quality health insurance services through a dedicated team of over 400 people and its network of offices across cities, namely - Delhi, Mumbai, Hyderabad, Chennai, Bangalore and Pune.

The Company has developed a strong network of over 400 quality hospitals and healthcare providers and intends to increase this to over 1000 hospitals by 2013-14. The Company has decided to service customers directly without involvement of third party administrator (TPA), through its in-house team of professionals.

The Company has a 24/7 health line for easy and friendly access to customer services.

To reach out to Indian customers and build awareness about its product and service offerings, the Company plans to use a combination of television, print, digital media and ground level events to drive up awareness for the brand launch, and its unique product differentiators.

HEALTH PRODUCT

The first stage of product development for Max Bupa was to understand customer needs and how best these needs can be addressed. For this an extensive research was conducted across India, where groups of customers were interviewed - these included both current users and non users of Health Insurance.

Based on the findings of the research, Max Bupa developed its first comprehensive health insurance plan "Heartbeat". Heartbeat is an individual and family oriented health insurance cover for customers across all age groups and has host of key differentiators including no age limit, coverage of new born baby, coverage upto Rs. 50 lacs etc.

The Company has developed further products to cater to international medical emergency assistance needed by the individuals while traveling abroad. The product is awaiting approval from IRDA. In addition, the Company is developing and creating new products & plans for the extended family of customers to include parents, grandparents, grandchildren etc. The Company has created pipelines of products to be developed in the current year.

DIRECTORS

The Company's Board of directors consists of eight members. The Board of directors is responsible for the overall corporate strategy and other Board related matters.

During the year, the Board appointed Mr. Dean Allan Holden, Mr. William Stephen Ward and Mr. Benjamin David Jemphrey Kent, nominated by Bupa Singapore Holdings Pte. Ltd., as additional directors effective from December 22, 2009.

Subsequently, the Board appointed Mr. Sunil Kakar and Mr. K. Narasimha Murthy (independent director) as additional directors effective from April 27, 2010.

Pursuant to Section 260 of the Companies Act, 1956, the additional directors hold office only up to the date of the ensuing Annual General Meeting. The Company has received notice from the members proposing candidature of the additional directors as above except Mr. Sunil Kakar, for appointment as directors at the ensuing Annual General Meeting.

Further, pursuant to Section 255 read with Section 257 of the Companies Act, 1956, the Company has received notice from one of the members proposing the name of Mr. Anthony Maxwell Coleman for appointment as director of the Company at the ensuing Annual General Meeting.

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

CORPORATE GOVERNANCE

The Company is fully committed to pursue sound corporate governance practices and keeping the highest standards in conducting business. The Company continues to focus on building trust with shareholders, policyholders, employees and other stakeholders based on the principles of good corporate governance.

During the year, corporate governance guidelines for all insurance companies were issued by IRDA defining governance responsibilities of the Board and the Management. These guidelines also mandate constitution of certain mandatory Board Committees such as Audit Committee, Risk Committee, Investment Committee and Policyholder Protection Committee. The Company has initiated the process of implementing the corporate governance guidelines of IRDA.

Constitution of Board, number of meetings held and attendance by directors are described below:

Name of the Director	No. of Board Meetings held***	No. of Board Meetings attended***
Mr. Analjit Singh	4	4
Mr. Anuroop Singh	4	4
Mr. Leo Puri	4	4
Mr. Dean Allan Holden*	4	1
Mr. William Stephen Ward*	4	0
Mr. Benjamin David Jemphrey Kent*	4	1
Mr. Sunil Kakar**	4	0
Mr. K. Narasimha Murthy**	4	0

* appointed w.e.f. December 22, 2009
** appointed w.e.f. April 27, 2010
*** during the financial year ended March 31,2010

Directors' Report

Name	Status of Directorship	Qualifications
Mr. Analjit Singh Nominee-Max India	Non Executive Chairman	MBA, Boston, USA.
Mr. Anuroop Singh Nominee-Max India	Non Executive	Chartered Accountant
Mr. Leo Puri Nominee-Max India	Non Executive	M.A. (Politics, Philosophy and Economics) from Oxford University and M.A (Law) from Cambridge University
Mr. Dean Allan Holden Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Mr. William Stephen Ward Nominee-Bupa Singapore	Non Executive	Chartered Secretary
Mr. Benjamin David Jemphrey Kent Nominee-Bupa Singapore	Non Executive	Chartered Accountant, M.A. (Mathematics) from Oxford University
Mr. Sunil Kakar	Non Executive	Engineering from IIT, Kanpur, Masters diploma in Business Administration (Finance) from XLRI
Mr. K. Narasimha Murthy	Independent	FCA, FICWA

DIVIDEND

As the Company is a new start up, the directors do not recommend any dividend for the year.

CAPITAL

During the year, the paid up share capital of the Company was increased from Rs. 5 lacs to Rs. 151 crores. Subsequently, the Company further allotted equity shares worth Rs. 37 crores on May 26, 2010 thereby raising the paid up share capital to Rs. 188 crores.

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, 2010, the solvency ratio of the Company was at 2.07:1.

DEPOSITS

The Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

AUDITORS

During the year 2009-10, M/s Kumar Mittal & Company, Chartered Accountants, Delhi were appointed as statutory auditor of the Company pursuant to resignation by M/s Deloitte Haskins & Sells, the erstwhile statutory auditors of the Company.

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

M/s V Sahai Tripathi & Co, Chartered Accountants, Delhi have expressed their willingness to be re-appointed at the ensuing Annual General Meeting. The Company has received certificate from them stating that their appointment as auditors, if made, will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

However, M/s Kumar Mittal & Company has expressed their unwillingness to be reappointed at the ensuing Annual General Meeting. Accordingly, M/s Thakur, Vaidyanath Aiyer & Co. Chartered Accountants, Delhi are proposed to be appointed as joint statutory auditor of the Company in place of M/s Kumar Mittal & Company. The Company has received certificate from them stating that their appointment as auditors, if made, will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2010, 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

Directors' Report

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 record 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 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, 2010 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 thousands)

		For the year ended March 31, 2010	For the period from 5th September 2008 to March 31, 2009
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	8812	Nil
	- Trading Goods	Nil	Nil
	Others	7364	8316

ACKNOWLEDGEMENTS

The Directors wish to place on record their gratitude to IRDA, the Reserve Bank of India, Central and State Governments and the joint venture partners for their continued cooperation, support and assistance. The Directors also express their thanks for the support and cooperation extended by Policyholders, Intermediaries and Employees.

For and on behalf of the Board of Directors

New Delhi
July 20, 2010

ANALJIT SINGH
Chairman

Auditors' Report

TO THE MEMBERS MAX BUPA HEALTH INSURANCE CO. LTD.

We have audited the attached Balance Sheet of Max Bupa Health Insurance Company Limited (the Company) as at March 31, 2010, the Miscellaneous Insurance Revenue Account, the Profit and Loss account and the Receipts and Payments account, for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Balance Sheet, the Revenue accounts, the Profit and Loss account and Receipts and Payments account, have been drawn up in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority ('IRDA') (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956 ('the Act)

As required by Regulation , we set out in the Annexure a statement certifying the matters specified in paragraph 4 of schedule C to the regulations.

Further to our comments in the Annexure referred to above, we report that :-

- 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;
- 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;
- As the Company's accounting system is centralized; no returns for the purposes of our audit are prepared at the branches and other offices;
- The Balance Sheet, the Revenue accounts, Profit and Loss account and the Receipts and Payments account referred to in this report are in agreement with the books of account;
- 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, 2010 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 Institute of Actuaries of India in concurrence with the IRDA. We have relied upon the appointed actuary's certificate in this regard; and
- On the basis of the written representations received from the directors, as at March 31,2010 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31,2010 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 :-

- 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;
- 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;
- The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payment account referred to in this report are in compliance with the accounting standards referred to under sub section 3C of section 211 of the Act, to the extent they are non inconsistent with the accounting policies prescribed by IRDA;
- The Balance Sheet, Revenue accounts, Profit and Loss account and Receipts and Payments account read together

Auditors' Report

with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Companies 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 :-

§ In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

§ In the case of the Revenue Accounts, of the deficit for the year ended on that date;

§ In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and

§ In the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that :-

- We have reviewed the management report and there are no apparent mistakes or material inconsistencies with the financial statements; and
- Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance and compliance certificates issued by the management, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration.

For and on behalf of
V Sahai Tripathi & Co.
Chartered Accountants

(Mahesh Sahai)
Partner
M N.-006730
FRN : 000262N

For and on behalf of
Kumar Mittal & Co.
Chartered Accountants

(Rohtash Mohan Gupta)
Partner
M .N.- 94292
FRN : 10500N

New Delhi
May 12, 2010

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, 2010)

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, ('he 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
Kumar Mittal & Co.
Chartered Accountants

(Rohtash Mohan Gupta)
Partner
M .N.- 94292
FRN : 10500N

New Delhi
May 12, 2010

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
(FORMERLY MAX BUPA HEALTH INSURANCE LIMITED)
REGISTRATION NO. 145; DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010

Revenue Account for the year ended March 31, 2010

FORM B-RA

(RS. '000)

Particulars	Schedule	For the Year Ended March 31, 2010	For the Period September, 5 2008 to March 31, 2009
Premiums earned (Net)	1	12	-
Profit/ Loss on sale/redemption of Investments		-	-
Others		-	-
Interest, Dividend & Rent – Gross		6	-
Total (A)		**18**	-
Claims Incurred (Net)	2	7	-
Commission	3	25	-
Operating Expenses related to Insurance Business	4	385531	-
Total (B)		**385563**	-
Operating Profit/(Loss) from Miscellaneous Business [C= (A - B)]		(385545)	-
Appropriations			
Transfer to Shareholders' Account		(385545)	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		**(385545)**	-
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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.

The Schedules referred to above form an integral part of the Revenue Account

This is the Revenue Account referred to in our report of even date

MAHESH SAHAI
Partner
Membership No. F-06730
For and on behalf of
V. Sahai Tripathi & Co.
Firm Registration Number 262N
Chartered Accountants

New Delhi
May 12, 2010

ROHTASH MOHAN
Partner
Membership No. F-94292
For and on behalf of
Kumar Mittal & Co.
Firm Registration Number 10500N
Chartered Accountants

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH Chairman
K. NARASIMHA MURTHY Director

DR. DAMIEN MARMION Chief Executive Officer
NEERAJ BASUR Director Finance
SANDEEP SETH Company Secretary

New Delhi
May 12, 2010

Balance Sheet as at March 31, 2010

FORM B-BS

(RS. '000)

Particulars	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Share Capital	5	1510000	500
Share Application Money		-	80000
Reserves and Surplus	6	-	-
Fair Value Change Account		728	-
Borrowings	7	-	-
Total		**1510728**	80500
APPLICATION OF FUNDS			
Investments	8	926015	44558
Loans	9	-	-
Fixed Assets	10	126066	11238
Current Assets:			
Cash and Bank Balances	11	115046	194
Advances and Other Assets	12	113717	7102
Sub-total (A)		**228763**	7296
Current Liabilities	13	193423	43124
Provisions	14	6272	3042
Sub-total (B)		**199695**	46166
Net Current Assets (C) = (A - B)		**29068**	(38870)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		429579	63574
Total		**1510728**	80500
CONTINGENT LIABILITIES			
1 Partly paid up investments		-	-
2 Claims, other than against policies, not acknowledged as debts by the Company		-	-
3 Underwriting commitments outstanding (in respect of shares and securities)		-	-
4 Guarantees given by or on behalf of the Company		-	-
5 Statutory demands/liabilities in dispute, not provided for		-	-
6 Reinsurance obligations to the extent not provided for in the accounts		-	-
7 Others		-	-
Total		**-**	-
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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

MAHESH SAHAI
Partner
Membership No. F-06730

For and on behalf of
V. Sahai Tripathi & Co.
Firm Registration Number 262N
Chartered Accountants
New Delhi
May 12, 2010

ROHTASH MOHAN
Partner
Membership No. F-94292

For and on behalf of
Kumar Mittal & Co.
Firm Registration Number 10500N
Chartered Accountants
New Delhi
May 12, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH Chairman
K. NARASIMHA MURTHY Director

DR. DAMIEN MARMION Chief Executive Officer
NEERAJ BASUR Director Finance
SANDEEP SETH Company Secretary

New Delhi
May 12, 2010

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
(FORMERLY MAX BUPA HEALTH INSURANCE LIMITED)
REGISTRATION NO. 145; DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010

Profit and Loss Account for the year ended March 31, 2010

FORM B-PL

(RS. '000)

Particulars	Schedule	For the Year Ended March 31, 2010	For the Period September, 5 2008 to March 31, 2009
Operating Profit/(Loss)			
(a) Miscellaneous Insurance		(385545)	-
Income From Investments			
(a) Interest, Dividend and Rent – Gross		5740	-
(b) Profit on sale of investments		12502	958
Less: Loss on sale of investments		-	-
Other Income			
(a) Gain/(Loss) on Foreign Exchange Fluctuation		948	(5)
(b) Liabilities no longer required written back		350	-
Total (A)		**(366005)**	953
Provisions (Other than Taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
Other Expenses			
(a) Expenses other than those related to Insurance Business		-	63977
(b) Bad debts written off		-	-
(c) Others		-	-
Total (B)		**-**	63977
Profit/(Loss) Before Tax		**(366005)**	(63024)
Provision for Taxation			
(a) Fringe Benefit Tax		-	550
Profit/(Loss) After Tax		**(366005)**	(63574)
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 period		**(63574)**	-
Balance carried forward to Balance Sheet		**(429579)**	(63574)
Basic and Diluted Earning per Share of Rs. 10/- each		**(8.42)**	(1,271.48)
(Refer Schedule 16-Note 24)			

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 16

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

MAHESH SAHAI
Partner
Membership No. F-06730

For and on behalf of
V. Sahai Tripathi & Co.
Firm Registration Number 262N
Chartered Accountants

New Delhi
May 12, 2010

ROHTASH MOHAN
Partner
Membership No. F-94292

For and on behalf of
Kumar Mittal & Co.
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New Delhi
May 12, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH Chairman
K. NARASIMHA MURTHY Director

DR. DAMIEN MARMION Chief Executive Officer
NEERAJ BASUR Director Finance
SANDEEP SETH Company Secretary

New Delhi
May 12, 2010

Reciepts and Payment Account for the year ended March 31, 2010

(RS. '000)

Particulars	Schedule	For the Year Ended March 31, 2010	For the Period September, 5 2008 to March 31, 2009
Cash Flows from the Operating Activities:			
Premium received from Policyholders, including Advance Receipts		1405	-
Other Receipts		12501	958
Payments of Other Operating Expenses		(276623)	(54208)
Preliminary and Pre-operative Expenses		-	(6614)
Deposits, Advances and Staff Loans		(99479)	(7789)
Income Taxes Paid (Net)		(767)	(485)
Other Payments		57597	43747
Cash Flows before Extraordinary Items		**(305366)**	(24391)
Cash flow from extraordinary operations		-	-
Net cash flow from operating activities		**(305366)**	(24391)
Cash flows from Investing Activities:			
Purchase of fixed assets (including capital advances)		(128815)	(11357)
Proceeds from sale of fixed assets		990	-
Purchases of investments		(763114)	-
Investments in money market instruments and in liquid mutual funds (Net)		(118343)	(44558)
Net cash flow from investing activities		**(1009282)**	(55915)
Cash flows from Financing Activities:			
Proceeds from Share Capital		1429500	500
Share Application Money		-	80000
Net cash flow from financing activities		**1429500**	80500
Effect of foreign exchange rates on cash and cash equivalents, net		-	-
Net increase in cash and cash equivalents:		**114852**	194
Cash and cash equivalents at the beginning of the year		194	-
Cash and cash equivalents at the end of the year		115046	194
Net increase in cash and cash equivalents:		**114852**	194

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

MAHESH SAHAI
Partner
Membership No. F-06730
For and on behalf of
V. Sahai Tripathi & Co.
Firm Registration Number 262N
Chartered Accountants

New Delhi
May 12, 2010

ROHTASH MOHAN
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New Delhi
May 12, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH Chairman
K. NARASIMHA MURTHY Director

DR. DAMIEN MARMION Chief Executive Officer
NEERAJ BASUR Director Finance
SANDEEP SETH Company Secretary

New Delhi
May 12, 2010

Schedules forming part of financial statements

(RS. '000)

	For the Year Ended March 31, 2010	For the Period September 05, 2008 to March 31, 2009
SCHEDULE – 1		
PREMIUM EARNED [NET]		
Premium from direct business written*	1274	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	127	-
Net Premium	**1147**	-
Less: Adjustment for change in reserve for unexpired risks	1135	-
Total Premium Earned (Net)	**12**	-
* Net of Service Tax		
SCHEDULE – 2		
CLAIMS INCURRED [NET]		
Claims paid		
Direct	-	-
Add: Re-insurance accepted	-	-
Less: Re-insurance Ceded	-	-
Net Claims paid	-	-
Add: Claims Outstanding at the end of the year	7	-
Less: Claims Outstanding at the beginning	-	-
Total Claims Incurred	**7**	-
SCHEDULE – 3		
COMMISSION		
Commission paid		
Direct	51	-
Add: Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	26	-
Net Commission	**25**	-
Break Up of expenses incurred to procure business:		
Agents	51	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
	51	-

Schedules forming part of financial statements

(RS. '000)

	For the Year Ended March 31, 2010			For the Period September 05, 2008 to March 31, 2009		
	Health	Others	Total	Health	Others	Total
SCHEDULE – 1A						
PREMIUM EARNED [NET]						
Premium from direct business written*	1274	-	1274	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-	-	-
Less : Premium on reinsurance ceded	127	-	127	-	-	-
Net Premium	**1147**	**-**	**1147**	-	-	-
Less: Adjustment for change in reserve for unexpired risks	1135	-	1135	-	-	-
Total Premium Earned (Net)	**12**	**-**	**12**	-	-	-
* Net of Service Tax						
SCHEDULE – 2A						
CLAIMS INCURRED [NET]						
Claims paid						
Direct	-	-	-	-	-	-
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Re-insurance Ceded	-	-	-	-	-	-
Net Claims paid	**-**	**-**	-	-	-	-
Add: Claims Outstanding at the end of the year	7	-	7	-	-	-
Less:Claims Outstanding at the beginning	-	-	-	-	-	-
Total Claims Incurred	**7**	**-**	**7**	-	-	-
SCHEDULE – 3A						
COMMISSION						
Commission paid						
Direct	51	-	51	-	-	-
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	26	-	26	-	-	-
Net Commission	25	-	25	-	-	-
Break Up of expenses incurred to procure business:						
Agents	**51**	**-**	**51**	-	-	-
Brokers	-	-	-	-	-	-
Corporate Agency	-	-	-	-	-	-
Referral	-	-	-	-	-	-
	51	**-**	**51**	-	-	-

Schedules forming part of financial statements

(RS. '000)

	For the Year Ended March 31, 2010	For the Period September 05, 2008 to March 31, 2009
SCHEDULE – 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
Employees' remuneration and welfare benefits	228879	-
Travel, conveyance and vehicle running expenses	21328	-
Training expenses	2908	-
Rents, rates and taxes	41817	-
Repairs	9409	-
Printing and stationery	2257	-
Communication	3959	-
Legal and professional charges	47076	-
Auditors' fees, expenses etc		
(a) as auditor	404	-
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
(c) in any other capacity		
(i) Tax Audit Fees	50	-
Advertisement and publicity	13750	-
Interest and bank charges	56	-
Others		
(a) Business and Sales Promotion	111	-
(b) Loss on Disposal of Fixed Assets	4908	-
(c) Miscellaneous Expenses*	529	-
Depreciation	8090	-
Total	**385531**	-

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

Schedules forming part of financial statements

(RS. '000)

	For the Year Ended March 31, 2010			For the Period September 05, 2008 to March 31, 2009		
	Health	**Others**	**Total**	Health	Others	Total
SCHEDULE – 4A						
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS						
Employees' remuneration and welfare benefits	228879	-	228879	-	-	-
Travel, conveyance and vehicle running expenses	21328	-	21328	-	-	-
Training expenses	2908	-	2908	-	-	-
Rents, rates and taxes	41817	-	41817	-	-	-
Repairs	9409	-	9409	-	-	-
Printing and stationery	2257	-	2257	-	-	-
Communication	3959	-	3959	-	-	-
Legal and professional charges	47076	-	47076	-	-	-
Auditors' fees, expenses etc						
(a) as auditor	404	-	404	-	-	-
(b) as adviser or in any other capacity, in respect of						
(i) Taxation matters	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-
(c) in any other capacity						
(i) Tax Audit Fees	50	-	50	-	-	-
Advertisement and publicity	13750	-	13750	-	-	-
Interest and bank charges	56	-	56	-	-	-
Others						
(a) Business and Sales Promotion	111	-	111	-	-	-
(b) Loss on Disposal of Fixed Assets	4908	-	4908	-	-	-
(c) Miscellaneous Expenses*	529	-	529	-	-	-
Depreciation	8090	-	8090	-	-	-
Total	**385531**	**-**	385531			

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

Schedules forming part of financial statements

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 5		
SHARE CAPITAL		
Authorised Capital		
200000000 Equity Shares of Rs. 10/- each	2000000	1000000
(Previous period 100000000 Equity Shares of Rs. 10/- each)		
Issued Capital		
151000000 Equity Shares of Rs. 10/- each	1510000	500
(Previous period 50000 Equity Shares of Rs. 10/- each)		
Subscribed Capital		
151000000 Equity Shares of Rs. 10/- each	1510000	500
(Previous period 50000 Equity Shares of Rs. 10/- each)		
Called-up Capital		
151000000 Equity Shares of Rs. 10/- each	1510000	500
(Previous period 50000 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	**1510000**	500

Out of the above, 111740000 (Previous period nil) equity Shares of Rs. 10/- each are held by Max India Limited, the holding company along with its nominees

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

Shareholder	As at March 31, 2010		As at March 31, 2009	
	Number of Shares	**% of Holding**	Number of Shares	% of Holding
Promoters				
- Indian	111740000	74.00%	50000	100.00%
- Foreign	39260000	26.00%	-	-
Others	-	-	-	-
Total	**151000000**	**100.00%**	50000	100.00%

Schedules forming part of financial statements

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 6		
RESERVES AND SURPLUS		
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	-	-
General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance of Profit in Profit & Loss Account	-	-
Total	**-**	-

SCHEDULE – 7		
BORROWINGS		
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	**-**	-

Schedules forming part of financial statements

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 8		
INVESTMENTS		
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	315027	-
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	75285	-
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	125212	-
Other than Approved Investments		
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	100975	-
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	61926	44558
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	247590	-
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	-	-
Other than Approved Investments	-	-
Total	**926015**	44558

Notes:

a. Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs. 106103 thousand (Previous period nil). Market value of such investments is Rs. 106133 thousands (Previous period Nil)

b. Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs. 926015 thousands (Previous period Rs. 44558 thousands). Market value of such investments as at March 31, 2010 is Rs. 926746 thousands (Previous period Rs. 44558 thousands)

Schedules forming part of financial statements

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 9		
LOANS		
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	**-**	-
Borrower-Wise Classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	**-**	-
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	**-**	-
Maturity-Wise Classification		
(a) Short Term	-	-
(b) Long Term	-	-
Total	**-**	-
	-	-

Note: There are no loans subject to restructuring (Previous period Nil)

Schedules forming part of financial statements

SCHEDULE – 10
FIXED ASSETS

(RS. '000)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	Upto March 31, 2009	For the Year	On Sales/ Adjustments	To date March 31, 2010	As at March 31, 2010	As at March 31, 2009
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles										
a) Softwares	334	34725	-	35059	1	2468	-	2469	32590	333
b) Website	-	1843	-	1843	-	19	-	19	1824	-
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Property	9608	22529	8572	23565	44	3405	2675	774	22791	9564
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	13155	-	13155	-	339	-	339	12816	-
Information Technology Equipment	702	17144	-	17846	21	1274	-	1295	16551	681
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipment	713	10763	-	11476	53	585	-	638	10838	660
Others	-	-	-	-	-	-	-	-	-	-
Total	**11357**	**100159**	**8572**	**102944**	**119**	**8090**	**2675**	**5534**	**97410**	**11238**
Work in progress	-	28656	-	28656	-	-	-	-	28656	-
Grand total	**11357**	**128815**	**8572**	**131600**	**119**	**8090**	**2675**	**5534**	**126066**	**11238**
Previous Period	-	11357	-	11357	-	119	-	119	11238	-

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. 24271 thousands (Previous period Nil) and capital expenditure pending allocation Rs. 4385 thousands (Previous period Nil).

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 11		
CASH AND BANK BALANCES		
Cash (including cheques, drafts and stamps)	407	44
Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	100000	-
(bb) Others	-	-
(b) Current Accounts	14639	150
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	**115046**	194

Balances with non-scheduled banks included in 2 and 3 above is Nil (Previous period Nil)

Schedules forming part of financial statements

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 12		
ADVANCES AND OTHER ASSETS		
ADVANCES		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	691	90
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	702	(65)
Others (to be specified)		
(a) Advance to Suppliers	18201	-
(b) Other advances*	6000	381
Total (A)	**25594**	406
* Refer Note C16 of Schedule 16		
OTHER ASSETS		
Income accrued on investments*	18625	-
Outstanding Premiums	-	-
Agents' Balances	-	-
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	25	-
Due from subsidiaries/ holding	-	-
Deposit with Reserve Bank of India	-	-
[Pursuant to section 7 of Insurance Act, 1938]		
Others		
(a) Rent and other deposits	55250	4894
(b) Service tax on input services (net)	13084	1802
(c) Cenvat credit on capital goods	1139	-
Total (B)	**88123**	6696
Total (A+B)	**113717**	7102

* Income Accrued on Investments includes interest on deposits also.

Schedules forming part of financial statements

(RS. '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 13		
CURRENT LIABILITIES		
Agents' balances	46	-
Balances due to other insurance companies	127	-
Deposits held on re-insurance ceded	-	-
Premiums received in advance	-	-
Unallocated premium	1399	-
Sundry creditors*	160388	22103
Due to subsidiaries/ holding company	22407	18788
Claims Outstanding	7	-
Due to Officers/ Directors	-	-
Others		
(a) Tax deducted payable	8910	2233
(b) Other statutory dues	139	-
Total	**193423**	43124

* Includes creditors for capital expenditure of Rs. 27305 thousands (Previous period Rs. 561 thousands)

SCHEDULE – 14		
PROVISIONS		
Reserve for Unexpired Risk	1135	-
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others		
For employee benefits		
(a) Gratuity*	-	1323
(b) Leave Encashment	4936	1522
(c) Superannuation	201	197
Total	**6272**	3042

* The value of plan assets is Rs. 3132 thousands which is greater than provision, i.e., is Rs. 1265 thousands, hence shown under Other Advances in Schedule 12.

SCHEDULE – 15		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Discount Allowed in issue of shares/ debentures	-	-
Others	-	-
Total	**-**	-

Schedules forming part of financial statements

SCHEDULE 16
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2010

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 December, 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 February, 2010 from Insurance Regulatory and Development Authority (IRDA) under section 3(2A) of the Insurance Act, 1938. The Company has started selling Policies in March 2010.

The Company is in the business of Health Insurance. During the year, company has launched its first Health Insurance product 'Heartbeat'.

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. Any revision to the accounting estimates is recognized in the period in which the changes are known/ materialized.

(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) 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

Schedules forming part of financial statements

(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 upto the year end, information/estimates provided by the insured/ surveyors and judgment based on the past experience and other applicable laws and practices.

(i) Claims Incurred but Not Reported (IBNR) and Claims Incurred but Not Enough Reported (IBNER)

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting year but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary of the Company. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Appointed Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA.

(j) Reinsurance ceded

Reinsurance cost, in respect of proportional reinsurance ceded, is accrued at policy inception. Non-proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to, refunds or cancellations of premium are recognized in the year in which they occur.

(k) Allocation of Investment Income

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

(l) Investments

Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000.

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued upto the date of purchase.

Debt securities, including Government securities are considered as held to maturity and are accordingly stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on constant yield basis.

Schedules forming part of financial statements

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/under cost.

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.

(n) Long/Short Term Investments

Investments maturing within twelve months from the balance sheet date and investments made with specific intention to dispose off within twelve months are classified as Short Term Investments. Other Investments are classified as Long Term Investments.

(o) Fixed Assets and Depreciation

Fixed Assets are carried at cost less accumulated depreciation and impairment loss. The cost of fixed assets include the purchase price, interest on borrowings and other incidental expenses directly attributable to acquisition of fixed assets upto the date of commissioning 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

Schedules forming part of financial statements

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.

(r) Employee Benefits

Employees' benefits have been recognized in accordance with the relevant provisions of the Accounting Standard 15 (revised 2005)

(a) Defined Contribution Plan

a. Certain employees of the Company are participants of a defined superannuation plan. The Company makes contributions under the superannuation plan to "Max Bupa Health Insurance Limited Employees Superannuation Trust" based on a specified percentage of each covered employee's salary.

b. The Company makes monthly contributions to the "Max India Limited Employees Provident Fund Trust" which is based on a specified percentage of the covered employees' salary. The fund is administered through trustees and the Company's contribution thereto are charged to Revenue Account or/and Profit and Loss Account, as applicable based on services rendered by employees.

(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 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.

c. Deferred compensation, which is a long term employee benefit is provided for based on the independent actuarial valuation carried out as at the Balance Sheet date and charged to Revenue Account or/and Profit and Loss Account, as applicable based on services rendered by employees.

(s) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past 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.

Schedules forming part of financial statements

(t) Earnings per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.

(u) Leases

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lesser is classified as Operating Leases. Operating Lease rentals including escalation are recognized in the Revenue account and Profit & loss account, as the case may be, on a straight line basis over the period of the lease.

(v) Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the Balance Sheet date are translated at rates prevailing at the year end. Net gains or losses on account of exchange differences either on settlement or on translation of transactions, are recognized in the Revenue account or/and Profit and Loss Account, as applicable.

(w) Allocation of Operating Expenses

Operating expenses 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.

C. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

(RS. '000)

Particulars	As at 31.03.10	As at 31.03.09
Partly Paid up Investments	-	-
Underwriting Commitments Outstanding	-	-
Claims, other than against Policies, not acknowledged as Debts by the Insurer	-	-
Guarantees given by or on behalf of the Insurer	-	-
Statutory Demands / Liabilities in Dispute, Not provided for	-	-
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
Others	-	-

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. However, as per IRDA Regulations in the case of claims where claims payment period exceeds 4 years only are required to be certified by the Appointed Actuary.

Schedules forming part of financial statements

3. Encumbrances

The assets of the Company are free from all encumbrances. The Company has all assets within India.

4. Estimated Amount of Commitments made and Outstanding for:

(RS. '000)

Particulars	As at 31.03.10	As at 31.03.09
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	41628	-

5. Claims, less Reinsurance paid to Claimants:

(RS. '000)

Class of Business	In India		Outside India	
	As at 31.03.10	As at 31.03.09	As at 31.03.10	As at 31.03.09
Health	-	-	-	-

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 31.03.10	As at 31.03.09	As at 31.03.10	As at 31.03.09
Health	-	-	-	-

7. Claims Settled and Remaining Unpaid for a period of more than six months:

(Rs. '000)

Class of Business	As at 31.03.10	As at 31.03.09
Health	-	-

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

(RS. '000)

Class of Business	In India		Outside India	
	Year ended 31.03.10	Period ended 31.03.09	Year ended 31.03.10	Period ended 31.03.09
Health	1147	-	-	-

(b) No premium income is recognized on "Varying Risk Pattern" basis.

9. Extent of Risk Retained and Reinsured:

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.03.10	Period ended 31.03.09	Year ended 31.03.10	Period ended 31.03.09
Health	90%	-	10%	-

10. Value of Contracts in relation to Investments:

(RS. '000)

Particulars	As at 31.03.10	As at 31.03.09
Purchase where deliveries are pending	-	-
Sales where payments are overdue	-	-

Schedules forming part of financial statements

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

12. The Company does not have any investment in Real Estate as at March 31, 2010 or March 31, 2009

13. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 61198 thousand (Previous period Rs. 44558 thousand)

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

(RS. '000)

Particulars	**As at 31.03.10**	As at 31.03.09
182 Days Treasury Bills - 28th May, 2010	1092	-
9.39% GOI CG 02-07-2011	105011	-

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

15. Details of Managerial Remuneration as per terms of appointment are as under:

(RS. '000)

Particulars	**Year ended 31.03.2010**	Period ended 31.03.2009
Salaries & Allowances	-	-
Contribution to Provident and other funds	-	-
Perquisites	-	-
Total	**-**	-

16. The Company got Certificate of Registration from IRDA on February 15, 2010. Subsequent to its registration, the Company filed an application with IRDA for the approval of appointment of Dr. Damien Marmion as the Chief Executive Officer of the Company in terms of section 34A of the Insurance Act, 1938, which is awaited. In view of the aforesaid, a sum of Rs. 3932 thousand paid to Dr. Damien Marmion is held by him in trust for the Company and is reflected under Other Advances.

17. Expenditure in Foreign Currency (On accrual basis)

(RS. '000)

Particulars	**Year ended 31.03.2010**	Period ended 31.03.2009
Travelling	1983	3720
Marketing Support fee	-	3962
Outsource Expenses	1917	-
Remuneration	2501	-
Purchase of Fixed Assets	8812	-
Others	963	634
Total	**16176**	8316

Schedules forming part of financial statements

18. Operating Lease Commitments

The Company has leased 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 31.03.10**	As at 31.03.09
Payable not later than one year	119538	-
Payable later than one year but not later than five years	267619	-
Payable later than five years	-	-
Total	**387157**	-

Aggregate lease rentals charged to Revenue Accounts is Rs. 30883 thousand (Previous period Rs. 3924 thousand) and there are no sub leases.

19. Foreign Currency Exposures

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

(RS. '000)

Particulars	**As at 31.03.10**	As at 31.03.09
Payable in Indian Rupee	15137	8200
Payable in GBP	223	113

20. 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 Limited, UK Max Healthstaff International Limited Hometrail Estate Private Limited (Effective April 02, 2009) Hometrail Buildtech Private Limited (Effective April 02, 2009)
(c)	Shareholders with significant influence	Bupa Singapore Holdings Pte Ltd, Bupa Finance Plc., UK
(d)	Key Management Personnel	Dr. Damien Marmion (Chief Executive Officer)*

*IRDA approval for CEO's appointment is pending as on date.

Schedules forming part of financial statements

Summary of significant related party transactions
(As per AS-18 issued by ICAI)

(RS. '000)

Particulars	Holding Company	Shareholders With Significant Influence	Fellow Subsidiaries	Key Management Personnel
Fixed assets transferred/sold	-	-	990	-
	(-)	(-)	(-)	(-)
Fixed Assets Purchased	280	-	222	-
	(-)	(-)	(-)	(-)
Investments Purchased	-	-	208098	-
	(-)	(-)	(-)	(-)
Income and Reimbursements				
- Reimbursement of Expenses	-	-	41	-
	(-)	(-)	(-)	(-)
Expenses				
- Service received	-	-	10691	-
	(-)	(-)	(10)	(-)
- Other Expenses	3456	6937	-	-
	(18788)	(8200)	(-)	(-)
- Remuneration	-	-	-	28068
	(-)	(-)	(-)	(4587)
Equity Contribution	1117400	392600	-	-
	(-)	(-)	(-)	(-)
Amount Outstanding				
Other Receivable	-	-	811	3932
	(-)	(-)	(-)	(171)
Other Payable	22407	15137	962	-
	(18788)	(8200)	(10)	(-)

Figures in brackets are for Previous period

21. 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 31.03.10	As at 31.03.09
Segmental Revenue	1274	-
Segmental Result	(385545)	-
Segmental Liabilities	1142	-
Segment Assets	1052081	-

Schedules forming part of financial statements

b) Geographical Segment

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

22. Gratuity Plan

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 31.03.2010	As at 31.03.2009
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/Discount Rate	8.00%	7.75%
Rate of increase in compensation	8.00%	6.00%
Withdrawal rate	20%	20%

ii. Changes in benefit obligations: (RS. '000)

Particulars	Year Ended 31.03.2010	Period Ended 31.03.2009
Present value of obligations at the beginning of the period	1323	-
Interest cost	73	-
Current Service Cost	983	531
Liability transfer in/(out)	(344)	792
Actuarial (gain)/loss on obligation	298	-
Present value of obligations at end of period	2333	1323

iii. Fair Value of Plan Assets: (RS. '000)

Particulars	Year Ended 31.03.2010	Period Ended 31.03.2009
Fair Value of Planned Assets at beginning of period	-	-
Contributions	3132	-
Actual Return on Planned Assets	89	-
Fair Value of Planned Assets at end of period	3221	-

iv. Amounts recognized in Profit & Loss Account: (RS. '000)

Particulars	Year Ended 31.03.2010	Period Ended 31.03.2009
Current Service Cost	983	531
Interest Cost	73	-
Expected Return on Plan Assets	(125)	-
Actuarial (Gain)/loss on obligation	334	-
Amount recognized in Profit & loss Account	1265	531

Schedules forming part of financial statements

v. Amounts recognized in Balance Sheet: (RS. '000)

Particulars	Year Ended 31.03.2010	Period Ended 31.03.2009
Present value of obligations at end of period	2333	1323
Fair Value of Plan Assets at end of period	3221	-
Funded Status	888	-
Net Asset/(Liability) recognized in the balance sheet	888	(1323)

vi. Balance Sheet Reconciliation: (RS. '000)

Particulars	Year Ended 31.03.2010	Period Ended 31.03.2009
Opening Net Liability	1323	-
Expenses as above	1265	531
Liability transfer in/(out)	(344)	792
Contribution Paid	3132	-
Closing Net Liability	(888)	1323

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

23. The Company has carried out its tax computation in accordance with the mandatory Accounting Standard, AS 22 - 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to Rs. 5573 thousand on account of accumulated losses. However as a principle of prudence, and as there is no virtual certainty supported by convincing evidence on the date of the Balance Sheet, that there will be sufficient taxable income available to realize such assets in near future, the Company has not provided for deferred tax assets for the year ended 31st March 2010.

24. 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 31.03.10	Period ended 31.03.09
a.	Net profit/(loss) after tax	Rs in '000s	(366005)	(63574)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	43474	50
c.	Basic/Diluted earnings per share (a/b)	Rs.	(8.42)	(1271.48)

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

(RS. '000)

Operating expenses	Year ended 31.03.10	Period ended 31.03.09
Outsourcing Expenses	173	-
Marketing Support	18086	562
Business Promotion	111	928

Schedules forming part of financial statements

26. 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 31.03.10			Period ended 31.03.09		
	GWP Rs.'000s	No. of Lives	% of GWP	GWP Rs.'000s	No. of Lives	% of GWP
Rural	-	-	0%	-	-	-
Social	-	-	0%	-	-	-
Urban	1274	305	100%	-	-	-

In terms of IRDA Notification No IRDA/IREG/2/43/2008, as the Company has commenced its business for a period less than six months during the year, obligation of Rural or Social sector is not applicable for the financial year 2009-10.

27. 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.

28. 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, 2010. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

29. 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.

(AMOUNT IN RS.)

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	-	-	-	-
Service Tax Authorities	-	-	-	-
Income Tax Authorities	-	-	-	-
Any Other Tax Authorities	-	-	-	-
Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-
Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-	-
Penalty awarded by any Court/ tribunal for any matter including claim settlement but excluding Compensation	-	-	-	-
Securities and Exchange Board of India	-	-	-	-
Competition Commission of India	-	-	-	-
Any other Central/State/local Government/ Statutory Authority	-	-	-	-

Schedules forming part of financial statements

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

(RS. '000)

Particulars	2009-2010
Gross Premium Written	1274
Net Earned Premium Income	12
Income from Investments (net)	6
Other Income	-
Total Income	18
Commission (Net of Reinsurance)	25
Brokerage	-
Operating Expenses	385531
Claims, increase in Unexpired Risk Reserve & Other Outgoes	7
Operating Profit/Loss	(385545)
Total Income under Shareholders Account	19540
Profit /(loss) before tax	(366005)
Provision for Tax	-
Profit/(Loss) after tax	(366005)
Miscellaneous	-
Policyholder's Account:	Not Applicable being General Insurance Company
a) Total funds	
b) Total Investments	
c) Yield on Investments	
Shareholder's Account:	Not Applicable being General Insurance Company
a) Total funds	
b) Total Investments	
c) Yield on Investments	
Paid Up Equity Capital	1510000
Net Worth*	1081149
Total Assets	1280844
Yield on total investments	4.72%
Earning Per Share** (Rs.)	(8.42)
Book value per Share (Rs.)	7.16
Total Dividend	-
Dividend Per share	-

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

*Including Fair Value Change Account

** Weighted average of number of equity shares i.e. 43474 thousand is used in computing Earnings per share

Schedules forming part of financial statements

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

Performance Ratios	2009-2010 (in times)
Gross Premium Growth Rate	NA
Gross Premium to Shareholders Funds Ratio	0.0012
Growth Rate of Shareholders Funds	62.88
Net Retention Ratio	0.90
Net Commission Ratio	0.02
Expenses of Management to Gross Direct Premium	302.61
Combined Ratio	302.61
Technical Reserves to Net Premium Ratio	0.9956
Underwriting Balance Ratios	(336.13)
Operating Profit Ratio	(319.10)
Liquid Assets to Liability Ratio	460.19
Net Earning Ratio	(319.10)
Return on Net Worth	(0.34)
Reinsurance Ratio	0.10

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.

32. Balance Confirmation

Company has done mandatory cessation with General Insurance Corporation (GIC). Reinsurance Premium of Rs 127 thousand has been provided for and the balance confirmation for the same is pending.

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

State	Location	Status
Delhi	South Extension	Applied For
Delhi	Saket-NOC	Applied For
Karnataka	Bangalore	Applied For
Maharashtra	Mumbai	Applied For
Tamilnadu	Chennai	Registered

34. As the company has started its insurance operation from current financial year, the comparative figures of previous period have been provided, wherever applicable. Financial statements for the previous period were prepared as per Schedule VI of the Companies Act, 1956.

As per our report of even date

MAHESH SAHAI
Partner
Membership No. F-06730
For and on behalf of
V. Sahai Tripathi & Co.
Firm Registration Number 262N
Chartered Accountants

New Delhi
May 12, 2010

ROHTASH MOHAN
Partner
Membership No. F-94292
For and on behalf of
Kumar Mittal & Co.
Firm Registration Number 10500N
Chartered Accountants

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH Chairman
K. NARASIMHA MURTHY Director

DR. DAMIEN MARMION Chief Executive Officer
NEERAJ BASUR Director Finance
SANDEEP SETH Company Secretary

New Delhi
May 12, 2010

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 2010:

1. It is confirmed that the registration has been granted by the Insurance Regulatory and Development Authority on February 15, 2010 and the same is valid up to 31st December 2010.

2. It is certified that all the dues payable to the statutory authorities up to 31st March 2010 have been duly paid.

3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended 31st March 2010 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 31st March 2010.

9. There are no claims outstanding.

10. As at 31st March, 2010, 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 31.03.2010 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

    Acquisition cost of Debt Securities is Rs. 863826 thousand, amortized value is Rs. 864090 thousand and market value at Rs. 866960 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 31st March, 2010.

Management Report

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

(RS IN '000)

Name of the Director	Entity in which Director is Interested	Interested as	Amount of Payment during the Year 2009-10	Amount of Payment during the Year 2008-09
Dean Allan Holder	Bupa (Asia) Limited	Director	Nil	Nil
Benjamin David Jemphrey Kent	Bupa (Asia) Limited	Director	Nil	Nil
Analjit Singh	Max India Limited	Director	3736	18788
	Max Healthcare Institute Limited		410	10
	Max New York Life Insurance Company Limited.		208083	Nil
	Max Healthstaff International Limited		222	Nil
	Pharmax Corporation Limited		10255	Nil

13. It is hereby confirmed:

a. That the Financial Statements have been prepared in accordance with generally accepted accounting principles & 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.

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 of even date

MAHESH SAHAI
Partner
Membership No. F-06730
For and on behalf of
V. Sahai Tripathi & Co.
Firm Registration Number 262N
Chartered Accountants

New Delhi
May 12, 2010

ROHTASH MOHAN
Partner
Membership No. F-94292
For and on behalf of
Kumar Mittal & Co.
Firm Registration Number 10500N
Chartered Accountants

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

ANALJIT SINGH Chairman
K. NARASIMHA MURTHY Director

DR. DAMIEN MARMION Chief Executive Officer
NEERAJ BASUR Director Finance
SANDEEP SETH Company Secretary

New Delhi
May 12, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. U66000DL2008PLC182918 State Code 55

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	15095500

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
15107728	15107728

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
15100000	-
Secured Loans	**Fair Value Change Account**
-	728
Unsecured Loans	**Deferred Tax Liability (Net)**
-	-

APPLICATION OF FUNDS

Net Fixed Assets	Investments
126066	926015
Net Current assets	**Misc. Expenditure**
29068	-
Accumulated Losses	
429579	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
19558	385563
+ - Profit before Tax	+ - Profit after Tax
√ 366005	√ 366005
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 8.42	NIL
+ - Diluted Earning per Share in Rs.	
√ 8.42	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Item Code No. NIL

Product Description HEALTH INSURANCE

Caring for you... for life

MAX HEALTHCARE INSTITUTE LIMITED

MAX

Directors' Report

Your Directors are pleased to present the Ninth Annual Report, along with Audited Accounts for the year ended March 31, 2010.

PERFORMANCE 2009-10

Your Company continued on its growth trajectory, gaining traction both in terms of scale of operations, as well as market presence and reputation. During the year, the Company registered revenues from healthcare services amounting to Rs. 336 crore, representing a growth of 26% over the previous year, driven by higher patient flow and improvement in realizations during the year. However, the loss for the year was Rs.3.32 crore as against a profit of Rs.31.86 crore in the previous year, which included an incremental income of Rs 15.28 crore realized on redemption of short term treasury investments and investments in bank deposits. The Loss for the current year is also higher on account of increase in fixed cost as new departments were set up along with introduction of new specialties, the benefits of which would be more visible in forthcoming years. During the year under review, the compensation structure of nursing and resident doctors also witnessed an upward revision and in line with recommendations of Pay Commission of the Government of India. The financial expenses were also higher due to increased borrowing and upward movement in interest rates. Income from other hospitals in the network has been booked to the extent of service fee earned.

The highlights of Max Healthcare (MHC) operations, along with its network of managed hospitals, in 2009-10 are given below:

- The Revenue across the network of hospitals increased by 26% to Rs. 534 crore in 2009-10.
- The average number of operational beds increased to 857 in 2009-10 from 712 in 2008-09. Average occupancy rate at MHC hospitals increased from 65% in 2008-09 to 73% in 2009-10.
- MHC has performed over 739 open heart surgeries, 1,893 angioplasties and 4,436 angiographies. In addition, the Company performed over 2,616 ortho-surgeries, 1,445 neuro-surgeries & procedures and 16,893 other surgeries and procedures.
- Max Super Speciality Hospital, (A unit of Devki Devi Foundation), Saket: The year saw capacity enhancement of 80 beds and addition of 8 additional state of the art OTs. This additional capacity is being dedicated to service the two new specialties - i.e. Oncology and Minimal Access, Metabolic & Bariatric Surgery.
  - Max Institute of Minimal Access, Metabolic & Bariatric Surgery has been instituted in November 2009 to provide the best healthcare, holistic recovery and rehabilitation services with emphasis on utilization of minimally invasive techniques (Key-Hole Surgery) that helps in faster recovery, lesser post-operative pain and minimal post-surgical complications. During the year under review, Institute has performed 816 MAS surgeries.
  - Max Cancer Centre offers comprehensive cancer care solutions covering the entire continuum of preventive, curative, palliative and rehabilitative care in the disciplines of surgical, radiation and medical Oncology. Our dedicated team of leading Oncologists provides the most advanced cancer treatment using cutting edge technology, based on International Standards.
- Max Super Specialty Hospital, (A unit of Balaji Medical & Diagnostic Research Centre), Patparganj. The new wing of the hospital became ready for operations in Year 2009-10 with capacity addition of 260 beds. The hospital has been certified with 'Gold' rating by Indian Green Building Council under LEED rating system for Green Buildings. It is the first of its kind LEED - Gold certified Green Hospital in North India. With the upgradation of infrastructure and investment in state of the art medical equipment, the hospital is now well poised to offer super tertiary care in most specialties.
- Number of patient episodes (measured by number of invoices issued to a patient during any period) increased to over 2.3 million in 2009-10 from 1.9 million in 2008-09.
- MHC intends to increase its capacity from around 1100 beds today across a network of six hospitals and two specialty medical centers to 1,900 beds by 2011. With the first phase of roll-out already completed, MHC is implementing its second phase of expansion. This involves widening the operations beyond the Delhi & NCR to other parts of northern India in addition to expanding the existing network in the Delhi & NCR region.

Some facts about the expansion plans:

- Max Super Specialty Hospital, Dehradun. The 150 bed Max Super Specialty Hospital at Dehradun will become operational by first quarter of FY 2011-12.

Directors' Report

- Max Super Specialty Hospital, Shalimar Bagh. Will be a 300 bed Tertiary Care facility and is likely to be commissioned during the second quarter of FY 2011-12.
- Land has been allotted by the Government of Punjab under a public-private partnership arrangement to set up two super specialty hospitals at Bathinda and Mohali, each with 200 beds. These Tertiary Care hospitals being set up at a total cost of Rs. 230 crore, will cater to major specialties like cardiology, cardiac surgery, comprehensive oncology, Trauma, Orthopaedics and Neurosciences, besides other multi specialty services. These hospitals are also likely to be commissioned in second quarter of FY2011-12.

EXCELLENCE IN PATIENT CARE

Quality and Safety are key differentiators of MHC, with the highest levels of trust and satisfaction among patients and their families, professionals and stakeholders. Your Company has, over the years, evolved comprehensive systems and processes that define the "best in class" standards of care in the country, comparable to international standards.

As part of the Medical and Service Excellence programs, a Patient and Family Centered Value Model have been adopted and is being disseminated throughout the organization, to reinforce an all-pervasive patient centric culture. Ten Patient Safety Goals with action plans are in place. Surveillance of performance with respect to structure, process and outcome of quality is ongoing. Clinical Safety and patient satisfaction outcomes are amongst the best.

EXCELLENCE IN TRAINING, EDUCATION AND RESEARCH

MHC has achieved distinction in training, education and clinical research. We continue to add strengths in these areas. Our students are now budding clinical specialists:

- Post Graduate Programs (Diplomat National Board) in Cardiology, Cardiac Surgery, Cardiac Anesthesia, Interventional Cardiology, Internal Medicine, Radiology and Pathology.
- Post Graduate Diploma in Clinical Cardiology (IGNOU).
- Fellowship in Emergency Medicine in Collaboration with George Washington University, USA.
- Post Graduate Diploma in Critical Care Medicine under aegis of Indian Society of Critical Care Medicine, Fellowship in Critical Care.
- Max Healthcare is an American Heart Association (AHA) recognized centre for Advanced Cardiac Life Support Training, Basic Cardiac Life Support Training, Pediatric Life Support, First Aid and Airway Management.
- BSc in Emergency Trauma Care and Technology, under a MoU with Hamdard University, New Delhi.
- Several short courses/Fellowships to provide exposure to physicians in periphery to super-specialty areas like neuro radiology, spine surgery, cardiology, neonatology and laparoscopic surgery.

On training, there were around 140 doctors/paramedics/nurses undergoing formal education programs in 2009-10.

On research, several Clinical Trials are underway. The organization has recently established a Stem Cell Research Committee, and is exploring this new exciting area of research. An Agreement with Imperial College London has been signed, with joint research in Genomic and newer areas getting started.

DIVIDEND

In view of the Company's carried forward and current losses, your Directors are unable to recommend any dividend for the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 ('the Act') and the Company's Articles of Association, Mr. K.K. Mathur, Mr. Leo Puri, Mr. Anuroop Singh and Mr. Analjit Singh are due to retire by rotation and are eligible for re-appointment.

During the year under review, Mr. K. Narasimha Murthy, Dr. Pradeep K. Chowbey, Dr. K.M. Fock and Mr. S.S.H. Rehman were appointed as Additional Directors of the Company to hold office upto the ensuing Annual General Meeting. The Company has received notices under Section 257 of the Act from members proposing the candidature of aforesaid for being appointed as Directors of the Company. Dr. Pradeep K. Chowbey was appointed as the Joint Managing Director of the Company effective November 18, 2009.

Mr. Rajesh Khanna, nominee director of Warburg Pincus Group resigned from the Board of Directors of the Company effective March 30, 2010. The Board places on record, its deep appreciation for the valuable contribution made by Mr. Rajesh Khanna during his association with the Company.

Directors' Report

BOARD COMMITTEES

AUDIT COMMITTEE

During the year under review, the Audit Committee of your Company was reconstituted and the Committee currently comprises Mr. K. Narasimha Murthy (Chairman) Mr. K.K. Mathur, Mr. Leo Puri and Dr. Pervez Ahmed. The role and terms of reference of the Audit Committee cover the areas mentioned under Section 292A of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

REMUNERATION COMMITTEE

During the year under review, Remuneration Committee was reconstituted and the Committee currently comprises of Dr. Ajit Singh (Chairman) Mr.K.K. Mathur, Mr. Leo Puri and Dr. R.P. Soonawala. This Committee has the mandate for finalizing the terms of compensation for the Executive Directors and Senior Executives of the Company and to administer the Employee Stock Plan-2006 of the Company.

During the year under review, the Board of Directors constituted three more Committees for guidance and governance for following areas:

SCIENTIFIC PROJECTS & TECHNOLOGY COMMITTEE

This Committee comprises of Dr. Ajit Singh (Chairman), Mr. Leo Puri, Dr. K.M. Fock, Dr. Pervez Ahmed and Dr. Pradeep K. Chowbey. This Committee has the mandate for review and assesses the investments in emerging technologies and information systems, besides establishing a governance framework for evaluation of new medical programs as proposed by management.

MEDICAL EXCELLENCE AND COMPLIANCE COMMITTEE

This Committee comprises of Dr. K.M. Fock (Chairman), Dr. Ajit Singh, Dr. Pervez Ahmed, Dr. R.P. Soonawala and Dr. Pradeep K. Chowbey. This Committee will review and assess the Medical Quality standards and metrics and establish a medico legal governance framework for the Company.

SERVICE EXCELLENCE COMMITTEE

This Committee comprises of Mr. S.S.H. Rehman (Chairman), Mr. Analjit Singh, Mr. K.K. Mathur, Dr. Pervez Ahmed and Dr. Pradeep K. Chowbey. This Committee will guide the management team in service quality and efficiency metrics including review and assess the operating process and efficiency.

EMPLOYEE STOCK PLAN – 2006

In order to attract and retain talented key employees and induce them to remain with the Company, and encourage them to increase their efforts to make the Company's business more successful, your Company implemented Employee stock option plan in 2006. During the year under review, the Company granted 25,00,000 Stock Options to Employees of the Company. As of March 31, 2010, 34,05,000 stock options are outstanding under the Employees Stock Plan.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Act, your Directors confirm that:

(i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.

(ii) The Directors 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.

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

ADDITIONAL INFORMATION

Information in accordance with the provisions of Section 217 (1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are furnished hereunder:

a. Conservation of Energy:

The Company has taken measures to reduce the energy consumption, by using energy efficient equipment, incorporating latest technology and regular maintenance.

b. Research and Development (R&D) : Nil

Directors' Report

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 CRORE)

	For the year ended March 31, 2010	For the year ended March 31, 2009
i) Foreign Exchange Earnings	0.52	0.62
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	0.02	0.65
- Trading Goods	0.60	-
Others	2.08	1.00

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 2010, MHC in its network of hospitals had a base of around 1,250 physicians, including several doctors of international repute, 1,900 nurses and 1,700 paramedic staff. The particulars of employees as required under Section 217 (2A) of the Act are given in a separate annexure to this Report.

SUBSIDIARY COMPANIES

Your company acquired the entire paid up share capital of Hometrail Estate Private Limited and Hometrail Buildtech Private Limited on April 2, 2009 for setting up of hospital projects in Mohali and Bhatinda, respectively under Public Private Partnership with Government of Punjab. Consequently, these companies became wholly-owned subsidiaries of your Company effective the said date. Statement pursuant to Section 212 of the Act relating to subsidiaries of the Company as of March 31, 2010 is annexed to this Report.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditors. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation to all the employees of the Company, valued customers, bankers, financial institutions and shareholders for their support and confidence in the Company. Your Directors also place on record their sincere gratitude to Singapore General Hospital for their cooperation and guidance.

For an on behalf of the Board of Directors

New Delhi
July 27, 2010

ANALJIT SINGH
Chairman

Annexure - 'A'

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

Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest 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 31.03.2010 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 Years (Rs. Lacs)	For the Current Financial Year (Rs. Lacs)	For the Previous Financial year (Rs. Lacs)	
Max Medical Services Limited	31.03.2010	141,42,535 Equity Shares of Rs. 10 each	100%	(820.21)	249.97	NIL	NIL	100%
Alps Hospital Limited #	31.03.2010	50,000 Equity Shares of Rs. 10 each	100%	(810.05)	(568.93)	NIL	NIL	100%
Hometrail Buildtech Private Limited	31.03.2010	10,000 Equity Shares of Rs. 10 each	100%	(130.92)	-	NIL	NIL	100%
Hometrail Estate Private Limited	31.03.2010	10,000 Equity Shares of Rs. 10 each	100%	(129.11)	-	NIL	NIL	100%

holding through subsidary Max Medical Services Limited
Figures in brackets indicate loss.

For and on behalf of the Board of Directors

ANALJIT SINGH
Chairman

New Delhi
July 27, 2010

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, 2010, 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 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 (together the "Order") 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) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company 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.

   (b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

   (iii) (a) 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 Act.

   (b) 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 Act.

   (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, fixed assets and for the sale of goods and 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, no major weakness have been noticed or reported.

   (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year

Auditors' Report

to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) 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.

(ix) (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 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 as applicable with the appropriate authorities.

(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.

(x) The Company has accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.

(xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the Company has given guarantees for loans taken by other healthcare services provider. However, this is not considered prejudicial by the Company to its interest.

(xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) 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.

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;

Auditors' Report

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 18, 2010

Balance Sheet as at March 31, 2010

(RS. LACS)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	48714.45	48714.45
Reserves and Surplus	2	13899.39	13713.14
		62613.84	62427.59
LOAN FUNDS	3		
Secured Loans		29820.30	23508.60
Unsecured Loans		5136.57	88.95
		34956.87	23597.55
Deferred Tax Liability (Net)	4	-	-
		97570.71	86025.14
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		30347.76	29613.79
Less: Depreciation		7523.60	6212.78
Net Block		22824.16	23401.01
Capital Work in Progress		2755.22	610.97
		25579.38	24011.98
INVESTMENTS	6	9393.74	10450.06
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		1377.52	1055.58
Sundry Debtors		13110.52	10979.72
Cash and Bank Balances		3569.84	3202.83
Other Current Assets		19.65	86.21
Loans and Advances		41746.87	31852.52
		59824.40	47176.86
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	7719.91	6032.22
Provisions	9	724.34	393.13
		8444.25	6425.35
NET CURRENT ASSETS		51380.15	40751.51
MISCELLANEOUS EXPENDITURE	10	144.58	71.02
(To the extent not written off or adjusted)			
PROFIT AND LOSS ACCOUNT		11072.86	10740.57
		97570.71	86025.14
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	17		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

DR. PERVEZ AHMED	CEO & Managing Director
K. NARASIMHA MURTHY	Director
S. L. NARAYANAN	CFO & Director-Strategic IT
ARVIND KAKAR	Vice President-Finance
LALJI KUMAR	Company Secretary

New Delhi
May 18, 2010

Profit and Loss Account for the year ended March 31, 2010

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Income from Healthcare Services	11	33576.06	26718.32
Other Income	12	4600.22	5036.77
		38176.28	31755.09
EXPENDITURE			
Medical Supplies Consumed/Traded	13	12421.93	9008.17
Personnel, Operating and Administrative Expenses	14	21568.84	15882.88
Financial Expenses	15	3157.52	2379.57
Depreciation	5	1359.84	1298.45
		38508.13	28569.07
PROFIT BEFORE TAX		(331.85)	3186.02
Tax Expense	16	0.44	(1575.12)
PROFIT/(LOSS) AFTER TAX		**(332.29)**	4761.14
(LOSS) BROUGHT FORWARD		(10740.57)	(15501.71)
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		**11072.86**	10740.57
Earnings Per Share (Rs. Per equity share of Rs. 10/- each)			
(Refer Note C15 on Schedule 17)			
- Basic		(0.14)	2.01
- Diluted		(0.35)	1.79
Number of shares used in computing earnings per share:			
- Basic		237,144,548	237,106,740
- Diluted		238,385,832	238,577,179
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	17		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

DR. PERVEZ AHMED	CEO & Managing Director
K. NARASIMHA MURTHY	Director
S. L. NARAYANAN	CFO & Director-Strategic IT
ARVIND KAKAR	Vice President-Finance
LALJI KUMAR	Company Secretary

New Delhi
May 18, 2010

Cash Flow Statement for the year ended March 31, 2010

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		(331.85)	3186.02
Adjustments for:			
Depreciation		1359.83	1298.45
Interest Expense		3006.21	2311.33
Interest Income		(3601.50)	(2989.11)
Net (Profit)/Loss on Sale of Fixed Assets		46.92	6.74
Net (Profit)/Loss on Sale of Investments		(407.85)	(1624.55)
Miscellaneous Expenditure Written Off		112.68	6.85
Provision for Bad and Doubtful Debts		148.83	208.12
Liabilities No Longer Required Written Back		(110.57)	(155.47)
Provision for Gratuity and Leave Encashment		337.90	48.46
Provision for Doubtful Advances		28.62	61.47
TDS on Technical/Service/Other operating income		(468.23)	(147.80)
Operating Profit Before Working Capital Changes		**120.99**	2210.51
Adjustments for:			
Trade Receivables		(2279.62)	(1513.22)
Other Receivables		1257.24	(604.54)
Inventories		(321.94)	(128.10)
Trade Payables		1851.18	897.96
Other current assets		66.56	(86.10)
Cash Generated From Operations		**694.41**	776.51
Direct Taxes (Paid)/Refunded (Net)		(7.13)	(63.57)
Cash From/(Used in) Operating Activities		**687.28**	712.94
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1398.48)	(4478.81)
Capital Work in Progress		(1700.75)	(162.14)
Proceeds from Sale of Fixed Assets		26.85	45.15
Proceeds from Sale of Investments		34068.57	30489.62
Purchase of Investments (Others)		(32604.41)	(18064.84)
Advances to Group Companies		(7736.86)	(1171.81)
Loan given to other Healthcare Service providers		(2161.36)	(3131.60)
Interest Received (Revenue)		2888.53	1889.89
Cash From/(Used In) Investing Activities		**(8617.91)**	5415.46

(RS. LACS)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
C. CASH FLOW FROM FINANCING ACTIVITIES			
Share Capital		-	5.00
Proceeds from Long Term Borrowings		7500.00	-
Repayment of long term loans		(1687.50)	(1065.30)
Working Capital Funding (net)		499.20	258.89
Proceeds from Short Term Loans		5103.65	-
Repayment of Short Term Loans		(56.03)	(14.30)
Interest Paid		(3061.68)	(2280.11)
Cash From/(Used In) Financing Activities		**8297.64**	(3095.82)
Net Increase/(Decrease) in Cash and Cash Equivalents		**367.01**	3032.59
Cash and Cash Equivalents - Opening Balance		**3202.83**	170.24
Cash and Cash Equivalents - Closing Balance		**3569.84**	3202.83
Net Increase/(Decrease) in Cash and Cash Equivalents		**367.01**	3032.59

Notes

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in hand and Balances with Scheduled Banks:

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
Cash in Hand	38.42	37.60
Cheques in Hand	101.71	83.14
Balance with Scheduled Bank		
- In Margin Accounts*	510.25	10.25
- In Deposit Accounts	2500.00	2500.00
- In Current Accounts	419.46	571.84
Total	**3569.84**	3202.83

* Not available for use by the Company since under lien.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 17

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

DR. PERVEZ AHMED	CEO & Managing Director
K. NARASIMHA MURTHY	Director
S. L. NARAYANAN	CFO & Director-Strategic IT
ARVIND KAKAR	Vice President-Finance
LALJI KUMAR	Company Secretary

New Delhi
May 18, 2010

Schedules annexed to and forming part of the accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
350,000,000 Equity Shares of Rs.10/- each	35000.00	35000.00
(Previous year 350,000,000 Equity Shares of Rs.10/- each)		
250,000,000 Cumulative Preference Shares of Rs.10/- each	25000.00	25000.00
(Previous year 250,000,000 Cumulative Preference Shares of Rs.10/- each)		
	60000.00	60000.00
ISSUED, SUBSCRIBED AND PAID UP		
(Refer Notes C4, C8 & C20 on Schedule 17)		
237,144,548 Equity Shares of Rs.10/- each	23714.45	23714.45
(Previous year 237,144,548 Equity Shares of Rs.10/- each)		
250,000,000, 2% Cumulative Convertible Preference Shares of Rs.10/- each	25000.00	25000.00
(Previous year 250,000,000, 2% Cumulative Convertible Preference Shares of Rs.10/- each)		
	48714.45	48714.45

Note:

1. As at March 31, 2010, 166,100,000 (Previous year 166,100,000) equity shares are held by Max India Limited, the holding Company along with its nominees of which 103,779,127 (Previous year 103,779,127) equity shares were issued for consideration other than Cash.
2. As at March 31 , 2010, 50,000 (Previous year 50,000) Equity Shares of Rs.10/- each allotted under Employee Stock Option Plan.

SCHEDULE-2		
RESERVES AND SURPLUS		
(Refer Note C8 on Schedule 17)		
Securities Premium Account	13634.57	13634.57
Capital Reserve	0.78	0.78
Employee Stock Option Outstanding		
Opening Balance	77.79	-
Movement during the year		
Additions	186.25	77.79
Utilisation	-	-
Closing Balance	264.04	77.79
	13899.39	13713.14

Schedules annexed to and forming part of the accounts

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-3		
LOAN FUNDS		
SECURED LOANS		
(Refer Note C5 on Schedule 17)		
Term Loans from Financial Institutions*	28308.30	22495.80
Fund based Working Capital Facility	1512.00	1012.80
	29820.30	23508.60
* Amount repayable within one year Rs. 2369.70 Lacs (Previous year Rs.1687.50 Lacs)		
UNSECURED LOANS		
Term Loan**	5000.00	-
Other loans from Banks ***	136.57	88.95
	5136.57	88.95
** Amount repayable within 18 months with an option of repayment within every six months		
*** Amount repayable within one year Rs. 51.81 Lacs (Previous year Rs. 39.48 Lacs)		
SCHEDULE-4		
DEFERRED TAX LIABILITY		
(Refer Note C16 on Schedule 17)		
a) Deferred Tax Liability		
- Opening Balance	2092.89	1928.99
- Movement during the year		
Addtions	133.81	458.41
Utilisation	(0.01)	(294.51)
- Closing Balance	**2226.69**	2092.89
B) Deferred Tax (Asset)		
- Opening Balance	(2092.89)	(290.80)
- Movement during the year		
Addtions	(342.99)	(1802.09)
Utilisation	(209.19)	-
- Closing Balance	**(2226.69)**	(2092.89)
Net Deferred Tax Liability	-	-

Schedules annexed to and forming part of the accounts

SCHEDULE-5
FIXED ASSETS

(Refer Notes C2 & C14(B) on Schedule 17)

(RS. LACS)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions	Deletions/ Adjustments	As at March 31, 2010	As at April 1, 2009	Additions	Deletions/ Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Land	6255.80	-	-	6255.80	-	-	-	-	6255.80	6255.80
Building	6434.01	27.53	-	6461.54	299.97	105.09	-	405.06	6056.48	6134.04
Building (Leasehold Improvement)	2470.74	19.80	-	2490.54	1526.09	209.86	-	1735.95	754.59	944.65
Plant and Machinery	2464.64	17.81	-	2482.45	493.14	117.77	-	610.91	1871.54	1971.50
Furniture and Fixture	879.48	27.45	-	906.93	329.17	64.82	-	393.99	512.94	550.31
Office Equipment and Computers	1667.73	150.92	1.18	1817.47	837.23	124.79	0.73	961.29	856.18	830.50
Medical Equipment	8636.62	374.56	90.11	8921.07	2372.66	620.73	41.04	2952.35	5968.72	6263.96
Motor Vehicles	236.74	134.04	31.49	339.29	58.61	25.39	7.25	76.75	262.54	178.13
Intangible Assets										
Software	568.03	104.64	-	672.67	295.91	91.39	-	387.30	285.37	272.12
TOTAL	**29613.79**	**856.75**	**122.78**	**30347.76**	**6212.78**	**1359.84**	**49.02**	**7523.60**	**22824.16**	**23401.01**
Previous Year	24516.52	5169.98	72.71	29613.79	4935.15	1298.45	20.82	6212.78		
Capital Work in Progress including Capital Advances Rs.872.27 Lacs (Previous year Rs. 428.75 Lacs)									2755.22	610.97
									25579.38	24011.98

Notes:

1. Of the above, motor vehicles hypothecated amount to Rs. 204.45 Lacs (Previous year Rs. 129.66 Lacs).
2. Land is under perpetual Lease.
3. Leasehold improvements consists of civil and other improvements at premises taken on long term lease by the Company.
4. Capital Advances includes an amount of Rs. 597.42 Lacs (Previous year Rs. 365.42 Lacs) paid to Greater Noida Development Authority as Earnest Money against allotment of a hospital plot in Greater Noida (UP).

(RS. LACS)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE-6		
INVESTMENTS (Non Trade)		
(Refer Notes C10 & C21 on Schedule 17)		
a) Subsidiary, at cost (Unquoted)		
Equity Shares		
Max Medical Services Limited 14,142,535 (Previous year 14,142,535) Equity Shares of Rs. 10/- each	2094.25	2094.25
Hometrail Estate Pvt. Ltd. 10,000 (Previous year Nil) Equity Shares of Rs.10/- each	1.00	-
Hometrail Buildtech Pvt. Ltd. 10,000 (Previous year Nil) Equity Shares of Rs.10/- each	1.00	-
b) Current Investments (Unquoted), at cost		
Units in Mutual Funds	7297.49	8355.81
	9393.74	10450.06
Aggregate value of unquoted investments	9393.74	10450.06
Aggregate value of quoted investments	-	-
Market value of quoted investments	-	-

Schedules annexed to and forming part of the accounts

(RS. LACS)

		As at March 31, 2010		As at March 31, 2009
SCHEDULE-7				
CURRENT ASSETS, LOANS AND ADVANCES				
INVENTORIES				
Stock of Medicines and Consumables	782.24		745.47	
Medical and Surgical Instruments	595.28	1377.52	310.11	1055.58
		1377.52		1055.58
SUNDRY DEBTORS				
(Unsecured)				
Debts Exceeding Six Months				
- Considered Good	9622.61		7023.28	
- Considered Doubtful	654.09		505.69	
Less: Provision for Doubtful Debts	(654.09)	9622.61	(505.69)	7023.28
Other Debts				
- Considered Good	3487.91		3956.44	
- Considered Doubtful	0.57		0.14	
Less: Provision for Doubtful Debts	(0.57)	3487.91	(0.14)	3956.44
		13110.52		10979.72
Amounts outstanding from companies under the same management:				
Considered good:-				
- Max New York Life Insurance Company Ltd.		3.66		3.58
- Max Neeman Medical International Ltd.		1.98		0.73
- Alps Hospital Ltd.		1373.57		725.11
		1379.21		729.42
Considered Doubtful :-				
- Max HealthStaff International Ltd.		3.77		3.39
Maximum amount outstanding during the year from companies under the same management:				
Considered good:-				
- Max New York Life Insurance Company Ltd.		3.66		3.68
- Max Neeman Medical International Ltd.		2.48		7.97
- Alps Hospital Ltd.		1500.99		727.89
		1507.13		739.54
Considered Doubtful :-				
- Max HealthStaff International Ltd.		3.77		3.50
Maximum amount outstanding from Directors during the year		0.24		0.85
CASH AND BANK BALANCES				
Cash in Hand		38.42		37.60
Cheques in Hand		101.71		83.14
Balances with Scheduled Banks				
- In Current Accounts		419.46		571.84
- In Deposit Accounts		2500.00		2500.00
- In Margin Accounts		510.25		10.25
		3569.84		3202.83
OTHER CURRENT ASSETS				
Interest Accrued on Deposit and Margin Accounts		19.65		86.21
		19.65		86.21

Schedules annexed to and forming part of the accounts

(RS. LACS)

		As at March 31, 2010		As at March 31, 2009
SCHEDULE-7 (Continued)				
LOANS AND ADVANCES				
(Considered good, unless otherwise stated)				
(Refer Notes C14A & C22 on Schedule 17)				
UNSECURED				
Due from Subsidiary Companies:				
Inter Corporate Deposit		20850.31		13113.46
Advances				
- Pre-operative expenses recoverable		1565.65		1565.65
- Interest Recoverable		3952.00		3599.61
- Others		45.15		33.98
Lease Rent Receivable	2527.45		2802.03	
Less: Unearned Income	(1633.88)	893.57	(1745.90)	1056.13
Due from Other Healthcare Service Providers:				
- Loan		9851.45		7690.09
- Interest Recoverable		1357.43		1025.80
- Others		88.82		392.32
Due from Others:				
Advances Recoverable in Cash or kind or Value to be Received				
- Considered Good	1166.33		1164.61	
- Considered Doubtful	28.62		100.82	
Less: Provision for Doubtful Advances	(28.62)	1166.33	(100.82)	1164.61
Prepaid Expenses		201.40		169.80
Security Deposits		641.73		636.08
Advance Income Tax		927.88		1267.31
Income Accrued		205.15		137.68
		41746.87		31852.52
Amount due from Directors		380.67		141.21
Amounts due from companies under the same management:				
- Max Medical Services Ltd.		23560.33		17612.34
- Hometrail Estates Pvt. Ltd.		1122.52		-
- Hometrail Buildtech Pvt. Ltd.		979.56		-
- Alps Hospital Ltd.		1644.27		1790.47
Maximum amount outstanding from Directors during the year		380.67		141.21
Maximum amount outstanding during the year from companies under the same management:				
- Max Medical Services Ltd.		24196.33		17578.37
- Hometrail Estates Pvt. Ltd.		1122.52		-
- Hometrail Buildtech Pvt. Ltd.		979.56		-
- Alps Hospital Ltd.		1806.39		1875.68

Schedules annexed to and forming part of the accounts

(RS. LACS)

		As at March 31, 2010		As at March 31, 2009
SCHEDULE-8				
CURRENT LIABILITIES				
(Refer Note C6 on Schedule 17)				
Sundry Creditors:				
- Total outstanding dues of micro enterprises and small enterprises		-		-
- Total outstanding dues of creditors other than micro enterprises & small enterprises		6915.94		5332.50
Advance from Customers		88.11		80.36
Advance Income Received		23.67		15.51
Other Liabilities		665.79		521.99
Interest accrued but not due on:				
- Term Loan		25.48		80.94
- Other Loan		0.92		0.92
		7719.91		6032.22
SCHEDULE-9				
PROVISIONS				
(Refer Note C11 on Schedule 17)				
Provision for Leave Encashment		532.48		323.46
Provision for Gratuity		189.81		60.94
Provision for Wealth Tax		1.24		1.12
Provision for Fringe Benefit Tax	208.74		208.74	
Less: Advance Fringe Benefit Tax	(207.93)	0.81	(201.13)	7.61
		724.34		393.13
SCHEDULE-10				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
(Refer Note C7 on Schedule 17)				
Preliminary Expenses		0.02		0.05
Deferred Employee Compensation		144.56		70.97
		144.58		71.02

Schedules annexed to and forming part of the accounts

(RS. LACS)

		For the Year Ended March 31, 2010		For the Year Ended March 31, 2009
SCHEDULE-11				
INCOME FROM HEALTHCARE SERVICES				
(Refer Note 18(d) on Schedule 17)				
Revenue from Healthcare Facilities*	25613.17		20475.54	
Less: Discount	(330.34)	25282.83	(275.99)	20199.55
Trading Sales:				
- Drugs, Pharmaceuticals and Medical Supplies		6888.62		4736.96
Income earned from Other Healthcare Service Providers**		1278.00		1721.50
Sponsorships and Educational Income		126.61		60.31
		33576.06		26718.32

* Includes tax deducted at source Rs. 397.72 Lacs (Previous year Rs. 224.57 Lacs)
** Includes tax deducted at source Rs. 12.83 Lacs (Previous year Rs. 26.91 Lacs)

SCHEDULE-12		
OTHER INCOME		
(Refer Note C14 on Schedule 17)		
Interest on:		
- Bank Deposits*	81.07	392.20
- Loans Given to Subsidiaries**	2211.90	1753.21
- Assets given on Finance Lease to Subsidiary	112.02	64.64
- Loans Given to Other Healthcare Service Providers***	1112.02	706.73
- Income Tax Refund	84.50	72.33
Lease Rentals	48.00	48.00
Profit on Sale of Non Trade Investments-Current	407.85	1624.55
Liabilities/Provisions No Longer Required Written Back	110.57	155.47
Income from Laundry Services****	99.07	114.06
Gain on Foreign Exchange Fluctuation	-	6.70
Miscellaneous Income*****	333.22	98.88
	4600.22	5036.77

* Includes tax deducted at source Rs. 2.41 Lacs (Previous year Rs. 83.09 Lacs)
** Includes tax deducted at source Rs. 20.92 Lacs (Previous year Rs. 1.96 Lacs)
*** Includes tax deducted at source Rs. 4.55 Lacs (Previous year Rs. Nil)
**** Includes tax deducted at source Rs. 3.79 Lacs (Previous year Rs. 2.24 Lacs)
***** Includes tax deducted at source Rs. 27.34 Lacs (Previous year Rs. 1.73 Lacs)

SCHEDULE-13		
MEDICAL SUPPLIES CONSUMED/TRADED		
Consumption of Medical Consumables	5774.84	4441.85
Cost of Traded Goods Sold:		
- Drugs, Pharmaceuticals and Medical Supplies	6647.09	4566.32
	12421.93	9008.17

Schedules annexed to and forming part of the accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-14		
PERSONNEL, OPERATING AND ADMINISTRATIVE EXPENSES		
(Refer Notes C9, C11, C14(C), C14(D), C17, C18(a), C18(c) & C19 on Schedule 17)		
Personnel		
Salaries, Wages and Bonus	7465.95	4831.44
Contribution to Provident and Other Funds	428.23	231.74
Recruitment Expenses	163.45	41.36
Staff Welfare	306.39	237.64
	8364.02	5342.18
Other Operating and Administration Expenses		
Professional and Consultation Fees	5720.94	4329.28
Outside Lab Investigations	229.59	248.69
Patient Catering Expenses	366.57	268.47
Rent	929.57	917.71
Insurance	143.30	122.50
Rates and Taxes	71.83	34.39
Facility Maintenance Expenses	1185.28	992.26
Power and Fuel	758.07	676.71
Repairs and Maintenance:		
- Building	227.28	223.58
- Plant and Machinery	362.39	230.30
- Others	305.78	316.85
Printing and Stationery	235.57	215.65
Travelling and Conveyance	349.12	328.42
Communication	128.54	163.02
Legal and Professional	572.44	424.56
IT Support Expense	314.01	56.64
Directors' Fee	4.35	2.70
Watch and Ward	144.07	129.91
Advertisement and Publicity	319.61	263.76
Software Expenses	13.92	51.67
Charity and Donation	441.01	199.40
Commission	-	0.64
Equipment Hiring Charges	11.62	10.75
Provision for Doubtful Debts	148.83	208.12
Provision for Doubtful Advances	28.62	61.47
Loss on Sale/Disposal of Fixed Assets	46.92	6.74
Loss on Foreign Exchange Fluctuation	2.72	6.58
Miscellaneous Expenses	142.84	49.90
Amortization of Preliminary Expenses	0.03	0.03
	13204.82	10540.70
	21568.84	15882.88

Schedules annexed to and forming part of the accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE-15		
FINANCIAL EXPENSES		
Interest on:		
Term Loans		
- Financial Institutions	2597.60	2231.89
- Bank	331.50	-
Working Capital Loan	66.83	70.14
Others	10.28	9.30
Bank Charges	151.31	68.24
	3157.52	2379.57
SCHEDULE-16		
TAX EXPENSE		
(Refer Note C16 on Schedule 17)		
Current Year		
Wealth Tax	0.44	0.75
Fringe Benefit Tax	-	62.32
Deferred Tax	-	(1638.19)
	0.44	(1575.12)

SCHEDULE – 17

A. NATURE OF BUSINESS

The Company has completed Phase-I of its plans which included setting up of a network of healthcare facilities in the National Capital Region, comprising of primary care clinics, secondary care hospitals/med centers and tertiary care facilities. Subsequent phases, currently underway, are for expanding these facilities and setting up other healthcare facilities.

The financials of the Company include the performance of hospitals and centres, which are operational and the central support team, which is meant to support the current operations and on going expansion. Healthcare facilities have long gestation periods from the commencement of its operations and accordingly require significant cash outlay.

Also, as part of the plan, the Company had entered into long term service contracts either directly or through its subsidiaries with other Healthcare Service Providers and a down stream subsidiary to provide support/services to them in their hospital operations. Accordingly, amounts recoverable against these contracts are disclosed under sundry debtors and loans and advances.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The Financial Statements are prepared on an accrual basis to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Revenue Recognition

a. Revenue from Healthcare facilities is recognised on the performance of related services and includes services for patients undergoing treatment and pending for billing, which is shown as income accrued under loans & advances.

b. Revenue from trading sales is recognised on delivery of goods.

c. Income from Healthcare Service Providers is recognised on the performance of related services as per terms of contracts.

d. Income from Educational Programmes is recognised on accrual basis.

Schedules annexed to and forming part of the accounts

3. Fixed Assets

a. Fixed Assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

b. Assets acquired under the business transfer agreement are stated at amounts based on a valuation report.

c. 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 depreciation.

d. Expenses of revenue nature, which can be regarded as incidental and related to project setup, are transferred to "Preoperative expenses pending Capitalisation". These expenses are allocated to fixed assets in the year of commencement of the related project.

4. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Interest on working capital is charged to the Profit & Loss A/c.

5. Depreciation

a. Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.

b. Leasehold improvements are depreciated over respective Lease Periods.

c. Assets costing not more than Rs. 5,000/- individually have been depreciated at 100%.

d. Softwares in the nature of intangible assets are depreciated over a period of two to six years.

6. Investments

a. Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

b. Long-term investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary in nature.

c. Current investments are carried at lower of cost or fair value.

7. Inventories

Inventories are valued at lower of cost or net realisable value. Cost for this purpose is calculated on a 'First In First Out' method.

8. Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision tax consists of current tax and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

9. Employee Benefits

a. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides gratuity, a benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by an actuarial valuation, based upon which, the Company contributes to a Master policy with Life Insurance Corporation of India.

Schedules annexed to and forming part of the accounts

b. Superannuation

Certain employees of the Company are participants of a defined benefit superannuation contribution plan. The Company makes contributions under the superannuation plan to "Max Healthcare Institute Limited Superannuation Fund" based on a specified percentage of each covered employee's salary.

c. Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. The Company makes contributions under Provident Fund to "Max India Limited Employees Provident Fund Trust". The Company and the employees make monthly contributions to the provident fund trust equal to a specified percentage of the covered employee's salary.

d. Leave Encashment

Accrual for leave encashment is made on the basis of actuarial valuation done at the year end.

10. Employee Stock Option Scheme

The value of options is equal to the aggregate of the fair value of the options granted. Fair value is the face value of the paid up equity shares at which the share capital was introduced last by the Company or the net asset value, which ever is higher. 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 last 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 options.

11. Foreign Exchange Transactions

a. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

b. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the profit and loss account.

c. Exchange differences in respect of liabilities incurred to acquire fixed assets are recognised in the profit and loss account.

12. Miscellaneous Expenditure

a. Preliminary expenses are amortised over a period of 10 years.

b. Deferred employee compensation expense is amortised over the vesting period.

c. Other Deferred Revenue Expenditure is amortised from the year it is incurred/ related projects commence operations, over 3 to 5 years based on the period over which future benefit are expected to be received.

13. Leases

Where the Company is Lessor

a. Finance Lease

Assets given under finance lease are recognised as receivables at an amount equal to the net investment in lease. Lease rentals are apportioned between principal and the interest on the basis of computed internal rate of return. The principal amount received is reduced from the net investment in the lease while lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

b. Operating Lease

The assets given under operating lease are shown in the Balance Sheet under fixed assets and depreciated on a basis consistent with the depreciation policy of the Company. The lease income is recognised in the Profit and Loss Account on an accrual basis. The initial direct cost incurred for finalising the lease arrangement is recognised as expense immediately in the Profit and Loss Account.

Where the Company is Lessee

c. Finance Lease

Assets acquired under finance leases are recognised as an Asset and a Liability at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and the charge to the Profit and Loss Account.

Schedules annexed to and forming part of the accounts

d. Operating Lease

Payment made under Operating Leases is charged to Profit and Loss Account on a straight line basis over the period of the lease.

14. Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event, it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspect of the matter involved.

15. Earning Per Share

Basic earning 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 earning 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.

C. NOTES TO THE ACCOUNTS

1. Contingent Liabilities (RS. LACS)

		Current Year	Previous Year
a)	Corporate guarantees*	8000.00	8000.00
b)	Claims against the Company not acknowledged as debts	728.24	834.78
c)	Letter of Credit outstanding	116.66	3.24
d)	Arrears of dividend on 2% Cumulative Convertible Preference Shares	1339.73	839.73
e)	Corporate Dividend tax thereon	227.69	142.71
f)	Liability on assumed IRR (Also refer Note 4 below)	6916.37	4053.42
g)	Income Tax (Refer Note 3 below)		

* Guarantees given on behalf of another healthcare services provider is not considered prejudicial to the Company's interest as it provides opportunities for growth and increase in operations.

2. Capital Commitments (RS. LACS)

	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for	8476.95	1595.47
Less: Capital Advances	872.27	428.75
Balance Value of Contracts	7604.68	1166.72

3. Income Tax Cases

Certain income-tax proceedings are pending against the Company as detailed below:-

(RS. LACS)

Assessment Year	Disallowances made by the Assessing Officer	Appeal against the disallowance pending Before	Demand (if any)
2003-04	1157.72	CIT (Appeals)	Nil
2004-05	641.01	CIT (Appeals)	Nil
2005-06	649.14	CIT (Appeals)	Nil
2006-07	462.42	CIT (Appeals)	Nil
2007-08	917.31	CIT (Appeals)	Nil

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

Schedules annexed to and forming part of the accounts

4. During the financial year 2007-08, the Company together with Max India Limited (the Holding Company) had entered into a tripartite subscription agreement dated June 29, 2007, for issue of equity and preference share capital, with International Finance Corporation, USA (IFC).

As per the agreement, IFC had subscribed to the share capital of the Company amounting to Rs. 30,000 Lacs on July 28, 2007, as detailed below:

a. 90,90,909 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 45/- each aggregating to Rs. 5000.00 Lacs.

b. 250,000,000, 8 years 2% Cumulative Partially Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25000.00 Lacs.

The Preference Shares carry a dividend rate of 2% which is cumulative in nature, payable until date of redemption or date of purchase or conversion into equity shares, whichever is earlier. The earliest date of redemption or conversion or purchase is 3 years from the date of issue of the said shares.

Also, the Preference Shares have been issued with a guaranteed internal rate of return (GIRR) of 11.25%. The said GIRR is inclusive of 2% dividend rate, premium on redemption and discount to any initial public offering (IPO) price. The Preference Shareholders also have an option to convert a portion of Preference Shares into Equity Shares at a discount to a future IPO price of 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.

The premium payable and the applicable discount on any future IPO price on redemption of the preference shares are dependent on future events and accordingly cannot be individually ascertained at present, hence the provision for the said liability has not been made.

5. Loans

(a) The Company has availed term loans from financial institutions to finance its hospital projects. The details of loans outstanding till date are as follows:

- Rs. 21370.80 Lacs (Previous year Rs. 9183.30 Lacs) from Housing Developing Finance Corporation
- Rs. Nil (Previous year Rs. 6000.00 Lacs) from Infrastructure Development Finance Company Limited
- Rs. 6937.50 Lacs (Previous year Rs. 7312.50 Lacs) from Export Import Bank of India

The above loans from financial institutions are secured by way of:

- Equitable mortgage of the immovable properties of the Company and a Society
- Hypothecation of moveable fixed assets of the Company and its subsidiary
- Corporate guarantees by the Holding Company

Schedules annexed to and forming part of the accounts

(b) Fund based working capital facility from Yes Bank Ltd. for Rs. 544.71 Lacs (Previous year Rs.1012.80 Lacs) (sanctioned amount Rs. 1500.00 Lacs (Previous year Rs.1500.00 Lacs)) is secured by way of hypothecation of all current assets of the Company.

(c) Fund based working capital facility from Indusind Bank Ltd. for Rs. 967.29 Lacs (Previous year Rs.Nil) (sanctioned amount Rs. 1000.00 Lacs (Previous year Rs. Nil)) is secured by way of first pari - passu charge on current assets with other working capital lenders.

6. Micro, Small and Medium Enterprises

As per the information received from creditors, the Company has no supplier who falls into the category of micro, small and medium enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006".

7. Miscellaneous Expenditure represents:

(RS. LACS)

Particulars	As at April 1, 2009	Addition During the year	Amortised during the Year	As at March 31, 2010
Preliminary and Issue Expenses	0.05	-	0.03	0.02
Deferred Employee Compensation	70.97	186.25	112.66	144.56
	71.02	**186.25**	**112.69**	**144.58**

8. 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. The options can be exercised during two to four years from the vesting date.

Particular	Current Year		Previous Year	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the start of the year	905,000	10.00	1,620,000	10.00
Option Grant During the Year	2,500,000	10.00	535,000	10.00
Forfeited during the year	-	10.00	(1,200,000)	10.00
Exercised during the year	-	10.00	(50,000)	10.00
Outstanding at the end of the year	3,405,000	10.00	905,000	10.00
Exercisable at the end of the year	695,000	10.00	160,000	10.00

From the last year exercisable option exercise period has been enhanced to 28th Dec 2011 and 22nd August 2011 for 60,000 and 100,000 option respectively.

Grant Date	Current Year		Previous Year	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
22-Aug-06	200,000	1.39 Years	200,000	1.39 Years
28-Dec-06	120,000	1.74 Years	120,000	1.74 Years
28-Dec-07	50,000	1.70 Years	50,000	2.70 Years
27-Feb-09	535,000	1.70 Years	535,000	1.91 Years
7-Dec-09	2,500,000	2.39 Years	-	-

Schedules annexed to and forming part of the accounts

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:

(RS. LACS)

Particular	Current Year	Previous Year
Net Profit as reported (After Tax Exp.)	(332.29)	4761.11
Add: Stock Based employee compensation expense included in reported net loss, net of related tax effects	112.66	(6.82)
Less: Stock based employee compensation expense determined under fair value based method	(190.93)	6.82
Adjusted Net Profit	**(410.56)**	**4761.11**

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 Sholes option pricing model with the following assumptions.

Black Sholes Option Pricing model for Grant date for 7/12/2009

A.	Stock Price Now	25.8
B.	Exercise Price (X)	10
C.	Time to Maturity	2.74
D.	Risk Free Rate	6.58%
E.	Annual Volatility (Standard Dev - Annual) (#)	18.93%
Call Price (CO)		**17.45**

The Valuation of MHC share has thus been arrived at based on projected EV/EBIDTA numbers as detailed hereunder as on September 4, 2008.

Particular	Current Year	Previous Year
EBIDTA	75	115
EV/EBIDTA multiple	13.25	10.25
EV	993.75	1178.75
Debt	528	597
Market Cap	465.75	581.75
# of Shares	237094548	237094548
Per Share Valuation	**19.64**	**24.54**

9. Directors' Remuneration

(RS. LACS)

		Current Year*	Previous Year
a)	Directors' remuneration paid/provided in the accounts:		
	(i) Salary and Allowances	50.55	71.27
	(ii) Perquisites	15.05	21.15
	(iii) Contribution to Provident Fund and Superannuation Fund	11.86	3.60
		77.46	96.02
b)	Professional Fees paid to Directors	15.19	14.23
Total		**92.65**	**110.25**

The above includes leave encashment for Rs. Nil (Previous year Rs.1.98 Lacs) and does not include gratuity.

* During the year, the Company paid remuneration to Executive Directors in accordance with the resolution passed by Board of Directors and shareholders. With regard to Directors an amount of Rs. 343.64 Lacs (Previous year Rs. 64.96 Lacs) is paid in excess of limits prescribed under Section II of Part II of Schedule XIII of Companies Act, 1956. The Company is in the process of taking approval from Central Government for this excess amount.

In view of aforesaid, the excess amount of Rs. 380.67 Lacs (Previous year Rs. 135.13 Lacs) received by the concerned Directors till March 31, 2010 is held in trust for the Company.

Schedules annexed to and forming part of the accounts

Remuneration for current year also includes an amount of Rs. Nil (Previous year Rs. 65.45 Lacs) relating to earlier years for which the Company has received Central Government Approval during the year.

10. Investments

The details of Investments in the nature of Current Non Trade (Unquoted), at cost are given below:

Name of the Investment	Face Value per unit (Rupees)	As at March 31, 2010 Units (Numbers)	As at March 31, 2010 Value (Rs. Lacs)	As at March 31, 2009 Units (Numbers)	As at March 31, 2009 Value (Rs. Lacs)
Units in Mutual Fund					
a) DSP Black Rock Strategic Bond Fund - Institutional Plan Growth	1000			182270	1854.40
b) ICICI Prudential Floating Rate Plan D Growth	10			15546303	2000.42
c) IDFC Liquid Plus Fund - Treasury Plan - Super Inst Plan C - Growth	10			19744159	2000.48
d) Kotak Floater Long Term Growth	10			18207380	2500.51
e) HDFC Floater Advantage Plan Fund- Growth	10	25926667	5214.86	-	-
f) TATA Floater Fund-Growth	10	15273365	2082.63	-	-
			7297.49		8355.81

Details of movement of Current Non Trade Investments (Unquoted) during the year:

Name of the Investment	Face Value per unit (Rupees)	Purchase Units (Numbers)	Purchase Value (Rs. Lacs)	Sales Units (Numbers)	Sales Value (Rs. Lacs)
a) Tata Liquid Super High Fund Appreciation	1000	296227	5000.00	296227	5000.00
b) HDFC Liquid Mutual Fund	10	27264449	5000.00	27264449	5000.00
c) HDFC Floater Advantage Plan Fund-Growth	10	38327706	7700.55	12401040	2485.69
d) DSP Black Rock Strategic Bond Fund - Institutional Plan Growth	1000			182270	1854.40
e) ICICI Prudential Floating Rate Plan D Growth	10			15546303	2000.42
f) IDFC Liquid Plus Fund - Treasury Plan - Super Inst Plan C - Growth	10			19744159	2000.48
g) Kotak Liquid (Institutional Premium) - Growth	10	13913624	2500.00	13913624	2500.00
h) Kotak Floater Long Term Growth	10	52206375	7401.32	70413756	9901.83
i) Tata Floater Fund-Growth	10	36672339	5000.53	21398974	2917.90

11. Employees Benefit

Gratuity and Leave Encashment plans:

The following tables sets out disclosure in respect of define benefit plans.

Schedules annexed to and forming part of the accounts

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost) (RS. LACS)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current service cost	57.20	32.33	180.58	100.43	61.10	-
Interest cost on benefit obligation	9.69	7.74	25.23	24.00	-	-
Expected return on plan assets	(5.79)	(5.57)	-	-	-	-
Net actuarial(gain) / loss recognized in the year	73.89	(9.46)	24.36	(68.47)	-	-
Past service cost	-	-	-	-	-	-
Net benefit expense	134.99	25.04	230.17	55.96	61.10	-
Actual return on plan assets						

Balance sheet

Details of Provision for gratuity and Leave Encashment Benefits (RS. LACS)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation	242.43	124.32	471.38	323.46	61.10	-
Fair value of plan assets	52.62	63.38	-	-	-	-
	(189.81)	(60.94)	(471.38)	(323.46)	(61.10)	-
Less: Unrecognized past service cost	-	-	-	-	-	-
Plan asset / (liability)	(189.81)	(60.94)	(471.38)	(323.46)	(61.10)	-

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

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening defined benefit obligation	124.32	96.86	323.46	300.04	-	-
Interest cost	9.69	7.74	25.23	24.00	-	-
Current service cost	57.20	32.33	180.58	100.43	61.10	-
Benefits paid	(22.20)	(3.05)	(82.25)	(32.54)	-	-
Actuarial (gains) / losses on obligation	73.42	(9.56)	24.36	(68.47)	-	-
Closing defined benefit obligation	242.43	124.32	471.38	323.46	61.10	-

Schedules annexed to and forming part of the accounts

Changes in the fair value of plan assets are as follows: (RS. LACS)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening fair value of plan assets	63.38	60.96	-	-	-	-
Expected return	5.79	5.57	-	-	-	-
Contributions by employer	-	-	-	-	-	-
Benefits paid	(16.08)	(3.05)	-	-	-	-
Actuarial gains / (losses)	(0.47)	(0.10)	-	-	-	-
Closing fair value of plan assets	52.62	63.38	-	-	-	-

The Company expects to contribute Rs.NIL to gratuity in 2010-11.

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

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	%	%	%	%	%	%
Life Insurance Corporation of India	100	100	-	-	-	-

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

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	%	%	%	%	%	%
Discount rate	7.50	7.80	7.50	7.80	7.50	-
Expected rate of return on assets	9.15	9.15	-	-	-	-
Employee turnover	40.00	40.00	40.00	40.00	40.00	-

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. LACS)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation	242.43	124.32	471.37	323.45	61.10	-
Plan assets	52.62	63.38	-	-	-	-
Surplus / (deficit)	(189.81)	(60.94)	(471.37)	(323.45)	(61.10)	-
Experience adjustments on plan liabilities	(10.61)	10.18	(12.17)	(69.27)	-	-
Experience adjustments on plan assets	(0.47)	(0.10)	-	-	-	-

Defined Contribution Plans

During the year, the Company contributed Rs. 261.68 Lacs (Previous year Rs. 181.04 Lacs) for provident fund and Rs. 32.03 Lacs (Previous year Rs. 22.07 Lacs) for superannuation fund which represent contribution to defined contribution plans.

Schedules annexed to and forming part of the accounts

12. Segment Reporting

As the Company operates in a single business and geographical segment of Healthcare services, the provisions of Accounting Standard 17 on "Segment Reporting" notified under section 211(3c) of the Companies Act 1956 are not applicable to the Company.

13. Related Parties (as identified by the Management) are classified as:

Holding Company	Max India Ltd.
Subsidiaries	Max Medical Services Ltd., Alps Hospital Ltd., Hometrail Estate Private Ltd. (Effective April 2 ,2009), Hometrail Buildtech Private Ltd (Effective April 2 , 2009).
Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV Netherlands, Neeman Medical International NV Netherlands, Max Neeman Medical International Inc., USA, Max UK Ltd. UK, Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd. , Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009).
Key Management Personnel (Directors)	Mr. Analjit Singh, Dr. R.P. Soonawala, Dr. Pervez Ahmed, Dr. Pradeep Kumar Chowbey (Effective November 18, 2009).
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 over which key management personnel have significant influence	New Delhi House Services Ltd., Malsi Estates Ltd., Max India Foundation, Urban Space Consultants Private Ltd.
Employee benefit funds	Max India Ltd. Employees Provident Fund Trust, Max Healthcare Institute Ltd. Superannuation Fund.

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

(RS. LACS)

S. No.	Particular	Holding Company	Subsidiary	Fellow Subsidiaries	Key Management Personnel	Relatives of Management Personnel	Enterprise over which Key Management Personnel have Significant Influence	Employee Benefit Funds
1	Fixed assets transferred/sold	-	-	-	-	-	-	-
		(45.54)	(-)	(-)	(-)	(-)	(-)	(-)
2	Fixed Assets Purchased	-	109.33	19.80	-	-	-	-
		(-)	(15.43)	(-)	(-)	(-)	(-)	(-)
3	CWIP (Services Received)	-	-	-	-	-	36.09	-
		(-)	(-)	(-)	(-)	(-)	(82.69)	(-)
4	Loans given	-	7,736.86	-	-	-	-	-
		(-)	(1,171.81)	(-)	(-)	(-)	(-)	(-)
5	Advances Given	-	-	5,000.00	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
6	Advances Repaid	-	-	5,000.00	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
7	Income and Reimbursements	-	2,323.92	-	-	-	-	-
	Interest income	(-)	(1,817.85)	(-)	(-)	(-)	(-)	(-)
	Sale of Goods	-	786.18	0.06	-	-	1.17	-
		(-)	(517.66)	(6.64)	(-)	(-)	(-)	(-)
	Services rendered	7.35	513.20	8.93	0.16	1.23	1.58	-
		(15.98)	(348.69)	(6.43)	(0.35)	(1.49)	(15.51)	(-)
	Reimbursement of Expenses	-	284.32	0.57	-	-	0.16	-
		(-)	(128.63)	(-)	(-)	(-)	(-)	(-)

Schedules annexed to and forming part of the accounts

(RS. LACS)

S. No.	Particular	Holding Company	Subsidiary	Fellow Subsidiaries	Key Management Personnel	Relatives of Management Personnel	Enterprise over which Key Management Personnel have Significant Influence	Employee Benefit Funds
8	Expenses							
	Service received	**354.53**	**0.33**	**326.21**	**-**	**-**	**139.53**	**-**
		(293.53)	(0.54)	(350.00)	(-)	(-)	(107.22)	(-)
	Purchase of Goods	**-**	**67.43**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Other Expenses	**42.46**	**1.72**	**17.43**	**-**	**5.83**	**3.13**	**-**
	(including reimbrusement expenses)	(30.95)	(1.79)	(13.95)	(-)	(4.62)	(48.09)	(-)
	Director's Remuneration	**-**	**-**	**-**	**92.65**	**-**	**-**	**-**
		(-)	(-)	(-)	(110.25)	(-)	(-)	(-)
	Co's contribution to Superannuation	**-**	**-**	**-**	**-**	**-**	**-**	**32.03**
		(-)	(-)	(-)	(-)	(-)	(-)	(22.07)
	Co's contribution to PF trust	**-**	**-**	**-**	**-**	**-**	**-**	**261.68**
		(-)	(-)	(-)	(-)	(-)	(-)	(212.71)
9	Equity Contribution	**-**	**2.00**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
10	Amount Outstanding							
	Equity Investment	**-**	**2,096.25**	**-**	**-**	**-**	**-**	**-**
		(-)	(2,094.25)	(-)	(-)	(-)	(-)	(-)
	Corporate Guarantee	**39,000.00**	**-**	**-**	**-**	**-**	**-**	**-**
		(24,000.00)	(-)	(-)	(-)	(-)	(-)	(-)
	Against Loan given	**-**	**22,415.96**	**-**	**-**	**-**	**-**	**-**
		(-)	(14,679.11)	(-)	(-)	(-)	(-)	(-)
	Interest Receivable	**-**	**3,952.00**	**-**	**-**	**-**	**-**	**-**
		(-)	(3,599.61)	(-)	(-)	(-)	(-)	(-)
	Other Receivable	**-**	**938.73**	**-**	**380.67**	**-**	**-**	**-**
		(-)	(1,090.12)	(-)	(141.21)	(-)	(-)	(-)
	Other Payable	**1,419.04**	**-**	**16.94**	**-**	**0.36**	**2.97**	**70.58**
		(1,225.92)	(3.67)	(77.30)	(-)	(0.33)	(15.37)	(51.48)
	Debtors	**-**	**1,373.57**	**9.41**	**-**	**4.50**	**0.66**	**-**
		(-)	(725.11)	(7.70)	(0.08)	(1.50)	(7.16)	(-)

Figures in brackets are for previous year.

14. Leases

Accounting for leases has been made in accordance with Accounting Standard-19 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year:

A. Finance Lease (As a Lessor)

i) Description of significant leasing arrangements

The Company has entered into a finance lease agreement for medical equipments with a down stream subsidiary the period July 01, 2007 to March 31, 2017. The contract is renewable on mutual agreement.

ii) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments receivable as at the balance sheet date.

(RS. LACS)

Particulars	**Current Year**	Previous Year
Total Gross Investment in Lease	2527.45	2802.03
Less:		
Residual Value	69.54	53.62
Gross Investment in Lease	2457.91	2748.41
Less:		
Unearned Income	1633.88	1745.90
Present value of minimum lease payments	824.03	1002.51

Schedules annexed to and forming part of the accounts

iii) Present value of minimum lease payments receivable are as follows:

(RS. LACS)

Particulars	Gross Investment in Lease	Present value of minimum lease payments receivable
Not later than one year	326.69	170.63
	(290.50)	(178.48)
Later than one year and not later than five years	1415.96	499.95
	(1385.02)	(573.02)
Later than five years	715.26	153.45
	(1072.89)	(251.01)
Total	**2457.91**	**824.03**
	(2748.41)	(1002.51)

Figures in brackets are for previous year

B. Operating Lease (As a Lessor)

i) Description of significant leasing arrangements

The Company has given certain medical equipments on operating lease to a down stream subsidiary at lease rental of Rs. 4.00 Lacs p.m. for the period July 01, 2007 to June 30, 2009; the contract has been renewed on mutual agreement for the further period July 01, 2009 to June 30, 2011.

ii) Details of Assets given under operating lease are as under:

(Rs. Lacs)

Particulars	Gross Carrying Amount	Depreciation for the year	Accumulated Depreciation
Medical Equipments	660.44	46.69	370.72
	(660.44)	(46.69)	(324.42)

Figures in brackets are for previous year

iii) The total of future minimum lease payments under non-cancellable leases is as follows:

(RS. LACS)

Particulars	As at March 31, 2010	As at March 31, 2009
Not later than one year	48.00	12.00
Later than one year and not later than five years	12.00	-
Later than five years	-	-
Total	**60.00**	**12.00**

C. Operating Lease (As a Lessee)

The Company has acquired vehicles on operating leases. The total minimum lease payments and maturity profile of operating leases at the Balance Sheet date, and the present value of the minimum lease payments as of March 31, 2010 are as follows:

(RS. LACS)

Particulars	As at March 31, 2010	As at March 31, 2009
Not later than one year	3.22	3.22
Later than one year and not later than five years	1.34	4.57
Later than five years	-	-
Total	**4.56**	**7.79**

Schedules Annexed to and Forming Part of the Accounts

D. Operating Lease (As a Lessee)

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the Profit and Loss account for the year is Rs. 929.57 Lacs (Previous year Rs. 917.71 Lacs).

Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

(RS. LACS)

Particulars	As at March 31, 2010	As at March 31, 2009
Not later than one year	204.97	379.57
Later than one year and not later than five years	383.07	588.04
Later than five years	-	-
Total	**588.04**	967.61

15. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic		
Profit/(Loss) after tax (Rs. Lacs)	(332.29)	4761.14
Weighted average number of equity shares	237144548	237106740
Earnings Per Share (Rs.)	(0.14)	2.01
Equity Share Details (Nos.)		
Outstanding as at the beginning of the year	237144548	237094548
Issued on Jan 2, 2009	Nil	50000
Outstanding as at the end of the year	237144548	237144548
Diluted		
Profit/(Loss) after tax (Rs. Lacs)	(332.29)	4761.14
Less: Dividend on Cumulative Preference Shares (Rs. Lacs)	500.00	500.00
Net Profit/(Loss) after adjustment (Rs. Lacs)	(832.29)	4261.14
Weighted average number of equity shares	238385832	238577179
Earning Per Share (Rs.)	(0.35)	1.79
Equity Share Details (Nos.)*		
Outstanding as at the beginning of the year	238049548	238714548
ESOPs granted under the 2006 Plan	2500000	535000
ESOPs forfeited/lapsed during the year	Nil	(1200000)
ESOPs Exercise during the year	Nil	(50000)
Issued on Jan 2, 2009	Nil	50000
Outstanding as at the end of the year	240549548	238049548

* Since the rate at which the Preference Shares will be converted is not presently determinable, the same has not been considered.

Reconciliation of denominators used for calculating basic and diluted earnings per share

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Denominator used for computing basic Earnings Per Share	237144548	237106740
Dilutive impact of ESOPs granted under the 2006 Plan	1241284	2054659
Dilutive impact of ESOPs lapsed under the 2006 Plan	Nil	(584220)
Denominator used for computing diluted Earnings Per Share	238385832	238577179

Schedules Annexed to and Forming Part of the Accounts

16. The movement of provision for deferred tax is given below:

(Rs. Lacs)

	Opening as at April 1, 2009	Addition	Deletion/ Adjustment	Closing as at March 31, 2010
Deferred Tax Liability				
Depreciation related	2092.87	133.81	-	2226.68
Preliminary expense	0.02	-	0.01	0.01
	2092.89	**133.81**	**0.01**	**2226.69**
Deferred Tax Asset				
Deduction u/s 43B of the Income Tax Act	(148.09)	(115.79)	-	(263.88)
Other Provisions	(329.56)	(227.20)	-	(556.76)
B/F Unabsorbed depreciation carried forward	(1615.24)	-	(209.19)	(1406.05)
	(2092.89)	**(342.99)**	**(209.19)**	**(2226.69)**
Net Deferred Tax Liability	**-**	**-**	**-**	**-**

Deferred Tax Assets are created to the extent of deferred tax liability.

17. During the previous year, a Memorandum of Understanding (MOU) dated November 12, 2008 has been entered into amongst Government of Punjab ("GOP"), Max India Group and Others ("the Founder Supporters"), together with Indian School of Business, Hyderabad ("ISB"). As per the MOU, a second campus of ISB is purposed to be established in the Knowledge city at Mohali, with an equal contribution from each of the Founder Supporters. The Board of Directors recommended a contribution an amount not exceeding Rs. 16.67 crores to this initiative over a period of 3-4 years, subject to the shareholders approval, out of the total commitment of Rs. 50 crores from Max India Group. Of the above, a sum of Rs. 3.88 Crores (Previous year Rs.1.45 Crores) has been contributed by the company during the year and included under the head Charity & Donation.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956:

18. a. Material consumed consists of items of varied nature. Accordingly it is not feasible to give details as required under part II of Schedule VI to the Companies Act, 1956.

(RS. LACS)

		Current Year	Previous Year
b.	Value of Imports calculated on CIF Basis		
	- Capital Goods	2.38	64.55
	- Trading Goods	59.94	-
	Total :	**62.32**	64.55
c.	Expenditure in Foreign Currency (Cash Basis)		
	- Professional Fee	183.84	73.58
	- Others	23.66	26.65
	Total :	**207.50**	100.23
d.	Income in Foreign Currency		
	- Consultation fees	52.20	61.69
	Total :	**52.20**	61.69

19. Auditors Remuneration

(RS. LACS)

Particulars	Current Year	Previous Year
Audit fees (including service tax)	18.75	18.75
Reimbursement of out of pocket expenses	1.10	1.10
Total :	**19.85**	19.85

Schedules Annexed to and Forming Part of the Accounts

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

(RS. LACS)

Particulars	Current Year (Cumulative)	Previous Year (Cumulative)
Amount received on preferential allotment of shares	30000.00	30000.00
Utilisation:		
Repayment of Loans	9050.22	8000.68
Working capital	2331.93	1006.81
Purchase of land (including Advances)	5047.28	4818.48
New Projects	2483.76	1253.94
Loan to subsidiaries	5099.47	1627.84
Loan to other healthcare services provider	5444.36	3730.64
Sub-total	**29457.02**	20438.39
Invested in Units of Mutual Fund	-	8355.81
Deposit with Scheduled Bank	**174.68**	1205.80
Yes Bank (Cash Credit Account)	**368.30**	-

21. On April 02, 2009, the company has acquired 10000 shares of Rs.10 each, of Hometrail Estate Private Limited (HEPL) & 10000 shares of Rs.10 each, of Hometrail Buildtech Private Limited (HBPL). By virtue of the above, HEPL & HBPL became a wholly owned subsidiaries.

22. a. The company has been issued a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Speciality Hospital at Mohali, Punjab on Public Private Partnership (PPP) mode. Thereafter, during the year, the Company together with the Government of the state of Punjab and HEPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein.
During the year, HEPL has started setting up the above mentioned Project and an amount of Rs.1079.96 Lacs has been given an Inter Corporate Deposit, which has been disclosed under Loans & Advances.

b. The company has been issued a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Speciality Hospital at Bathinda, Punjab on Public Private Partnership (PPP) mode. Thereafter, during the year, the Company together with the Government of the state of Punjab and HBPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein.
During the year, HBPL has started setting up the above mentioned Project and an amount of Rs. 948.93 Lacs has been given an Inter Corporate Deposit, which has been disclosed under Loans & Advances.

23. Comparative Figures

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

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

DR. PERVEZ AHMED	CEO & Managing Director
K. NARASIMHA MURTHY	Director
S. L. NARAYANAN	CFO & Director-Strategic IT
ARVIND KAKAR	Vice President-Finance
LALJI KUMAR	Company Secretary

New Delhi
May 18, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 11131 3 State Code 55

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
9757071	9757071

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
4871445	1389939
Secured Loans	**Deferred Tax Liability (Net)**
2982030	-
Unsecured Loans	
513657	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
2557938	939374
Net Current assets	**Misc. Expenditure**
5138015	14458
Accumulated Losses	
1107286	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
3817628	3850813
+ - **Profit before Tax**	+ - **Profit after Tax**
√ 33185	√ 33229
+ - **Basic Earning per Share in Rs.**	**Dividend Rate (%)**
√ 0.14	NIL
+ - **Diluted Earning per Share in Rs.**	
√ 0.35	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description HEALTHCARE

RELATED

SERVICES

MAX MEDICAL SERVICES LIMITED

MAX

Directors' Report

Your Directors are pleased to present their Sixteenth Annual Report, along with the Audited Accounts for the financial year ended March 31, 2010.

OPERATIONS

The Company recorded operational revenue of Rs.64.69 crore during the year 2009-2010, 113% up from its previous year income of Rs.33.03 crore. This has majorly been contributed by the increase in revenue from Construction and Trading activities. However during the year, your Company incurred a loss of Rs.8.79 crore as against a last year loss of Rs. 2.73 crore on account of increase in operational expenses and increased finance cost.

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.

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 Companies Act, 1956 ('the Act') read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

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.

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

In accordance with the provisions of the Act, Mr. Arvind Kakar and Mr. Mohit Talwar are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. P. Dwarakanath was appointed as an Additional Director of the Company on December 17, 2009 to hold office upto 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. P. Dwarakanath for being appointed as a Director of the Company.

Mr. Mukesh Shivdasani and Mr. Neeraj Basur resigned from the Board of Directors of the Company effective December 17, 2009. The Board places on record, its appreciation for the valuable contribution made by Mr. Shivdasani and Mr. Basur during their association with the Company.

AUDIT COMMITTEE

During the year under review, the Audit Committee of your Company was reconstituted and the Committee currently comprises of Mr. Arvind Kakar, Mr. Mohit Talwar and Mrs. Sujatha Ratnam. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 292A of the Act besides other terms, as may be referred to it by the Board of Directors of the Company.

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 Annexure-A.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi	**ARVIND KAKAR**	Director
July 27, 2010	**SUJATHA RATNAM**	Director

Annexure - A

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

Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest 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 31.03.2010 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 Years (Rs. Lacs)	For the Current Financial Year (Rs. Lacs)	For the Previous Financial year (Rs. Lacs)	
Alps Hospital Limited	31.03.2010	50,000 Equity Shares of Rs. 10 each	100%	(810.05)	(568.93)	NIL	NIL	100%

Figures in brackets indicate loss.

For and on behalf of the Board of Directors

ARVIND KAKAR Director
SUJATHA RATNAM Director

New Delhi
July 27, 2010

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, 2010, 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 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 (together the "Order") 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. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical count have been noticed.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company 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.

   (b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

   iii. (a) 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 Act.

   (b) 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 Act.

   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, fixed assets and for the sale of goods and 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, no major weaknesses have been noticed or reported.

   v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

Auditors' Report

vi. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

viii. 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.

ix. (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 including provident fund, investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

(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.

x. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has not incurred any cash losses in the financial year ended on that date. The Company has not incurred cash losses in the immediately preceding financial year.

xi. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.

xiv. In our opinion, the company is not a dealer in shares, securities, debentures and other investments.

xv. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank of financial institutions during the year.

xvi. The Company has not taken any term loans.

xvii. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix. The company has not issued any debentures.

xx. The company has not raised any money by public issues during the year.

xxi. 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

Auditors' Report

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 10, 2010

Balance Sheet as at March 31, 2010

(RS. IN '000)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	141,425	141,425
Share Premium		3,000	3,000
LOAN FUNDS			
Unsecured Loan	2	1,973,432	1,402,635
DEFERRED TAX LIABILITY (NET)	3	-	5,913
		2,117,857	1,552,973
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		870,313	438,080
Less : Accumulated Depreciation		163,473	124,597
Net Block		706,840	313,483
Capital Work in Progress		3,702	13,924
		710,542	327,407
INVESTMENTS	5	134,759	134,759
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	18,984	30
Sundry Debtors	7	565,853	547,923
Cash and Bank Balances	8	16,426	5,050
Other Current Assets	9	85,947	58,100
Loans and Advances	10	962,018	841,218
		1,649,228	1,452,321
LESS : CURRENT LIABILITIES AND PROVISIONS	11		
Current Liabilities		521,885	433,393
Provisions		1,877	1,877
		523,762	435,270
NET CURRENT ASSETS		1,125,466	1,017,051
MISCELLANEOUS EXPENDITURE	12	1	8,688
(To the extent not written off or adjusted)			
PROFIT AND LOSS ACCOUNT		147,089	65,068
		2,117,857	1,552,973
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

ROHIT GANDHI Company Secretary

New Delhi
May 10, 2010

Profit and Loss Account for the year ended March 31, 2010

(RS. IN '000)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Income from Lease & Maintenance Activities	13	101,807	155,765
Income from Construction and Trading Activities	14	466,137	110,402
Other Income	15	78,981	64,111
		646,925	330,278
EXPENDITURE			
Construction Cost and Other Consumed	16	466,137	110,402
Personnel, Administrative and Other Expenses	17	53,691	51,280
Financial Expenses	18	174,711	166,884
Depreciation	4	40,320	29,038
		734,859	357,603
(LOSS) BEFORE TAX		(87,934)	(27,326)
Provision for Taxation			
- Deferred Tax (Refer Note C8 of Schedule 19)		(5,913)	(52,322)
PROFIT/(LOSS) AFTER TAX		**(82,021)**	24,996
(LOSS) BROUGHT FORWARD FROM THE PREVIOUS YEAR		(65,068)	(90,064)
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		(147,089)	(65,068)
Earning Per Share (Rs. per equity share of Rs. 10/- each)			
(Refer Notes B12 & C9 of Schedule 19)			
- Basic		(5.80)	1.77
- Diluted		(5.80)	1.77
Number of Shares used in computing Earning per Share			
- Basic		14,142,535	14,142,535
- Diluted		14,142,535	14,142,535
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

ROHIT GANDHI Company Secretary

New Delhi
May 10, 2010

Cash Flow Statement for the year ended March 31, 2010

(RS. IN '000)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before tax and extraordinary items	(87,934)	(27,326)
Adjustments for:		
Depreciation	40,320	29,038
Interest Expense	204,898	166,833
Interest Income	(35,838)	(39,575)
Profit or loss on sale of FA	3,706	-
Miscellaneous Expenditure written off	1	1
Deferred revenue expenditure written off	8,685	12,240
Operating Profit Before Working Capital Changes	**133,839**	141,212
Adjustments for:		
Trade receivables	(17,930)	(130,745)
Other receivables	(139,290)	(72,936)
Inventories	(18,954)	(30)
Trade payables	60,983	57,587
Cash Generated From Operations	**18,647**	(4,901)
Direct taxes refunded/(paid) - Net	18,578	35,832
Cash From / (Used in) Operating Activities	**37,225**	30,931
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(438,216)	-
Capital Work in Progress	10,221	(12,734)
Sale of Fixed Assets	833	-
Loan given	-	(17,227)
Interest Received (Revenue)	7,901	6,386
Purchase of Investment	-	(93)
Cash From/ (Used In) Investing Activities	**(419,261)**	(23,668)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	570,797	116,364
Interest Paid	(177,385)	(121,709)
Cash From/ (Used In) Financing Activities	**393,412**	(5,345)
Net Increase/(Decrease) in Cash and Cash Equivalents	11,376	1,918
Cash and Cash Equivalents - Opening Balance	5,050	3,132
Cash and Cash Equivalents - Closing Balance	16,426	5,050
	11,376	1,918

Notes:

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Figures in bracket indicate cash outgo.

3 Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in hand and balances with banks:

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
Cash in Hand	6	15
Balance with banks	16,420	5,035
Total	**16,426**	5,050

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 19

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

ROHIT GANDHI Company Secretary

New Delhi
May 10, 2010

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHARE CAPITAL		
AUTHORISED		
35,000,000 (Previous year 35,000,000) Equity Shares of Rs. 10/- each	350,000	350,000
	350,000	350,000
ISSUED, SUBSCRIBED AND PAID UP		
14,142,535 (Previous year 14,142,535) Equity Share of Rs. 10/- each held by Max Healthcare Institute Limited (The Holding Company) and it's nominees	141,425	141,425
	141,425	141,425
SCHEDULE – 2		
UNSECURED LOANS		
-From Max Healthcare Institute Ltd. (The Holding Company) (Repayable on Demand)	1,973,432	1,402,635
	1,973,432	1,402,635
SCHEDULE – 3		
DEFERRED TAX LIABILITY		
(Refer Note C8 on Schedule 19)		
a) Deferred Tax Liability		
- Opening Balance	55,824	58,235
- Movement during the year		
Additions	11,287	1,750
Utilisation	2,953	4,161
- Closing Balance	**64,158**	55,824
b) Deferred Tax Assets		
- Opening Balance	49,911	-
- Movement during the year		
Additions	14,247	49,911
Utilisation	-	-
- Closing Balance	**64,158**	49,911
Net Deferred Tax Liability	**-**	5,913

Schedules annexed to and forming part of the accounts

SCHEDULE – 4
FIXED ASSETS

(Refer Notes B3, B4, B5 & C5 on Schedule 19)

(RS. IN '000)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2010	As at April 1, 2009	For the Year	Deletion/ Adjustments during the year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
TANGIBLE ASSETS										
Plant & Machinery	124,485	19,076	5,983	137,578	24,836	6,177	1,444	29,569	108,009	99,649
Medical Equipments	256,809	393,798	-	650,607	75,072	27,617	-	102,689	547,918	181,737
Office Equipments & Computers	22,646	17,424	-	40,070	11,059	3,184	-	14,243	25,827	11,587
Furniture & Fixtures	28,345	7,918	-	36,263	10,429	2,403	-	12,832	23,431	17,916
INTANGIBLE ASSETS										
Computer Software	5,795	-	-	5,795	3,201	939	-	4,140	1,655	2,594
TOTAL	**438,080**	**438,216**	**5,983**	**870,313**	**124,597**	**40,320**	**1,444**	**163,473**	**706,840**	**313,483**
Previous Year	438,080	-	-	438,080	95,559	29,038	-	124,597		
Capital Work in Progress including Capital Advances Rs. 976 Thousand(Previous year Rs. 4,440 Thousand)									3,702	13,924
									710,542	327,407

Notes :

1. Capital work in progress includes interest capitalised Rs. NIL (Previous year Rs. 331 Thousand)

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 5		
INVESTMENTS		
(Refer Notes B8, C7 & C14 on Schedule 19)		
Subsidiary, at cost		
(Unquoted)		
ALPS Hospital Limited, a Subsidiary Company		
50,000 (Previous year- 50,000) Equity Shares of Rs. 10/- each	134,759	134,759
	134,759	134,759
Aggregate value of unquoted investments	134,759	134,759
CURRENT ASSETS, LOANS AND ADVANCES		
SCHEDULE – 6		
INVENTORIES		
(Refer Note B7 on Schedule 19)		
- Stock of Medical Supplies	400	30
- Stock others	18,584	-
	18,984	30

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 7		
SUNDRY DEBTORS		
(Refer Notes C4 & C5 on Schedule 19)		
(Unsecured)		
Debtors exceeding six months		
- Considered Good	496,384	447,040
Other Debts		
- Considered Good	69,469	100,883
	565,853	547,923
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash-in-hand	6	15
Balance with Banks		
-In Current Accounts	16,420	5,035
	16,426	5,050
SCHEDULE - 9		
OTHER CURRENT ASSETS		
Interest Receivable *	85,947	58,100
	85,947	58,100
* Amount due from Subsidiary Company Rs. 85,886 Thousand (Previous year Rs. 54,457 Thousand)		
SCHEDULE - 10		
LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
(Refer Notes C4,C5, C6 and C14 on Schedule 19)		
Unsecured		
Advances Recoverable in Cash or kind or value to be received	5	5
Recoverable from Subsidiary Company*		
- Loan	257,056	257,056
- Others	-	1,128
Recoverable from other Healthcare services provider		
- Loan	29,647	29,647
- Deferred Credit	1,154	50,349
- Construction Cost Recoverable	463,237	268,262
- Expenses Recoverable	107,726	111,489
- Security Deposits	78,300	78,300
Advances to suppliers	6,290	7,294
Prepaid Expenses	2,648	3,244
Tax Receivable	15,955	34,444
	962,018	841,218

* Amounts due from Subsidiary Company:
For Loan Rs. 257,056 Thousand (Previous year Rs. 257,056 Thousand)
For Others Rs. Nil (Previous year Rs. 1,127 Thousand)

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
CURRENT LIABILITIES AND PROVISONS		
SCHEDULE – 11		
CURRENT LIABILITIES		
Sundry Creditors		
- Total outstanding dues of Micro Enterprise & Small Enterprise	-	-
- Total outstanding dues other than Micro Enterprise & Small Enterprise*	108,067	52,710
Interest Accrued (to the Holding Company)	378,086	351,803
Other Liabilities	35,732	28,880
	521,885	433,393
* Payable to Holding Company Rs. 4,515 Thousand (Previous year Rs. 3,398 Thousand)		
PROVISIONS		
Provisions for Taxation	1,877	1,877
	523,765	435,270
SCHEDULE – 12		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
(Refer Note B10 on Schedule 19)		
Deferred Revenue Expenditure	-	8,686
Preliminary Expenses	1	2
	1	8,688

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 13		
INCOME FROM LEASE & MAINTENANCE ACTIVITIES		
(Refer Notes C4, C5 & C11 on Schedule 19)		
Income from Lease*	62,650	97,152
Income from Maintainence of Healthcare facility **	39,157	58,613
	101,807	155,765
* Tax Deducted at Source Rs. 167 Thousand (Previous year Rs 2,985 Thousand)		
** Tax Deducted at Source Rs. 107 Thousand (Previous year Rs 1,159 Thousand)		
SCHEDULE – 14		
INCOME FROM CONSTRUCTION & TRADING ACTIVITIES		
(Refer Note B2 on Schedule 19)		
Income from Construction Activities*	190,605	71,594
Income from Trading Activities	275,532	38,808
	466,137	110,402
*Tax Deducted at Source Rs. 521 Thousand (Previous year Rs 1,774 Thousand)		

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 15		
OTHER INCOME		
(Refer Notes C4 & C14 on Schedule 19)		
Income from Deffered Credit *	31,735	23,470
Interest		
- On Loans **	35,838	35,403
- On Tax Refund	1,555	4,171
Provision no longer required written back	256	1,067
Foreign Exchange Fluctuation Net	9,059	-
Miscellaneous Income	538	-
	78,981	64,111
* Tax Deducted at Source Rs. 79 Thousand (Previous year Rs 399 Thousand)		
** Tax Deducted at Source Rs. 89 Thousand (Previous year Rs 2,215 Thousand)		
SCHEDULE – 16		
CONSTRUCTION COST AND STORES CONSUMED		
Cost of Trading Goods Sold	275,532	38,808
Cost of Construction Activities	190,605	71,594
	466,137	110,402
SCHEDULE – 17		
PERSONNEL, ADMINISTRATIVE AND OTHER EXPENSES		
Personnel Expenses		
Salaries, Wages and Bonus	3,766	2,646
Contribution to Provident and other funds	119	97
Administrative & Other Expenses		
Legal and Professional	266	108
Rates and Taxes	515	306
Insurance	1,521	1,437
Donation	600	442
Repair and Maintenance		
- Building	5,933	5,624
- Plant and Machinery	16,576	15,526
- Others	11,375	10,746
Lease Rentals	132	22
Foreign Exchange Fluctuation Net	-	417
Audit Fees	463	467
Advances Written off	-	1,190
Miscellaneous Expenditure	33	11
Loss on Sale of Assets	3,706	-
Deffered Revenue Expenditure Written Off	8,686	12,241
	53,691	51,280
SCHEDULE – 18		
FINANCIAL EXPENSES		
Interest on Inter Corporate Loans	173,880	166,833
Bank Charges	831	51
	174,711	166,884

Schedules annexed to and forming part of the accounts

SCHEDULE - 19

A. NATURE OF BUSINESS

The Company is in the business of construction of hospitals, leasing of medical and other equipment and trading of goods.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions

The financial statements are prepared on an accrual basis to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Revenue Recognition

a) The Company is in the business of constructing and leasing of medical and other equipments. Income from leasing activity is recognized on straight line basis over the period of contract. Contingent lease rent is recognized based on the occurrence of the contingency.

b) Revenue on sales of goods is recognized on the transfer of all the risk and reward of the property to purchaser subject to reasonable certainty of sales consideration.

3. Fixed Assets

a) Fixed Assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

b) Expenses of revenue nature, which can be regarded as incidental and related to the fixed assets are transferred to "Preoperative Expenditure Pending Capitalization". These expenses are allocated to fixed assets in the year of commencement of the related project.

c) Intangible assets are recognized if they are separately identifiable and Company controls the future economic benefits arising out of them. All other expenses on intangible assets are charged to profit & loss account.

4. Depreciation

a) Depreciation is charged on the straight line method at the rates specified in schedule XIV of the Companies Act, 1956 on a pro-rata basis.

b) Assets costing not more than Rs. 5,000/- each individually have been depreciated at 100%.

c) Software in the nature of intangible assets is depreciated over the period of six years.

5. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction & installation of the fixed assets have been capitalized in accordance with the Accounting Standard 16 "Borrowing Cost" as issued by The Institute of Chartered Accountants of India. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of the borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for its intended use or sale are complete.

6. Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting

Schedules annexed to and forming part of the accounts

period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

7. Inventories

Inventories are valued at lower of cost or net realizable value. Cost for this purpose is calculated on a "First In First Out" method.

8. Investments

a) Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

b) Long-term investments are valued at cost. Provision for diminution is made to recognize a decline, other than temporary in nature.

c) Current Investments are carried at lower of cost or fair value.

9. Leases

Operating Lease

The assets given under Operating lease are shown in Balance Sheet under fixed assets and depreciated on a basis consistent with the depreciation policy of the Company. The lease income is recognized in the Profit & Loss Account on accrual basis. The initial direct cost incurred for finalizing the lease arrangement is recognized as expense -immediately in the Profit & Loss Account.

10. Miscellaneous Expenditure

a) Preliminary expenses are amortized over a period of 10 years.

b) Deferred Revenue Expenditure includes consultancy charges for structuring the business and amortized over a period of 5 years.

11. Provision and Contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of facts and legal aspects of the matter involved.

12. Earning Per Share

Basic earning per share are calculated by dividing the net profit of 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 earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13. 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 realized gains an losses on foreign exchange transactions are recognized in the profit and loss account.

Exchange differences in respect of liabilities incurred to acquire fixed assets are recognized in the profit and loss account.

Schedules annexed to and forming part of the accounts

C. NOTES TO ACCOUNTS

1. Contingent liability

Letter of Credit outstanding as on 31.03.2010 Rs. 33,295 Thousand (Previous year NIL).

2. Capital Commitments

(RS. IN '000)

Particulars	Current Year	Previous Year
Estimated value of Contracts remaining to be executed	44,280	174,717
Less: Capital Advances	976	4,440
Net Amount	43,304	170,277

3. In the Financial year 2001-02, the Company had paid Non Compete fees as per the agreement, amounting to Rs 61,200 Thousand. In accordance with the stated accounting policy, the same has been amortized over a period of five years and balance as on 31.03.2010 is Rs. 'NIL' (Previous year Rs. 8,688 Thousand).

4. As at December 10, 2001 the Company entered into an agreement with a healthcare service provider to construct a hospital building. The 1st phase of construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 243,100 Thousand. Subsequent to this, a supplementary agreement for the construction of 2nd phase was entered in the previous year, against which the progressive billing of Rs. 286,779 Thousand (Previous year Rs. 78,305 Thousand) has been made till 31st March, 2010.

The consideration for 1st Phase is repayable in equal installments over 26.5 years from the handover date. The receipt of consideration for the 2nd Phase would start from the month immediately succeeding the month of handover and would be equal to the total amount billed to the healthcare service provider spread over the remaining period of the agreement. As of March 31, 2010, out of the aforesaid consideration of 1st Phase, an amount of Rs. 44,041 Thousand (Previous year Rs. 35,233 Thousand) has fallen due to payment of which the unpaid amount has been shown under the head Sundry Debtors. The balance amount which has not fallen due amounting to Rs. 184,489 Thousand (Previous year Rs. 193,297 Thousand) has been disclosed under the head of Loans and Advances. In addition, since the receipt of the consideration of building is spread over the tenure of the agreement, an income amounting of Rs. 31,735 Thousand (Previous year Rs. 23,470 Thousand), which is receivable based on a fixed percentage of the turnover of the healthcare service provider has been accrued and disclosed under the head Loans and Advances as Deferred Credit.

5. The Company had entered into a lease with a healthcare service provider on December 10, 2001 for supply of medical, other equipments and fixtures for an initial term of 30 years. Under the terms of the lease, the company is responsible for:

i. Acquisition of equipment including its repair and servicing;
ii. Ensuring adequate insurance coverage for the assets; and
iii. Replacement of any existing equipment or suitable equipment in lieu thereof.

As per terms, lease rentals based on a fixed percentage of the turnover of the healthcare service provider are due to the Company on a monthly basis. Accordingly, as at March 31, 2010 an amount of Rs. 62,650 Thousand (Previous year Rs. 97,152 Thousand) has been accrued as lease rentals for the current year. The lease rent is contingent on turnover, and therefore cannot be quantified for any future periods. The amount outstanding as at March 31, 2010 amounting to Rs. 299,572 Thousand (Previous year Rs. 292,246 Thousand) has been disclosed under Sundry Debtors.

6. Performance Guarantee of Rs. 78,300 Thousand had been deposited with the healthcare service provider, in earlier years, as per the agreements mentioned in point 4 and 5 above and disclosed under Loans and Advances.

Schedules annexed to and forming part of the accounts

7. 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 on pari passu basis towards HDFC and EXIM against the loan availed by the holding Company.

8. The movement of provision for deferred taxes is given below:

(RS. IN '000)

Particulars	Opening as at April 1, 2009	Addition	Deletion/ Adjustment	Closing as at March 31, 2010
Deferred Tax Liability				
Depreciation related	52,874	11,287	-	64,161
Preliminary & Deferred Revenue Expenses	2,950	-	(2,953)	(3)
Total (A)	**55,824**	**11,287**	**(2,953)**	**64,158**
Deferred Tax Assets				
Unabsorbed Depreciation	(49,911)	(14,247)	-	(64,158)
Total (B)	**(49,911)**	**(14,247)**	**-**	**(64,158)**
Net Deferred Tax liability (A+B)	**5,913**	**(2,960)**	**(2,953)**	**-**

9. Earning Per Share:

Particulars		Current Year	Previous Year
a)	Profit after tax (Rs. in '000)	(82,021)	24,996
b)	Weighted Average Number of Equity Shares (No.)	14,143	14,143
c)	Earning Per Share (Rupee)	(5.80)	1.77
d)	Number of Shares Outstanding at the beginning of the Year	14,143	14,143
e)	Number of Shares Outstanding at the end of the Year	14,143	14,143

10. Related Parties (as identified by the Management) are classified as under

Ultimate Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Subsidiary Company	ALPS Hospital Limited
Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV Netherlands, Neeman Medical International NV Netherlands, Max Neeman Medical International Inc., USA, Max UK Ltd. UK, Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd., Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009), Hometrail Buildtech Private Ltd. (Effective April 02, 2009)., Hometrail Estate Private Ltd. (Effective April 02, 2009).

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

(RS. IN '000)

S.No	Particulars	Max Healthcare Institute Limited (Holding Company)	ALPS Hospital Private Limited (Subsidiary Company)	Pharmax Corporation Limited (Fellow Subsidiary Company)
1.	Loan Taken	**570,797**	**-**	**-**
		(116,364)	(-)	(-)
2.	Purchase of Investment	**-**	**-**	**-**
		(-)	(93)	(-)
3.	Expenses: Services Received	**9,802**	-	**132**
		(3,398)	(-)	(22)
4.	Sales	**17,246**	**-**	**-**
		(1,500)	(-)	(-)
5.	Loan Given	**-**	**-**	**-**
		(-)	(17,227)	(-)
6.	Interest Expenses(including interest capitalized)*	**203,668**	**-**	**-**
		(167,164)	(-)	(-)
7.	Interest Income	**-**	**32,132**	**-**
		(-)	(31,697)	(-)
8.	Amount Outstanding			
	a. Against Loan taken	**1,973,432**	**-**	**-**
		(1,402,635)	(-)	(-)
	b. Sundry Creditors Balance	**4,515**	**-**	**-**
		(3,398)	(-)	(-)
	c. Other Payable	**-**	**-**	**12**
		(-)	(-)	(-)
	d. Interest Payable	**378,086**	**-**	**-**
		(351,803)	(-)	(-)
	e. Against Loan Given	**-**	**257,056**	**-**
		(-)	(257,056)	(-)
	f. Interest Receivable	**-**	**85,886**	**-**
		(-)	(54,457)	(-)
	g. Other Receivable	**-**	**-**	**-**
		(367)	(1,127)	(-)

Previous years figures are given in brackets

* of which the interest capitalized amount of Rs. 31,018 Thousand (Previous year Rs. 331 Thousand) payable to Max Healthcare Institute Ltd.

11. Leases

Accounting for leases has been made in accordance with Accounting Standard-19 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year:

Finance Lease

The Company has not entered into any finance lease agreement.

Schedules annexed to and forming part of the accounts

Operating Lease

Income from lease rentals recognized for the year is Rs. 62,650 Thousand (Previous year Rs. 97,152 Thousand). As mentioned above, the company has entered into an agreement for supply of equipment on lease. The lease rent is entirely contingent on turnover, hence cannot be quantified for any future periods (Refer point C 5 above).

Details of Assets given under operating Lease are as under:

(RS. IN '000)

Particulars	Gross Carrying Amount	Depreciation for the Year	Accumulated Depreciation
Assets	870,313	40,320	163,473
	(438,080)	(29,038)	(124,597)

12. As the Company operates in a single business segment of Construction of hospitals and Leasing of Medical & Other Equipment, the provisions of Accounting Standard 17 on Segment Reporting issued by The Institute of Chartered Accountants of India is not applicable to the Company.
The Company operates in single geographical segment.

13. Auditors Remuneration:

(RS. IN '000)

Particulars	Current Year	Previous Year
Audit Fees*	450	441
Out of Pocket Exp.*	-	17
Total	**450**	458

* Including Service Tax and Education Cess

14. During the year 2007-08, ALPS Hospital Limited (the subsidiary company) has set up a multi specialty healthcare facility at Gurgaon on July 2, 2007. To fund the said project, an amount of Rs. 257,056 Thousand had been given to the subsidiary as unsecured loan till March 31, 2010.

15. As per the information received from creditors, the Company has no supplier who falls into the category of micro, small and medium enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006".

16. Additional Information pursuant to the provisions of paragraphs 3 of Part - II of Schedule VI of the Companies Act, 1956.
Purchase, Sales and Stock of Goods Purchased for Sale
(As certified by the Management)

(RS. IN '000)

S. N	Description	Opening Stock		Purchases		Sales		Closing Stock	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
1	Stent	**1**	**30**	**2,798**	**163,827**	**2,799**	**163,857**	**-**	**-**
		(-)	(-)	(220)	(14,092)	(219)	(14,062)	(1)	(30)
2	Medical Equipment	**-**	**-**	**14**	**9,503**	**14**	**9,503**	**-**	**-**
		(-)	(-)	(23)	(9,633)	(23)	(9,633)	(-)	(-)
3	IT Equipment	**-**	**-**	**70**	**4,269**	**70**	**4,269**	**-**	**-**
		(-)	(-)	(1)	(8,550)	(1)	(8,550)	(-)	(-)
4	Balloon	**-**	**-**	**807**	**11,156**	**807**	**11,156**	**-**	**-**
		(-)	(-)	(62)	(783)	(62)	(783)	(-)	(-)
5	Pacemakers	**-**	**-**	**260**	**65,368**	**260**	**65,368**	**-**	**-**
		(-)	(-)	(15)	(4,619)	(15)	(4,619)	(-)	(-)
6	Others	**-**	**-**	**994**	**21,779**	**891**	**21,379**	**103**	**400**
		(-)	(-)	(32)	(1,160)	(32)	(1,160)	(-)	(-)

* Previous year's figures are given in brackets.

Schedules annexed to and forming part of the accounts

17. Details of payments in foreign currency.

(RS. IN '000)

	Current Year	Previous Year
Value of Imports calculated on CIF basis		
- Capital Goods	180,249	-
- Trading Goods	-	-
Total	**180,249**	-
Expenditure in Foreign Currency		
- Professional Fee	427	-
- Others	-	-
Total	**427**	-

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

19. Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

This is our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

ROHIT GANDHI Company Secretary

New Delhi
May 10, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 61314 State Code 55

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
21178557	21178557

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
141425	3000
Secured Loans	**Deferred Tax Liability (Net)**
-	-
Unsecured Loans	
197432	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
7105422	1347559
Net Current assets	**Misc. Expenditure**
11254664	1
Accumulated Losses	
147089	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
6469225	7348559
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
√ 87934	√ 82021
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 5.80	NIL
+ - Diluted Earning per Share in Rs.	
√ 5.80	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description CONSTRUCTION LEASING & TRADING

ALPS HOSPITAL LIMITED

MAX

Directors' Report

Your Directors are pleased to present their Twenty first Annual Report along with the Audited Accounts for the financial year ended March 31, 2010.

OPERATIONS

During the third year of operations of your Company, the income from healthcare services increased by 25% from Rs. 31 crore in 2008-09 to Rs.38 crore in 2009-10. The highlights of operations in 2009-10 are as under:

- The Company performed over 231 Ortho-surgeries, over 831 Obstetrics & Gynaecology surgeries and over 1189 other surgeries and procedures.
- The average occupancy gone up from 45% to 49.1%.
- Number of patient episodes recorded over 2.96 lacs in 2009-10.

DIVIDEND

In view of accumulated 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.

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' 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.

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

In accordance with the provisions of the Act, Mr. Arvind Kakar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mrs. Sujatha Ratnam and Mr. Rohit Gandhi were appointed as Additional Directors of the Company on December 17, 2009 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 Mrs. Sujatha Ratnam and Mr. Rohit Gandhi for being appointed as Directors of the Company.

Mr. Mukesh Shivdasani and Mr. Neeraj Basur resigned from the

Directors' Report

Board of Directors of the Company effective December 17, 2009. The Board places on record, its appreciation for the valuable contribution made by Mr. Shivdasani and Mr. Basur during their association as Directors of the Company.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on Behalf of the Board of Directors

New Delhi	**ARVIND KAKAR**	Director
July 27, 2010	**ROHIT GANDHI**	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, 2010, 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 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 (together the "Order") 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. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical count have been noticed.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company 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.

   (b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

   iii. (a) 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 Act.

   (b) 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 Act.

   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, fixed assets and for the sale of goods and 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.

   v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of

Auditors' Report

commenting on transactions made in pursuance of such contracts or arrangements does not arise.

vi. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

viii. 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.

ix. (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 including provident fund, investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

(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.

x. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

xi. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.

xiv. In our opinion, the company is not a dealer in shares, securities, debentures and other investments.

xv. In our opinion, and according to the information and explanations given to us, the company has given guarantee for loans taken by other healthcare services provider. However, this is not considered prejudicial by the company to its interests.

xvi. The Company has not obtained any term loans.

xvii. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix. The company has not issued any debentures during the year.

xx. The company has not raised any money by public issues during the year.

xxi. 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.

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;

Auditors' Report

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 10, 2010

Balance Sheet as at March 31, 2010

(RS. IN '000)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	500	500
LOAN FUNDS			
Unsecured Loan	2	411,690	427,946
		412,190	428,446
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		466,845	462,235
Less: Depreciation		67,302	44,109
Net Block		399,543	418,126
Capital Work In Progress		1,594	683
		401,137	418,809
CURRENT ASSETS, LOANS AND ADVANCES	4		
Inventories		19,446	20,304
Sundry Debtors		32,464	19,992
Cash and Bank Balances		14,080	13,664
Loans and Advances		13,007	8,379
		78,997	62,339
Less : CURRENT LIABILITIES AND PROVISIONS	5		
Current Liabilities		267,562	172,474
Provisions		2,522	1,363
		270,084	173,837
NET CURRENT ASSETS		(191,087)	(111,498)
PROFIT AND LOSS ACCOUNT		202,140	121,135
		412,190	428,446
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	12		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

ARVIND KAKAR Director
ROHIT GANDHI Director

New Delhi
May 10, 2010

Profit and Loss Account for the year ended March 31, 2010

(RS. IN '000)

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Income from Healthcare Services	6	383,005	306,916
Other Income	7	1,444	1,291
		384,449	308,207
EXPENDITURE			
Stores and Spares Consumed	8	83,891	61,929
Personnel, Operating and Administrative	9	304,837	231,785
Financial Expenses	10	53,532	47,940
Depreciation	3	23,194	22,855
		465,454	364,509
(LOSS) BEFORE TAXATION		(81,005)	(56,302)
Tax Expense	11	-	591
(LOSS) AFTER TAXATION		(81,005)	(56,893)
(LOSS) BROUGHT FORWARD		(121,135)	(64,242)
BALANCE CARRIED FORWARD TO BALANCE SHEET		**(202,140)**	(121,135)
Earning Per Share (Rs per equity share of Rs 10/- each)			
(Refer Notes B11 and C5 of Schedule 12)			
- Basic and Diluted		(1,620.09)	(1,307.81)
No. of Shares used in computing earning per share			
- Basic and Diluted		50,000	43,503

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 12

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

ARVIND KAKAR Director
ROHIT GANDHI Director

New Delhi
May 10, 2010

Cash Flow Statement for the year ended March 31, 2010

(RS. IN '000)

		For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax and extraordinary items	**(81,005)**	(56,302)
	Adjustments for:		
	Depreciation	23,194	22,855
	Interest Expense	51,494	46,319
	Interest Income	(167)	(52)
	Provision for Doubtful Debts	1,853	1,377
	Provision for Leave encashment and Gratuity	1,178	740
	Operating Profit Before Working Capital Changes	**(3,453)**	14,937
	Adjustments for:		
	Trade receivables	(14,324)	(9,654)
	Other receivables	470	(3,797)
	Inventories	859	(2,493)
	Trade payables	62,023	33,266
	Cash Generated From Operations	**45,575**	32,259
	Direct taxes refunded/(paid) - Net	(5,119)	(711)
	Cash From / (Used in) Operating Activities	**40,456**	31,548
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(4,611)	(21,140)
	Capital Work in Progress	(911)	4,380
	Interest Received (Revenue)	167	52
	Finance Lease Rent Payment	(16,256)	(12,780)
	Cash From/ (Used In) Investing Activities	**(21,611)**	(29,488)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long term borrowings	-	17,320
	Interest Paid	(7,226)	(6,866)
	Interest on Finance Lease	(11,202)	(6,464)
	Cash From/ (Used In) Financing Activities	**(18,428)**	3,990
	Net Increase/(Decrease) in Cash and Cash Equivalents	**416**	6,050
	Impact of foreign exchange fluctuations		
	Cash and Cash Equivalents – Opening Balance	13,664	7,614
	Cash and Cash Equivalents – Closing Balance	14,080	13,664

Notes

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in hand and balances with banks:

	As at March 31, 2010	As at March 31, 2009
Cash in Hand	461	540
Fixed Deposits	-	1,500
Balance with banks	13,619	11,625
Total	**14,080**	13,664

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 12

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

ARVIND KAKAR Director
ROHIT GANDHI Director

New Delhi
May 10, 2010

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHARE CAPITAL		
AUTHORISED		
1,250,000 (Previous year 1,250,000) Equity Shares of Rs 10/- each	12,500	12,500
	12,500	12,500
ISSUED , SUBSCRIBED AND PAID UP		
50,000 (Previous year 50,000) Equity Share of Rs 10/- each	500	500
	500	500
(50,000 Equity Shares (Previous year 50,000 Equity Shares) are held by Max Medical Services Limiited ,the holding company and it's nominees.)		
SCHEDULE – 2		
LOAN FUNDS		
UNSECURED LOANS		
-From Max Medical Services Limited, Holding Company *	257,056	257,056
-From Max Healthcare Institute Limited, Holding company of Max Medical Services Limited *	65,276	65,276
Finance Leased Assets Obligation (Refer Note C10 of Schedule 12)	89,358	105,614
	411,690	427,946

* Repayable on Demand

SCHEDULE – 3
FIXED ASSETS

(Refer Notes B3, B4, B5, B9 & C10 on Schedule 12) (RS. IN '000)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions	Deletions/ Adjustment	As at March 31, 2010	As at April 1, 2009	For the Year	Deletion/ Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Building	204,819	1,192	-	206,011	5,553	3,340	-	8,893	197,118	199,266
Plant & Machinery	94,036	13	-	94,049	7,536	4,459	-	11,995	82,054	86,500
Furniture & Fixtures	17,200	116	-	17,316	5,293	1,181	-	6,474	10,842	11,907
Office Equipments & Computers	4,693	319	-	5,012	930	553	-	1,483	3,529	3,763
Medical Equipments	10,642	1,379	-	12,021	1,067	811	-	1,878	10,143	9,575
SUB TOTAL (A)	**331,390**	**3,019**	**-**	**334,409**	**20,379**	**10,344**	**-**	**30,723**	**303,686**	**311,011**
LEASED ASSETS										
Tangible Assets										
Plant & Machinery	14,552	-	-	14,552	2,246	1,382	-	3,628	10,924	12,306
Furniture & Fixtures	10,408	-	-	10,408	3,742	756	-	4,498	5,910	6,666
Office Equipments & Computers	10,201	-	-	10,201	2,507	1,445	-	3,951	6,250	7,695
Medical Equipments	93,551	1,592	-	95,143	14,789	9,003	-	23,792	71,351	78,762
Vehicles	1,221	-	-	1,221	189	116	-	305	916	1,032
Intangible Assets										
Computer Software	911	-	-	911	257	148	-	405	506	654
SUB TOTAL (B)	**130,845**	**1,592**	**-**	**132,436**	**23,730**	**12,850**	**-**	**36,579**	**95,857**	**107,115**
TOTAL (A) + (B)	**462,235**	**4,611**	**-**	**466,845**	**44,109**	**23,194**	**-**	**67,302**	**399,543**	**418,126**
Capital WIP									**1,594**	**683**
GRAND TOTAL									**401,137**	**418,809**
Previous Year	440,961	21,274	-	462,235	21,254	22,855	-	44,109	418,809	424,088

Note :
1. Capital work in progress includes Capital Advances of Rs.1594/- Thousand (Previous year Rs.682/- Thousand)

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 4		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
INVENTORIES		
(Refer Note B6 of Schedule 12)		
Stock of Medicines and Consumables	9,143	10,933
Medical and Surgical Instruments	10,303	9,371
	19,446	20,304
SUNDRY DEBTORS		
(Unsecured)		
Debtors exceeding Six Months		
-Considered Good	4,648	1,503
-Considered Doubtful	3,230	1,377
Less : -		
Provision for Doubtful Debts	(3,230)	(1,377)
Other Debts		
-Considered Good	27,816	18,489
	32,464	19,992
CASH AND BANK BALANCES		
Cash-in-hand	461	540
Balance with Scheduled Banks		
-In Current Accounts	11,419	11,524
-In Margin Accounts	2,200	1,600
	14,080	13,664
B. LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
UNSECURED		
Tax Deducted at Source	5,894	774
Interest Accured but not Due	181	37
Security Deposit	1,956	1,956
Staff Advances	55	44
Prepaid Expenses	1,840	2,260
Income Accrued	2,281	2,625
Other Advances	800	683
	13,007	8,379

Schedules annexed to and forming part of the accounts

(RS. IN '000)

		As at March 31, 2010		As at March 31, 2009
SCHEDULE – 5				
CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
(Refer Note C6 of Schedule 12)				
Sundry Creditors				
-Total outstanding dues of Micro Enterprise & Small Enterprises		-		-
-Total outstanding dues of other than Micro Enterprise & Small Enterprises *		166,559		102,572
Advance from Customers		1,433		2,169
Interest Accured but not Due**		95,680		62,615
Other Liabilities		3,890		5,118
		267,562		172,474
B. PROVISIONS				
(Refer Notes B7, B8 & C8 of Schedule 12)				
Leave encashment		2,265		1,132
Gratuity		258		212
Provision for Fringe Benefit Tax	981		981	
Less : Advance Fringe Benefit Tax	(982)	(1)	(962)	19
		2,522		1,363

* Payable to
Max Medical Services Limited , Holding Company, Rs. NIL (Previous year Rs. 1127 Thousand)
Max Healthcare Institute Limited, Holding Company of Max Medical Service Limited Rs. 1,37,357/- Thousand (Previous year Rs. 72,511/- Thousand)
** Payable to
Max Medical Services Limited , Holding Company , Rs. 85,886/- Thousand (Previous year Rs. 54,457/- Thousand)
Max Healthcare Institute Limited, Holding Company of Max Medical Service Limited Rs. 9,794/- Thousand (Previous year 8,157/- Thousand)

		For the Year Ended March 31, 2010		For the Year Ended March 31, 2009
SCHEDULE – 6				
INCOME FROM HEALTHCARE SERVICES				
Revenue From Hospital	359,963		291,276	
Less : Discount	(5,603)	354,360	(4,261)	287,015
Trading Sales :				
- Drugs, Pharmaceuticals and Medical Supplies		28,645		19,901
		383,005		306,916

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 7		
OTHER INCOME		
Interest on Bank Deposits	167	52
Miscellaneous Income	928	1,160
Provision no longer required written back	349	79
	1,444	1,291
SCHEDULE – 8		
STORES AND SPARES CONSUMED		
Consumption of Medical Consumables	62,051	46,756
Cost of Traded goods sold		
- Drugs, Medicines & Consumables	21,840	15,173
	83,891	61,929
SCHEDULE – 9		
PERSONNEL, OPERATING AND ADMINISTRATIVE EXPENSES		
A. PERSONNEL		
(Refer Notes B8 & C8 of Schedule 12)		
Salaries to Staff	75,917	51,477
Contribution to Provident and Other Funds	3,633	2,140
Recruitment	19	150
Staff Welfare	5,247	4,210
	84,816	57,977
B. OPERATING AND ADMINISTRATIVE EXPENSES		
Professional and Consultancy Fees	87,205	71,448
Outside Lab Investigations	17,230	14,400
Patient Catering	6,919	4,819
Rent	-	283
Lease Rentals *	4,800	4,800
Insurance	770	1,147
Rates and Taxes	1,441	1,215
Repairs and Maintenance		
- Building	1,373	1,819
- Plant and Machinery	11,656	10,730
- Others	3,187	1,260
Facility Maintenance	19,243	18,101
Watch and Ward	3,313	3,355
Power and Fuel	13,884	14,544
Printing and Stationery	3,407	3,293
Travelling and Conveyance	1,706	1,563
Communication	1,809	1,747
Provision for Doubtful Debts	1,853	1,377

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 9 (Contd...)		
Legal and Professional Charges	6,748	743
Service Charge	30,309	15,182
Advertisement and Publicity	1,423	1,469
Equipment Hiring Charges	148	165
Charity and Donation	600	278
Miscellaneous	997	70
Total	**220,021**	173,808
TOTAL ((A) + (B))	**304,837**	231,785
SCHEDULE – 10		
FINANCIAL EXPENSES		
Interest on:		
Inter Corporate Loan	40,292	39,855
On Finance Lease *	11,202	6,464
Others	3	-
Bank Charges	2,035	1,621
	53,532	47,940
* Refer Notes B 9(a) & C10(a) of Schedule 12		
Schedule – 11		
TAX EXPENSE		
Fringe Benefit Tax	-	591
	-	591

Schedules annexed to and forming part of the accounts

SCHEDULE – 12

A. NATURE OF BUSINESS

The financials of the Company include the performance of a hospital. Healthcare facilities have long gestation periods, ranging from three to five years from the commencement of its operations and accordingly require significant cash outlay.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Acmounting Convention

The financial statements are prepared on an accrual basis to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Revenue Recognition

a. Revenue from Hospital facilities is recognised on the performance of related services and includes services for patients undergoing treatment and pending for billing, which is shown as income accrued under loans and advances.
b. Revenue from trading sales is recognised on delivery of goods.

3. Fixed Assets

a. Fixed Assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.
b. 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 & loss account. Intangible assets are stated at cost less accumulated depreciation.
c. The assets taken on Finance Lease has been capitalised in accordance with the Accounting Standard 19 on "Accounting for Leases".

4. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Cost", Interest on working capital is charged to Profit & Loss Account.

5. Depreciation

a) Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.
b) Assets acquired on Finance Lease are depreciated over the period of Lease term or at rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher.
c) Software in the nature of intangible assets is depreciated over a period of six years.
d) Assets costing not more than Rs. 5,000/- each individually have been depreciated at 100%.

6. Inventories

Inventories are valued at lower of cost or net realisable value. Cost for this purpose is calculated on a 'First In First Out' method.

7. Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Schedules annexed to and forming part of the accounts

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

8. Employee Benefits

a) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides gratuity, a benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company has made a Provision of Gratuity for its employees, based on the actuarial valuation made by an independent actuary as at the Balance Sheet date.

b) Provident Fund

Eligible employees receive benefit from Provident Fund, which is a defined contribution plan. The Company and the employees make monthly contribution equal to a specified percentage of the covered employee salary. The Company makes contribution to the Government's Provident Fund.

c) Leave Encashment

Liability in respect for Leave encashment is made based on the actuarial valuation made by an independent actuary as at the Balance Sheet date.

9. Leases

a) Finance Lease

The Assets acquired under Finance Lease are recognised as an Assets and a Liability at the lower of the fair value of the leased assets at the inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and the charge to Profit and Loss account.

b) Operating Lease

Lease Rentals accrued under Operating Lease arrangement are charged to Profit and Loss account on a straight line basis over the period of the lease.

10. Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event; it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current tax estimate.

11. Earning Per Share

Basic earning 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 earning 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.

Schedules annexed to and forming part of the accounts

C. NOTES TO THE ACCOUNTS

1. Contingent Liabilities

(RS. IN '000)

		Current Year	Previous Year
(i)	Claims against the Company not acknowledged as debts	1,000	-

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 terms of 97 years each. The plot of land measures 1.23 acres, and the designated usage is for healthcare facility.

3. The company has entered into a long term service agreement with Max Healthcare Institute Limited, for availing services in the nature of medical operations & non medical operations.

4. The movement of provision for deferred tax is given below:

(RS. IN '000)

Particulars	Opening as at April 1, 2009	Addition	Deletion/ Adjustment	Closing as at March 31, 2010
Deferred Tax Liability				
Depreciation related	15,490	6,316	-	21,806
Grand Total (A)	**15,490**	**6,316**	**-**	**21,806**
Deferred Tax Asset				
Leased Assets related	(64,076)	-	6,845	(57,231)
Deduction u/s 43B of the Income Tax Act	(841)	(157)	-	(998)
Grand Total (B)	**(64,917)**	**(157)**	**6,845**	**(58,229)**
Net Deferred Tax Liability/ (Assets) (A+B)	**(49,427)**	**6,159**	**6,845**	**(36,423)**
Less: Valuation Allowance	(49,427)			(36,423)
Net Deferred Tax Liability/ (Assets)	**-**	**-**	**-**	**-**

In view of no virtual certainty, the above Deferred Tax Asset is not recognised. Deferred Tax Assets are created to the extent of their realisability.

5. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particulars	Current Year	Previous Year
(Loss) after tax (Rs. in thousand)	(81,005)	(56,893)
Weighted Average number of Equity Shares	50,000	43,503
Earning Per Share (Rs.)	(1,620.09)	(1,307.81)
Equity Shares Outstanding at the beginning of the year (No.)	50,000	40,700
Equity Shares Outstanding at the end of the year (No.)	50,000	50,000

6. Micro, Small and Medium Enterprises

As per the information received from creditors, the Company has no supplier who falls into the category of micro, small and medium enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006".

7. All the movable fixed assets (excluding vehicles), book debts, operating cash flows, receivables and revenues are hypothecated as first charge on pari- passu basis towards HDFC and EXIM, against the loan availed by the parent company i.e. Max Healthcare Institute Limited of Holding company i.e. Max Medical Services Limited.

Schedules annexed to and forming part of the accounts

8. Gratuity and other post-employment benefit plans:

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost) (RS. IN '000)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current service cost	223	147	1,152	810	242	-
Interest cost on benefit obligation	17	5	89	43	-	-
Expected return on plan assets	(8)	-	-	-	-	-
Benefit Paid	(28)	-	(731)	(356)	-	-
Net actuarial(gain) / loss recognised in the year	26	(2)	381	92	-	-
Past service cost	-	-	-	-	-	-
Net benefit expense	**230**	**150**	**891**	**589**	**242**	**-**

Balance sheet

Details of Provision for gratuity and Leave Encashment Benefits. (RS. IN '000)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation	(450)	(212)	(2,023)	(1,132)	(242)	-
Fair value of plan assets	220	-	-	-	-	-
Less: Unrecognised past service cost	-	-	-	-	-	-
Plan asset /(liability)	**(230)**	**(212)**	**(2,023)**	**(1,132)**	**(242)**	**-**

Changes in the present value of the defined benefit obligation are as follows: (RS. IN '000)

	Gratuity		Leave Encashment			
			Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening defined benefit obligation	212	62	1,132	542	-	-
Interest cost	17	5	89	43	-	-
Current service cost	223	147	1,152	810	242	-
Benefits paid	(28)	-	(731)	(355)	-	-
Actuarial (gains) / losses on obligation	26	(2)	381	92	-	-
Closing defined benefit obligation	450	212	2,023	1,132	242	-

Schedules annexed to and forming part of the accounts

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

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
	%	%	%	%
Investments with insurer	100	-	-	-

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

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
	%	%	%	%
Discount rate	7.6	7.8	7.6	7.8
Expected rate of return on assets	9.04	-	-	-
Employee turnover	40	40	40	40
Healthcare cost increase rate	-	-	-	-

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)

			Leave Encashment			
	Gratuity		Earned Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation	451	212	2,023	1,132	-	-
Plan assets	221	-	-	-	-	-
Surplus/ (deficit)	(230)	(212)	-	(1,132)	(242)	-
Experience adjustments on plan liabilities	6	3	-	(130)	-	-
Experience adjustments on plan assets	-	-	-	-	-	-

9. Segment Reporting

As the Company operates in a single business segment of Healthcare services, the provisions of Accounting Standard 17 on "Segment Reporting" are not applicable to the Company.

10. Leases

a) Finance Lease

The company has taken on Finance Lease assets, having an aggregate value of Rs. 1,32,436 thousand which has been reflected in the financial statements in compliance with Accounting Standard 19 on "Accounting for Leases". The same have been depreciated at rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher. The total minimum lease payments and maturity profile of finance leases at the Balance Sheet date, the element of interest included in such payments , and the present value of the minimum lease payments as of March 31, 2010 are as follows :

Schedules annexed to and forming part of the accounts

(RS. IN '000)

Particulars	Total Minimum Lease Payments outstanding	Interest included Minimum Lease in Payments	Present Value of Minimum Lease Payment
Not Later than One Year	**32,669**	**15,606**	**17,063**
	(29,050)	(11,202)	(17,848)
Later than One Year but not later than Five Years	**1,41,596**	**91,601**	**49,995**
	(1,38,502)	(81,200)	(57,302)
Later than Five Years	**71,526**	**56,181**	**15,345**
	(1,07,289)	(82,187)	(25102)
Total	**2,45,791**	**1,63,388**	**82,403**
	(2,74,841)	(1,74,590)	(1,00,251)

Figures in brackets are for previous year

b) Operating Lease

During the accounting year 2007-08 the company has taken on Operating Lease, Medical Equipments having an aggregate value of Rs. 66,044/- thousand. Lease rental of Rs. 4,800/- thousand has been charged to revenue and the future obligation for lease rental for the same, amounts to Rs. 6000/- thousand.

Future minimum lease payments and the payment profile of non cancelable operating leases are as follows :

(RS. IN '000)

Particulars	**As at March 31,2010**	As at March 31,2009
Not later than One Year	4,800	1,200
Later than One Year not later than Five years	1,200	-
Later than Five Years	-	-
Total	**6,000**	1,200

11. Related Parties (as identified by the Management) are classified as:

Ultimate Holding Company	Max India Limited
Holding Company	Max Medical Services Limited, Max Healthcare Institute Limited (Holding Company for Max Medical Services Limited),
Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV Netherlands, Neeman Medical International NV Netherlands, Max Neeman Medical International Inc., USA, Max UK Ltd. UK, Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max Healthstaff International Ltd., Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009), Hometrail Estate Private Ltd. (Effective April 2 ,2009), Hometrail Buildtech Private Ltd. (Effective April 2 ,2009).
Enterprises over which key management personnel have significant influence	New Delhi House Services Ltd., Malsi Estates Ltd., Max India Foundation, Urban Space Consultant Pvt. Ltd

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

(RS. IN '000)

S.No	Particulars	Max Medical Services Limited (Holding Company)	Max Healthcare Institute Limited (Holding Company of Max Medical Services Limited)
1	Loan Taken	-	-
		(17,227)	(816)
2	(a) Finance Lease liability undertaken	-	1,592
		(-)	(4,066)
	(b) Finance Lease Installment *	-	17,848
		(-)	(16,846)
	(c) Operating Lease Installment **	-	4,800
		(-)	(4,800)
3	(a) Expenses:	-	36,019
		(-)	(24,533)
	(b) For Management Services Received	-	30,309
		(-)	(15,182)
	(c) Purchases of Medicines & Consumables	-	67,926
		(-)	(52,880)
	(d) Interest Expensed	32,132	8,159
		(31,697)	(14,621)
4	Income	-	33
		(-)	(54)
5	Amount Outstanding Against Loan taken	257,056	65,276
		(257,056)	(65,276)
6	Finance Leased Assets Obligation	-	89,358
		(-)	(105,614)
7	Interest accrued but not due	85,886	9,794
		(54,457)	(8,158)
8	Payable for Goods/ Services	-	42,395
		(1,128)	(31,167)
9	Payable for Lease Rent	-	76,298
		(-)	(41,345)

* Excluding applicable taxes on Finance Lease installments amounting to Rs. 994/- Thousand, (Previous year Rs. 908/- Thousand) and interest shown separately Rs. 11,201/- Thousand (Previous year Rs. 6,464 Thousand)

** Excluding applicable taxes on Operating Lease installments amounting to Rs.192/- Thousand (Previous year Rs. 192/- Thousand)

Previous years figures are given in brackets

12. Material consumed consists of items of varied nature. Accordingly it is not feasible to give details as required under part II of Schedule VI to the Companies Act, 1956.

Schedules annexed to and forming part of the accounts

13. Auditors Remuneration

(RS. IN '000)

Particulars	Current Year	Previous Year
Audit fees *	441	221
Out of pocket expenses *	22	22
Total	**463**	243

* Including Service Tax

14. Comparative Figures

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

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 10, 2010

For and on behalf of the Board of Directors

ARVIND KAKAR Director
ROHIT GANDHI Director

New Delhi
May 10, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 36413 State Code 55

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	93

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
412190	412190

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
500	-
Secured Loans	**Deferred Tax Liability (Net)**
-	-
Unsecured Loans	
411690	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
401137	-
Net Current assets	**Misc. Expenditure**
(191087)	-
Accumulated Losses	
202140	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
384449	465454
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
√ 8100 5	√ 8100 5
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 1620·09	NIL
+ - Diluted Earning per Share in Rs.	
√ 1620·09	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description HOSPITAL

HOMETRAIL ESTATE PRIVATE LIMITED

MAX

Directors' Report

Your Directors are pleased to present their Second Annual Report along with Audited Accounts for the financial year ended March 31, 2010.

REVIEW OF OPERATIONS

During the year, your Company has entered into a concession agreement with Government of the Punjab for setting up Super Speciality Hospital in Mohali. Under the terms of the agreement, the Company has been allotted 3.15 acres of land on lease. Post entering into the agreement and possession of land, the Company has also started setting up above mentioned hospital, the construction for which is in full swing. Your Company is hopeful to complete the aforementioned construction activity and commence business operations by July, 2011.

DIVIDEND

Your Directors do not recommend any dividend, as the Company is yet to commence its operations.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposit from the public during the period under review.

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 Companies Act, 1956 ('the Act') read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

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.

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

In accordance with the provisions of the Act, Mr. Arvind Kakar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi	**SUJATHA RATNAM**	Director
July 27, 2010	**ARVIND KAKAR**	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, 2010, 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 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 (together the "Order") 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) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) 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.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

   (ii) (a) 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 Act.

   (b) 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 Act.

   (iii) 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. 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, no major weakness have been noticed or reported.

   (iv) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

   (v) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

   (vi) As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable for the year.

   (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 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 as applicable with the appropriate authorities. .

   (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

Auditors' Report

duty, excise duty and cess which have not been deposited on account of any dispute.

(ix) As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.

(x) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xi) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.

(xiii) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xv) The Company has not obtained any term loans.

(xvi) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xviii) The Company has not issued any debentures.

(xix) The Company has not raised any money by public issues during the year.

(xx) 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.

(xxi) The other clause, (ii), of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 12, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital`	1	100,000	100,000
LOAN FUNDS			
Unsecured Loan	2	107,995,752	-
		108,095,752	100,000
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		19,552	-
Less : Accumulated Depreciation		112	-
Net Block		19,440	-
Capital Work in Progress		100,068,418	25,332
		100,087,858	25,332
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	2,455,798	64,233
Loans and Advances	5	577,402	-
		3,033,200	64,233
Less : CURRENT LIABILITIES AND PROVISIONS	6		
Current Liabilities		7,936,121	5,515
		7,936,121	5,515
NET CURRENT ASSETS		(4,902,921)	58,718
MISCELLANEOUS EXPENDITURE	7	-	15,950
(To the extent not written off or adjusted)			
PROFIT AND LOSS ACCOUNT		12,910,815	-
		108,095,752	100,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

New Delhi
May 12, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME		-	-
		-	-
EXPENDITURE			
Personnel, Administrative and Other expenses	8	11,329,137	-
Financial Expenses	9	1,581,566	-
Depreciation	3	112	-
		12,910,815	-
(LOSS) BEFORE TAX		(12,910,815)	-
Income Tax		-	-
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		(12,910,815)	-
Earning Per Share (Rs. per equity share of Rs. 10 each)			
(Refer Notes B7 & C7 of Schedule 10)			
- Basic		(1,291.08)	-
- Diluted		(1,291.08)	-
Number of Shares used in computing Earning per Share			
- Basic		10,000	10,000
- Diluted		10,000	10,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

New Delhi
May 12, 2010

Cash Flow Statement for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net (Loss) before Tax		(12,910,815)	-
Adjustments for:			
Depreciation		112	-
Interest Expense		1,102,852	-
Miscellaneous Expenditure Written Off		15,950	-
Operating Profit Before Working Capital Changes		**(11,791,901)**	-
Adjustments for:			
Other Receivables		(577,402)	-
Trade Payables		7,930,606	5,515
Other payables		-	-
Cash Generated From Operations		**(4,438,697)**	5,515
Direct Taxes (Paid)/Refunded (Net)		-	-
Cash From/(Used in) Operating Activities		**(4,438,697)**	5,515
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(19,552)	-
Capital Work in Progress		(100,043,086)	(25,332)
Increase Pre-operative expenses		-	(15,950)
Cash From/(Used In) Investing Activities		**(100,062,638)**	(41,282)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Share Capital		-	100,000
Proceeds from Long Term Borrowings		107,995,752	-
Interest Paid		(1,102,852)	-
Cash From/(Used In) Financing Activities		**106,892,900**	100,000
Net Increase/(Decrease) in Cash and Cash Equivalents		**2,391,565**	64,233
Cash and Cash Equivalents - Opening Balance		64,233	-
Cash and Cash Equivalents - Closing Balance		2,455,798	64,233
Net Increase/(Decrease) in Cash and Cash Equivalents		**2,391,565**	64,233

Notes:

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Cash and Cash Equivalents at the end of the year consist of Balances with Scheduled Banks:

	As at March 31, 2010	As at March 31, 2009
Balance with Scheduled Bank		
- In Margin Accounts*	100,000	-
- In Current Accounts	2,355,798	64,233
Total	**2,455,798**	64,233

* Not available for use by the Company since under lien.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 10

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

New Delhi
May 12, 2010

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
(Previous year 10,000 Equity Share of Rs. 10/- each)		
	100,000	100,000
ISSUED, SUBSCRIBED AND PAID UP		
(Refer Note A1 on Schedule 10)		
10,000 Equity Shares of Rs. 10/- each held by	100,000	100,000
Max Healthcare Institute Limited, the Holding Company		
(Previous year 10,000 Equity Share of Rs. 10/- each)		
	100,000	100,000
SCHEDULE 2		
UNSECURED LOANS		
(Refer Notes C1 & C3 on Schedule 10)		
-From Max Healthcare Institute Ltd., The Holding Company*	107,995,752	-
	107,995,752	-
*Repayable on demand (Previous year Nil)		

SCHEDULE 3
FIXED ASSETS

(Refer Notes B2, B3, B4 & C2 on Schedule 10)

RUPEES

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions	Deletions/ Adjustment	As at March 31, 2010	As at April 1, 2009	Additions	Deletion/ Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Office Equipment and Computers	-	19,552	-	19,552	-	112	-	112	19440	-
TOTAL	-	19,552	-	19,552	-	112	-	112	19440	-
Previous Year	-	-	-	-	-	-	-	-		
Capital Work in Progress*									100,068,418	25,332
									100,087,858	25,332

* Capital Work in Progress as at March 31, 2010 includes:
- Capital Advances of Rs. 4,990,145 (Previous year Nil)
- Pre-operative Expenses of Rs. 38,543,618 (Previous year Rs. 25,332)

RUPEES

	As at March 31, 2010	As at March 31, 2009
CURRENT ASSETS, LOANS AND ADVANCES		
SCHEDULE 4		
CASH AND BANK BALANCES		
Balance with Banks		
-In Margin Accounts	100,000	-
-In Current Accounts	2,355,798	64,233
	2,455,798	64,233

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 5		
LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
Unsecured		
Advances Recoverable in Cash or kind or value to be received	10,000	-
Prepaid Expenses	567,402	-
	577,402	-
SCHEDULE 6		
CURRENT LIABILITIES AND PROVISONS		
CURRENT LIABILITIES		
(Refer Notes B6 & C4 on Schedule 10)		
Sundry Creditors		
-Total outstanding dues of Micro Enterprise & Small Enterprise	-	-
-Total outstanding dues other than Micro Enterprise & Small Enterprise	1,915,488	5,515
Interest Accrued to the Holding Company	4,256,414	-
Other Liabilities	1,764,219	-
	7,936,121	5,515
SCHEDULE 7		
MISCELLANEOUS EXPENDITURE		
(Refer Note C5 on Schedule 10)		
(To the extent not written off or adjusted)		
Preliminary Expenditure		
Opening Balance	15,950	-
Add:- Additions during the year	-	15,950
Less:- Amortised during the year	15,950	-
Closing Balance	**-**	15,950

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE 8		
ADMINISTRATIVE AND OTHER EXPENSES		
(Refer Note C8 on Schedule 10)		
Project Development Fee	10,000,000	-
Audit Fees	250,000	-
Advertisement Exp.	1,063,187	-
Miscellaneous Expenditure	15,950	-
	11,329,137	-
SCHEDULE 9		
FINANCIAL EXPENSES		
Interest on Loan from Holding Company	1,102,852	-
Bank Charges	478,714	-
	1,581,566	-

Schedules annexed to and forming part of the accounts

SCHEDULE 10

A. NATURE OF BUSINESS

The Company was incorporated on April 21, 2008 and acquired by Max Healthcare Institute Limited (Holding Company) on April 2, 2009 with the objective of establishing, maintaining and running super speciality hospital in Mohali in state of Punjab.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The Financial Statements are prepared on an accrual basis to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets

a. Fixed Assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

b. 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 depreciation.

c. Expenses of revenue nature, which can be regarded as incidental and related to project setup are transferred to "Preoperative expenses pending Capitalisation". These expenses are allocated to fixed assets in the year of commencement of the project.

3. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Interest on working capital is charged to the Profit & Loss A/c.

4. Depreciation

a. Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.

b. Assets costing not more than Rs. 5,000/- individually have been depreciated at 100%.

c. Software in the nature of intangible assets are depreciated over a period of six years.

5. Investments

a. Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

b. Long-term investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary in nature.

c. Current investments are carried at lower of cost or fair value.

6. Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event, it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed after an evaluation of the fact and legal aspect of the matter involved.

7. Earning Per Share

Basic earning per share are calculated by dividing the net profit of 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 earning 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.

Schedules annexed to and forming part of the accounts

C. NOTES TO THE ACCOUNTS

1. During the financial year 2009-10, the Company together with Max Healthcare Institute Limited (the Holding Company) and Govt. of the Punjab entered into a tripartite concession agreement for setting up super speciality hospital in Mohali. The Holding company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein. During the year, the company has started setting up the above mentioned Project and an amount of Rs.107,995,752.00 has been received as Inter Corporate Deposit from the Holding company, which has been disclosed under unsecured loans. As part of the project, the Company has taken on Lease 3.15 Acres of land from Punjab Government situated near Civil Hospital, Phase-VI, Mohali where Hospital is being set up presently.

2. **Capital Commitments**

RUPEES

	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for	125,468,539	-
Less: Capital Advances	4,990,145	-
Balance Value of Contracts	120,478,394	-

3. **Loans**

The Company has availed loan from Max Healthcare Institute Limited (the Holding company) amounting to Rs. 107,995,752 (Previous year NIL) to finance its hospital project which is repayable on demand.

4. **Micro, Small and Medium Enterprises**

The Company has initiated the process of identifying the Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". However, as per the information received from creditors, there is no creditor covered under the said act.

5. **Miscellaneous Expenditure represents:**

RUPEES

Particulars	As at April 1, 2009	Addition during the year	Amortised during the year	As at March 31, 2010
Preliminary and Issue Expenses	15,950	-	15,950	-
	15,950	**-**	**15,950**	**-**

6. **Related Parties (as identified by the Management) are classified as:**

Ultimate Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV Netherlands, Neeman Medical International NV Netherlands, Max Neeman Medical International Inc., USA, Max UK Ltd. UK, Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd., Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009), Max Medical Services Limited, Alps Hospital Limited, Hometrail Buildtech Private Limited (Effective April 02, 2009).

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

RUPEES

S.No	Particulars	Max Healthcare Institute Limited (Holding Company)
1.	Loan Taken	**107,995,752**
		(-)
2.	Interest Expenses (including interest capitalized)	**4,256,414**
		(-)
3.	Amount Outstanding	
	a. Against Loan taken	**107,995,752**
		(-)
	b. Interest Payable	**4,256,414**
		(-)

Previous year figures are given in brackets

7. Earnings Per Share

Calculation of EPS (Basic and Diluted)

RUPEES

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic		
Loss after tax (Rupees)	(12,910,815)	-
Weighted average number of equity shares	10000	10000
Earnings Per Share (Rs.)	(1291.08)	-
Equity Share Details (Nos.)		
Outstanding as at the beginning of the year	10000	10000
Issued during the year	-	-
Outstanding as at the end of the year	10000	10000
Diluted		
Loss after tax (Rupees)	(12,910,815)	-
Weighted average number of equity shares	10000	10000
Earning Per Share (Rupees)	(1291.08)	-

8. Auditors Remuneration

RUPEES

Particulars	Current Year	Previous Year
Audit fees (excluding service tax)	2,50,000	5,515
Total	**2,50,000**	5,515

Schedules annexed to and forming part of the accounts

9. Deferred tax asset has not been recognised in view of virtual uncertainty of future taxable income.

10. Segment Reporting

As the Company operates in a single business and geographical segment of Healthcare services, the provisions of Accounting Standard 17 on "Segment Reporting" notified under section 211(3C) of the Companies Act, 1956 are not applicable to the Company.

11. Comparative Figures

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

For and on behalf of Price Waterhouse Firm Registration Number 301112E Chartered Accountants	For and on behalf of the Board of Directors
V. NIJHAWAN Partner Membership No. F-87228	**SUJATHA RATNAM** Director **ARVIND KAKAR** Director
Gurgaon **May 12, 2010**	New Delhi **May 12, 2010**

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. | | 1 | 7 | 6 | 9 | 6 | 3 | State Code | 5 | 5 |

Balance Sheet Date | 3 | 1 | (Date) | 0 | 3 | (Month) | 2 | 0 | 1 | 0 | (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities (including share capital)	Total Assets
108096	108096

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
100	NIL
Secured Loans	**Deferred Tax Liability**
NIL	NIL
Unsecured Loans	
107996	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
100088	NIL
Net Current assets	**Misc. Expenditure**
(4903)	NIL
Accumulated Losses	
12911	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
NIL	12911
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
√ 12911	√ 12911
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 1291	NIL
+ - Diluted Earning per Share in Rs.	
√ 1291	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description | HEALTHCARE RELATED SERVICES |

HOMETRAIL BUILDTECH PRIVATE LIMITED

MAX

Directors' Report

Your Directors are pleased to present their Second Annual Report along with Audited Accounts for the financial year ended March 31, 2010.

REVIEW OF OPERATIONS

During the year, your Company has entered into a concession agreement with Government of the Punjab for setting up Super Speciality Hospital in Bathinda. Under the terms of the agreement, the Company has been allotted 4.80 acres of land on lease. Post entering into the agreement and possession of land, the Company has also started setting up above mentioned hospital, the construction for which is in full swing. Your Company is hopeful to complete the aforementioned construction activity and commence business operations by July, 2011.

DIVIDEND

Your Directors do not recommend any dividend, as the Company is yet to commence its operations.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposit from the public during the period under review.

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 Companies Act, 1956 ('the Act') read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

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.

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

In accordance with the provisions of the Act, Mr. Arvind Kakar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi	**SUJATHA RATNAM**	Director
July 27, 2010	**ARVIND KAKAR**	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, 2010, 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 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 (together the "Order") 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 does not have any fixed assets.

   (ii) (a) 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 Act.

   (b) 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 Act.

   (iii) 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. 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, no major weakness have been noticed or reported.

   (iv) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

   (v) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

   (vi) As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable for the year.

   (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 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 as applicable with the appropriate authorities.

   (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) As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the

Auditors' Report

Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.

(x) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xi) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.

(xiii) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xv) The Company has not obtained any term loans.

(xvi) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xviii) The Company has not issued any debentures.

(xix) The Company has not raised any money by public issues during the year.

(xx) 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.

(xxi) The other clause, (ii), of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 12, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	100,000	100,000
LOAN FUNDS			
Unsecured Loan	2	94,893,134	-
		94,993,134	100,000
APPLICATION OF FUNDS			
FIXED ASSETS			
Capital Work in Progress	3	83,421,937	25,332
		83,421,937	25,332
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	3,599,852	64,233
Loans and Advances	5	600,998	-
		4,200,850	64,233
Less : CURRENT LIABILITIES AND PROVISIONS	6		
Current Liabilities		5,721,400	5,515
		5,721,400	5,515
NET CURRENT ASSETS		(1,520,550)	58,718
MISCELLANEOUS EXPENDITURE	7	-	15,950
(To the extent not written off or adjusted)			
PROFIT AND LOSS ACCOUNT		13,091,747	-
		94,993,134	100,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

New Delhi
May 12, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME		-	-
		-	-
EXPENDITURE			
Personnel, Administrative and Other expenses	8	11,430,733	-
Financial Expenses	9	1,661,014	-
		13,091,747	-
(LOSS) BEFORE TAX		(13,091,747)	-
Income Tax		-	-
(LOSS) FOR THE YEAR AFTER TAX		(13,091,747)	-
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		(13,091,747)	-
Earnings Per Share (Rs. Per equity share of Rs. 10/- each)			
(Refer Notes B7 & C7 on Schedule 10)			
- Basic		(1309.17)	-
- Diluted		(1309.17)	-
Number of shares used in computing earnings per share:			
- Basic		10,000	10,000
- Diluted		10,000	10,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

New Delhi
May 12, 2010

Cash Flow Statement for the year ended March 31, 2010

RUPEES

		Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net (Loss) before tax		(13,091,747)	-
	Adjustments for:			
	Interest Expense		1,209,585	-
	Miscellaneous Expenditure Written Off		15,950	-
	Operating Profit Before Working Capital Changes		**(11,866,212)**	-
	Adjustments for:			
	Other Receivables		(600,998)	-
	Trade Payables		4,736,251	5,515
	Other payables		979,634	-
	Cash Generated From Operations		**(6,751,325)**	5,515
	Direct Taxes (Paid)/Refunded (Net)		-	-
	Cash From/(Used in) Operating Activities		**(6,751,325)**	5,515
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Capital Work in Progress		(83,396,605)	(25,332)
	Increase Pre-operative expenses		-	(15,950)
	Cash From/(Used In) Investing Activities		**(83,396,605)**	(41,282)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Share Capital		-	100,000
	Proceeds from Long Term Borrowings		94,893,134	-
	Interest Paid		(1,209,585)	-
	Cash From/(Used In) Financing Activities		**93,683,549**	100,000
Net Increase/(Decrease) in Cash and Cash Equivalents			**3,535,619**	64,233
Cash and Cash Equivalents - Opening Balance			**64,233**	-
Cash and Cash Equivalents - Closing Balance			**3,599,852**	64,233
Net Increase/(Decrease) in Cash and Cash Equivalents			**3,535,619**	64,233

Notes:

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Cash and Cash Equivalents at the end of the year consist of Balances with Scheduled Banks:

	As at March 31, 2010	As at March 31, 2009
Balance with Scheduled Bank		
- In Margin Accounts*	100,000	-
- In Current Accounts	3,499,852	64,233
Total	**3,599,852**	64,233

* Not available for use by the Company since under lien.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 10

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
ARVIND KAKAR Director

New Delhi
May 12, 2010

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
(Previous year 10,000 Equity Share of Rs. 10/- each)		
	100,000	100,000
ISSUED, SUBSCRIBED AND PAID UP		
(Refer Note A1 on Schedule 10)		
10,000 Equity Shares of Rs. 10/- each are held by		
Max Healthcare Institute Limited, the Holding Company	100,000	100,000
(Previous year 10,000 Equity Share of Rs. 10/- each)		
	100,000	100,000
SCHEDULE 2		
UNSECURED LOANS		
(Refer Notes C1 & C3 on Schedule 10)		
-From Max Healthcare Institute Ltd., The Holding Company*	94,893,134	-
	94,893,134	-
* Repayable on Demand (Previous year Rs. Nil)		
SCHEDULE 3		
CAPITAL WORK IN PROGRESS		
(Refer Notes B2, B3, B4 & C2 on Schedule 10)		
Opening Balance	25,332	-
Addition during the year	83,396,605	25,332
Closing Balance*	**83,421,937**	25,332
Capital Work in Progress as at March 31, 2010 includes:		
- Capital Advances of Rs. 189,16,269 (Previous year Rs. Nil)		
- Pre-operative Expenses of Rs. 204,82,904 (Previous year Rs. 25,332)		
SCHEDULE 4		
CASH AND BANK BALANCES		
Balance with Scheduled Banks		
-In Margin Accounts	100,000	-
-In Current Accounts	3,499,852	64,233
	3,599,852	64,233

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 5		
LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
Unsecured		
Prepaid Expenses	600,998	-
	600,998	-
SCHEDULE 6		
CURRENT LIABILITIES AND PROVISONS		
CURRENT LIABILITIES		
(Refer Notes B6 & C4 on Schedule 10)		
Sundry Creditors		
-Total outstanding dues of Micro Enterprise & Small Enterprise	-	-
-Total outstanding dues other than Micro Enterprise & Small Enterprise	1,678,854	5,515
-Interest Accrued to the Holding Company	3,062,912	-
-Other Liabilities	979,634	-
	5,721,400	5,515
SCHEDULE 7		
MISCELLANEOUS EXPENDITURE		
(Refer Note C5 on Schedule 10)		
(To the extent not written off or adjusted)		
Opening Balance-Preliminary Expenditure	15,950	-
Add:- Additions during the year	-	15,950
Less:- Amortised during the year	15,950	-
Closing Balance	**-**	15,950

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE 8		
ADMINISTRATIVE AND OTHER EXPENSES		
(Refer Note C8 on Schedule 10)		
Administrative and Other Expenses		
Project Development Fee	10,000,000	-
Audit Fees	250,000	-
Advertisement Expenses	1,164,783	-
Miscellaneous Expenditure Written Off	15,950	-
	11,430,733	-
SCHEDULE 9		
FINANCIAL EXPENSES		
Interest on Loan from Holding Company	1,209,585	-
Bank Charges	451,429	-
	1,661,014	-

Schedules annexed to and forming part of the accounts

SCHEDULE 10

A. NATURE OF BUSINESS

The Company was incorporated on April 21, 2008 and acquired by Max Healthcare Institute Limited (Holding Company) on April 2, 2009 with the objective of establishing, maintaining and running super speciality hospital in Bathinda in state of Punjab.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The Financial Statements are prepared on an accrual basis to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets

a. Fixed Assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

b. 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 depreciation.

c. Expenses of revenue nature, which can be regarded as incidental and related to project setup are transferred to "Preoperative expenses pending Capitalisation". These expenses are allocated to fixed assets in the year of commencement of the project.

3. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Interest on working capital is charged to the Profit & Loss A/c.

4. Depreciation

a. Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.

b. Assets costing not more than Rs. 5,000/- individually have been depreciated at 100%.

c. Software in the nature of intangible assets are depreciated over a period of six years.

5. Investments

a. Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

b. Long-term investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary in nature.

c. Current investments are carried at lower of cost or fair value.

6. Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event, it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspect of the matter involved.

7. Earning Per Share

Basic earning per share are calculated by dividing the net profit of 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 earning 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.

Schedules annexed to and forming part of the accounts

C. NOTES TO THE ACCOUNTS

1. During the financial year 2009-10, the Company together with Max Healthcare Institute Limited (the Holding Company) and Govt. of the Punjab entered into a tripartite concession agreement for setting up super speciality hospital in Bathinda. The Holding company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein. During the year, the company has started setting up the above mentioned Project and an amount of Rs. 94,893,134.00 has been received as Inter Corporate Deposit from the Holding company, which has been disclosed under unsecured loans. As part of the project, the Company has taken on Lease 4.80 Acres of land from Punjab Government situated Near District Civil Hospital, NH-64, Mansa Road, Bathinda where Hospital is being set up presently.

2. **Capital Commitments**

RUPEES

	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for	144,337,353	-
Less: Capital Advances	18,916,269	-
Balance Value of Contracts	125,421,084	-

3. **Loans**

The Company has availed loan from Max Healthcare Institute Limited (the Holding company) amounting to Rs. 94,893,134.00 (Previous year Rs. NIL) to finance its hospital project, which is repayable on demand.

4. **Micro, Small and Medium Enterprises**

The Company has initiated the process of identifying the Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". However, as per the information received from creditors, there is no creditor covered under the said act.

5. **Miscellaneous Expenditure represents:**

RUPEES

Particulars	As at April 1, 2009	Addition during the year	Amortised during the year	As at March 31, 2010
Preliminary and Issue Expenses	15,950	-	15,950	-
	15,950	**-**	**15,950**	**-**

6. **Related Parties (as identified by the Management) are classified as:**

Ultimate Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV Netherlands, Neeman Medical International NV Netherlands, Max Neeman Medical International Inc., USA, Max UK Ltd. UK, Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd., Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009), Max Medical Services Limited, Alps Hospital Limited, Hometrail Estate Private Limited (Effective April 02, 2009).

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

RUPEES

S.No.	Particulars	Max Healthcare Institute Limited (Holding Company)
1.	Loan Taken	**94,893,134**
		(-)
2.	Interest Expenses(including interest capitalized)	**3,062,912**
		(-)
3.	Amount Outstanding	
	a. Against Loan taken	**94,893,134**
		(-)
	b. Interest Payable	**3,062,912**
		(-)

Previous year figures are given in brackets

7. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic		
Loss after tax (Rupees)	(13,091,747)	-
Weighted average number of equity shares	10000	10000
Earnings Per Share (Rs.)	(1309.17)	-
Equity Share Details (Nos.)		
Outstanding as at the beginning of the year	10000	10000
Issued during the year	-	-
Outstanding as at the end of the year	10000	10000
Diluted		
Loss after tax (Rs.)	(13,091,747)	-
Weighted average number of equity shares	10000	10000
Earning Per Share (Rs.)	(1309.17)	-

8. Auditors Remuneration

RUPEES

Particulars	Current Year	Previous Year
Audit fees (excluding service tax)	2,50,000	5,515
Total	**2,50,000**	5,515

Schedules annexed to and forming part of the accounts

9. Deferred tax asset has not been recognised in view of virtual uncertainty of future taxable income.

10. Segment Reporting

As the Company operates in a single business and geographical segment of Healthcare services, the provisions of Accounting Standard 17 on "Segment Reporting" notified under section 211(3C) of the Companies Act, 1956 are not applicable to the Company.

11. Comparative Figures

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

For and on behalf of Price Waterhouse Firm Registration Number 301112E Chartered Accountants	For and on behalf of the Board of Directors
V. NIJHAWAN Partner Membership No. F-87228	**SUJATHA RATNAM** Director **ARVIND KAKAR** Director
Gurgaon **May 12, 2010**	New Delhi **May 12, 2010**

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. | | 1 | 7 | 6 | 9 | 6 | 2 | State Code | 5 | 5 |

Balance Sheet Date | 3 | 1 | (Date) | 0 | 3 | (Month) | 2 | 0 | 1 | 0 | (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities (including share capital)	Total Assets
94993	94993

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
100	NIL
Secured Loans	**Deferred Tax Liability**
NIL	NIL
Unsecured Loans	
94893	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
83422	NIL
Net Current assets	**Misc. Expenditure**
(1521)	NIL
Accumulated Losses	
13092	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
NIL	13092
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
√ 13092	√ 13092
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 1309.17	NIL
+ - Diluted Earning per Share in Rs.	
√ 1309.17	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description | HEALTHCARE RELATED SERVICES |

MAX NEEMAN

CONTRACT RESEARCH

Improving... life

MAX NEEMAN MEDICAL INTERNATIONAL LIMITED

MAX

Directors' Report

Your Directors are pleased to present their Eleventh Annual Report, along with the Audited Accounts for the financial year ended March 31, 2010.

FINANCIAL RESULTS

Your Company recorded a revenue of Rs 18.54 crore during the year under review against the revenue of Rs.15 crore for the previous year; an increase of 23.6 %. Your Company registered a profit of Rs.2.06 crore during the year under review against a profit of Rs 1.21 crore for the previous year.

BUSINESS PERFORMANCE

Max Neeman Medical International (MNMI) is a value added contract research organization (CRO) providing a broad range of clinical research services to global pharmaceutical, device and biotechnology companies.

MNMI also collaborates with other CROs in providing a variety of clinical services. MNMI provides clinical research services in the space of phase II, III, & IV studies and has access to over 1050 ICH GCP trained investigators. The team of over 170 clinical research coordinators/clinical research associates present in 22 cities across India gives it access to patients and investigator sites for various therapeutic areas. Since commencement of its Indian operations, over 33,200 subjects (including Phase IV) have been enrolled at over 346 sites out of which over 27,200 (including Phase IV) patients were enrolled in fiscal 2009-10. An impressive operating standard has enabled MNMI to provide services to 29 clients over 110 contracts during fiscal 2009-10. MNMI's automated workflow process using the SAS CDMS (PheedIT) software system ensures efficient and accurate data management.

MNMI built three two-way alliances in US and Europe with mid-sized CROs and two strategic alliances for outsourcing business development efforts in US.

MNMI follows a robust system of quality control and all its operational activities are governed by strict adherence to ICH-GCP guidelines. It is the first CRO whose 5 sites have been audited successfully by USFDA for highest enrollment globally. MNMI has been certified for ISO 9001:2000 for site management, monitoring, and data management. All the activities and operations are governed by robust Standard Operating Procedures.

Clinical research industry is highly people-oriented requiring a lot of focus on training and development. MNMI has 276 full time employees, with majority holding medical and pharmacological degrees. Extensive training program combined with best industry practices resulted in best retention rates and helped MNMI attract qualified personnel.

Patient retention rate, a critical business driver in clinical trials, is at approximately 92% in MNMI. MNMI's prestigious customers include large pharmaceutical companies such as Merck, GlaxoSmithKline, Allergan, Bristol Myers Squibb, Sanofi-Aventis, Vision Care, Pharmacosmos, Johnson & Johnson, Novartis, Pfizer, AstraZeneca, Dabur, Biogen Idec, Genzyme and Wyeth as well as other medium sized companies such as Achillion, Actelion, GlobeImmune, AP Pharma, ORA, KV Pharmaceuticals, Sintesi, CureTech, Acrovan, Hemispherx and Onconova.

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.

REDEMPTION OF PREFERENCE SHARES ALLOTTED TO MAX INDIA LIMITED

Your Company redeemed 50,000 - 13% Preference Shares of Rs.10/- each of the Company held by Max India Limited as of the due date, i.e., on December 7, 2009.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposits from the public during the year under review. There were no unclaimed/overdue deposits as at March 31, 2010.

ADDITIONAL INFORMATION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 ('the Act') read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as follows:

A. Conservation of Energy:

The Company has taken measures to reduce the energy consumption, by using energy efficient equipment, incorporating latest technology and regular maintenance.

B. Research & Development and Technology Absorption: Nil

Directors' Report

C. Foreign Exchange Earnings and Outgo : (RS. CRORE)

		For the year ended March 31, 2010	For the year ended March 31, 2009
i)	Foreign Exchange Earnings	10.24	9.54
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	Nil	Nil
	- Trading Goods	Nil	Nil
	Others	2.39	2.78

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, Dr. Pervez Ahmed is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. C.V. Raghu and Mrs. Sujatha Ratnam were appointed as Additional Directors of the Company on December 17, 2009 to hold office upto the ensuing Annual General Meeting. The Company has received notices under Section 257 of the Act from members proposing the candidature of Mr. C.V. Raghu and Mrs. Sujatha Ratnam for being appointed as Directors of the Company.

Mr. Neeraj Basur resigned from the Board of Directors of the Company effective December 17, 2009. The Board places on record, its appreciation for the valuable contribution made by Mr. Basur during his association with 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.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor.The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi
July 27, 2010

ANALJIT SINGH
Chairman

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 , as at March 31, 2010, 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 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. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) 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.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed of by the company during the year.

   ii. There are no stocks with the company or with the third parties.

   iii. (a) 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 Act.

   (b) 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 Act.

   iv. 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 the sale of goods and 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.

   v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.

   vi. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

   vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

   viii. 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.

   ix. (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 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 as applicable with the appropriate authorities.

Auditors' Report

(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 as at March 31,2010 which have not been deposited on account of any dispute.

x. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has not incurred cash loss in the financial year ended on that date. The company had not incurred any cash losses in the immediately preceding financial year.

xi. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the company.

xiv. In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the company in its own name.

xv. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi. The company has not obtained any term loans.

xvii. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix. The company has not issued any debentures during the year.

xx. The company has not raised any money by public issues during the year.

xxi. 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 17, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	41,668,130	42,168,130
LOAN FUNDS			
Unsecured Loans	2	90,997,412	88,804,987
		132,665,542	130,973,117
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		38,540,177	33,414,338
Less: Depreciation		20,538,517	14,552,160
		18,001,660	18,862,178
INVESTMENTS	4	25,773,964	-
Deferred Tax Asset (Net)	5	6,888,983	3,905,641
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	6	57,801,840	75,104,831
Cash and Bank Balances	7	5,087,460	12,869,231
Other Current Assets	8	23,626,335	7,629,821
Loans and Advances	9	18,789,479	13,438,641
		105,305,114	109,042,524
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	56,114,117	56,526,519
Provisions	11	7,400,721	5,132,116
		63,514,838	61,658,635
NET CURRENT ASSETS		41,790,276	47,383,889
PROFIT AND LOSS ACCOUNT		40,210,659	60,821,409
		132,665,542	130,973,117
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
C.V. RAGHU Director

REENA ANEJA Company Secretary

New Delhi
May 17, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Income from Operations	12	181,607,819	139,702,463
Other Income	13	3,862,876	10,170,264
		185,470,695	149,872,727
EXPENDITURE			
Personnel, Operating and Administrative Expenses	14	157,667,742	134,600,130
Financial Expenses	15	17,113	30,494
Depreciation	3	5,986,357	5,279,394
		163,671,212	139,910,018
PROFIT BEFORE TAX		**21,799,483**	9,962,709
Tax Expense			
- Fringe Benefit Tax		-	898,622
- Income Tax		4,172,075	874,633
- Deferred Tax		(2,983,342)	(4,008,737)
PROFIT AFTER TAX		**20,610,750**	12,198,191
(LOSS) BROUGHT FORWARD		(60,821,409)	(73,019,600)
BALANCE CARRIED FORWARD TO BALANCE SHEET		**(40,210,659)**	(60,821,409)
Earning Per Share (Rs. per equity share of Rs. 10/- each)			
- Basic and Diluted		4.95	2.93
(Refer Note B(6) on Schedule 16)			
Number of shares used in computing earning per share			
- Basic and Diluted		4,166,813	4,166,813
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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 and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
C.V. RAGHU Director

REENA ANEJA Company Secretary

New Delhi
May 17, 2010

Cash Flow Statement for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT/(LOSS) BEFORE TAX		21,799,483	9,962,709
Adjustments for:			
Depreciation		5,986,357	5,279,394
Interest Income		(158,540)	(147,188)
Income from Investment - Dividend		(773,964)	(73,858)
Unrealised Foreign Exchange (Gain)/Loss		635,907	(2,251,949)
Other Provisions		2,268,605	3,064,084
Operating Profit Before Working Capital Changes		**29,757,848**	15,833,192
Adjustments for:			
Trade Receivables		16,667,084	(42,559,774)
Other Receivables		(18,979,856)	(3,119,911)
Trade Payables		(412,402)	13,800,129
Other Current Assets		(5,350,839)	(1,910,576)
Cash Generated From Operations		**21,681,835**	(17,956,939)
Direct taxes refunded/(paid)		(1,188,732)	2,235,482
Prior Period Expenses/(Income) (Net)			
Cash From / (Used in) Operating Activities		**20,493,103**	(15,721,457)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(5,125,839)	(2,978,753)
Proceeds from Sale of Investments		-	1,345,641
Purchase of Investments		(25,773,964)	-
Interest Received		158,540	147,188
Dividend Received		773,964	73,858
Cash From/ (Used In) Investing Activities		**(29,967,299)**	(1,412,066)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Redemption of Preference Share Capital		(500,000)	-
Unsecured loans		2,192,425	22,721,974
Cash From/ (Used In) Financing Activities		**1,692,425**	22,721,974
Net Increase/(Decrease) in Cash and Cash Equivalents		**(7,781,771)**	5,588,451
Cash and Cash Equivalents – As At March 31, 2009		12,869,231	7,280,780
Cash and Cash Equivalents – As At March 31, 2010		5,087,460	12,869,231
Net Increase/(Decrease) in Cash and Cash Equivalents		**(7,781,771)**	5,588,451

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consists of cash and balances with banks:

RUPEES

	As at March 31, 2010	As at March 31, 2009
Cash	164,327	54,644
Balances with Banks	4,923,133	12,814,587
	5,087,460	12,869,231

3 Previous years' figures have been regrouped wherever necessary to confirm to current years' classification

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 16

The Schedules referred to above form an integral part of the Cash Flow Statement
This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

SUJATHA RATNAM Director
C.V. RAGHU Director

REENA ANEJA Company Secretary

New Delhi
May 17, 2010

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHAREHOLDERS' FUNDS		
SHARE CAPITAL		
Authorised		
4,250,000 (Previous year 4,250,000) Equity Shares of Rs. 10/- each	42,500,000	42,500,000
1,00,000 (Previous year 100,000) 13% Non-Cumulative Redeemable Preference Share of Rs. 10/- each	1,000,000	1,000,000
Issued, Subscribed and Paid Up		
4,166,813 (Previous year 4,166,813) Equity Shares of Rs. 10/- each (held by Max India Limited, the holding company)	41,668,130	41,668,130
Nil (Previous year 50,000) 13% Non-cumulative Redeemable Preference Shares of Rs. 10/- each (held by Max India Limited, the holding company) (Refer Note B(2) on Schedule 16)	-	500,000
	41,668,130	42,168,130
SCHEDULE – 2		
UNSECURED LOANS		
Unsecured Loan		
-From Max India Limited [(the Holding Company) (repayable on demand)]	90,997,412	88,804,987
	90,997,412	88,804,987

SCHEDULE – 3
FIXED ASSETS

(Refer Notes A(3) and A(4) on Schedule 16)

RUPEES

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2009	Additions During the Year	As at March 31, 2010	As at April 1, 2009	For the year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets								
Leasehold Improvements	3,175,760	206,212	3,381,972	2,384,836	509,802	2,894,638	487,334	790,924
Plant and Machinery	602,466	115,700	718,166	55,711	42,883	98,594	619,572	546,755
Furniture and Fixtures	1,336,266	47,150	1,383,416	506,649	113,037	619,686	763,730	829,617
Office Equipment	2,754,160	344,434	3,098,594	504,664	126,252	630,916	2,467,678	2,249,496
Computers	8,697,396	2,008,599	10,705,995	3,044,985	1,518,182	4,563,167	6,142,828	5,652,411
Vehicles	-	-	-	-	-	-	-	-
Intangible Assets								
Software	11,119,446	2,403,744	13,523,190	5,289,774	2,530,432	7,820,206	5,702,984	5,829,672
Technical Know-How	5,728,844	-	5,728,844	2,765,541	1,145,769	3,911,310	1,817,534	2,963,303
Total	33,414,338	5,125,839	38,540,177	14,552,160	5,986,357	20,538,517	18,001,660	18,862,178
Previous year	30,435,585	2,978,753	33,414,338	9,272,766	5,279,394	14,552,160	18,862,178	

Note: Leasehold improvements include civil and other improvements at Company's Office.

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 4		
INVESTMENTS		
(Refer Notes A(5) and B(8) on Schedule 16)		
Current Non Trade (Unquoted), at Cost		
Units in Mutual Fund	25,773,964	-
	25,773,964	-
Aggregate value of unquoted investments	25,773,964	-
SCHEDULE – 5		
DEFERRED TAX ASSETS (NET)		
(Refer Notes A(6) and B(3) on Schedule 16)		
Deferred Tax Liability		
Opening Balance	2,489,994	3,924,755
Movement during the year	(513,348)	(1,434,761)
Closing Balance	**1,976,646**	2,489,994
Deferred Tax Asset		
Opening Balance	(6,395,635)	(3,821,658)
Movement during the year	(2,469,994)	(2,573,977)
Closing Balance	**(8,865,629)**	(6,395,635)
Net Deferred Tax Liability/(Asset)	**(6,888,983)**	(3,905,641)
SCHEDULE – 6		
SUNDRY DEBTORS		
(Unsecured)		
Debts exceeding six months		
- Considered good	4,308,411	2,836,586
- Considered doubtful	2,732,650	1,511,650
Less: Provision for doubtful debts	(2,732,650)	(1,511,650)
	4,308,411	2,836,586
Other Debts		
- Considered good	53,493,429	72,268,245
	57,801,840	75,104,831
SCHEDULE – 7		
CASH AND BANK BALANCES		
Cash in Hand	164,327	54,644
Balance with Scheduled Banks		
-In Current Accounts	3,219,659	11,111,113
-In Fixed Deposit Accounts*	1,703,474	1,703,474
	5,087,460	12,869,231

*last year held by Yes Bank Limited in lien of Bank Guarantee and this year there is nil bank guarntee (Refer Note B(1) on Schedule16)

Schedules annexed to and forming part of the accounts

RUPEES

		As at March 31, 2010	As at March 31, 2009
SCHEDULE – 8			
OTHER CURRENT ASSETS			
Unbilled Income		23,373,488	7,519,660
Interest Receivable		252,847	110,161
		23,626,335	7,629,821
SCHEDULE – 9			
LOANS AND ADVANCES			
(considered good)			
Unsecured			
Advances to companies under the same management *		-	549,356
Advances recoverable in cash or in kind or for value to be received			
Good	4,530,144		
Doubtful	8,125,396		
Less: Provision made for doubtful advances	(8,125,396)	4,530,144	3,232,306
Advance Income Tax [Net of provision for tax of Rs 1,780,198 (Previous year Rs 130,565)]		10,750,797	6,681,601
Prepaid Expenses		2,751,156	2,537,996
Security Deposits		757,382	437,382
		18,789,479	13,438,641
*Amount recoverable from Pharmax Corporation Limited; maximum amount outstanding during the year being Rs. 573,043 (Previous year Rs 1,416,482)			
SCHEDULE – 10			
CURRENT LIABILITIES			
Sundry Creditors			
-Total Outstanding Dues of micro enterprises and small enterprises*		-	-
-Total Outstanding Dues of creditors other than micro enterprises and small enterprises		28,428,144	32,562,237
Advances From Customers		25,052,183	19,518,306
Other Liabilities		2,633,790	4,445,976
		56,114,117	56,526,519
*As certified by the management.			
SCHEDULE – 11			
PROVISIONS			
(Refer Notes A(7) and B(11) on Schedule 16)			
Gratuity		1,150,210	1,183,803
Leave Encashment		6,250,511	3,948,313
		7,400,721	5,132,116

Schedules annexed to and forming part of the accounts

(RS. LACS)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 12		
INCOME FROM OPERATIONS		
(Refer Note A(2) on Schedule 16)		
Clinical Trial Services *	170,928,183	126,439,199
Clinical Data Management Services	6,227,553	8,989,293
Others	4,452,083	4,273,971
	181,607,819	139,702,463
* Tax deducted at source of Rs. 8,034,282 (Previous year Rs. 4,256,925)		
SCHEDULE – 13		
OTHER INCOME		
Interest (Gross) on :		
-Fixed Deposits*	158,540	145,884
-Others	-	1,304
Dividend income from Non Trade Investments-Current	773,964	73,858
Gain on Foreign Exchange Fluctuation (Refer Note A(8) on Schedule 16)	-	7,466,982
Miscellaneous Income	2,930,372	2,482,236
	3,862,876	10,170,264
*Tax deducted at source of Rs.15,854 (Previous year Rs. 30,052)		
SCHEDULE – 14		
PERSONNEL, OPERATING AND ADMINISTRATIVE EXPENSES		
Personnel Expenses		
Salaries, Wages and Bonus	80,245,361	64,943,998
Contribution to Provident and Other Funds	2,788,566	2,289,189
Staff Welfare	2,709,692	2,178,861
Recruitment	125,325	177,832
	85,868,944	69,589,880
Operating and Administrative Expenses		
Rent	5,846,593	5,278,515
Electricity and Water	1,509,692	1,195,831
Repair and Maintenance-Others	7,929,055	5,919,337
Legal and Professional	4,745,630	2,411,362
Printing and Stationery	2,331,952	1,677,921
Business Promotion	653,249	628,425
Travelling and Conveyance	5,829,650	5,604,898
Communication Expenses	5,008,508	4,059,487
Training and Seminar Expenses	19,290	505,599
Insurance	2,081,003	1,771,574
Rates and Taxes	24,240	5,000
Charity and Donation	280,606	208,185
License Fee-Software	2,018,554	1,426,064
Business Development Fee	22,644,326	26,705,453
Provision for Doubtful Debts	1,221,000	919,681
Provision for Doubtful Advances	1,690,100	6,435,296
Loss on Foreign Exchange Fluctuation (Refer Note A(8) on Schedule 16)	7,850,282	-
Membership and Subscription	107,698	236,073
Miscellaneous Expenses	7,370	21,549
	71,798,798	65,010,250
	157,667,742	134,600,130
SCHEDULE – 15		
FINANCIAL EXPENSES		
Interest - Others	3,709	4,834
Bank Charges	13,404	25,660
	17,113	30,494

Schedules annexed to and forming part of the accounts

SCHEDULE - 16

A. SIGNIFICANT ACCOUNTING POLICIES

1 The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 **Revenue Recognition**

Revenue from clinical trial services is recognised with reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

Revenue from clinical data management services is recognised with reference to the stage of completion of clinical data management service projects subscribed with pharmaceutical companies.

3 **Fixed Assets**

(a) Fixed assets are stated at their original cost of acquisition including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

(b) Expenses of revenue nature, which are related to project set-up, are transferred to "Pre operative expenses pending capitalisation". These expenses are allocated to fixed assets in the year of commencement of the related project.

(c) 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 & Loss account. Intangible assets are stated at cost less accumulated amortisation and impairment.

4 **Depreciation / Amortisation**

(i) Depreciation on fixed assets is provided on Straight-line method on a pro-rata basis as per rates prescribed under Schedule XIV to the Companies Act, 1956.

(ii) Leasehold improvements are amortised over the respective periods of lease.

(iii) Assets costing not more than Rs.5,000 each individually are depreciated at 100% in the year of addition.

(iv) Software/Technical Know-how in the nature of intangible assets are depreciated over a period of five years.

5 **Investments**

(a) Investments are either classified as current investments or long term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value.

(b) Long-term investments are carried at cost and provisions are recorded to recognise any decline, other than temporary, in the carrying value of each investment.

6 **Taxation**

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expense arise. Provision for tax consists of current tax, fringe benefit tax and deferred tax. A provision is made for the income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reversed in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on the prevailing enacted or substantially enacted regulations. Deferred tax assets are recognised only if there is virtual certainty that they will be realised and reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7 **Employee Benefits**

(i) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides gratuity, a benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, based upon which, the Company contributes to a Master policy with the Life insurance Corporation of India.

(ii) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. The Company makes contributions under Provident Fund to "Regional Provident Fund Commissioner". Both the employee and the Company make monthly contributions to the above said office equal to a specific percentage of the covered employee's salary.

Schedules annexed to and forming part of the accounts

(iii) Leave Encashment
Accrual for Leave encashment is made on the basis of actuarial valuation done at the year-end.

8 **Foreign Exchange Transactions**

(i) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

(ii) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the profit and loss account.

(iii) Exchange difference in respect of liabilities incurred to acquire fixed assets are recognised in the profit and loss acccount.

(iv) 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.

(v) In case of foreign exchange forward contracts taken for highly probable/forecase transactions, the net loss, if any, calculated on 'Mark to Market' principle as at the balance sheet date is recorded.

9 **Leases**

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of the lease.

10 **Provision and Contingencies**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.
Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved.

11 **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.

B. NOTES TO ACCOUNTS

1 **Contingent Liabilities**

RUPEES

Particulars	**Current Year**	Previous Year
Bank Guarantees	**-**	1,500,000

2 The Company had issued 50,000 13% Non Cumulative Redeemable Preference shares of Rs. 10 each amounting to Rs. 500,000 on December 9, 2002, which was due for redemption on December 09, 2006. With the consent of the Preference Shareholder (the holding company i.e. Max India Limited) the Company had extended the date of redemption to December 09, 2009. These Preference share were redeemed December 07, 2009. Also, the Company has not provided for any dividend on the above said Redeemable Preference Shares.

3 **Deferred Tax**

The break up and movement of deferred tax assets and deferred tax liabilities into major components is given below:

RUPEES

Particulars	Opening as at April 1, 2009	Movement during the year	**Closing as at March 31, 2010**
Deferred Tax Asset			
Deduction u/s 43B	1,585,824	929,681	2,515,505
Provision for Doubtful Debts/Advances	2,455,606	1,235,044	3,690,650
Bonus	2,354,205	305,269	2,659,474
Sub Total	**6,395,635**	**2,469,994**	**8,865,629**
Deferred Tax (Liability)			
Depreciation	(2,489,994)	513,348	(1,976,646)
Sub Total	(2,489,994)	513,348	(1,976,646)
Net Deferred Tax (Liability)/Asset	**3,905,641**	**2,983,342**	**6,888,983**

Note: Deferred tax assets are created to the extent of their realisability in future.

Schedules annexed to and forming part of the accounts

4 Accounting for leases has been done in accordance with Accounting Standard-19 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year:

(a) Finance Lease

The Company does not have any finance lease arrangement.

(b) Operating Lease

(i) Lease rentals recognized in the Profit and Loss account for the year are Rs. 5,846,593 (Previous year Rs. 5,278,515).

(ii) The company has entered into operating leases for its office and for employees' residence that are renewable on a periodic basis and cancelable at Company's option. The company has not entered into sublease agreements in respect of these leases.

(iii) There are no future commitments for lease payments for any of the above mentioned lease agreements.

5 **Related Parties** (as identified by the management) are classified as:

(i)	Holding Company	Max India Ltd.
(ii)	Fellow subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV, Neeman Medical International NV, Max Neeman Medical International Inc. USA, Max Medical Services Ltd., Max Healthcare Institute Ltd., ALPS Hospital Ltd., Max UK Ltd., Pharmax Corporation Ltd., Max HealthStaff International Ltd., Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

RUPEES

S No	Particulars	Holding Company	Fellow Subsidiaries
1	**Expenses**		
	- Rent Expense	**54,000**	**4,945,584**
		(54,000)	(4,677,858)
	- Business Development Fee	**-**	**22,644,326**
		(-)	(26,705,453)
	- Other Expenses	**-**	**2,276,442**
		(-)	(1,109,015)
	- Expenses Reimbursed	**2,138,425**	**-**
		(2,020,977)	(-)
2	**Purchase of Fixed Assets**	**-**	**250,205**
		(-)	(-)
3	**Loans taken**	**2,192,425**	**-**
		(22,721,972)	(-)
4	**Amount outstanding**		
	- Against loan taken	**90,997,412**	**-**
		(88,804,985)	(-)
	- Other receivables	**-**	**-**
		(-)	(549,356)
	- Other payables	**-**	**8,253,525**
		(-)	(8,123,770)

Figures in brackets are for previous year.

Schedules annexed to and forming part of the accounts

6 Earnings per share (EPS)

Calculation of EPS (Basic and Diluted) — RUPEES

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Basic and Diluted		
Profit after Tax (Rs.)	20,610,750	12,198,191
Weighted average number of Equity Shares	4,166,813	4,166,813
EPS (Rs.)	4.95	2.93
Share Details (Nos)		
Outstanding as at the beginning of the year	4,166,813	4,166,813
Issued during the year	-	-
Outstanding as at the end of the year	4,166,813	4,166,813

7 Auditors' Remuneration

RUPEES

Particulars	Current Year	Previous Year
- Audit Fee (excluding service tax)	75,000	45,000

8 Investments

The details of Investments are given below: — RUPEES

Particulars	Face Value	Current Year		Previous Year	
		Numbers as at March 31, 2010	Value as at March 31, 2010	Numbers as at March 31, 2009	Value as at March 31, 2009
CURRENT NON TRADE (UNQUOTED), AT COST					
Units in Mutual Fund					
Kotak Liquid Fund - Dividend Scheme	10	2,556,991	25,773,964	Nil	Nil

MOVEMENT IN CURRENT NON TRADE INVESTMENTS (UNQUOTED)

Name of Investment	Face Value	Purchase		Sales	
		Unit (Numbers)	Value	Unit (Numbers)	Value
Kotak Liquid Fund - Dividend Scheme	10	2,556,991	25,773,964	-	-

9 Expenditure/Earning in Foreign Currency

RUPEES

Particulars		Current Year	Previous Year
(a)	**Expenditure in Foreign Currency**		
	Professional Fee and Business Development Fee	22,644,326	26,705,453
	Travelling	1,229,822	1,056,146
(b)	**Earning in Foreign Currency**		
	-Service Income	102,438,122	95,405,375

Schedules annexed to and forming part of the accounts

10 **Segment Reporting**

a) **Business Segment:** The Company has considered business segment as the primary segment for disclosure. The services considered are Clinical Research and Clinical Data Management Services.

b) **Geographical Segment:** The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India.

SEGMENT INFORMATION

Primary Segment RUPEES

Particulars	Clinical Research	Clinical Data Management Services	Total
a) Segment Revenue from:			
- Service income from external customers	**175,380,266**	**6,227,553**	**181,607,819**
	(130,713,170)	(8,989,293)	(139,702,463)
- Other Income	**-**	**-**	**-**
	(2,031,680)	(-)	(2,031,680)
Total Segment Revenue	**175,380,266**	**6,227,553**	**181,607,819**
	(132,744,850)	(8,989,293)	(141,734,143)
Add : Unallocated Income			
Dividend, Interest Income and other Incomes			**3,862,876**
			(8,138,584)
Total Revenue			**185,470,695**
			(149,872,727)
b) Segment Results	**32,030,341**	**(13,809,419)**	**18,220,922**
	(10,829,392)	(8,792,247)	(2,037,145)
Add : Unallocated Income			
Dividend , Interest Income, and other Income			**3,862,876**
			(8,138,584)
Less : Unallocated Expenses			
Loss on sale of investments, Interest, and Donation			**284,315**
			(213,020)
Profit/(Loss) before tax			**21,799,483**
			(9,962,709)
Tax Expense (including provision for Deferred Tax Liabilities)			**1,188,733**
			(2,235,482)
Net Profit/(Loss) after tax			**20,610,750**
			(12,198,191)
c) Carrying amount of segment assets	**99,477,596**	**18,488,870**	**117,966,466**
	(97,289,051)	(17,636,259)	(114,925,310)
Add: Unallocated Assets			**38,003,254**
			(16,885,033)
Total Assets			**155,969,720**
			(131,810,343)
d) Segment Liabilities	**60,978,302**	**2,536,536**	**63,514,838**
	(47,095,657)	(1,046,320)	(48,141,977)
Add: Unallocated Liabilities			**90,997,412**
			(102,321,642)
Total Liabilities			**154,512,250**
			(150,463,620)

Schedules annexed to and forming part of the accounts

Primary Segment				RUPEES
Particulars		Clinical Research	Clinical Data Management Services	Total
e)	Cost to acquire tangible and intangible fixed assets during the year	**2,398,595** (2,262,658)	**2,727,244** (716,095)	**5,125,839** (2,978,753)
	Total Addition			**5,125,839** (2,978,753)
f)	Depreciation and amortisation expense	**1,571,335** (1,314,525)	**4,415,022** (3,964,869)	**5,986,357** (5,279,394)
	Total depreciation and amortisation			**5,986,357** (5,279,394)
g)	Non-cash expenses other than depreciation and amortisation	**-** (-)	**-** (-)	**-** (-)
	Total			**-** (-)

Secondary Segment				
Particulars		India	Europe, North America, Israel, South Korea and Singapore	Total
a)	Revenue from external customers	**79,169,697** (44,297,088)	**102,438,122** (95,405,375)	**181,607,819** (139,702,463)
b)	Carrying amount of segment assets by location of assets	**100,243,124** (76,691,828)	**55,726,596** (55,118,515)	**155,969,720** (131,810,343)
c)	Cost to acquire tangible and intangible fixed assets by location of assets	**38,540,177** (33,414,338)	**-** (-)	**38,540,177** (33,414,338)

(Figures in bracket are for previous year)

11 **Employee Benefits**

Defined Benefit Plans

The Company has adopted Accounting Standard, AS-15 (revised 2005), on employee benefits with effect from April 1, 2007. The following table set out the status of the gratuity and leave liability as required under AS-15.

	Gratuity	Leave Encashment
Present value of the defined benefit obligation:		
Obligations at period at beginning 01.04.2009	1,654,997	3,948,313
Service Cost	934,899	2,413,364
Interest cost	129,090	307,968
Benefits paid	-	(457,075)
Actuarial (gain)/loss	(63,080)	37,941
Obligations at period at end 31.03.2010	**2,655,906**	**6,250,511**
Defined benefit obligation liability as at the balance sheet is not wholly funded by the Company		
Change in plan assets		
Plans assets at period beginning, at fair value 01.04.09	471,194	-
Expected return on plan assets	43,114	-
Actuarial gain/(loss)	66,777	-

Schedules annexed to and forming part of the accounts

	Gratuity	Leave Encashment
Contributions	924,611	-
Benefits paid	-	-
Plans assets at period end, at fair value 31.03.10	**1,505,696**	**-**
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Present value of the obligation	2,655,906	6,250,511
Fair value of plan assets at the end of the year 31.03.10	1,505,696	-
Liability recognized in the balance sheet	**1,150,210**	**6,250,511**
Costs		
Service cost	934,899	2,413,364
Interest cost	129,090	307,968
Expected return on plan assets	(43,114)	-
Actuarial (gain)/loss	(129,857)	37,941
Net costs	**891,018**	**2,759,273**
Assumptions		
Discount factor	7.5%	8%
Interest Rate	8%	8%
Estimated rate of return on plan assets	9%	
Salary Increase	10%	10%
Attrition rate		
- Upto 30 years	10%	10%
- Between 31 and 44 years	10%	10%
- Above 44 years	5%	5%
Leave availment in the service	N.A.	5%
Retirement age	58 years	58 years

Defined Contribution Plans

During the year, the Company contributed Rs. 27.89 lacs (Previous year Rs. 22.89 lacs) for provident fund which represents contribution to defined contribution plans.

12 In the Extra-ordinary General Meeting held on Feb 13, 2008, the shareholders have approved change of name of the Company to "Max Neeman Medical International Limited" for which the company has got the necessary approval and fresh certificate of incorporation w.e.f. May 1, 2008 from the concerned authority.

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

For and on behalf of	For and on behalf of the Board of Directors
Price Waterhouse Firm Registration Number 301112E Chartered Accountants	**SUJATHA RATNAM** Director **C.V. RAGHU** Director
V. NIJHAWAN Partner Membership No. F-87228	**REENA ANEJA** Company Secretary
Gurgaon **May 17, 2010**	New Delhi **May 17, 2010**

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 1 0 2 1 4 9 State Code 5 5

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
132665	132665

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
4169	NIL
Secured Loans	**Unsecured Loans**
NIL	9097
Share Application Money	**Deferred Tax Liability**
NIL	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
1801	2574
Net Current assets	**Misc. Expenditure**
4179	NIL
Accumulated Losses	**Deferred Tax Assets**
4021	689

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover	Total Expenditure
185471	163671
+ - **Profit/Loss before Tax**	+ - **Profit/Loss after Tax**
√ 2180	√ 2061
+ - **Earning per Share in Rs.**	**Dividend Rate (%)**
√ 4.95	NIL

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description CLINICAL TRAIL SERVICES
CLINICAL DATA MANAGEMENT

MAX NEEMAN

CONTRACT RESEARCH

Improving... life

MAX NEEMAN MEDICAL INTERNATIONAL INC., USA

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, 2010.

PRINCIPAL ACTIVITY /OPERATIONS

The Principal activity of your Company is to develop new business opportunities in the field of Clinical Trials for Contract Research Organizations (CRO) and provide business development support in US, Europe and Canada to Max Neeman Medical International Limited ("Max Neeman"), a group company, which is also a CRO. Your Company's business developments efforts brought lots of valuable clients to Max Neeman in various therapeutic areas such as oncology, cardiology, infectious diseases, endocrinology, medical devices, ophthalmology and rescue studies amounting to approx. US$ 1.2 million. Your Company continues to find business partners in USA and Europe for Max Neeman.

During the year under review, your Company incurred a loss of Rs.5.51 lacs as against previous year loss of Rs.4.04 lacs.

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year under review.

DIRECTORS

The Board currently comprises of Mr. C.V. Raghu and Mr. Pradeep Pal Chadha.

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 your Company.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the co-operation and support extended to the Company by its employees, customers and the Government.

For and on behalf of the Board of Directors

New Delhi	**C.V. RAGHU**	Director
July 27, 2010	**PRADEEP PAL CHADHA**	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. as at March 31, 2010, 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 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. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) 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.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

   ii. There are no stocks with the Company and third parties.

   iii. (a) 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 Act.

   (b) 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 Act.

   iv. 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 the sale and 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.

   v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.

   vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

Auditors' Report

vii. The Company did not have an internal audit system during the year.

viii. 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.

ix. (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.

x. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has incurred cash loss in the financial year ended on that date. The Company has not incurred cash losses in the immediately preceding financial year.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.

xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi. The Company has not obtained any term loans.

xvii. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix. The Company has not issued any debentures during the year.

xx. The Company has not raised any money by public issues during the year.

xxi. 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

Auditors' Report

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 18, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	36,607,500	36,607,500
LOAN FUNDS			
Unsecured Loans	2	332,137,170	384,832,020
		368,744,670	421,439,520
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		3,451,996	3,999,661
Less: Depreciation		3,254,238	3,545,818
Net Block		197,758	453,843
CURRENT ASSETS, LOANS AND ADVANCES			
Bank Balances	4	1,448,941	987,878
Loans and Advances	5	7,996,487	8,877,034
		9,445,428	9,864,912
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	6	8,386,991	9,635,625
NET CURRENT ASSETS		1,058,437	229,287
PROFIT AND LOSS ACCOUNT		366,899,065	367,449,606
FOREIGN CURRENCY TRANSLATION RESERVE	7	589,410	53,306,784
		368,744,670	421,439,520
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	11		

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 and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No: F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

C. V. RAGHU Director
PRADEEP PAL CHADHA Director

New Delhi
May 18, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Service Income	8	22,645,058	26,693,681
Other Income	9	1,031,203	112,240
		23,676,261	26,805,921
EXPENDITURE			
Personnel, Operating and Administration Expenses	10	22,918,961	26,693,956
Depreciation	3	206,759	516,272
		23,125,720	27,210,228
PROFIT / (LOSS) FOR THE YEAR		550,541	(404,307)
(LOSS) BROUGHT FORWARD		(367,449,606)	(367,045,299)
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		(366,899,065)	(367,449,606)
Earnings Per Share (Rs. per Common Share)			
- Basic and Diluted		1,694	(1,244)
(Refer Note B7 on Schedule 11)			
Number of shares used in computing earning per share			
- Basic and Diluted		325	325
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	11		

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 and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No: F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

C. V. RAGHU Director
PRADEEP PAL CHADHA Director

New Delhi
May 18, 2010

Cash Flow statement for the year ended March 31, 2010

RUPEES

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	550,541	(404,307)
Adjustments for:		
Depreciation	206,759	516,272
Liabilities written back	-	(37,678)
Net (Profit)/Loss on Fixed Assets Sold	-	(74,562)
Operating Profit/(Loss) Before Working Capital Changes	**757,300**	(275)
Adjustments for:		
Trade Payables	(1,248,634)	4,607,817
Other Current Assets	880,547	(4,773,724)
Cash From/(Used in) Operating Activities	**389,213**	(166,182)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(63,456)
Proceeds from Sale of Fixed Assets	-	491,235
Cash From/(Used In) Investing Activities	**-**	427,779
C. CASH FLOW FROM FINANCING ACTIVITIES		
Advances from Group Companies	(52,694,850)	90,533,916
Cash From/(Used In) Financing Activities	**(52,694,850)**	90,533,916
Net Increase/(Decrease) in Cash and Cash Equivalents	(52,305,637)	90,795,513
Impact of Foreign Exchange Fluctuations	52,766,700	(90,546,654)
	461,063	248,859
Cash and Cash Equivalents at the beginning of the year	987,878	739,019
Cash and Cash Equivalents at the closing of the year	1,448,941	987,878
Net Increase/(Decrease) in Cash and Cash Equivalents	461,063	248,859

Notes

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consist of Balance with Bank:

RUPEES

	As at March 31, 2010	As at March 31, 2009
Balance with Bank	1,448,941	987,878
	1,448,941	987,878

3 Previous years' figures have been regrouped wherever necessary to confirm to current years' classification

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 11

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No: F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

C. V. RAGHU Director
PRADEEP PAL CHADHA Director

New Delhi
May 18, 2010

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
Common Stock having no par value, 1,500 shares	-	-
Issued, Subscribed and Paid Up		
325 (Previous year 325) shares having no par value	36,607,500	36,607,500
(Held by the Holding Company, Neeman Medical International, NV)		
(Ultimate holding company, Max India Limited)		
	36,607,500	36,607,500
SCHEDULE 2		
UNSECURED LOANS		
Unsecured Loan from the Holding Company (Repayable on Demand)	332,137,170	384,832,020
	332,137,170	384,832,020

SCHEDULE 3
FIXED ASSETS
(Refer Notes A4, A5 and A6 on Schedule 11)

RUPEES

	Gross Block					Depreciation					Net Block	
	As at April 1, 2009	Additions during the year	Deletions during the year	Translation Reserve	As at March 31, 2010	As at April 1, 2009	Additions during the year	Deletions during the year	Translation Reserve	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Computers	1,882,588	-	-	(257,782)	1,624,806	1,820,665	11,995	-	(250,067)	1,582,593	42,213	61,923
Furniture and Fittings	2,117,073	-	-	(289,883)	1,827,190	1,725,153	194,764	-	(248,272)	1,671,645	155,545	391,920
Total	**3,999,661**	**-**	**-**	**(547,665)**	**3,451,996**	**3,545,818**	**206,759**	**-**	**(498,339)**	**3,254,238**	**197,758**	**453,843**
Previous year	3,753,663	63,475	874,658	1,057,181	3,999,661	2,661,716	516,272	457,966	825,796	3,545,818	453,843	

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 4		
BANK BALANCE		
With Non-Scheduled Bank in Current Account		
- Wachovia Bank, North Carolina, USA*	1,448,941	987,878
	1,448,941	987,878

*Maximum balance during the year Rs. 8,391,258 (Previous year - Rs. 4,705,633)

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 5		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances to Companies under the Same Management **	7,546,559	8,112,218
Advances Recoverable in Cash or in Kind or for Value to be Received	11,894	12,245
Security Deposits	100,676	116,649
Prepaid Expenses	337,358	635,922
	7,996,487	8,877,034
**Amounts due from companies under the same management		
- Max HealthStaff International Ltd.	-	47,092
- Max Neeman Medical International Ltd.	7,546,559	8,065,126
**Maximum amount outstanding during the year from companies under the same management		
- Max HealthStaff International Ltd.	47,092	47,092
- Max Neeman Medical International Ltd.	7,949,395	8,065,126
SCHEDULE 6		
CURRENT LIABILITIES		
Sundry Creditors***		
-Total Outstanding Dues of Creditors Other Than Micro		
Enterprises and Small Enterprises	721,346	487,290
Advances From Customers	7,665,645	8,881,795
Other Liabilities	-	266,540
	8,386,991	9,635,625
***There are no dues to creditors coming under the definition of micro		
Enterprises and Small Enterprises as at March 31, 2010 and March 31, 2009.		
SCHEDULE 7		
RESERVES AND SURPLUS		
Foreign Currency Translation Reserve		
(Refer Note B2(ii) on Schedule 11)		
Opening Balance	(53,306,784)	37,008,485
Adjustment during the year	52,717,374	(90,315,269)
	(589,410)	(53,306,784)

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 8		
SERVICE INCOME		
Business Development Services	22,645,058	26,693,681
	22,645,058	26,693,681
SCHEDULE 9		
OTHER INCOME		
Liabilities No Longer Required Written Back	-	37,678
Miscellaneous Income	1,031,203	-
Profit on Sale of Fixed Assets	-	74,562
	1,031,203	112,240
SCHEDULE 10		
PERSONNEL, OPERATING AND ADMINISTRATION EXPENSES		
Personnel		
Salaries, Wages and Bonus	13,109,777	15,205,126
Employee Benefits and Taxes	-	134,099
Staff Welfare	41,849	42,333
Recruitment	-	1,170,932
	13,151,626	16,552,490
Operating and Administration		
Rent	1,970,056	1,609,814
Repair and Maintenance-Others	427,863	489,593
Legal and Professional	382,448	428,675
Printing and Stationery	135,352	104,931
Advertisement and Publicity	1,734,891	1,278,995
Travelling and Conveyance	2,685,802	3,800,796
Communication	666,537	926,143
Insurance	1,179,639	211,134
Rates and Taxes	584,747	1,201,443
Miscellaneous Expenses	-	89,942
	9,767,335	10,141,466
	22,918,961	26,693,956

Schedules annexed to and forming part of the accounts

SCHEDULE 11

A. SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Convention

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 Revenue Recognition

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.

3 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

4 Fixed Assets

Fixed assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

5 Depreciation

Depreciation is charged on straight-line method over the estimated useful lives of the respective assets as follows:

	Estimated Useful Lives in Years
Furniture and fixtures	10
Computer equipment	4-10
Equipment	7-10
Vehicles	3

6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs". Other borrowing costs are recognized as an expense in the year in which they are incurred. Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for its intended use or sale are complete.

7 Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax and deferred tax. A provision is made for income taxes annually based on the tax liability computed at rates as per local laws of United Sates of America after considering applicable tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income taxes and the profit as per financial statements are identified and, thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered.

Schedules annexed to and forming part of the accounts

Deferred tax assets are recognised only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

8 Employee Benefits

The Company used to maintain a 401(k) retirement savings plan for substantially all employees. Participation was subject to the employee's age and length of employment with the Company.
With effect from January 31, 2008, the Company has terminated its 401k plan completely.
The Company provides a comprehensive benefits package to all employees, which consist of health, life and disability insurance.

9 Foreign Exchange Transactions

(i) Monetary assets and liabilities related to foreign transactions remaining unsettled at the end of the year are translated at year-end rates.

(ii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions, are recognized in the profit and loss account.

10 Leases

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of the lease.

11 Miscellaneous Expenditure

Preliminary expenses represent expenses in connection with incorporation of the Company and are written off over a period of 5 years.

B. NOTES TO ACCOUNTS

1 Country of Incorporation

Neeman Medical International Inc. is incorporated and operates under the applicable laws of The United States of America.

2 Basis of Preparation and Translation into Indian Rupees

(i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-11 issued by ICAI on 'The Effects of Changes in Foreign Exchange Rates'. The functional currency of the Company is United States Dollar (US$).

(ii) The translation of foreign currency into Rs. has been carried out:

a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1US$ = Rs. 45.0301 as on March 31, 2010 and 1US$ = Rs. 52.1743 as on March 31, 2009).

b) For revenues and expenses using average exchange rates prevailing during the reporting period (1US$ = 47.9997 for the year April 1, 2009 to March 31, 2010 and 1US$ = 46.5739 for the year April 1, 2008 to March 31, 2009).

c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3 Contingent liabilities: Rs. Nil

4 The Company leases office space and office equipments under various operating leases.

(i) Lease rentals recognized in the Profit and Loss account for the year are Rs. 1,970,056 (Previous year – Rs. 1,609,814).

(ii) The Company leases its corporate office under an operating lease which will be expiring on January 31, 2011.

Schedules annexed to and forming part of the accounts

(iii) Minimum rental commitments payable in future years under operating leases having an initial or remaining non-cancellable terms of one year or more at March 31, 2010 are as follows:

RUPEES

	March 31, 2010	March 31, 2009
Not later than one year	1,285,511	1,469,837
Later than one year and not later than five years	303,110	1,255,329
Total Minimum Rentals	**1,588,621**	**2,725,166**

5 **Deferred Taxes**:
The Company has not recognized the deferred tax assets as it is not probable that immediate future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

6 **Related Parties** (as identified by the management) are classified as:

(i) Ultimate Holding Company	Max India Ltd.
(ii) Holding Company	Neeman Medical International NV
(iii) Fellow subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Limited, Neeman Medical International BV, Max Neeman Medical International Ltd., Max Medical Services Ltd., Max Healthcare Institute Ltd, Max UK Ltd., Pharmax Corporation Ltd, Max HealthStaff Intenational Ltd., Alps Hospital Ltd., Max Bupa Health Insurance Co. Ltd., Hometrail Estate Pvt. Ltd., Hometrail Buildtech Pvt. Ltd.

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

RUPEES

Particulars	Holding Company	Fellow Subsidiaries	Key Management Personnel
Service Fees	**-**	**22,645,058**	-
	(-)	(26,693,681)	(-)
Amount outstanding			
- Other receivables	-	**7,546,570**	-
	(-)	(8,112,218)	(-)
- Against loan taken	**332,137,170**	-	-
	(384,832,020)	(-)	(-)

Figures in bracket are for previous year

7 **Earnings per share (EPS)**

Calculation of EPS (Basic and Diluted) RUPEES

Particulars	**For the year ended March 31, 2010**	For the year ended March 31, 2009
Basic and Diluted		
Profit /(Loss) for the year	550,541	(404,307)
Common Stock Outstanding	325	325
EPS (Rs.)	1,694	(1,244)
Share Details (Nos.)		
Outstanding as at the beginning of the year	325	325
Outstanding as at the end of the year	325	325

Schedules annexed to and forming part of the accounts

8 **Auditors' Remuneration** **RUPEES**

Particulars	Current Year	Previous Year
- Audit Fee	47,998	46,574
Total	**47,998**	46,574

9 **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.

10 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

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

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No: F-87228

Gurgaon
May 18, 2010

For and on behalf of the Board of Directors

C. V. RAGHU Director
PRADEEP PAL CHADHA Director

New Delhi
May 18, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 0 5 6 5 2 5 5 State Code N A

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement/Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
368745	368745

SOURCES OF FUNDS

Paid-up Capital	Reserve & Surplus
36608	NIL
Secured Loans	**Unsecured Loans**
NIL	3321337

APPLICATION OF FUNDS

Net Fixed Assets	Investments
198	NIL
+ - Net Current assets	**Foreign Currency Translation Resource**
✓ 1058	590
Accumulated Losses	
366899	

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Total Income)	Total Expenditure
23676	23126
+ - Profit/Loss before tax	**+ - Profit/Loss after tax**
✓ 550	✓ 550
Basic + - Earning per share in Rs.	**Dividend Rate (%)**
✓ 1694	NIL
Diluted + -	
✓ 1694	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description BUSINESS DEVELOPMENT

PHARMAX
CORPORATION LIMITED

MAX

Directors' Report

Your Directors have pleasure in presenting the Twenty first Annual Report of the Company together with the Audited Annual Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

During the year under review, your Company earned a total income amounting to Rs.708.54 lacs against Rs. 717.60 lacs in previous year. The Company posted a profit after tax of Rs. 194.67 lacs for the year ended March 31, 2010. Key highlights of the financial results for the year under review are as follows:

(RS. LACS)

	Year ended March 31, 2010	Year ended March 31, 2009
Rental income	402.27	425.57
Other Income	306.27	292.03
Total Income	708.54	717.60
Total Expenditure	441.85	464.00
Profit / (Loss) before tax	266.69	253.60
Provision for Taxation	72.02	70.40
Profit / (Loss) after tax	194.67	183.20

DIVIDEND

In view of carry forward losses, your Directors do not recommend any dividend either on Equity Shares or on Preference Shares.

ADDITIONAL INFORMATION

Disclosure of information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 ('the Act') is not applicable to your Company.

PARTICULARS OF DEPOSITS

The Company has not accepted any deposits under Section 58A of the Act.

PARTICULARS OF EMPLOYEES

As the Company had no employee on its roll, the provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees Rules), 1975 are not applicable.

DIRECTORS

In accordance with the provisions of the Act and Article 143 of the Articles of Association of the Company, Mr. P. Dwarakanath retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

Mr. Mohit Talwar was appointed as an Additional Director of the Company on December 17, 2009 to hold office upto the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act from a member proposing the candidature of Mr.Talwar for being appointed as a Director of the Company.

Mr. Neeraj Basur resigned from the Board of Directors of the Company effective December 17, 2009. The Board places on record, its appreciation for the valuable contribution made by Mr. Basur during his association with the Company.

AUDIT COMMITTEE

Currently the Audit Committee of the Company comprises of Mrs. Sujatha Ratnam, Mr. K.S. Ramsinghaney and Mr. Mohit Talwar. The current terms of reference of this Committee fully conform to the requirements of Section 292A of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

As per the provisions of Section 217(2AA) of the Act, the Directors confirm that:

(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

Nangia & Company, Chartered Accountants, the Statutory Auditors of the Company, cease to hold office at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. The Company has received from them a Certificate to the effect that their re-appointment, if made, would be in conformity with the limits specified under Section 224(1B) of the Act.

For and on behalf of the Board of Directors

New Delhi
July 26, 2010

P. DWARAKANATH Director
SUJATHA RATNAM Director

Auditors' Report

1 We have audited the attached Balance Sheet of Pharmax Corporation Limited, New Delhi as at March 31, 2010 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, 2010 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with 'Significant Accounting Policies & Notes to Accounts' in Schedule '10', give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

(ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

(iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

RAKESH NANGIA
Partner
Membership No. F-70776

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No. 002391C

New Delhi
May 17, 2010

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, 2010.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we report that: -

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between book records and the physical inventory have been noticed on such verification.

   (c) During the year, the Company has not disposed off a substantial part of the fixed assets. Based on the information and explanation given by the management of the Company and on the basis of audit checks performed by us, we are of the opinion that the sale of fixed assets during the year has not affected the going concern status of the Company.

2. The Company being in the field of management of real estate, carries no inventories, hence the provisions of Clause 4(ii)(a) to 4(ii)(c) of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable.

3. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act.

   (b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act, the provisions of clause 4(iii)(b), 4(iii)(c) & 4(iii)(d) are not applicable.

   (c) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sales of services. Further, on the basis of our examination and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system of the Company.

5. Based on the information and explanations given to us, there are no transactions with Parties covered under section 301 of the Act.

6. In our opinion and according to information given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.

7. In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any of the products of the Company.

9. (a) In our opinion and according to the information and explanations given to us and according to the books and records as produced and examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable with the appropriate authorities.

   According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable, outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

   (b) According to the records of the Company, there are no dues of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and any

Auditors' Report

other statutory dues as applicable to it, which have not been deposited on account of any dispute.

10. In our opinion the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and during the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of its dues of any financial institution or bank during the year.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.

13. The provisions of any special statute applicable to chit fund/ nidhi/mutual benefit fund/societies are not applicable to the Company.

14. Based on our examination of the records and documents of the Company, and according to the information and explanation given to us, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments, and therefore clause (xiv) of The Companies (Auditors' Report) (Amendment) Order, 2004 is not applicable to the Company.

15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interests of the Company.

16. Based on the information and explanations given to us by the management, the Company has utilized the long-term loan availed from Canara Bank for the purpose for which it was borrowed.

17. Based on the information and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment or vice versa.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.

19. The Company has not issued any debentures during the year.

20. The Company has not raised any money by public issue during the year.

21. Based upon audit procedures performed and information and explanations given by the management of the Company, we report no fraud on or by the Company has been noticed or reported during the course of our audit.

RAKESH NANGIA
Partner
Membership No. F-70776

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No. 002391C

New Delhi
May 17, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	205,576,787	205,576,787
LOAN FUNDS	2		
Secured Loans		64,283,246	84,802,577
Unsecured Loans		49,300,000	129,300,000
		319,160,033	419,679,364
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		250,457,208	250,457,208
Less : Accumulated Depreciation		60,263,339	53,694,643
Net Block		190,193,869	196,762,565
INVESTMENTS	4	60,575,000	72,152,363
CURRENT ASSETS, LOANS AND ADVANCES	5		
Sundry Debtors		5,175,298	8,376,606
Cash and Bank Balances		16,010,498	9,431,209
Loans and Advances		21,272,581	102,761,463
		42,458,377	120,569,278
Less: CURRENT LIABILITIES AND PROVISIONS	6		
Current Liabilities		26,789,929	41,994,749
		26,789,929	41,994,749
NET CURRENT ASSETS		15,668,448	78,574,529
PROFIT AND LOSS ACCOUNT		52,722,716	72,189,907
		319,160,033	419,679,364
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

RAKESH NANGIA
FCA, Partner
Membership No. F-70776

For Nangia and Company
Chartered Accountants

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

PARDEEP K. GUPTA Company Secretary

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Lease Rentals*		40,226,693	42,557,035
Other Income	7	30,627,176	29,203,523
{* Tax Deducted at Source Rs. 6,568,327 (Previous Year Rs. 9,938,754)}		**70,853,869**	71,760,558
EXPENDITURE			
Administrative Expenses	8	1,862,708	2,615,936
Financial Expenses	9	35,753,274	37,215,656
Depreciation	3	6,568,696	6,568,696
		44,184,678	46,400,288
PROFIT BEFORE TAX		26,669,191	25,360,270
Provision for Taxation			
Current Year Tax		7,202,000	7,040,000
Net		7,202,000	7,040,000
PROFIT AFTER TAX		19,467,191	18,320,270
(LOSS) BROUGHT FORWARD		(72,189,907)	(90,510,177)
(LOSS) CARRIED FORWARD TO THE BALANCE SHEET		**(52,722,716)**	(72,189,907)
Earnings Per Share (Re. per equity share of Re. 1 each)			
-Basic		0.35	0.33
-Diluted		0.35	0.33
Number of Shares used in computing earnings per share			
-Basic		55,305,852	55,305,852
-Diluted		55,939,952	55,939,952
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

RAKESH NANGIA
FCA, Partner
Membership No. F-70776

For Nangia and Company
Chartered Accountants

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

PARDEEP K. GUPTA Company Secretary

Cash Flow Statement for the year ended March 31, 2010

RUPEES

		Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	PROFIT BEFORE TAX		26,669,191	25,360,270
	Adjustments for:			
	Depreciation		6,568,696	6,568,696
	Net (Profit) / Loss on Sale of Investments		(1,636,525)	(1,627)
	Interest Expense		38,617,023	41,413,402
	Interest Income		(10,912,815)	(27,440,256)
	Dividend Income		-	(1,611,638)
	TDS on Service/other Operating Income		(11,469,778)	(12,502,081)
	Liability/Provision No Longer Required Written Back		-	(11,597)
	Operating Profit Before Working Capital Changes		**47,835,792**	31,775,169
	Adjustments for:			
	Trade and Other Receivables		96,834,417	(89,610,029)
	Trade Payables		(15,204,819)	11,494,961
	Cash Generated From/ (Used In) Operations		**129,465,390**	(46,339,899)
	Direct Taxes Refunded / (Paid)		(7,876,450)	-
	Cash From / (Used In) Operating Activities		**121,588,940**	(46,339,899)
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Investments		(520,000,000)	(103,855,088)
	Sale of Investments		533,213,888	103,132,592
	Interest and Dividend Received (Net)		10,912,815	29,051,894
	Cash From / (Used In) Investing Activities		**24,126,703**	28,329,398
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Interest Paid		(38,617,023)	(41,413,402)
	Repayment of Long Term Loans		(100,519,331)	(18,334,156)
	Proceeds from borrowings		-	83,500,000
	Cash From / (Used In) Financing Activities		**(139,136,354)**	23,752,442
Net Increase / (Decrease) In Cash and Cash Equivalents			**6,579,289**	5,741,941
Cash and Cash Equivalents As At March 31, 2009			9,431,209	3,689,268
Cash and Cash Equivalents As At March 31, 2010			16,010,498	9,431,209
Net Increase / (Decrease) In Cash and Cash Equivalents			**6,579,289**	5,741,941

Notes

1) The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2) Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in Hand, Fixed Deposits and Balances with Banks.

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
Cash in Hand		22,644	37,341
Cheques in Hand		-	2,377,913
Fixed Deposits		10,010,172	-
Balances with Banks		5,977,682	7,015,955
		16,010,498	9,431,209

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 10

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

RAKESH NANGIA
FCA, Partner
Membership No. F-70776

For Nangia and Company
Chartered Accountants

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

PARDEEP K. GUPTA Company Secretary

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHARE CAPITAL		
Authorised Capital		
60,000,000 Equity Shares of Re. 1/- each	60,000,000	60,000,000
(Previous year 60,000,000 Equity Shares of Re. 1/- each)		
10% 470,000 Cumulative Convertible Preference Shares of Rs. 100/- each	47,000,000	47,000,000
(Previous year 10% 470,000 Cumulative Convertible Preference Shares of Rs. 100/- each)		
9% 1,500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	150,000,000	150,000,000
(Previous year 9% 1,500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each)		
	257,000,000	257,000,000
Issued, Subscribed and Paid Up:		
55,305,852 Equity Shares of Re 1/- each fully paid up	55,305,852	55,305,852
(Previous year 55,305,852 Equity Shares of Re 1/- each fully paid up)		
(Of the above Shares 9,113,982 Equity Shares were allotted as fully paid up for consideration other than cash in terms of a Scheme of Arrangement approved by the Hon'ble High Court of Punjab and Haryana in the year 1990-91)		
(Of the above Shares 47,117,247 (Previous year 47,117,247) Equity Shares are held by Max India Limited, the Holding Company)		
6,341 10% Cumulative Convertible Preference Shares of Rs. 100/- each	634,100	634,100
(Previous year 6,341 10% Cumulative Convertible Preference Shares of Rs. 100/- each)		
Less: Allotment Money To Be Received	(363,165)	(363,165)
(Refer Note 2 of Schedule 10B)		
1,500,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each		
(Previous year 1,500,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each)	150,000,000	150,000,000
Redeemable at par on or before 31st March, 2019 at the discretion of the board (Held by Max India Ltd., the Holding Company)		
	205,576,787	205,576,787
SCHEDULE – 2		
LOAN FUNDS		
SECURED LOANS		
Loans From Banks	64,283,246	84,802,577
(Secured against charge of monthly lease rentals receivable from various lessees and equitable mortgage of undivided share of Freehold Property at Okhla)		
	64,283,246	84,802,577
Amount payable within one year Rs. 23,712,795 (Previous year Rs. 20,738,261)		
UNSECURED LOANS		
Other Loans		
From Holding Company	33,800,000	113,800,000
From Others	15,500,000	15,500,000
	49,300,000	129,300,000
Amount payable within one year Rs. NIL (Previous year Rs. 78,000,000)		

Schedules annexed to and forming part of the accounts

SCHEDULE – 3
FIXED ASSETS

(Refer Note No. c, d, g, i of Schedule 10A and Note 3 of Schedule 10B)

RUPEES

	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at April 1, 2009	For the year	Deletions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Land (Freehold)	84,296	-	-	84,296	-	-	-	-	84,296	84,296
Land (Leasehold)	182,365	-	-	182,365	-	-	-	-	182,365	182,365
Building	174,619,212	-	-	174,619,212	17,800,555	2,845,378	-	20,645,933	153,973,279	156,818,657
Plant & Machinery	70,042,639	-	-	70,042,639	34,705,942	3,327,025	-	38,032,967	32,009,672	35,336,697
Furniture and Fixtures	4,918,081	-	-	4,918,081	888,316	309,794	-	1,198,110	3,719,971	4,029,765
Computers	610,615	-	-	610,615	299,830	86,499	-	386,329	224,286	310,785
TOTAL	**250,457,208**	**-**	**-**	**250,457,208**	**53,694,643**	**6,568,696**	**-**	**60,263,339**	**190,193,869**	**196,762,565**
Previous year	250,457,208	-	-	250,457,208	47,125,947	6,568,696	-	53,694,643	196,762,565	203,331,261

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 4		
INVESTMENTS		
Current Non Trade, (Unquoted), at cost		
(Refer Note e of Schedule 10A and Note 5 of Schedule 10B)		
Tata Floater Fund-Growth	15,000,000	26,577,363
(No. of units 38,382,110.657 (Previous year 2,033,556.489))		
	15,000,000	26,577,363
Long Term–Trade, (Unquoted), at cost		
Equity Shares	45,575,000	45,575,000
	45,575,000	45,575,000
	60,575,000	72,152,363

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 5		
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors *		
(Unsecured, Considered Good)		
Debts exceeding six months	-	-
Other Debts	5,175,298	8,376,606
	5,175,298	8,376,606
Cash and Bank Balances		
Cash in Hand	22,644	37,341
Cheques in Hand	-	2,377,913
Balances with Scheduled Banks		
In Current Accounts	5,977,682	7,015,955
In Fixed Deposit Accounts	10,010,172	-
	16,010,498	9,431,209
Loans and Advances		
(Unsecured, Considered Good)		
Advances Recoverable In Cash or in Kind or For Value to be Received	5,678,228	2,574,959
Loans	3,800,000	83,800,000
Interest Receivable	111,340	5,355,069
Prepaid Expenses	31,857	50,329
Security Deposits	378,138	378,138
Advance Income Tax	44,307,018	36,434,968
Less: Provision for Income Tax	(33,034,000)	(25,832,000)
	21,272,581	102,761,463
*Includes debt due from companies under the same management		
Max Healthcare Institute Ltd.	901,923	4,546,257
Max New York Life Insurance Company Ltd.	1,185,561	3,157,104
Max Healthstaff International Ltd.	-	24,990
Max Bupa Health Insurance Company Ltd.	957,626	-
Max India Ltd. (the Holding Company)	1,369,366	-
Max Medical Services Ltd.	12,360	-
Max Neeman Medical International Ltd.	509,395	-
Maximum amount outstanding during the year from companies under the same management		
Max India Ltd. (the Holding Company)	1,632,217	2,015,615
Max Healthcare Institute Ltd.	4,838,185	4,546,257
Max New York Life Insurance Company Ltd.	4,749,647	3,157,104
Max Healthstaff International Ltd.	24,990	69,942
Max Neeman Medical International Ltd.	509,395	56,822
Max Bupa Health Insurance Company Ltd.	957,626	-
Max Medical Services Ltd.	12,360	-

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 6		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors*		
- Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	246,504	246,504
Other Liabilities	26,543,425	41,748,245
	26,789,929	41,994,749
*There are no dues to creditors under the definition of micro enterprises and small enterprises as at March 31, 2010 and March 31, 2009		

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 7		
OTHER INCOME		
Interest on Loans (Gross)*	10,030,193	27,440,256
Other Interest*	882,622	-
Other Income*	18,000,000	-
Dividend From Non-Trade Investments - Current	-	1,611,638
Unclaimed Balances Written Back	-	10,000
Miscellaneous Income	77,836	140,002
Net profit on sale of Units	1,636,525	1,627
	30,627,176	29,203,523
* Tax Deducted at Source Rs. 2,854,640 (Previous year Rs. 68,942)		
SCHEDULE – 8		
ADMINISTRATIVE EXPENSES		
Rates and Taxes	1,076,007	1,076,007
Insurance	123,742	154,892
Legal and Professional (Refer Note 6 of Schedule 10B)	10,149,761	4,400,057
Filing Fee	9,000	7,561
Repair and Maintenance - Building	4,870,901	3,005,009
Repair and Maintenance - Others	25,467	32,245
Printing and Stationery	204,995	748,295
Bank Charges	3,170	5,872
Miscellaneous	26,883	13,617
Less: Overheads Recovery* (Refer Note 9 on Schedule 10B)	(14,627,218)	(6,827,619)
	1,862,708	2,615,936
*Tax deducted at source Rs. 798,756 (Previous year Rs. 544,524)		
SCHEDULE – 9		
FINANCIAL EXPENSES		
Interest on Term Loans	24,510,783	10,751,012
Other Interest	9,863,741	26,464,644
Finance Charges	1,378,750	-
	35,753,274	37,215,656

Schedules annexed to and forming part of the accounts

SCHEDULE – 10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Basis and Convention

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India ("GAAP"), under the historical cost convention, on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

b. Revenue Recognition

(i) The revenue from lease rentals is recognised proportionately over the period of the related agreements.

(ii) The interest is recognized on time proportionate basis, taking into the account the amount outstanding and the rates applicable.

c. Fixed Assets

Fixed assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation less accumulated depreciation.

d. Depreciation

(i) Depreciation on fixed assets is charged on straight-line method on a pro-rata basis at rates prescribed under schedule XIV to the Companies Act, 1956.

(ii) Assets costing less than Rs. 5,000/- each individually are depreciated at 100% in the year of capitalization.

e. Investments

(i) Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

(ii) Long-term investments are valued at cost. Provision for diminution is made to recognize a decline, other than temporary.

f. Miscellaneous Expenditure

Preliminary expenditure represents cost incurred for incorporation of the Company and expenses incurred on rights issue. These are amortized over a period of 10 years.

g. Accounting For Leases

The assets given under operating lease are shown in the Balance Sheet under fixed assets and depreciated on a basis consistent with the depreciation policy of the Company. The lease income is recognised in the Profit and Loss account on accrual basis. The initial direct cost incurred for finalising the lease arrangement is recognised as expense immediately in the Profit and Loss account.

h. Taxation

Provision for tax consists of current tax & deferred tax, which is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities when applicable are computed on timing difference at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. Deferred tax assets are recognised based on management estimates of available future taxable income and assessing its certainty.

i. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets are capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred.

Schedules annexed to and forming part of the accounts

B. NOTES TO THE ACCOUNTS

1 **Contingent liabilities**

(i) (a) Arrears of dividend on 10% Cumulative Convertible Preference Share is Rs. 339.70 Lacs (Previous year Rs. 339.06 Lacs). Corporate Dividend Tax thereon is Rs. 57.73 Lacs (Previous year Rs. 57.63 Lacs)

(b) Arrears of dividend on 9% Cumulative Redeemable Preference Share is Rs. 1,350.00 Lacs (Previous year Rs. 1,215.00 Lacs). Corporate dividend tax thereon is Rs. 229.43 Lacs (Previous year Rs. 206.49 Lacs).

(ii) Claims against the Company not acknowledged as debts is Nil (Previous year Rs. Nil)

(iii) The Company has given a Corporate Guarantee of Rs. 11,500 Lacs (Previous year Rs. 11,500 Lacs) to various lenders for securing Term Loan facilities to MAX Balaji Medical & Diagnostic Research Centre.

(iv) Estimated amount of contracts remaining to be executed on capital account and not provided (net off capital advances) is Nil (Previous year Rs. Nil).

2 Pending reconciliation of the allotment money receivable for remaining 6,341 10% Cumulative Convertible Preference Share of Rs. 100/- each, the conversion will be taken up at a later date to be decided by the Board.

3 **Leases**

Accounting for leases has been done in accordance with Accounting Standard -19 issued by the Institute of Chartered accountants of India. Following are the details of the transactions for the year.

a) Finance Lease:

The Company does not have any finance lease arrangement.

b) Operating lease Income

i) Details of assets given under operating lease are as under: RUPEES

Particulars	Gross value as at April 01, 2009	Additions/ (deletion) during the year	Total value of assets given on lease	Depreciation during the year	Depreciation reserve upto March 31, 2010	Net value of assets as at March 31, 2010
Land	266,661	-	266,661	-	-	266,661
Building	154,757,605	-	154,757,605	2,057,327	14,927,873	139,829,732
Plant & Machinery	51,390,604	-	51,390,604	2,405,578	27,499,425	23,891,179
Total	**206,414,870**	**-**	**206,414,870**	**4,462,905**	**42,427,298**	**163,987,572**
Previous Year	227,911,296	17,017,216	206,414,870	4,462,905	37,964,392	168,450,478

ii) There are no leases entered into by the company, which are classified as non-cancelable lease.

iii) The company has entered into lease contracts (cancelable) for its assets as mentioned above with various parties including group companies as under:

Name of Lessee
Max Bupa Health Insurance Company Limited
Max India Limited (the holding company)
Malsi Estates Limited
Max Healthcare Institute Limited
Max Neeman Medical International Limited
Max HealthStaff International Limited

Schedules annexed to and forming part of the accounts

iv) Description of the significant leasing arrangements

The Company has given its assets on operating lease to different parties for various periods, renewable on mutual agreement. A list of the significant lease arrangements is given below:

RUPEES

Name of Lessee	Lease Rent (Per Month)	Lease Period
Max Bupa Health Insurance Company Limited	809,600	15.11.08 to 15.03.10
Max India Limited (the holding company)	1,151,103	01.12.08 to 30.11.10
Malsi Estates Limited	107,914	01.11.09 to 31.10.10
Max Healthcare Institute Limited.	1,343,104	01.04.09 to 31.03.10
Max Neeman Medical International Limited	412,132	01.04.09 to 31.03.10

4 Deferred Tax

(a) Since the main income of the company (Lease Rentals) is taxed under the head "Income from House Property" and the expenses are not claimed as business expenses therefore, there are no timing differences at the balance sheet date between carrying amount of assets and liabilities and their respective tax bases. Thus, no deferred tax Liability / Asset has been created.

(b) No deferred tax asset has been created on account of the carry-forward business losses as there is no reasonable certainty of utilizing them at a future date.

5 Movement in Current Non Trade Investments (Unquoted)

Name of the Investment	Face Value per share (Rupees)	Purchases		Sales	
		Units (Numbers)	Value (Rupees)	Units (Numbers)	Value (Rupees)
Tata Floater Fund- Growth		38,382,110.657	520,000,000	39,315,613.600	533,213,888

6 Auditors' Remuneration (included under Legal & Professional Charges in Schedule 8):

RUPEES

Description	Current Year	Previous Year
Audit Fees (including service tax)	44,120	44,120
Other Fees (Including service tax)	22,060	22,472
Total	**66,180**	66,592

7 Segment Reporting

The Company operates in single business segment viz Leasing of Estates. In view of general clarifications issued by the Institute of Chartered Accountants of India for Companies operating in single segment, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable.

8 Related Parties (as identified by the management) are classified as:

Holding Company	Max India Ltd.
Fellow subsidiaries	Max New York Life Insurance Company Ltd.; Max Ateev Ltd.; Neeman Medical International BV; Neeman Medical International NV, Max Neeman Medical International Inc. USA; Max Neeman Medical International Ltd.; Max Medical Services Ltd.; Max Healthcare Institute Ltd.; Max UK Ltd.; Max Healthstaff International Ltd.; Alps Hospital Ltd.; Max Bupa Health Insurance Company Ltd.;* Hometrail Estate Pvt. Ltd.;** Hometrail Buildtech Pvt. Ltd.**

*With effect from 17.12.2009, **With effect from 02.04.2009,

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business:

S.No.	Particulars	Holdings	Fellow Subsidiaries
1	Loans taken	**-**	**-**
		(555,000,000)	(-)
2	Loans Refunded	**80,000,000**	**-**
		(477,000,000)	(-)
3	Incomes and reimbursement		
	- Lease Income	**13,813,236**	**17,197,756**
		(13,444,036)	(14,550,662)
	- Reimbursement of expenses	**16,680,068**	**35,086,829**
		(21,640,141)	(36,603,589)
4	Expense		
	- Interest paid	**12,113,741**	**-**
		(28,714,644)	(-)
5	Amount outstanding		
	- Against loan taken	**33,800,000**	**-**
		(113,800,000)	(-)
	- Other receivable	**1,369,366**	**3,566,865**
		(-)	(7,728,351)
	- Other payable	**12,079,500**	**3,517,140**
		(17,886,779)	(4,066,496)

Figures in bracket are for previous year.

9 During the year, the Company shared the services of some of its facilities with group Companies. Consequently, the share of cost attributable to these Companies has been charged in accordance with the respective service agreements.

10 No liability has been provided for Leave encashment and other retirement benefits since there is no employee in the Company.

11 **Earnings Per Share (EPS)**

Calculation of EPS (Basic and Diluted)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic		
Profit / (Loss) after tax (Rupees)	19,467,191	18,320,270
Weighted average number of Equity Shares (Nos)	55,305,852	55,305,852
EPS (Rupees)	0.35	0.33
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	55,305,852	55,305,852
Issued during the year	-	-
Outstanding as at the end of the year	55,305,852	55,305,852
Diluted		
Profit after Tax (Rupees)	19,467,191	18,320,270
Weighted average number of Equity Shares (Nos)	55,939,952	55,939,952
EPS (Rupees)	0.35	0.33

Schedules annexed to and forming part of the accounts

Reconciliation of denominators used for calculating basic and diluted earning per share

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Denominator used for computing basic Earning Per Share	55,305,852	55,305,852
Add : Dilutive impact of :		
(i) Convertible preference Shares	634,100	634,100
Denominator used for Computing diluted Earning per Share	55,939,952	55,939,952

12 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

13 Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

RAKESH NANGIA
FCA, Partner
Membership No. F-70776

For Nangia and Company
Chartered Accountants

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

PARDEEP K. GUPTA Company Secretary

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 00097 41 State Code 16

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
3191600	3191600

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
205577	NIL
Secured Loans	**Unsecured Loans**
64283	49300

APPLICATION OF FUNDS

Net Fixed Assets	Investments
190194	60575
Net Current assets	**Misc. Expenditure**
15668	NIL
Accumulated Losses	
52723	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover	Total Expenditure
70854	44185
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
√ 26669	√ 19467
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 0.35	NA
+ - Diluted Earning per Share in Rs.	
√ 0.35	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Item Code Number NOT APPLICABLE

Product Description LEASING OF ESTATES

MAX NEEMAN

CONTRACT RESEARCH

Improving... life

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, 2010.

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.7.91 lacs (previous year net loss was Rs. 11.35 lacs).

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

DIRECTORS

The Board currently comprises of Mr. Neeraj Basur and Maprima Management BV.

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 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 your Company.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S. R. Batliboi & Associates, Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi	**NEERAJ BASUR**	Director
July 27, 2010	**TH.E.J. COULEN**	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., as at March 31, 2010, 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 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 does not have fixed assets.

   ii. There are no stocks with the Company and third parties

   iii. (a) 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 Act.

   (b) 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 Act.

   iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the sale of services. 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.

   v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.

   vi. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

   vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

   viii. 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.

   ix. (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 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 as applicable with the appropriate authorities.

   (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.

   x. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has incurred cash loss in the financial year ended on that date and in immediately preceding financial year.

   xi. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of

Auditors' Report

dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.

xiv. In our opinion, the company is not a dealer in shares, securities, debentures and other investments.

xv. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi. The company has not taken any term loans.

xvii. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix. The company has not issued any debentures during the year.

xx. The company has not raised any money by public issues during the year.

xxi. 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 12, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	825,994	825,994
Share Application Money Pending Allotment		72,324,900	72,324,900
Reserves and Surplus	2	1,000,896,148	1,000,896,148
Foreign Currency Translation Reserve	6	-	39,646,528
		1,074,047,042	1,113,693,570
APPLICATION OF FUNDS			
INVESTMENTS	3	**424,806,752**	492,203,992
CURRENT ASSETS, LOANS AND ADVANCES	4		
Bank Balances		845,696	403,933
Loans and Advances		69,429,073	81,644,534
		70,274,769	82,048,467
LESS: CURRENT LIABILITIES AND PROVISIONS	5	1,145,417	1,091,577
NET CURRENT ASSETS		69,129,352	80,956,890
PROFIT AND LOSS ACCOUNT		541,323,783	540,532,688
Foreign Currency Translation Reserve	6	38,787,155	-
		1,074,047,042	1,113,693,570
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	9		

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Interest Income		46	772
Profit on Foreign Exchange Fluctuation		-	116,306
		46	117,078
EXPENDITURE			
Administrative and Other Expenses	7	784,066	1,246,152
Finance Charges	8	7,075	6,730
		791,141	1,252,882
(LOSS) FOR THE YEAR		(791,095)	(1,135,804)
(LOSS) BROUGHT FORWARD		(540,532,688)	(539,396,884)
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		(541,323,783)	(540,532,688)
Earnings per Share			
(Refer Note B7 on Schedule 9)			
- Basic and Diluted		(20,818)	(29,890)
Number of ordinary shares used in computing earnings per share			
- Basic and Diluted		38	38
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	9		

The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Cash Flow statement for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) Before		(791,095)	(1,135,804)
Adjustments for:			
Interest Expense		505	-
Interest Income		(46)	(772)
Unrealised Foreign Exchange (Gain)/Loss		34,336	(116,306)
Operating (Loss) Before Working Capital Changes		**(756,300)**	(1,252,882)
Adjustments for:			
Other Receivables		157,843	(14,014)
Trade Payables		43,524	108,954
Cash (Used in) Operations		**(554,933)**	(1,157,942)
Cash From/(Used in) Operating Activities		(554,933)	(1,157,942)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income		46	772
Sale of Investments		959,994	1,164,348
Cash From/(Used in) Investing Activities		**960,040**	1,165,120
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Expense		(505)	-
Cash From Financing Activities		**(505)**	**-**
Increase/(Decrease) in Cash and Cash Equivalents		404,602	7,178
Impact of Foreign Exchange Fluctuations		37,161	(10,853)
Net Increase/(Decrease) in Cash and Cash Equivalents		**441,763**	(3,675)
Cash and Cash Equivalents As At March 31, 2009		403,933	407,608
Cash and Cash Equivalents As At March 31, 2010		845,696	403,933
Net Increase/(Decrease) in Cash and Cash Equivalents		**441,763**	(3,675)

Notes

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consist of Balance with Bank:

RUPEES

	As at March 31, 2010	As at March 31, 2009
Balance with Bank		
Rabo Bank NV (The Netherlands)	845,696	403,933

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 9

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Schedules annexed to and forming part of the accounts

RUPEES

		As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1			
SHARE CAPITAL			
Authorised			
180 (Previous year 180) Ordinary Shares of Euro 500 each		3,837,376	3,837,376
Issued, Subscribed and Paid Up			
38 (Previous year 38) Ordinary Shares of Euro 500 each			
(Held by Max India Limited, the Holding Company)		**825,994**	825,994
SCHEDULE – 2			
RESERVES AND SURPLUS			
Share Premium		**1,000,896,148**	1,000,896,148
SCHEDULE – 3			
INVESTMENTS			
(Refer Note A5 on Schedule 9)			
Long Term-Trade (Unquoted)			
Subsidiaries, at cost			
125 (Previous year 125) Ordinary Shares of Euro 500 each			
in Neeman Medical International NV	1,065,273,735		1,234,283,545
Less : Provision For Diminution	(640,466,983)	424,806,752	(742,079,553)
		424,806,752	492,203,992
SCHEDULE – 4			
CURRENT ASSETS, LOANS AND ADVANCES			
Bank Balances			
With Non-Scheduled Bank in Current Accounts			
- Rabo Bank NV*		845,696	403,933
		845,696	403,933
Loans and Advances			
(Unsecured, Considered Good,Unless Otherwise Stated)			
Share Application Money Pending Allotment		69,422,393	81,480,011
Prepaid Expenses		6,680	164,523
		69,429,073	81,644,534
		70,274,769	82,048,467

* Maximum amount outstanding during the year Rs. 845,696/- (Previous year Rs. 526,846/-)

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 5		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors**		
- Total Outstanding Dues of Creditors Other Than Micro Enterprises & Small Enterprises	1,145,417	1,091,577
	1,145,417	1,091,577

** There are no dues to creditors under the definition of Micro Enterprises & Small Enterprises as at March 31, 2010 and March 31, 2009

SCHEDULE – 6
FOREIGN CURRENCY TRANSLATION RESERVE

	As at April 1, 2009	Additions	Deletions/ Utilisations	As at March 31, 2010
Foreign Currency Translation Reserve	(39,646,528)	-	78,433,683	38,787,155
	(39,646,528)	-	**78,433,683**	38,787,155

	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE – 7		
ADMINISTRATIVE AND OTHER EXPENSES		
Legal and Professional	723,234	1,220,443
Loss on Foreign Exchange Fluctuation	34,336	-
Auditor's Remuneration	26,496	25,709
	784,066	1,246,152
SCHEDULE – 8		
FINANCE CHARGES		
Bank Interest	505	-
Bank Charges	6,570	6,730
	7,075	6,730

Schedules annexed to and forming part of the accounts

SCHEDULE – 9

A. SIGNIFICANT ACCOUNTING POLICIES

1 The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 **Revenue Recognition**

(i) Revenue represents amounts invoiced during the year, exclusive of value added tax

(ii) Dividend is recognized as income as and when the right to receive such payment is established.

3 **Expenditure**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

4 **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs". Other borrowing costs are recognized as an expense in the year in which they are incurred. Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

5 **Investments**

(i) Investments are either classified as current investments or long-term investments. The cost of investments includes acquisition charges such as brokerage, fee and duties. Current investments are carried at lower of cost and fair value.

(ii) Long-term investments are carried out at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

6 **Taxation**

Provision for tax consists of current tax and deferred tax. Current tax provision is computed on 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 bases. Deferred tax assets are recognized based on management estimates of available future taxable income and assessing its certainty.

7 **Foreign Exchange Transactions**

(i) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

(ii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions, are recognized in the profit and loss account.

B. NOTES TO THE ACCOUNTS

1 **Country of Incorporation**

Neeman Medical International B.V. ("Neeman B.V.") is incorporated and operates under the applicable laws of The Netherlands.

2 **Basis of Preparation and Translation into Indian Rupees**

(i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with

Schedules annexed to and forming part of the accounts

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$).

(ii) The translation of foreign currency into Rs. has been carried out:

a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1US$ = Rs. 45.0301 as at March 31, 2010 and 1US$ = Rs. 52.1743 as at March 31, 2009).

b) For revenues and expenses using average exchange rates prevailing during the reporting period (1US$ = Rs. 47.9997 for the year April 1, 2009 to March 31, 2010 and 1US$ = Rs. 46.5739 for the year April 1, 2008 to March 31, 2009).

c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3 Contingent Liabilities – Rs. Nil

4 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.

5 Deferred Tax

Deferred tax liability/asset is not recognized since there are no timing differences between the carrying amount of assets and liabilities and their respective tax bases.

6 Related Parties (as identified by the management) are classified as:

(i)	Holding Company	Max India Limited, India
(ii)	Subsidiaries	Neeman Medical International NV, Max Neeman Medical International Inc., USA.
(iii)	Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Healthcare Institute Ltd., Max Medical Services Ltd., Alps Hospital Ltd., Max Neeman Medical International Ltd., Pharmax Corporation Ltd., Max Ateev Ltd., Max UK Ltd., Max HealthStaff International Ltd. Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

RUPEES

		Holding Company	Subsidiaries
(i)	Received against share application money pending allotment	**-**	**959,994**
		(-)	(1,164,348)
(ii)	Amount Outstanding		
	Against share application money paid	**-**	**69,422,393**
		(-)	(81,480,011)
	Against share application money received	**72,324,900**	**-**
		(72,324,900)	(-)

Figures in brackets are for previous year

Schedules annexed to and forming part of the accounts

7 **Earnings per Share**

Calculation of EPS (Basic and Diluted)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic and Diluted		
Profit/(Loss) after tax	(791,095)	(1,135,804)
Weighted average number of Equity Shares	38	38
EPS (Rupees)	(20,818)	(29,890)
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	38	38
Outstanding as at the end of the year	38	38

8 The Company does not have any finance/operating lease arrangement.

9 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

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

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 8 1 0 7 . 3 3 . 8 8 2 State Code N A

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement/Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
10740407	10740407

SOURCES OF FUNDS

Paid-up Capital	Share Application Money
826	72325
Reserves and Surplus	**Unsecured Loans**
1000896	NIL

APPLICATION OF FUNDS

Net Fixed Assets	Investments
NIL	424807
Net Current assets	**Misc. Expenditure**
69129	NIL
Accumulated Losses	**Foreign Currency Translation Reserve**
541324	38787

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Total Income)	Total Expenditure
	791
+ - Profit/Loss for the Year	**Dividend Rate (%)**
✓ 791	NIL
Basic + - Earning per share in Rs.	
✓ 20818	
Diluted + -	
✓ 20818	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description CLINICAL RESEARCH

MAX NEEMAN

CONTRACT RESEARCH

Improving... life

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, 2010

OPERATIONS

Your Company's principal activity is that of an intermediate holding company for a group that provides clinical research services to various pharmaceutical companies around the world. During the year under review, your Company incurred a net loss of Rs.23.68 lacs (previous year profit was Rs. 5.17 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. Neeraj Basur and Maprima Management BV.

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 your Company.

AUDITORS

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi	**NEERAJ BASUR**	Director
July 27, 2010	**TH.E.J. COULEN**	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., as at March 31, 2010, 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 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 does not have fixed assets.

   ii. There are no stocks with the Company and third parties

   iii. (a) 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 Act.

   (b) 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 Act.

   iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the sale of services. 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.

   v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.

   vi. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

   vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

   viii. 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.

   ix. (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 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 as applicable with the appropriate authorities.

   (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.

   x. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has not incurred cash loss in the financial year ended on that date. The Company has incurred cash losses in the immediately preceding financial year.

   xi. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

Auditors' Report

xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.

xiv. In our opinion, the company is not a dealer in shares, securities, debentures and other investments.

xv. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi. The company has not taken any term loans.

xvii. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix. The company has not issued any debentures during the year.

xx. The company has not raised any money by public issues during the year.

xxi. 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 12, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,680,703	2,680,703
Share Application Money Pending Allotment		69,632,146	70,589,282
Reserves and Surplus	2	1,097,542,697	1,097,542,697
Foreign Currency Translation Reserve	7	-	16,498,742
		1,169,855,546	**1,187,311,424**
APPLICATION OF FUNDS			
INVESTMENTS	3	**33,772,575**	**39,130,725**
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	3,198,473	8,316,877
Loans and Advances	5	254,808,628	295,391,789
		258,007,101	303,708,666
LESS: CURRENT LIABILITIES AND PROVISIONS	6	14,275,524	17,690,397
NET CURRENT ASSETS		**243,731,577**	286,018,269
PROFIT AND LOSS ACCOUNT		864,530,704	862,162,430
Foreign Currency Translation Reserve	7	27,820,690	-
		1,169,855,546	**1,187,311,424**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	11		

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 and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Other Income	8	-	4,040,980
		-	4,040,980
EXPENDITURE			
Administration and Other Expenses	9	2,355,924	3,504,066
Finance Charges	10	12,350	19,086
		2,368,274	3,523,152
PROFIT/(LOSS) FOR THE YEAR		(2,368,274)	517,828
(LOSS) BROUGHT FORWARD		(862,162,430)	(862,680,258)
BALANCE TRANSFERRED TO THE BALANCE SHEET		(864,530,704)	(862,162,430)
Earnings per Share			
(Refer Note B6 on Schedule 11)			
- Basic and Diluted		(18,946)	4,143
Number of ordinary shares used in computing earnings per share			
- Basic and Diluted		125	125

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 11

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 and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Cash Flow statement for the year ended March 31, 2010

RUPEES

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) Before	(2,368,274)	517,828
Adjustments for:		
Interest Income	-	(31,007)
Unrealised Foreign Exchange (Gain)/Loss	1,678,483	(4,009,973)
Operating (Loss) Before Working Capital Changes	**(689,791)**	(3,523,152)
Adjustments for:		
Other Receivables	40,583,161	(69,467,903)
Trade Payables	(4,996,013)	6,732,500
Cash From/(Used in) Operations	**34,897,357**	(66,258,555)
Cash From/(Used in) Operating Activities	**34,897,357**	(66,258,555)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	-	31,007
Cash From Investing Activities	-	31,007
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received/(Refunded)	(957,136)	(1,253,545)
Cash From/(Used in) Financing Activities	**(957,136)**	(1,253,545)
Increase/(Decrease) in Cash and Cash Equivalents	33,940,221	(67,481,093)
Impact of Foreign Exchange Fluctuations	(39,058,625)	67,462,829
Net Increase/(Decrease) in Cash and Cash Equivalents	**(5,118,404)**	(18,264)
Cash and Cash Equivalents As At March 31, 2009	8,316,877	8,335,141
Cash and Cash Equivalents As At March 31, 2010	3,198,473	8,316,877
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,118,404)	(18,264)

Notes

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consist of Balance with Bank:

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
Balance with Bank			
Rabo Bank NV (The Netherlands)		3,198,473	8,316,877

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 11

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Schedules annexed to and forming part of the accounts

RUPEES

		As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1			
SHARE CAPITAL			
Authorised			
225 (Previous year 225) Ordinary Shares of Euro 500 each		4,796,660	4,796,660
Issued, Subscribed and Paid Up			
125 (Previous year 125) Ordinary Shares of Euro 500 each		**2,680,703**	2,680,703
Of the above 125 (Previous year 125) Ordinary Shares of Euro 500 each are held by Neeman Medical International BV, the Holding Company (Ultimate Holding Company, Max India Limited)			
SCHEDULE – 2			
RESERVES AND SURPLUS			
Share Premium		**1,097,542,697**	1,097,542,697
SCHEDULE – 3			
INVESTMENTS			
(Refer Note A5 on Schedule 11)			
Long Term-Trade (Unquoted)			
Subsidiaries, at cost			
325 (Previous year 325) shares having no par value in Neeman Medical International Inc.		33,772,575	39,130,725
		33,772,575	39,130,725
SCHEDULE – 4			
CASH AND BANK BALANCES			
Balance with Non-Scheduled Banks in Current Accounts			
Rabo Bank NV*		3,198,473	8,316,877
		3,198,473	8,316,877
* Maximum amount outstanding during the year Rs. 8,056,306/- (Previous year Rs. 10,859,308/-)			
SCHEDULE – 5			
LOANS AND ADVANCES			
(Considered Good, Unless Otherwise Stated)			
Unsecured			
Advances to Subsidiary			
- Neeman Medical International Inc.**	332,137,170		384,832,020
Less: Provision for Diminution	(77,335,221)	254,801,949	(89,604,754)
Prepaid Expenses		6,679	164,523
		254,808,628	295,391,789
** Maximum amount outstanding during the year Rs. 332,137,170/- (Previous year Rs. 384,832,020/-)			

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 6		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors* **		
- Total Outstanding Dues of Creditors Other Than Micro Enterprises & Small Enterprises	4,563,522	4,935,447
Utlimate Holding Company - Max India Limited	9,256,986	9,256,986
Other Liabilities	455,016	3,497,964
	14,275,524	17,690,397

*** There are no dues to creditors under the definition of Micro Enterprises & Small Enterprises as at March 31, 2010 and March 31, 2009

SCHEDULE – 7
FOREIGN CURRENCY TRANSLATION RESERVE

	As at April 1, 2009	Additions	Deletions/ Utilisations	As at March 31, 2010
Foreign Currency Translation Reserve	(16,498,742)	-	44,319,432	27,820,690
	(16,498,742)	**-**	**44,319,432**	**27,820,690**

	For the year ended on March 31, 2010	For the year ended on March 31, 2009
SCHEDULE – 8		
OTHER INCOME		
Interest		
- Others	-	31,007
Profit on Foreign Exchange Fluctuation	-	4,009,973
	-	4,040,980
SCHEDULE – 9		
ADMINISTRATION AND OTHER EXPENSES		
Legal and Professional	650,945	1,120,355
Auditors' Remuneration	26,496	25,709
Rates And Taxes	-	2,358,002
Loss on Foreign Exchange Fluctuation	1,678,483	-
	2,355,924	3,504,066
SCHEDULE – 10		
FINANCE CHARGES		
Bank Charges	12,350	19,086
	12,350	19,086

Schedules annexed to and forming part of the accounts

SCHEDULE -11

A. SIGNIFICANT ACCOUNTING POLICIES

1 The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 **Revenue Recognition**

(i) Revenue represents amounts invoiced during the year, exclusive of value added tax.

(ii) Dividend is recognized as income as and when the right to receive such payment is established.

3 **Expenditure**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

4 **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs". Other borrowing costs are recognized as an expense in the year in which they are incurred. Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

5 **Investments**

(i) Investments are either classified as current investments or long-term investments. The cost of investments includes acquisition charges such as brokerage, fee and duties. Current investments are carried at lower of cost and fair value.

(ii) Long-term investments are carried out at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

6 **Taxation**

Provision for tax consists of current tax and deferred tax. Current tax provision is computed on 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 bases. Deferred tax assets are recognized based on management estimates of available future taxable income and assessing its certainty.

7 **Foreign Exchange Transactions**

(i) Monetary assets and liabilities related to foreign transactions remaining unsettled at the end of the year are translated at year-end rates.

(ii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions, are recognized in the profit and loss account.

B. NOTES TO THE ACCOUNTS

1 **Country of Incorporation**

Neeman Medical International N.V. is incorporated and operates under the applicable laws of The Netherlands.

2 **Basis of Preparation and Translation into Indian Rupees**

(i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with

Schedules annexed to and forming part of the accounts

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$).

(ii) The translation of foreign currency into Rs. has been carried out:

a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1US$ = Rs.45.0301 as at March 31, 2010 and 1US$ = Rs. 52.1743 as at March 31, 2009).

b) For revenues and expenses using average exchange rates prevailing during the reporting period (1US$ = 47.9997 for the year April 1, 2009 to March 31, 2010 and 1US$ = 46.5739 for the year April 1, 2008 to March 31, 2009).

c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3 Segment Reporting

Business Segments (Primary)

The Company operates only in one business segment viz. Clinical Trial Services. Accordingly there are no reportable business segments.

Geographical Segments (Secondary)

		Netherlands	North America	Total
(i)	Revenue from external customers	**-**	**-**	**-**
		(-)	(-)	(-)
(ii)	Carrying amount of segment assets by location of assets	**3,205,152**	**288,574,524**	**291,779,676**
		(84,81,400)	(334,357,991)	(342,839,391)
(iii)	Cost to acquire tangible and intangible fixed assets by location of assets	-	-	-
		(-)	(-)	(-)

Figures in bracket are for previous year

4 Deferred Tax

Deferred tax liability/asset is not recognized since there are no timing differences between the carrying amount of assets and liabilities and their respective tax bases.

5 Related Parties (as identified by the management) are classified as:

(i)	Holding Company	Neeman Medical International BV, Netherlands
(ii)	Ultimate Holding Company	Max India Limited, India
(iii)	Subsidiaries	Max Neeman Medical International Inc., USA
(iv)	Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Healthcare Institute Ltd., Max Medical Services Ltd., Alps Hospital Ltd, Max Neeman Medical International Ltd., Pharmax Corporation Ltd., Max Ateev Ltd., Max UK Ltd., Max HealthStaff International Ltd., Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

RUPEES

		Holding Company	Ultimate Holding Company	Subsidiaries	Fellow Subsidiaries
(i)	Share Application Money Refunded	**957,136**	**-**	**-**	**-**
		(12,53,545)	(-)	(-)	(-)
(ii)	Amount Outstanding				
	- Other Receivables	-	-	**332,137,170**	**-**
		(-)	(-)	(384,832,020)	(-)
	- Other Payables	-	**9,256,986**	**-**	**34,74,954**
		(-)	(9,256,986)	(-)	(37,96,933)
	- Against share application money received	**69,632,146**	**-**	**-**	**-**
		(70,589,282)	(-)	(-)	(-)

Figures in bracket are for previous year

6 Earnings per Share

Calculation of EPS (Basic and Diluted)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Basic and Diluted		
Profit/(Loss) after tax	**(2,368,274)**	517,828
Weighted average number of Equity Shares	125	125
EPS (Rupees)	(18,946)	4143
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	125	125
Outstanding as at the end of the year	125	125

7 The Company does not have any Finance/Operating Lease arrangement.

8 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

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

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
TH.E.J. COULEN Director

New Delhi
May 12, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 1.184.363 State Code NA

Balance Sheet Date 31 03 2010

Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement/Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
11698556	11698556

SOURCES OF FUNDS

Paid-up Capital	Share Application Money
2681	69632
Reserves and Surplus	**Unsecured Loans**
10975443	NIL

APPLICATION OF FUNDS

Net Fixed Assets	Investments
NIL	33773
Net Current assets	**Misc. Expenditure**
2437331	NIL
Accumulated Losses	**Foreign Currency Translation Resource**
8645331	27821

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Total Income)	Total Expenditure
NIL	2368
+ - Profit for the Year	
✓ 2368	
Basic + - Earning per share in Rs.	**Dividend Rate (%)**
✓ 18946	NIL
Diluted + -	
✓ 18946	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description CLINICAL RESEARCH

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, 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Your Company has been providing business and administrative support services to officials of various group companies of Max India Limited, the parent company at UK.

RESULTS AND DIVIDENDS

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. During the year under review, your Company earned a revenue of Rs.57.70 lacs and a net profit of Rs.1.46 lacs as against previous year revenue of Rs. 60.61 lacs and net profit of Rs. 3.36 lacs. The directors do not recommend any 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

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**	Director
July 27, 2010	**NEERAJ BASUR**	Director

Auditors' Report

TO THE MEMBERS OF MAX UK LIMITED

1. We have audited the attached Balance Sheet of MAX UK LIMITED as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that:

   i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   ii. The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   iii. During the year, the Company has not disposed off a major part of the fixed assets.

   iv. The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

   v. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for sale of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

   vi. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

   vii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.

   viii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues, investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. As informed, the provisions relating to Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance are not applicable to the company.

   (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

   ix. The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and has not incurred cash losses in the financial year and the immediately preceding financial year.

Auditors' Report

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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

DINESH K BACHCHAS
Partner
Membership No. 97820

For and on Behalf of
K.K. Mankeshwar & Co.
Chartered Accountants
FRN: - 106009W

New Delhi
May 12, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	21,300,000	21,300,000
Reserves and Surplus	2	898,730	1,655,282
		22,198,730	22,955,282
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		777,773	849,850
Less: Depreciation		777,773	849,850
Net Block		**-**	-
CURRENT ASSETS, LOANS AND ADVANCES	4		
Cash and Bank Balances		2,681,756	1,181,781
Sundry Debtors		3,474,935	5,417,309
Loans and Advances		2,957,235	3,165,355
		9,113,926	9,764,445
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	962,918	959,158
Provisions		22,261	66,075
		985,179	1,025,233
NET CURRENT ASSETS		**8,128,747**	8,739,212
PROFIT AND LOSS ACCOUNT		**14,069,983**	14,216,070
		22,198,730	22,955,282
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	9		

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of
K.K. Mankeshwar & Co.
Firm Registration Number 106009W
Chartered Accountants

DINESH K. BACHCHAS
Partner
Membership No. 97820

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
KARIN STANLEY Director

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Overheads Recovered		5,764,585	6,046,568
Other Income	6	6,220	14,639
		5,770,805	6,061,207
EXPENDITURE			
Administration and Other Expenses	7	5,589,068	5,639,935
Financial Expenses	8	10,771	14,321
		5,599,839	5,654,256
PROFIT BEFORE TAX		**170,966**	406,951
Provision for Taxation		24,879	70,808
PROFIT AFTER TAX		**146,087**	336,143
(LOSS) BROUGHT FORWARD		(14,216,070)	(14,552,213)
(LOSS) CARRIED FORWARD TO BALANCE SHEET		**(14,069,983)**	(14,216,070)
Basic and Diluted earnings per share			
Profit after Tax		146,087	336,143
Weighted average number of ordinary shares		299,742	299,742
Earning per ordinary share of GBP 1/- each		0.49	1.12
Number of Shares used in computing earnings per share		299,742	299,742
Outstanding at the beginning of the year		299,742	299,742
Outstanding at the end of the year		299,742	299,742
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	9		

The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of
K.K. Mankeshwar & Co.
Firm Registration Number 106009W
Chartered Accountants

DINESH K. BACHCHAS
Partner
Membership No. 97820

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
KARIN STANLEY Director

Cash Flow Statement for the year ended March 31, 2010

RUPEES

		Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax		170,966	406,951
	Adjustments for:			
	Interest Income		(531)	(6,683)
	Operating Profit Before Working Capital Changes		**170,435**	400,268
	Adjustments for:			
	Other Receivables		2,150,494	689,873
	Trade Payables		3,760	313,164
	Cash Generated From/(Used in) Operations		**2,324,689**	1,403,305
	Direct Taxes (Paid)		(68,693)	(106,070)
	Cash From/(Used in) Operating Activities		**2,255,996**	1,297,235
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Cash From/(Used in) Investing Activities		**-**	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Interest received on Deposit with Bank		531	6,683
	Cash From/(Used in) Financing Activities		**531**	6,683
	Net Increase/(Decrease) in Cash and Cash Equivalents		**2,256,527**	1,303,918
	Foreign Currency Translation Reserve		(756,552)	(641,718)
			1,499,975	662,200
	Cash and Cash Equivalents As At March 31, 2009		**1,181,781**	519,581
	Cash and Cash Equivalents As At March 31, 2010		**2,681,756**	1,181,781
	Net Increase/(Decrease) in Cash and Cash Equivalents		**1,499,975**	662,200

Notes:

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consist of Cash and Balances with Bank:

RUPEES

	As at March 31, 2010	As at March 31, 2009
Balances with Banks		
- Cash in Hand	1,222	371
- Balance with Bank	2,680,534	1,181,410
	2,681,756	1,181,781

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 9

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
K.K. Mankeshwar & Co.
Firm Registration Number 106009W
Chartered Accountants

DINESH K. BACHCHAS
Partner
Membership No. 97820

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
KARIN STANLEY Director

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHARE CAPITAL		
AUTHORISED		
1,000,000 (Previous year 1,000,000) Ordinary shares of GBP 1/- each	71,061,111	71,061,111
ISSUED, SUBSCRIBED AND PAID UP		
299,742 (Previous year 299,742) Ordinary Shares of GBP 1/- each	21,300,000	21,300,000
(held by Max India Limited, the Holding Company)	**21,300,000**	21,300,000
SCHEDULE – 2		
RESERVE AND SURPLUS		
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	1,655,282	2,297,000
Additions during the year	(756,552)	(641,718)
Closing Balance	**898,730**	1,655,282

SCHEDULE – 3
FIXED ASSETS

(Refer Notes A4 and A5 on schedule 9)

RUPEES

	Gross Block					Depreciation				Net Block	
	As on April 1, 2009	Additions	Deletions	Translation Reserve	As on March 31, 2010	As on April 1, 2009	Additions	Translation Reserve	As on March 31, 2010	As on March 31, 2010	As on March 31, 2009
Furniture, Fixture and Equipments											
- Furniture and Fixture	465,712	-	-	(39,498)	426,214	465,712	-	(39,498)	426,214	-	-
- Office Equipment	384,138	-	-	(32,579)	351,559	384,138	-	(32,579)	351,559	-	-
Total	**849,850**	**-**	**-**	**(72,077)**	**777,773**	**849,850**	**-**	**(72,077)**	**777,773**	**-**	**-**
Previous year	912,272	-	-	(62,422)	849,850	912,272	-	(62,422)	849,850		

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 4		
CURRENT ASSETS, LOANS AND ADVANCES		
CASH AND BANK BALANCES		
Cash in Hand	1,222	371
With Non-Scheduled Bank		
- in Current Account (Barclays Bank Plc.) *	2,680,534	1,181,410
	2,681,756	1,181,781
* Maximum balance outstanding during the year Rs. 6,540,828/- (Previous year Rs. 3,898,014/-)		
SUNDRY DEBTORS		
Unsecured **		
Debts exceeding six months		
- Considered Good	3,474,935	3,796,931
Other Debts		
- Considered Good	-	1,620,378
	3,474,935	5,417,309
** Amounts due from companies under the same management		
- Max Healthcare Institute Limited Nil (Previous year Rs. 1,620,378/-)		
- Neeman Medical International NV Rs. 3,474,935/- (Previous year Rs. 3,796,931/-)		
Maximum amount outstanding during the year from companies under the same management		
- Max India Limited Rs. 3,135,859/- (Previous year Rs. 1,620,378/-)		
- Max Healthcare Institute Limited Rs. 1,620,378/- (Previous year Rs. 1,777,180/-)		
- Neeman Medical International NV Rs. 3,796,931/- (Previous year Rs. 4,075,850/-)		
LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or for value to be received	2,728,518	2,994,940
Prepaid Expenses	228,717	170,415
	2,957,235	3,165,355
	9,113,926	9,764,445
SCHEDULE – 5		
CURRENT LIABILITIES		
Sundry Creditors***		
Total outstanding dues of creditors other than micro enterprises and small enterprises	475,283	514,730
Other Liabilities	487,635	444,428
	962,918	959,158

*** There are no dues to creditors coming under the definition of Micro Enterprises and Small Enterprises as at March 31, 2010 and March 31, 2009

Schedules annexed to and forming part of the accounts

RUPEES

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 6		
OTHER INCOME		
Interest on Fixed Deposit with Bank	531	6,683
Miscellaneous Income	5,689	7,956
	6,220	14,639
SCHEDULE – 7		
PERSONNEL, ADMINISTRATION AND OTHER EXPENSES		
PERSONNEL		
(Refer Note B6 on Schedule 9)		
Salaries and Wages	3,261,541	3,182,404
ADMINISTRATION AND OTHER EXPENSES		
Power and Fuel	22,072	23,788
Legal and Professional	763,580	824,640
Travelling and Conveyance	4,475	8,354
Rent	634,863	665,918
Communication	331,615	400,028
Rates and Taxes	58,404	58,318
Printing and Stationery	31,098	33,733
Repairs and Maintenance-Others	35,422	37,155
Insurance	398,970	389,685
Miscellaneous Expenses	47,028	15,912
	5,589,068	5,639,935
SCHEDULE – 8		
FINANCIAL EXPENSES		
Bank Charges	10,771	14,321
	10,771	14,321

Schedules annexed to and forming part of the accounts

SCHEDULE-9

A. Significant Accounting Policies

1 The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 **Revenue Recognition**

(i) Revenue represents amounts invoiced during the year, exclusive of value added tax.

(ii) Dividend is recognized as income as and when the right to receive such payment is established.

3 **Expenditure**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

4 **Fixed Assets**

Fixed Assets are stated at their original cost.

5 **Depreciation**

Depreciation is charged on straight-line method on a pro-rata basis at rates estimated by the management based on the economic useful life of the assets, which are not lower than the rates prescribed under Schedule XIV to the Companies Act, 1956.

6 **Taxation**

Provision for tax consists of current tax and deferred tax. Current tax provision is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax basis. Deferred tax assets are recognized based on management estimates of available future taxable income and assessing its certainty.

7 **Foreign Exchange Transactions**

(i) Monetary assets and liabilities related to foreign transactions remaining unsettled at the end of the year are translated at year-end rates.

(ii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions, are recognized in the Profit and Loss account.

8 **Leases**

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of the lease.

B. NOTES TO THE ACCOUNTS

1 **Country of Incorporation**

Max UK Limited is incorporated and operates under the applicable laws of England and Wales.

2 **Basis of Preparation and Translation into Indian Rupees**

(i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-11 issued by ICAI on 'The Effects of Changes in Foreign Rates'. The functional currency of the Company is Pound Sterling (GBP).

Schedules annexed to and forming part of the accounts

(ii) The translation of foreign currency into Rs. has been carried out:

a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1GBP = Rs. 67.8685 as on March 31, 2010 and 1GBP = Rs. 74.1579 as on March 31, 2009).

b) For revenues and expenses using average exchange rates prevailing during the reporting period (1GBP = Rs. 75.8498 for the period April 1, 2009 to March 31, 2010 and 1GBP = Rs. 79.5601 for the period April 1, 2008 to March 31, 2009).

c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3 Contingent Liabilities – Nil

4 Leases

Accounting for leases has been done in accordance with Accounting Standard-19 issued by the ICAI. Following are the details of lease transactions for the year:

a) Finance Lease

The Company does not have any finance lease arrangement.

b) Operating Lease

(i) Lease rentals recognised in the profit and loss account for the year is Rs. 634,863/- (Previous year Rs. 665,918/-).

(ii) The Company has entered into operating leases that are renewable on a periodic basis and cancellable at Company's option. The Company has not entered into sublease agreements in respect of these leases.

(iii) The total of future minimum lease payments under non-cancellable leases are as follows:

RUPEES

	March 31, 2010	March 31, 2009
Not later than one year	317,431	332,959

5 Segment Reporting

The Company operates only in one business segment viz. to work as a representative office of Max Group companies. Accordingly there are no reportable business segments.

6 Salaries and wages include an amount of Rs. 3,261,541 (Previous year Rs. 3,182,404) paid to a director of the Company.

7 Deferred Tax

The net deferred tax asset has not been recognized due to virtual uncertainty regarding future taxable profits.

8 Related Parties (as identified by the management) are classified as:

(i)	Holding Company	Max India Limited, India
(ii)	Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV, Neeman Medical International NV, Max Neeman Medical International Inc., USA, Max Medical Services Ltd., Max Healthcare Institute Ltd., Alps Hospital Ltd., Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd., Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)
(iii)	Key Management Personnel	Ms. Karin Stanley

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

RUPEES

		Holding Company	Fellow Subsidiaries	Key Management Personnel
(i)	Income			
	- Overhead Recovered	**5,764,585**	**-**	**-**
		(3,023,284)	(3,023,284)	(-)
(ii)	Salaries and Wages	**-**	**-**	**3,261,541**
		(-)	(-)	(3,182,404)
(ii)	Amount Outstanding			
	- Other Receivable	**-**	**3,474,935**	**-**
		(-)	(5,417,309)	(-)

9 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

10 **Auditors' Remuneration**

RUPEES

	Current Year	Previous Year
Audit Fees	295,814	318,240

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

This is our report of even date

For and on behalf of
K.K. Mankeshwar & Co.
Firm Registration Number 106009W
Chartered Accountants

DINESH K. BACHCHAS
Partner
Membership No. 97820

New Delhi
May 12, 2010

For and on behalf of the Board of Directors

NEERAJ BASUR Director
KARIN STANLEY Director

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 3 6 2 5 9 0 4 State Code N A

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
22199	22199

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
21300	899
Secured Loans	**Unsecured Loans**
NIL	NIL

APPLICATION OF FUNDS

Net Fixed Assets	Investments
NIL	NIL
Net Current assets	**Misc. Expenditure**
8129	NIL
Accumulated Losses	
14070	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
5771	5600
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
√ 171	√ 146
+ - Basic Earning per Share in Rs.	Dividend Rate (%)
√ 0.49	NIL
+ - Diluted Earning per Share in Rs.	
√ 0.49	

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description NOT APPLICABLE

MAX ATEEV LIMITED

MAX

Directors' Report

Your Directors have pleasure in presenting their Sixteenth Annual Report along with the Audited Accounts for the financial year ended March 31, 2010.

FINANCIAL RESULTS

During the year under review, your Company incurred a loss of Rs.6.04 lacs.

OPERATIONS

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 deposits from the public during the year under review. There were no unclaimed /over due deposit as at March 31, 2010.

ADDITIONAL INFORMATION

As your Company does not carry on any operations, 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 is not furnished herewith.

PARTICULARS OF EMPLOYEES

The Company had no employee during the year under review.

DIRECTORS

Mr. Rohit Gandhi was appointed as an Additional Director of the Company on December 17, 2009 to hold office upto 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. Rohit Gandhi for being appointed as a Director of the Company.

Mr. V. Krishnan was re-appointed as the Managing Director of the Company for a period of two years effective from February 14, 2010 without payment of any remuneration. In accordance with the provisions of the Act, Mr. V. Krishnan is due to retire by rotation and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE

During the year under review, the Audit Committee was reconstituted and currently the Committee comprises of Ms. Sujatha Ratnam, Mr. Arvind Kakar and Mr. Rohit Gandhi. The terms of reference of the Audit Committee fully conform to the requirements of Section 292A of the Act.

AUDITORS' REPORT

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 liquidity to meet its financial obligations and potential business opportunities are being evaluated, as already explained in the operations section.

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

Price Waterhouse, Chartered Accountants, retiring auditors of the Company at the ensuing Annual General Meeting expressed their unwillingness to be re-appointed. The Directors place on record their appreciation to the valuable contribution made by Price Waterhouse during their association with Company as its statutory auditor. The Company has received a letter from S.R. Batliboi & Co., Chartered Accountants, expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 224 (1B) of the Act.

For and on behalf of the Board of Directors

New Delhi	**SUJATHA RATNAM**	Director
July 27, 2010	**V. KRISHNAN**	Managing Director

Auditors' Report

TO THE MEMBERS OF MAX ATEEV LIMITED

1. We have audited the attached Balance Sheet of Max Ateev Limited, as at March 31, 2010, 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 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) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) 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.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

   (ii) There are no stocks with the Company or third parties.

   (iii) (a) 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 Act.

   (b) 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 Act.

   (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. 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.

   (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.

   (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

   (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

   (viii) 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.

   (ix) (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 regular in depositing the 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 as applicable with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on

Auditors' Report

account of a dispute are disclosed in Notes 2(ii) on Schedule 9B.

(x) The company has accumulated losses, as at March 31, 2010 more than fifty percent of its net worth and it has incurred cash loss in the financial year ended on that date and in immediately preceding financial year. However, reference is drawn to Note 1 on Schedule 9B.

(xi) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.

(xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) In our opinion, and according to the information and explanations give to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) The company has not obtained any term loans.

(xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act during the year.

(xix) There are no debentures outstanding as at the year end.

(xx) The company has not raised any money by public issues during the year.

(xxi) 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.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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 ***subject to Note B1 on Schedule 9 regarding preparation of these accounts on a going concern basis*** 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss 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.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership Number F 87228

Gurgaon
May 17, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	314,436,000.00	314,436,000.00
LOAN FUNDS			
Unsecured Loans	2	67,698,172.56	67,406,470.56
		382,134,172.56	381,842,470.56
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		2,650,784.20	76,727,845.57
Less: Depreciation		2,650,784.20	76,006,157.75
Net Block		-	721,687.82
CURRENT ASSETS, LOANS AND ADVANCES	4		
Cash and Bank Balances		118,384.24	118,384.24
Loans and Advances		1,236,645.00	1,236,645.00
		1,355,029.24	1,355,029.24
LESS: CURRENT LIABILITIES AND PROVISIONS	5	304,389.00	714,111.58
NET CURRENT ASSETS		1,050,640.24	640,917.66
PROFIT AND LOSS ACCOUNT		381,083,532.32	380,479,865.08
		382,134,172.56	381,842,470.56
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	9		

The Schedules referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

V. KRISHNAN Managing Director
SUJATHA RATNAM Director

VISHAL GARG Company Secretary

New Delhi
May 17, 2010

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Other Income	6	523,676.58	498,796.14
		523,676.58	498,796.14
EXPENDITURE			
Administration and Other Expenses	7	1,095,803.42	734,317.24
Financial Expenses	8	-	280.00
Depreciation	3	31,540.40	95,868.40
		1,127,343.82	830,465.64
(LOSS) FOR THE YEAR		(603,667.24)	(331,669.50)
(LOSS) BROUGHT FORWARD		(380,479,865.08)	(380,148,195.58)
BALANCE CARRIED FORWARD TO THE BALANCE SHEET		**(381,083,532.32)**	(380,479,865.08)
Earnings Per Share (Rs. per equity share of Rs.10/- each)			
(Refer Note B5 on Schedule 9)			
- Basic and Diluted		(0.02)	(0.01)
Number of Shares used in computing earnings per share			
- Basic and Diluted		31,443,600	31,443,600
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	9		

The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

V. KRISHNAN Managing Director
SUJATHA RATNAM Director

VISHAL GARG Company Secretary

New Delhi
May 17, 2010

Cash Flow Statement for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
(LOSS) FOR THE YEAR		(603,667.24)	(331,669.50)
Adjustments for:			
Depreciation		31,540.40	95,868.40
Net Loss on Sale of Fixed Assets		635,839.42	525,746.24
Liabilities/Provisions No Longer Required Written Back		(523,676.58)	(498,796.14)
Operating (Loss) Before Working Capital Changes		**(459,964.00)**	(208,851.00)
Adjustments for:			
Other Receivables		-	-
Trade Payables		113,954.00	57,239.00
Cash (Used in) Operating Activities		**(346,010.00)**	(151,612.00)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Fixed Assets		54,308.00	311,330.00
Cash From Investing Activities		**54,308.00**	311,330.00
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/ (Repayment) of Loan		291,702.00	(133,988.00)
		291,702.00	(133,988.00)
Increase/ (Decrease) in Cash and Cash Equivalents		-	25,730.00
Cash and Cash Equivalents - As At March 31, 2009		**118,384.24**	92,654.24
Cash and Cash Equivalents - As At March 31, 2010		**118,384.24**	118,384.24
Net Increase/(Decrease) in Cash and Cash Equivalents		-	25,730.00

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents at the end of the year consists of Balances with Banks:

	As at March 31, 2010	As at March 31, 2009
Balances with Banks	118,384.24	118,384.24
	118,384.24	118,384.24

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 9

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

V. KRISHNAN Managing Director
SUJATHA RATNAM Director

VISHAL GARG Company Secretary

New Delhi
May 17, 2010

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHARE CAPITAL		
Authorised		
31,500,000 Equity Shares of Rs. 10/- each	315,000,000.00	315,000,000.00
(Previous year 31,500,000 Equity Shares of Rs. 10/- each)		
Issued, Subscribed and Paid UP		
(Refer Note B3 on Schedule 9)		
31,443,600 (Previous year 31,443,600) Equity		
Shares of Rs.10/- each fully paid up	314,436,000.00	314,436,000.00
(held by Max India Limited the holding company)	**314,436,000.00**	314,436,000.00
SCHEDULE – 2		
UNSECURED LOANS		
From Max India Limited [(The Holding Company)(repayable on demand)]	67,698,172.56	67,406,470.56
	67,698,172.56	67,406,470.56

SCHEDULE – 3
FIXED ASSETS

RUPEES

	Gross Block			Depreciation				Net Block	
	As on 01.04.2009	Deletions	As on 31.03.2010	As on 01.04.2009	During the Period	Deletions	As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
Tangible assets									
Plant and Machinery	27,250.00	27,250.00	-	10,918.84	648.96	11,567.80	-	-	16,331.16
Computers	9,613,277.57	6,962,493.37	2,650,784.20	9,613,277.57	-	6,962,493.37	2,650,784.20	-	-
Office Equipments	1,038,442.00	1,038,442.00	-	333,085.34	30,891.44	363,976.78	-	-	705,356.66
Intangible assets									
Technology Fees	66,048,876.00	66,048,876.00	-	66,048,876.00	-	66,048,876.00	-	-	-
Total	**76,727,845.57**	**74,077,061.37**	**2,650,784.20**	**76,006,157.75**	**31,540.40**	**73,386,913.95**	**2,650,784.20**	**-**	**721,687.83**
Previous Year	78,092,445.57	1,364,600.00	76,727,845.57	76,437,813.11	95,868.40	527,523.76	76,006,157.75	721,687.83	

		As at March 31, 2010	As at March 31, 2009
SCHEDULE – 4			
CURRENT ASSETS, LOANS AND ADVANCES			
BANK BALANCES			
With Scheduled Banks			
- in Current Accounts		118,384.24	118,384.24
		118,384.24	118,384.24
LOANS AND ADVANCES			
(Unsecured, Considered Good, Unless Otherwise Stated)			
Security Deposit			
- Considered Good	41,000.00		41,000.00
- Considered Doubtful	-		3,600,000.00
- Provision for Doubtful Advances	-	41,000.00	(3,600,000.00)
Advance Income Tax		1,195,645.00	1,195,645.00
		1,236,645.00	1,236,645.00
		1,355,029.24	1,355,029.24

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 5		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors*		
-Total Outstanding Dues of Creditors Other Than Micro		
Enterprises & Small Enterprises	268,891.00	171,115.00
Other Liabilities	35,498.00	19,320.00
	304,389.00	190,435.00
Provisions		
Provision for Diminution in Value of Fixed Assets	-	523,676.58
(Refer Note B10 on Schedule 9)		
	304,389.00	714,111.58
* There are no dues to creditors under the definition of Micro Enterprises & Small Enterprises as at March 31, 2010 and March 31, 2009		
SCHEDULE – 6		
OTHER INCOME		
Liabilities/Provisions No Longer Required Written Back	523,676.58	498,796.14
	523,676.58	498,796.14
SCHEDULE – 7		
ADMINISTRATION AND OTHER EXPENSES		
Legal and Professional	457,840.00	203,911.00
Rates and Taxes	84.00	84.00
Filing Fee	2,040.00	-
Printing and Stationery	-	4,576.00
Loss on Sale of Fixed Assets	635,839.42	525,746.24
	1,095,803.42	734,317.24
SCHEDULE – 8		
FINANCIAL EXPENSES		
Bank Charges	-	280.00
	-	280.00

Schedules annexed to and forming part of the accounts

SCHEDULE-9

A. SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Convention

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2 Revenue Recognition

Revenue represents amounts invoiced during the year, exclusive of value added tax and other applicable taxes.

3 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

4 Fixed Asset and Depreciation

(i) Fixed assets are stated at cost of acquisition including freight, duties and other incidental expenses relating to acquisition and installation.

(ii) Depreciation on fixed assets is provided under the straight-line method on a pro-rata basis at rates prescribed by Schedule XIV to the Companies Act, 1956 except on computers which are depreciated over a period of three years i.e. useful life of asset as estimated by the management and on Leasehold Improvements, which are depreciated over the period of the lease.

(iii) The technology fee capitalized is depreciated over a period of three years.

5 Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Other borrowing costs are charged to revenue.

6 Investments

Long-term investments are valued at cost. Provision for diminution is made to recognise permanent erosion in value.

7 Income Tax

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 bases and carry forward of operating loss. Deferred tax assets are recognised based on management estimates of available future taxable income and assessing their certainty.

8 Foreign Exchange Transactions

(i) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

(ii) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

Schedules annexed to and forming part of the accounts

B. NOTES TO THE ACCOUNTS

1 The Company is not carrying out any commercial operations and is in the process of settling remaining dues and completing assessments with various authorities. However, these accounts have been prepared on a going concern basis on accrual basis in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

RUPEES

		Current Year	Previous Year
2	**Contingent Liabilities**		
	(i) Claims against the company not acknowledged as debts	244,000.00	244,000.00

(ii) There are certain income-tax proceedings pending against the Company at various stages of appeal, as per details given below-

Assessment year	Demand as on March 31, 2010	Appeal Pending Before
2003-2004	NIL	CIT (Appeals)
2004-2005	NIL	CIT (Appeals)

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

3 Out of the total share capital of Rs. 314,436,000.00 as on March 31, 2010, Max India Limited holds Rs. 314,435,800.00 of the share capital, consisting of 31,443,580 shares of Rs.10/- each. The remaining share capital of Rs. 200.00 consisting of 20 shares of Rs. 10/- each are held by nominees of Max India Limited.

4 Net Deferred Tax Asset has not been recognized due to virtual uncertainty regarding future taxable profits.

5 **Earnings per share**

RUPEES

	Current Year	Previous Year
Calculation of EPS (Basic and Diluted)		
Basic and Diluted		
(Loss) for the year (Rs.)	(603,667.24)	(331,669.50)
Weighted Average Number of Equity Shares	31,443,600	31,443,600
EPS (Rs.)	(0.02)	(0.01)
Share Details (Nos.)		
Outstanding as at the beginning of the year	31,443,600	31,443,600
Outstanding as at the end of the year	31,443,600	31,443,600

6 **Auditors' Remuneration**

Audit fee (Including Service Tax)	22,060.00	22,060.00

7 The Company does not have any finance lease/operating lease arrangement.

8 **Related Parties** (as identified by the management) are classified as:

Holding Company	Max India Limited
Fellow subsidiaries	Max New York Life Insurance Company Ltd., Max Healthcare Institute Ltd., Max Medical Services Ltd., Max Neeman Medical International Inc. USA, Neeman Medical International NV, Neeman Medical International BV, Max Neeman Medical International Ltd., Max UK Ltd., Pharmax Corporation Ltd., Max HealthStaff International Limited, Alps Hospital Ltd., Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

RUPEES

	Holding Company	Fellow Subsidiaries
Sale of Fixed Assets	**42,100.00**	**-**
	(-)	(-)
Loan taken during the year	**-**	**-**
	(1,50,000.00)	(-)
Loan repaid during the year	**-**	**-**
	(350,000.00)	(-)
Expenses		
- Others expenses	**333,802.00**	**-**
	(66,012.00)	(-)
Amount Outstanding		
- Other payable	**67,698,172.56**	**-**
	(67,406,470.56)	(-)

Figures in bracket are for previous year

9 Segment Reporting

As the Company is not carrying any business activity, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

10 Provision for diminution in value of Fixed Assets

RUPEES

	Current Year	Previous Year
Opening Balance	523,676.08	1,020,678.22
Add : Provided during the year	-	-
Less : Written back during the year	523,676.08	497,002.14
Closing Balance	**-**	523,676.08

11 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

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

This is the referred to in our report of even date

For and on behalf of Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

V. NIJHAWAN
Partner
Membership No. F-87228

Gurgaon
May 17, 2010

For and on behalf of the Board of Directors

V. KRISHNAN Managing Director
SUJATHA RATNAM Director

VISHAL GARG Company Secretary

New Delhi
May 17, 2010

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 6 0 7 0 0 State Code 5 5

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Others**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
382134	382134

SOURCES OF FUND

Paid-up Capital	Reserve and Surplus
314436	NIL
Secured Loans	**Unsecured Loans**
NIL	67698

APPLICATION OF FUNDS

Net Fixed Assets	Investments
NIL	NIL
+ - Net Current assets	**Misc. Expenditure**
√ 1050	NIL
Accumulated Losses	
381084	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Tunover (Total Income)	Total Expenditure
524	1127
+ - Profit/Loss before Tax	**+ - Profit/Loss after Tax**
√ 603	√ 603
+ - Earning per Share in Rs.	**Dividend Rate (%)**
√ 0.02	NA

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description SOFTWARE SERVICES

MAX HEALTHSTAFF INTERNATIONAL LIMITED

MAX

Directors' Report

Your Directors have pleasure in presenting their Seventh Annual Report along with the Audited Accounts for the year ended March 31, 2010.

OPERATIONS

As was reported in last year, the Company has scaled down its operations considerably till the clarity on US immigration laws emerges which has impacted Company's operations. The Holding Company, Max India Limited had been extending financial support to sustain its operations. The Holding Company has confirmed its commitment to continue to fund the operations and liabilities of the Company in the future and accordingly, the financial statements have been prepared using the Going Concern assumption

FINANCIAL RESULTS

Gross revenue for the year under review was Rs. 19.44 lacs against Rs. 156.73 lacs in the previous year. The Company incurred a net loss after tax of Rs. 18.87 lacs during the current year against a loss of Rs. 270.49 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.

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 :

(RS. IN CRORE)

	For the year ended March 31, 2010	For the year ended March 31, 2009
i) Foreign Exchange Earnings	NIL	0.79
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	Nil	Nil
- Trading Goods	Nil	Nil
Others	0.01	0.17

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

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. P. Dwarakanath is due to retire by rotation and is eligible for re-appointment.

Mr. Mohit Talwar was appointed as an Additional Director of the Company on December 17, 2009 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. Mohit Talwar for being appointed as a Director of the Company.

Mr. Mukesh Shivdasani resigned from the Board of Directors of the Company effective December 17, 2009. The Board places on record, its appreciation for the valuable contribution made by Mr. Mukesh Shivdasani during his association as a Director 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

Directors' Report

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' REPORT

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 liquidity to meet its financial obligations and potential business opportunities are being evaluated, as already explained in the operations section.

AUDITORS

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.

For and on behalf of the Board of Directors

New Delhi
July 26, 2010

P. DWARAKANATH Director
SUJATHA RATNAM Director

Auditors' Report

1 We have audited the attached Balance Sheet of Max HealthStaff International Limited, New Delhi as at March 31, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3 We draw your attention to Note II(a) on Schedule '13' of Notes to Accounts, regarding the appropriateness of the "going concern" basis used for preparation of these accounts, because the cumulative losses of the company are more than 50% of its "net worth" and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the Holding Company. These accounts do not include any adjustments that would result from the discontinuance of the existing financial support by the Holding Company.

4 As required by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government in terms of sub-section 4A of section 227 of the Companies Act, 1956, (hereinafter referred to as the 'Act') we give in an annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable.

5 Further to our comments in the annexure referred to in paragraph (3) above, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the requirements of Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.

(e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 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 '13', 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, 2010;

(ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and

(iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

RAKESH NANGIA
Partner
Membership No. F70776

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

New Delhi
May 17, 2010

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, 2010.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we report that: -

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between book records and the physical inventory have been noticed on such verification.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has been disposed off / sold during the year covered by our report and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the Holding Company.

2. The Company being a Service Company engaged in the field of Health-care Staffing, carries no inventories, hence the provisions of Clause 4(ii)(a) to 4(ii)(c) of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable.

3. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act.

   (b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act, the provisions of clause 4(iii)(b), 4(iii)(c) & 4(iii)(d) are not applicable.

   (c) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sales of services. Further, on the basis of our examination and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system of the Company.

5. Based on the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Act.

6. In our opinion and according to information given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.

7. In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any of the products of the Company.

9. (a) In our opinion and according to the information and explanations given to us and according to the books and records as produced and examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable with the appropriate authorities.

   According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable, outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

   (b) According to the records of the Company, there are no dues of Provident Fund, Employees' State

Auditors' Report

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. In our opinion the accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of its dues of any financial institution or bank during the year.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.

13. The provisions of any special statute applicable to chit fund/ nidhi/mutual benefit fund/societies are not applicable to the Company.

14. Based on our examination of the records and documents of the Company, and according to the information and explanation given to us, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments, and therefore clause (xiv) of The Companies (Auditors' Report) (Amendment) Order, 2004 is not applicable to the Company.

15. Based on our examination of the records of the Company and according to the information and explanation given to us, we are of the opinion that the Company has not given guarantee for loans taken by others from banks or financial institutions.

16. The Company has not obtained any term loans that were not applied for the purposes for which these were raised.

17. Based on the information and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment or vice versa.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.

19. The Company has not issued any debentures during the year.

20. The Company has not raised any money by public issue during the year.

21. Based upon audit procedures performed and information and explanations given by the management of the Company, we report no fraud on or by the Company has been noticed or reported during the course of our audit.

RAKESH NANGIA
Partner
Membership No. F70776

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

New Delhi
May 17, 2010

Balance Sheet as at March 31, 2010

RUPEES

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	39,450,000	39,450,000
LOAN FUNDS			
Unsecured Loans	2	182,281,604	181,428,704
Total		**221,731,604**	220,878,704
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		17,894,662	19,114,155
Less : Accumulated Depreciation		15,743,248	15,711,165
Net Block		2,151,414	3,402,990
CURRENT ASSETS, LOANS AND ADVANCES	4		
Interest Accrued on Investment		308,411	237,888
Sundry Debtors		3,133,372	3,891,834
Cash and Bank Balances		1,066,926	1,464,360
Loans and Advances		1,713,459	1,661,376
		6,222,168	7,255,458
Less : CURRENT LIABILITIES AND PROVISIONS	5		
Current Liabilities		4,631,447	5,912,721
Provisions		172,730	142,113
		4,804,177	6,054,834
NET CURRENT ASSETS		1,417,991	1,200,624
Profit and Loss Account		218,162,199	216,275,090
Total		**221,731,604**	220,878,704
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	12		

Schedule 1 to 12 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Company
Chartered Accountants

RAKESH NANGIA
FCA, Partner
Membership No. 70776

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

Profit and Loss Account for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Income From Operations	6	67,443	11,448,379
Other Income	7	1,877,048	4,225,486
Total		**1,944,491**	15,673,865
EXPENDITURE			
Candidate Related Expenses	8	70,256	2,903,185
Personnel Expenses	9	1,696,420	16,356,223
General and Administrative Expenses	10	1,585,619	19,184,825
Financial Expenses	11	5,127	29,787
Depreciation	3	474,178	3,929,243
Amortization of Preliminary Expenses (Refer Note II (d) on Schedule 12)		-	54,786
Total		**3,831,600**	42,458,049
LOSS BEFORE TAX		1,887,109	26,784,184
Tax Expense			
- Fringe Benefits Tax		-	265,035
LOSS AFTER TAX		1,887,109	27,049,219
Loss Brought Forward		216,275,090	189,225,871
LOSS CARRIED FORWARD TO THE BALANCE SHEET		**218,162,199**	216,275,090
Earning Per Share (Rs. per equity share of Rs. 10/- each) (Refer Note II (g) on Schedule 12)			
- Basic and Diluted		(0.48)	(6.86)
Number of Shares used in computing earning per share			
- Basic and Diluted		3,945,000	3,945,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	12		

Schedule 1 to 12 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Company
Chartered Accountants

RAKESH NANGIA
FCA, Partner
Membership No. 70776

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

Cash Flow Statement for the year ended March 31, 2010

RUPEES

	Schedule	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before Tax		(1,887,109)	(26,784,184)
Adjustments for:			
Depreciation		474,178	3,929,243
Amortization of Preliminary Expenses		-	54,786
Provision for Gratuity		(32,218)	(337,963)
Provision for Leave Encashment		(29,255)	(161,927)
Provision for Doubtful Debt		25,000	248,432
Net Loss on Sale of Fixed Assets		303,994	5,276,891
Interest Income		(78,360)	(75,416)
Liability/Provision no Longer Required Written Back		(1,153,965)	(3,586,179)
Unrealised Foreign Exchange Loss/ (Gain)		615,335	(286,576)
Operating Loss Before Working Capital Changes		**(1,762,400)**	(21,722,893)
Adjustments for:			
Accounts Receivable		(208,106)	1,055,592
Other Current Assets		58,099	3,147,061
Accounts Payable and Accrued Expenses		196,331	(2,092,438)
Cash Used In Operations		**(1,716,076)**	(19,612,678)
Direct Taxes Paid		(7,662)	(376,483)
Cash Used In Operating Activities		**(1,723,738)**	(19,989,161)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		-	(45,362)
Sale of Fixed Assets		473,404	1,248,874
Cash Used In Investing Activities		**473,404**	1,203,512
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from Parent Company		852,900	18,754,692
Cash From Financing Activities		**852,900**	18,754,692
Increase in Cash and Cash Equivalents		**(397,434)**	(30,957)
Cash and Cash Equivalents at the Beginning of the Year		**464,360**	495,317
Cash and Cash Equivalents at the End of the Year		**66,926**	464,360

Notes

1) The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2) Cash and Cash Equivalents at the end of the year consist of Cash and Balances with Banks (Refer Schedule-4).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 12

Schedule 1 to 12 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Company
Chartered Accountants

RAKESH NANGIA
FCA, Partner
Membership No. 70776

New Delhi
May 17, 2010

For and on behalf of the Board of Directors

P. DWARAKANATH Director
SUJATHA RATNAM Director

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 1		
SHARE CAPITAL		
Authorized Capital		
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)		
Issued, Subscribed and Paid up:		
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/- each fully paid up)		
(Of the above, 3,945,000 (Previous year 3,945,000) equity shares are held by Max India Limited, the holding company)		
Total	**39,450,000**	39,450,000
SCHEDULE – 2		
UNSECURED LOANS		
Loan from Max India Limited (the holding company)	182,281,604	181,428,704
(Repayable on demand)		
Total	**182,281,604**	181,428,704

SCHEDULE – 3
FIXED ASSETS

RUPEES

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible assets										
Computers	2,254,962	-	1,101,072	1,153,890	918,730	177,383	422,095	674,018	479,872	1,336,232
Furniture and Fixtures	342,563	-	5,600	336,963	229,749	8,759	5,600	232,908	104,055	112,814
Office Equipments	1,343,486	-	112,821	1,230,665	274,265	54,703	14,400	314,568	916,097	1,069,221
Intangible Assets										
Business Development	13,773,144	-	-	13,773,144	13,773,144	-	-	13,773,144	-	-
Software	1,400,000	-	-	1,400,000	515,277	233,333	-	748,610	651,390	884,723
TOTAL	19,114,155	-	1,219,493	17,894,662	15,711,165	474,178	442,095	15,743,248	2,151,414	3,402,990
Previous year	32,550,586	45,362	13,481,793	19,114,155	18,737,951	3,929,243	6,956,029	15,711,165		

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 4		
CURRENT ASSETS, LOANS AND ADVANCES		
Interest Accrued on Investment	**308,411**	237,888
Sundry Debtors		
(Unsecured)		
Debts exceeding six months		
- Considered good	3,406,804	1,851,876
Other Debts		
- Considered good	-	2,288,390
	3,406,804	4,140,266
Less Provision for Doubtful Debt	273,432	248,432
	3,133,372	3,891,834
Cash and Bank Balances		
Cash in Hand	4,735	34,746
Balances with Scheduled Banks		
- In Current Accounts	62,191	429,614
- In Fixed Deposit Accounts*	1,000,000	1,000,000
	1,066,926	1,464,360
Loans and Advances		
(Considered Good, unless otherwise stated)		
Unsecured		
Advances recoverable in cash or in kind or for value to be received	788,127	773,554
Income Tax	196,262	180,763
Prepaid Expenses	3,630	70,322
Gratuity Fund Value (Net)	634,934	544,071
(Refer Note II (k) on Schedule 12)		
Security Deposits	90,506	92,666
	1,713,459	1,661,377
Total	**6,222,168**	7,255,458

Note:

* Fixed Deposits are held under lien by Canara Bank against guarantees given to The President of India, acting through the Protector General of Emigrants, Ministry of Overseas Indian Affairs, New Delhi

Amounts due from companies under the same management		
- Malsi Estates Limited	-	33,775
Maximum amount outstanding during the year from companies under the same management		
- Malsi Estates Limited	-	216,204
- Max Neeman Medical International Asia Limited	250,205	-
- Max Bupa Health Insurance Company Ltd.	221,800	-

Schedules annexed to and forming part of the accounts

RUPEES

	As at March 31, 2010	As at March 31, 2009
SCHEDULE – 5		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,999,839	2,000,493
Other Liabilities	2,631,608	3,912,228
	4,631,447	5,912,721
Provisions		
(Refer Note II (k) on Schedule 12)		
Leave Encashment	112,858	142,113
Gratuity	59,872	-
	172,730	142,113
Total	**4,804,177**	6,054,834

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
SCHEDULE – 6		
INCOME FROM OPERATIONS		
Placement Revenue	67,443	7,914,295
(Tax deducted at source Rs. 7662 (previous year Rs.NIL)		
Training and Coaching Fee	-	2,395,865
HR Solution	-	1,138,219
Total	**67,443**	11,448,379
SCHEDULE – 7		
OTHER INCOME		
Interest on Fixed Deposits with Bank	78,360	75,416
(Tax Deducted at Source Rs. 7,837 (Previous Year Rs. 15,536))		
Liabilities/Provisions No Longer Required Written Back	1,147,035	3,586,179
Gain on Foreign Exchange Fluctuation	110,316	556,366
Miscellaneous Income	500,484	7,525
Unclaimed Balance Written Back	40,853	-
Total	**1,877,048**	4,225,486

Schedules annexed to and forming part of the accounts

RUPEES

	For the Year Ended March 31, 2010	For the Year Ended on March 31, 2009
SCHEDULE – 8		
CANDIDATE RELATED EXPENSES		
Training Costs	-	162,068
Examination Fees	41,418	1,095,045
Immigration Costs	28,838	1,529,707
Lodging Charges	-	45,538
Library Books	-	7,002
Candidate Travelling	-	56,825
Other Expenses	-	7,000
Total	**70,256**	2,903,185
SCHEDULE – 9		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,630,083	15,333,072
Contribution to Provident and Other Funds	60,510	588,224
Recruitment Expenses	-	118,049
Training and Management Development	-	7,400
Staff Welfare	5,827	309,478
Total	**1,696,420**	16,356,223
SCHEDULE – 10		
GENERAL AND ADMINISTRATIVE EXPENSES		
Rent	144,000	5,601,674
Repairs and Maintenance- Others	52,756	2,552,609
Insurance	4,803	31,595
Electricity and Water Charges	22,892	1,248,559
Printing and Stationery	1,671	271,446
Traveling and Conveyance	6,382	1,478,717
Communication Expenses	157,723	875,420
Legal and Professional Expenses	288,073	688,582
Business Promotion	18,894	108,344
Advertisement and Publicity	12,000	363,396
Books and Periodicals	3,030	53,257
Membership and Subscription	-	23,435
Website Development Charges	-	48,708
Loss on Foreign Exchange Fluctuation	510,046	253,142
Loss on sale/disposal of Fixed Assets	303,994	5,276,891
Miscellaneous Expenses	431	60,618
Prov. for Doubtfull Debts and Advances (Expense)	25,000	248,432
Debit Balance Written Off	33,924	-
Total	**1,585,619**	19,184,825
SCHEDULE – 11		
FINANCIAL EXPENSES		
Bank Charges	5,127	29,787
Total	**5,127**	29,787

Schedules annexed to and forming part of the accounts

SCHEDULE – 12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting basis and convention

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India ("GAAP"), under the historical cost convention, on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

b) Revenue Recognition

a) Revenue from overseas placement of Healthcare staff is recognized on the basis of time sheets received from Alliance Partners on accrual basis.
b) Revenue from Training is recognized at the time of enrolment on accrual basis.
c) Interest Income is recognized on a time proportion basis taking into account the amounts invested and the rate of interest. Income is stated in full with the tax thereon being accounted for under advance tax.

c) Fixed Assets

a) Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.
b) Expenses of revenue nature, which can be regarded as incidental and related to project set-up, are transferred to "Preoperative expenses pending capitalization". These expenses are allocated to fixed assets in the year of commencement of the related project.

d) Intangible Assets

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 issued by the Institute of Chartered Accountants of India and are amortized as follows –

(a) The expenses incurred for purposes of business development including consultancy (commercial, legal and technical) and overseas traveling (market related) is capitalized under the Head "Business Development" as an intangible asset, to be amortized proportionately over a period of five years.
(b) Costs relating to acquisition of computer software are capitalized as Intangible Asset and amortized on a straight line basis over a period of six years.

e) Borrowing Costs

Borrowing costs, other than those that are directly attributable to the acquisition, construction or production of a qualifying asset, are recognized as an expense in the period in which they are incurred.

f) Depreciation

a) Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.
b) Leasehold improvements are depreciated over the respective lease periods.
c) Assets costing not more than Rs. 5,000/- each are depreciated at hundred percent in the year of capitalization.

g) Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered.

Schedules annexed to and forming part of the accounts

The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

h) Employee benefits

a) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined 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 a Master policy with Life Insurance Corporation of India.

c) Leave Encashment

Accrual for leave encashment is made on the basis of actuarial valuation done at the year end.

The company recognises actuarial gains and losses as and when the same arise. The charge in respect of the same is taken to the Profit and Loss account.

i) Foreign Exchange Transactions

a) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

b) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss account.

j) Miscellaneous Expenditure

Preliminary expenses are amortized over a period of 5 years.

k) Leases

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of lease.

II. NOTES TO ACCOUNTS

a) Going Concern

Max HealthStaff International Limited, a wholly owned subsidiary of Max India Limited is engaged in healthcare staffing in India and abroad, more particularly in USA. The placement of healthcare personnel in USA is subject to availability of immigrant visas which are currently unavailable given the visa retrogression in force. Accordingly the company has scaled down its operations and its cumulative losses are greater than 50% of its net worth. Thus the Company is dependent on financial support from its holding company for sustenance of its operations. The Holding Company has confirmed its commitment to continue to fund the operations and liabilities of the Company in the future and accordingly, the financial statements have been prepared using the Going Concern assumption.

b) Contingent Liabilities not provided for in respect of

RUPEES

Particulars	Current Year	Previous Year
Bank Guarantees	1,000,000	1,000,000
Claims against the Company not acknowledged as Debts#	15,736,000	1,8116,000

#(USD 350,000 @ Rs 44.96)

Schedules annexed to and forming part of the accounts

c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Nil (Previous Year: Rs. Nil).

d) Preliminary Expenses

RUPEES

Particulars	Current Year	Previous Year
Balance at beginning of the year	-	54,786
Add: Additions	-	-
Less: Amount Amortized	-	54,786
Balance at end of the year	-	-

e) Leases

Accounting for leases has been done in accordance with the Accounting Standard 19 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year.

a. Financial Lease

The company does not have any Finance Lease arrangement.

b. Operating Lease

RUPEES

Particulars	Current Year	Previous Year
Lease rentals recognized in the Profit and Loss Account	144,000	5,601,674

The total of future minimum lease payments under non-cancellable leases is NIl

f) No deferred tax assets has been created on account of the carry-forward business losses as there is no reasonable certainty of utilizing them at a future date

g) Earnings per Share

Particulars	Current Year	Previous Year
Basic and Diluted		
- Loss After Tax (Rs.)	1,887,109	27,049,219
- Weighted average number of equity shares	3,945,000	3,945,000
- EPS (Rs.)	(0.48)	(6.86)
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	3,945,000	3,945,000
Outstanding as at the end of the year	3,945,000	3,945,000

h) There are no sums payable to Micro Enterprises and Small Enterprises which are overdue. Payments against supplies from Micro Enterprises and Small Enterprises, if any, are made in accordance with agreed terms. Accordingly, no interest is paid or accrued and remaining unpaid to these suppliers.

i) Related Parties (as identified by the management) are classified as

Holding company	Max India Ltd.
Fellow subsidiaries	Max New York Life Insurance Co Ltd., Max Healthcare Institute Ltd., Max Medical Services Ltd., Neeman Medical International BV, Netherlands, Neeman Medical International NV, Netherlands, Max Neeman Medical International Inc, USA, Max Neeman Medical International Ltd., Pharmax Corporation Ltd., Max Ateev Ltd., Max UK Ltd., UK, ALPS Hospital Ltd., Hometrail Estate Pvt. Ltd., Hometrail Buildtech Pvt. Ltd., Max Bupa Health Insurance Company Ltd.
Employee Benefit Fund	Max India Ltd Employees Provident Fund Trust

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business:

RUPEES

S. No.	Particulars	Holding Company	Fellow Subsidiaries	Employee benefit fund
1	Fixed Assets Purchased	-	-	-
		(-)	(-)	(-)
2	Fixed Asset Sold	**-**	**473,405**	**-**
		(262,216)	(11,100)	
3	Loans taken	**845,000**	-	-
		(17,700,000)	(-)	(-)
4	Incomes and reimbursement			
	- Reimbursement of expenses	-	**17,751**	-
		(19,196)	(-)	(-)
5	Expense			
	- Interest paid	**-**	**57115**	**-**
		(-)	(-)	(-)
6	- Other expenses	**7900**	-	-
		(1,542,103)	(3,088,330)	(-)
	- Company's contribution to PF Trust	-	-	**41,103**
		(-)	(-)	(325,599)
7	Amount outstanding			
	- Against loan taken	**182,281,604**	-	-
		(181,428,704)	(-)	(-)
	- Other payable	**-**	**376770**	-
		(-)	(4,14,001)	(-)

Figures in bracket are for previous year.

j) Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956, together with notes thereon:

a. Expenditure in Foreign Currency:

RUPEES

Particulars	**Current Year**	Previous Year
Other matters:		
Examination Fees	32,841	611,424
Immigration Expenses (visa Screen Expenses)	28,838	1,076,467
Communication Expenses	48,749	52,363
Total	**110,428**	1,740,254

b. Earnings in Foreign Currency:

RUPEES

Particulars	**Current Year**	Previous Year
Placement Revenue	-	79,14,295

Schedules annexed to and forming part of the accounts

c. Amount paid / payable to Auditors:

RUPEES

Particulars	Current Year	Previous Year
Audit Fees/Other Fees	47,575	45,000

k) Employee Benefits

Defined Benefit Plans

The Company has adopted Accounting Standard, AS-15 (revised 2005), on employee benefits with effect from April 1, 2007. The following table sets out disclosures in respect of defined benefit plans:

RUPEES

	Gratuity	Leave Encashment
Reconciliation of present value of the defined benefits obligation :		
Obligations as at April 1, 2009	92,090	142.113
Service Cost	19,105	24,193
Interest cost	7,183	11,085
Benefits settled	(57,115)	(33,972)
Actuarial (gain)/loss	(1,391)	(30,561)
Obligations as at March 31, 2010	**59,872**	**112858**
Change in plan assets		
Fair value of plans assets as at April 1, 2009	636,161	-
Expected return on plan assets	57,254	-
Actuarial gain/(loss)	(1,366)	-
Contribution	-	-
Benefits paid	(57,115)	-
Fair value of plan assets as at March 31, 2010	**634,934**	**-**
Reconciliation of present value of the obligation and fair value of the plan assets :		
Fair value of plan assets as at March 31, 2010	634,934	-
Present value of the obligation as at March 31, 2010	59,872	112,858
(Asset)/Liability recognized as at March 31, 2010	(575,062)	112,858
Cost for the year		
Service cost	19,105	24,193
Interest cost	7,183	11,085
Expected return on plan assets	(57,254)	-
Actuarial (gain)/loss	(25)	(30,561)
Net cost	**(30,991)**	**4,717**
Assumptions		
Interest rate	8%	8%
Discount rate	7.8%	7.8%
Estimated rate of return on plan assets	9%	-
Salary Increase	10%	10%
Leave availment in the service	-	-
Retirement age	58	58

Schedules annexed to and forming part of the accounts

Defined Contribution Plan
During the year, the Company contributed Rs. 57,899 (Previous year Rs. 570,200) for provident fund which represents contribution to defined contribution plan.

l) Other disclosure requirements of schedule VI to the Companies Act, 1956 are not applicable to the Company.

m) Previous year figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

As per our report of even date attached	For and on behalf of the Board of Directors
For Nangia and Company Chartered Accountants	**P. DWARAKANATH** Director **SUJATHA RATNAM** Director
RAKESH NANGIA FCA, Partner Membership No. 70776	
New Delhi **May 17, 2010**	

Balance Sheet Abstract and company's general business profile

I REGISTRATION DETAILS :

Registration No. 11924 9 State Code 55

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue: NIL

Rights Issue: NIL

Bonus Issue: NIL

Others: NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities (including share capital): 221732

Total Assets: 221732

SOURCES OF FUND

Paid-up Capital: 39450

Reserve and Surplus: NIL

Secured Loans: NIL

Unsecured Loans: 182282

APPLICATION OF FUNDS

Net Fixed Assets: 2151

Investments: NIL

+ - Net Current assets: √ 1418

Misc. Expenditure: NIL

Accumulated Losses: 218162

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Total Income): 19445

Total Expenditure: 38332

+ - Profit/Loss before Tax: √ 1887

+ - Profit/Loss after Tax: √ 1887

+ - Basic Earning per Share in Rs.: √ 0.48

Dividend Rate (%): NIL

+ - Diluted Earning per Share in Rs.: √ 0.48

V NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY

Product Description: 85199

Product Description: HEALTHCARE STAFFING

MAX

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New Delhi - 110 020
Tel: +91 11 42598000

www.maxindia.com

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