

INDEPENDENT AUDITOR'S REPORT

To the Members of Hometrail Buildtech Private Limited

Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of Hometrail Buildtech Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the IND AS financial statements 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, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements – Refer Note 27.2 to the IND AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 05, 2018

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: Hometrail Buildtech Private Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment were been physically verified by the management during the year in accordance with a planned program me of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the sale of goods and services related to healthcare, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty

of custom, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise are not applicable to the Company.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount Outstanding Against Demand (Rs.) | Amount deposited under Dispute | Period to which the amount relates | Forum where Dispute is pending |
|----------------------------|--|--|---------------------------------------|---|---------------------------------------|
| The Income Tax Act, 1961 | Disallowance of ROC Fee (Capital Expenses) | 4,42,000 | - | 2013-14 | Commissioner Appeals, New Delhi |

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any outstanding debentures during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3 (xiii) insofar as it relates to section 177 is not applicable to the Company and hence not commented upon.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370
Place of Signature: Gurugram
Date: May 05, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HOMETRAIL BUILDTECH PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hometrail Buildtech Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to These Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to These Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 05, 2018

Hometrail Buildtech Private Limited
Balance sheet as at March 31, 2018

| | | (Rs in Lacs) | |
|--|-------|-------------------------|-------------------------|
| | Notes | As at March 31, 2018 | As at March 31, 2017 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 6,716 | 7,102 |
| Other intangible assets | 4 | 15 | 20 |
| Financial assets | | | |
| -Loans | 5 | 26 | 23 |
| Other non current assets | 6 | 166 | 118 |
| | | <u>6,923</u> | <u>7,263</u> |
| Current assets | | | |
| Inventories | 7 | 192 | 149 |
| Financial assets | | | |
| -Loans | 8 | - | 24 |
| -Trade receivables | 9 | 893 | 812 |
| -Other financial assets | 10 | 31 | 42 |
| -Cash and cash equivalents | 11 | 36 | 98 |
| -Other bank balances | 12 | 106 | 59 |
| Other current assets | 13A | 155 | 88 |
| | | <u>1,413</u> | <u>1,272</u> |
| Assets classified as held for sale | 13B | - | 30 |
| | | <u>1,413</u> | <u>1,302</u> |
| TOTAL ASSETS | | <u>8,336</u> | <u>8,565</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 14 | 1,650 | 1,650 |
| Other equity | 15 | (9,746) | (7,207) |
| Total equity | | <u>(8,096)</u> | <u>(5,557)</u> |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| -Borrowings | 16 | 14,544 | 12,114 |
| Provisions | 17 | 134 | 108 |
| | | <u>14,678</u> | <u>12,222</u> |
| Current liabilities | | | |
| Financial liabilities | | | |
| -Borrowings | 18 | 189 | 156 |
| -Trade payables | 19 | 627 | 943 |
| -Other financial liabilities | 19 | 808 | 704 |
| Provisions | 17 | 39 | 33 |
| Other current liabilities | 20 | 91 | 64 |
| | | <u>1,754</u> | <u>1,900</u> |
| TOTAL LIABILITIES | | <u>16,432</u> | <u>14,122</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>8,336</u> | <u>8,565</u> |
| Summary of significant accounting policies | 2 | | |
| Contingent liabilities , commitments and litigations | 28 | | |
| Other notes on accounts | 29 | | |

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Hometrail Buildtech Private Limited

Sd/-
Sunil Mehta
 (Whole-Time Director)
 DIN : 07270445

Sd/-
Yogesh Kumar Sareen
 (Director)
 DIN : 00884252

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Pawan Khurana
 (Head -Finance)

Sd/-
Yogesh Sharma
 (Company Secretary)
 M. No. : A29286

Place : Gurugram
 Date : May 05, 2018

Place : Gurugram
 Date : May 05, 2018

Hometrail Buildtech Private Limited
Statement of profit and loss for the year ended March 31, 2018

| | | | (Rs in Lacs) |
|--|-------|--------------------------------------|--------------------------------------|
| | Notes | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| INCOME | | | |
| Revenue from operations | 21 | 5,871 | 4,976 |
| Other income | 22 | 44 | 41 |
| Finance income | 23 | 3 | 8 |
| Total income | | 5,918 | 5,025 |
| EXPENSES | | | |
| Purchase of pharmacy, drugs, consumables and implants | | 1,962 | 1,636 |
| (Increase)/decrease in inventories of pharmacy, drugs and consumables and implants | | (43) | 16 |
| Employee benefits expense | 24 | 1,300 | 1,113 |
| Finance costs | 25 | 1,523 | 1,466 |
| Depreciation and amortization expense | 26 | 498 | 634 |
| Other expenses | 27 | 3,216 | 2,504 |
| Total expenses | | 8,456 | 7,369 |
| Loss before tax | | (2,538) | (2,344) |
| Income tax expense | | - | - |
| Loss after tax | | (2,538) | (2,344) |
| Other comprehensive income | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement losses on defined benefit plans | 29.2 | (1) | (1) |
| Income tax effect | | - | - |
| Other comprehensive income for the year, net of tax | | (1) | (1) |
| Total comprehensive income for the year (net of tax attributable to Equity shareholder) | | (2,539) | (2,345) |
| Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 29.1) | | | |
| Basic & diluted (Rs.) | | (15.38) | (14.91) |
| Summary of significant accounting policies | 2 | | |
| Contingent liabilities , commitments and litigations | 28 | | |
| Other notes on accounts | 29 | | |

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Hometrail Buildtech Private Limited

Sd/-
Sunil Mehta
 (Whole-Time Director)
 DIN : 07270445

Sd/-
Yogesh Kumar Sareen
 (Director)
 DIN : 00884252

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Pawan Khurana
 (Head -Finance)

Sd/-
Yogesh Sharma
 (Company Secretary)
 M. No. : A29286

Place : Gurugram
 Date : May 05, 2018

Place : Gurugram
 Date : May 05, 2018

Hometrail Buildtech Private Limited
Statement of changes in equity for the year ended March 31, 2018

a) Equity share capital

| Particulars | Number of shares | (Rs in Lacs) |
|---|--------------------|--------------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At March 31, 2016 | 1,30,10,000 | 1,301 |
| Add: Equity share issued during the year | 34,88,372 | 349 |
| At March 31, 2017 | 1,64,98,372 | 1,650 |
| Add: Equity share issued during the year | - | - |
| At March 31, 2018 | 1,64,98,372 | 1,650 |

b) Other equity

| Particulars | Reserves and surplus | | Total equity |
|---|--------------------------------------|-----------------------------|----------------|
| | Securities Premium Account (note 15) | Retained earnings (note 15) | |
| At March 31, 2016 | 5,193 | (11,201) | (6,008) |
| Loss for the period | - | (2,344) | (2,344) |
| Other comprehensive income for the year | - | (1) | (1) |
| Addition on equity shares issued | 1,151 | - | 1,151 |
| Share issue expenses | (5) | - | (5) |
| At March 31, 2017 | 6,339 | (13,546) | (7,207) |
| Loss for the period | - | (2,538) | (2,538) |
| Other comprehensive income for the year | - | (1) | (1) |
| At March 31, 2018 | 6,339 | (16,085) | (9,746) |

| | |
|--|----|
| Summary of significant accounting policies | 2 |
| Contingent liabilities , commitments and litigations | 28 |
| Other notes on accounts | 29 |

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Hometrail Buildtech Private Limited

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Sunil Mehta
 (Whole-Time Director)
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 (Head -Finance)

Sd/-
Yogesh Sharma
 (Company Secretary)
 M. No. : A29286

Place : Gurugram
 Date : May 05, 2018

Place : Gurugram
 Date : May 05, 2018

Hometrail Buildtech Private Limited
Statement of cash flow for the year ended March 31, 2018

| | | (Rs in Laacs) | |
|---|----------|--------------------------------------|--------------------------------------|
| Particulars | Notes | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| A. Cash flow from operating activities | | | |
| Net loss before tax | | (2,538) | (2,344) |
| Adjustments to reconcile profit before tax to net cash flow | | | |
| Depreciation and amortization expense | 26 | 498 | 634 |
| Provision for doubtful debts | 27 | 47 | - |
| Foreign exchange fluctuation loss | 22 | - | (2) |
| Unclaimed balances & excess provisions written back | 22 | (43) | (38) |
| Finance income | 23 | (3) | (8) |
| Finance expense | 25 | 1,504 | 1,453 |
| Working capital adjustments: | | | |
| Increase/ (decrease) in trade payables, other liabilities and provisions | 17,18,19 | (175) | 285 |
| (Increase)/ decrease in inventories | 7 | (43) | 16 |
| (Increase) trade receivables | 9 | (128) | (314) |
| (Increase)/ decrease in financial assets | 5,8 | 32 | (2) |
| (Increase)/ decrease in other assets | 6,12,13 | 20 | (79) |
| Cash (used in) operations | | (829) | (399) |
| Income taxes paid (net of refund) | | (152) | (23) |
| Net cash (used in) operating activities (A) | | (981) | (422) |
| B. Cash flows from investing activities | | | |
| Purchase of property plant and equipment, including intangible assets, CWIP and capital advances | 3,4 | (124) | (143) |
| Interest received | 23 | 3 | 8 |
| Net cash from/ (used in) investing activities (B) | | (121) | (135) |
| C. Cash flows from financing activities | | | |
| Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued | 14 | - | 1,496 |
| Proceeds from long-term borrowings | 16 | 4,473 | 7,898 |
| Repayments of long term borrowings | 16 | (1,962) | (7,381) |
| Repayments of short-term borrowings (net) | 18 | 33 | (1) |
| Interest paid | 25 | (1,504) | (1,453) |
| Net cash from financing activities (C) | | 1,040 | 559 |

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Hometrail Buildtech Private Limited**Statement of cash flow for the year ended March 31, 2018****Net increase/ (decrease) in cash and cash equivalents (A + B + C)**

Total cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Summary of significant accounting policies

Contingent liabilities , commitments and litigations

Other notes on accounts

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of

Hometrail Buildtech Private Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 05, 2018

Sd/-
Sunil Mehta
(Whole-Time Director)
DIN : 07270445

Sd/-
Pawan Khurana
(Head -Finance)

Place : Gurugram
Date : May 05, 2018

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
Yogesh Sharma
(Company Secretary)
M.No. : A29286

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

1 Corporate Information

Hometrail Buildtech Private Limited, ('the Company') is a private limited Company domiciled in India. The Company has a multi-speciality hospital with a state-of-art healthcare services and expertise in city of "Bhatinda" in State of Punjab. The registered office of the company is located at N-110, Panchsheel Park, South Delhi, New Delhi- 110017, India. Max Healthcare Institute Limited, the holding company owned 99.99% of the Company's equity share capital.

The Company had entered into a triplicate long term concessional agreement dated February 20, 2009 along with its holding company, 'Max Healthcare Institute Limited' and Government of Punjab. As per the terms of concessional agreement, the company is to build and operate a hospital for a initial term of 50 years on public private partnership (PPP) mode.

The financial statements of the Company includes operation of the hospital. Healthcare facilities have a long gestation period from commencement of its operation and accordingly require significant cash outlay.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standard) Rule, 2015, (as amended from time to time) by the Companies (Indian Accounting Standards) (Amendment) Rules,2016.

Healthcare is a long gestation business. The company is still in gestation period. The Company has started commercial operations in 2011. The Company has incurred a loss of Rs. 2,539 Lacs (Previous Year Rs. 2,345 Lacs) in the current year, due to which accumulated loss has been posted at Rs. 16,085 Lacs (Previous year Rs. 13,546 Lacs) against share capital of Rs. 1,650 Lacs as of March 31, 2018 (Previous year Rs. 1,650 Lacs). The accumulated losses of the company is envisaged and are owing to the long gestation nature of operation towards development of infrastructure to support the long term growth plan. In the opinion of the management, in view of the commitment of continued financial support by holding Company, and on the basis of the Company's future investment plans, the Company is continuing with a going concern assumption. Further, the Company doesnot anticipate that it will not be able realize its assets and discharge its liabilities in the normal course of business.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- (i) Certain financial assets and financial liabilities
- (ii) Defined benefit plans

Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit, VAT credit and GST credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

| Assets | Useful lives estimated by the management (years) |
|--|---|
| Leasehold Improvements | Shorter of the estimated useful life of tangible asset or respective lease term |
| Building | 5 - 60 Years |
| Medical Equipment | 13 Years |
| Lab Equipment | 10 Years |
| Electrical Installations and Equipment | 10 Years |
| Plant and Equipment | 15 Years |
| Office Equipment | 5 Years |
| Computers & Data Processing Units | 3 - 6 Years |
| Furniture and Fixtures | 10 Years |
| Motor Vehicles | 6 - 8 Years |

c. Intangible assets

Separately acquired intangible assets

The Company has applied exemptions of Ind AS 101 to continue the carrying value of intangible assets at the date of transition as its deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;
- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-7 years.

d. Impairment of non financial assets

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

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

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);□

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, sales tax/value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of goods. The Company collects sales tax, value added taxes (VAT) and Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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Rendering of services

Revenue from healthcare services (including drugs, consumables and implants used in delivery of such services) are recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets. Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "finance income" in the statement of profit and loss.

Incentive Income

Benefits under "Served from India Scheme" available for foreign exchange earned under prevalent scheme of Government of India are accrued when the right to receive these benefits as per the terms of the scheme is established and accrued to the extent there is no significant uncertainty about the measurability and ultimate utilization.

g. Inventories

Inventories comprise of pharmacy, drugs, consumable and implants which are valued at lower of cost and net realizable value. Cost includes the cost of purchase, duties, taxes (other than those recoverable from tax authorities) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

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

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, if any.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Provisions

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

Contingent liabilities

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

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

l. Employee benefits

Provident fund

Retirement benefit in the form of Provident Fund (contributed to the Regional PF Commissioner) is a defined benefit contribution scheme. The Company reconginse contribution payable to provident fund scheme as an expenditure, when an employee renders related service. There are no other obligation other than contribution payable.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

(i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

(ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Long term incentive plan

Employees of the Company receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

o. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

p. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

q. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

- (a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a

- (a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- (b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 29.2.

- (c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- (d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.4 Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt the standard when it becomes effective.

a) Appendix B to IND AS 21, Foreign currency transactions and advance consideration:

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.

b) IND AS 115 Revenue from Contracts with Customers:

INDAS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IND AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. IND AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within IND AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying IND AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in IND AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of IND AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement IND AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of IND AS 115 on the financial statements will only be possible once the implementation project has been completed.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

3. Property, plant and equipments

(Rs in Lacs)

| | Building | Medical equipment | Plant and equipment | Office equipment | Furniture and fixture | Motor vehicles | Computers and data processing units | Electrical installations and equipment | Other surgical instruments | Total |
|---------------------------------|--------------|-------------------|---------------------|------------------|-----------------------|----------------|-------------------------------------|--|----------------------------|--------------|
| Cost | | | | | | | | | | |
| As at March 31, 2016 | 4,908 | 1,906 | 591 | 48 | 290 | 6 | 50 | 383 | 73 | 8,255 |
| Additions | 23 | 55 | 1 | 11 | 4 | - | 26 | - | 13 | 133 |
| Disposals | - | 100 | - | - | - | - | - | - | 16 | 116 |
| As at March 31, 2017 | 4,931 | 1,861 | 592 | 59 | 294 | 6 | 76 | 383 | 70 | 8,272 |
| Additions | - | 69 | 4 | 8 | 2 | - | 4 | 6 | 15 | 108 |
| Disposals | - | - | - | - | - | - | - | - | 12 | 12 |
| As at March 31, 2018 | 4,931 | 1,930 | 596 | 67 | 296 | 6 | 80 | 389 | 73 | 8,368 |
| Accumulated depreciation | | | | | | | | | | |
| As at March 31, 2016 | 115 | 277 | 51 | 21 | 45 | 2 | 21 | 59 | 34 | 625 |
| Additions | 118 | 273 | 51 | 14 | 45 | 2 | 20 | 59 | 47 | 629 |
| Disposals | - | 70 | - | - | - | - | - | - | 14 | 84 |
| As at March 31, 2017 | 233 | 480 | 102 | 35 | 90 | 4 | 41 | 118 | 67 | 1,170 |
| Additions | 117 | 185 | 52 | 7 | 45 | 1 | 15 | 59 | 12 | 493 |
| Disposals | - | - | - | - | - | - | - | - | 11 | 11 |
| As at March 31, 2018 | 350 | 665 | 154 | 42 | 135 | 5 | 56 | 177 | 68 | 1,652 |
| Net book value | | | | | | | | | | |
| As at March 31, 2018 | 4,581 | 1,265 | 442 | 25 | 161 | 1 | 24 | 212 | 5 | 6,716 |
| As at March 31, 2017 | 4,698 | 1,381 | 490 | 24 | 204 | 2 | 35 | 265 | 3 | 7,102 |

3.01 Land measuring 3.15 acres has been provided by Punjab Government on long term lease of 50 years without consideration.

3.02 Medical equipments includes a medical equipment taken on finance lease.

(Rs in Lacs)

| | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------------------|---------------------------------|---------------------------------|
| Gross block | 234 | 234 |
| Depreciation charge for the year | 53 | 53 |
| Accumulated depreciation at year end | 130 | 77 |
| Net book value | 104 | 157 |

3.03 Property, plant and equipment given as security

Property, plant and equipment are subject to charge to secure the Company's secured long term borrowings as disclosed in note 16.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

4. Other intangible assets

| | | (Rs in Lacs) |
|--------------------------|-------------------|--------------|
| Cost | Computer software | Total |
| As at March 31, 2016 | 23 | 23 |
| Additions | 5 | 5 |
| Disposals | - | - |
| As at March 31, 2017 | 28 | 28 |
| Additions | - | - |
| Disposals | - | - |
| As at March 31, 2018 | 28 | 28 |
| Accumulated amortization | | |
| As at March 31, 2016 | 3 | 3 |
| Additions | 5 | 5 |
| Disposals | - | - |
| As at March 31, 2017 | 8 | 8 |
| Additions | 5 | 5 |
| Disposals | - | - |
| As at March 31, 2018 | 13 | 13 |
| Net book value | | |
| At at March 31, 2018 | 15 | 15 |
| At at March 31, 2017 | 20 | 20 |

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

| | (Rs in Lacs) | |
|---|---------------------------------|---------------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| 5. Loans (valued at amortized cost) (unsecured considered good) | | |
| Security Deposits | <u>26</u> | <u>23</u> |
| | <u>26</u> | <u>23</u> |
| 6. Other non current assets (unsecured considered good) | | |
| Others | | |
| Tax deducted at source recoverable | 166 | 117 |
| Prepaid expenses | <u>-</u> | <u>1</u> |
| | <u>166</u> | <u>118</u> |
| 7. Inventories | | |
| Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value) | 192 | 149 |
| | <u>192</u> | <u>149</u> |
| 8. Loans (valued at amortized cost) (unsecured considered good) | | |
| Security deposits | 10 | 24 |
| Less: Provision for doubtful advances | <u>(10)</u> | <u>-</u> |
| | <u>-</u> | <u>24</u> |
| 9. Trade receivables | | |
| Unsecured | | |
| Trade receivables - considered good | 893 | 812 |
| Trade receivables - considered doubtful | 165 | 118 |
| Less: Impairment allowance (allowance for bad and doubtful debts) | <u>(165)</u> | <u>(118)</u> |
| | <u>893</u> | <u>812</u> |
| No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member. | | |
| 10. Other current financial assets | | |
| (Valued at amortized cost) (unsecured, considered good) | | |
| Unbilled revenue | 31 | 42 |
| | <u>31</u> | <u>42</u> |

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

(Rs in Laacs)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

11. Cash and cash equivalents

Balances with banks:

| | | |
|-------------------------|-----------|-----------|
| On current accounts | 22 | 89 |
| Cheques/ drafts on hand | 6 | 2 |
| Cash on hand | 8 | 7 |
| | <u>36</u> | <u>98</u> |

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Changes in liabilities arising from financing activities

| Particulars | April 01, 2017 | Cash flows | Reclassified as part of disposal group | Foreign exchange management | Changes in fair value | New leases | March 31, 2018 |
|---|----------------|--------------|--|-----------------------------|-----------------------|------------|----------------|
| Current borrowing | 156 | 33 | - | - | - | - | 189 |
| Non current borrowing | 12,114 | 2,430 | - | - | - | - | 14,544 |
| Current Maturity of non current borrowing | 546 | 81 | - | - | - | - | 627 |
| Total liabilities from financial activities | <u>12,816</u> | <u>2,544</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,360</u> |

| Particulars | April 01, 2016 | Cash flows | Reclassified as part of disposal group | Foreign exchange management | Changes in fair value | New leases | March 31, 2017 |
|---|----------------|------------|--|-----------------------------|-----------------------|------------|----------------|
| Current borrowing | 157 | (1) | - | - | - | - | 156 |
| Non current borrowing | 11,117 | 997 | - | - | - | - | 12,114 |
| Current Maturity of non current borrowing | 1,026 | (480) | - | - | - | - | 546 |
| Total liabilities from Financial activities | <u>12,300</u> | <u>516</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,816</u> |

12. Other bank balances

| | | |
|------------------------|------------|-----------|
| Escrow accounts | 104 | 57 |
| Margin money deposits# | 2 | 2 |
| | <u>106</u> | <u>59</u> |

Rs. 2 Laacs (March 31, 2017 : Rs. 2 Laacs) to secure bank guarantee given to sales tax authorities.

13A. Other current assets (unsecured considered good, unless otherwise stated)

| | | |
|------------------------------------|------------|-----------|
| Other Advances | | |
| Unsecured, considered good | 18 | 52 |
| Tax deducted at source recoverable | 103 | - |
| Prepaid expenses | 34 | 36 |
| | <u>155</u> | <u>88</u> |

13B Assets classified as held for sale*

| | |
|---|----|
| - | 30 |
| - | 30 |

*In previous financial year 2016-17, the Company has classified a plant and machinery which was retired from active use and held for sale, recognized and measured in accordance with Ind-AS 105 "Non Current Assets held for Sales and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Company has completed the sale in financial year 2017-18.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

14. Equity share capital

| | (Rs in Lacs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Authorised | | |
| 20,000,000 (March 31, 2017: 20,000,000) equity shares of Rs.10/- each | 2,000 | 2,000 |
| | <u>2,000</u> | <u>2,000</u> |
| Issued, subscribed and fully paid-up | | |
| 16,498,372 (March 31, 2017: 16,498,372) equity shares of Rs.10/- each | 1,650 | 1,650 |
| Total issued, subscribed and fully paid-up share capital | <u>1,650</u> | <u>1,650</u> |

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

| | Number of shares | (Rs in Lacs) |
|--------------------------------|-------------------------|---------------------|
| At March 31, 2016 | 1,30,10,000 | 1,301 |
| - Fresh Issue of equity shares | 34,88,372 | 349 |
| At 31 March 2017 | <u>1,64,98,372</u> | <u>1,650</u> |
| - Fresh Issue of equity shares | - | - |
| At 31 March 2018 | <u>1,64,98,372</u> | <u>1,650</u> |

14.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

14.3 Shares held by holding company (Legal Ownership)

| | (Rs in Lacs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Equity share of Rs.10 each fully paid | | |
| Max Healthcare Institute Limited, the holding company | | |
| 16,498,366 (March 31, 2017: 16,498,366) equity shares of Rs.10/- each fully paid up | 1,650 | 1,650 |
| | <u>1,650</u> | <u>1,650</u> |

14.4 Details of shareholders holding more than 5% shares in the Company

| Name of the Shareholder | March 31, 2018 | | March 31, 2017 | |
|---|-----------------------|---------------|-----------------------|---------------|
| | No. of shares | % held | No. of shares | % held |
| Equity Shares of Rs. 10 each fully paid | | | | |
| Max Healthcare Institute Limited, the holding company | 1,64,98,366 | 99.99% | 1,64,98,366 | 99.99% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

15. Other equity

| | As at March 31, 2018 | As at March 31, 2017 |
|--|---------------------------------|---------------------------------|
| Securities premium account (refer note a below) | 6,339 | 6,339 |
| Retained earnings (refer note b below) | (16,085) | (13,546) |
| | <u>(9,746)</u> | <u>(7,207)</u> |
| | | <u>(Rs in Lacs)</u> |
| a) Securities premium account | | |
| At March 31, 2016 | | 5,193 |
| Add: premium on issue of equity shares | | 1,151 |
| Less: share issue expenses | | (5) |
| At March 31, 2017 | | 6,339 |
| Add: premium on issue of equity shares | | - |
| At March 31, 2018 | | 6,339 |
| b) Retained earnings | | |
| At March 31, 2016 | | (11,201) |
| Loss for the year | | (2,344) |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Re-measurement post employment benefit obligation (net of tax) (item of OCI) | | (1) |
| At March 31, 2017 | | (13,546) |
| Loss for the year | | (2,538) |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Re-measurement post employment benefit obligation (net of tax) (item of OCI) | | (1) |
| At March 31, 2018 | | (16,085) |

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

16. Borrowings

| | (Rs in Lacs) | |
|---|-----------------------|-----------------------|
| | As at | As at |
| | March 31, 2018 | March 31, 2017 |
| Non-current borrowings | | |
| Term loan (secured) | | |
| From bank | 5,677 | 5771 |
| From non-banking financial company | | 28 |
| Preference shares (unsecured) | | |
| 0% redeemable preference share | 3,074 | 2,763 |
| Inter corporate deposits (unsecured) | 5,793 | 3,552 |
| Current maturities of borrowings: | | |
| Term loan (secured) | | |
| From bank | 87 | - |
| From non-banking financial company | 33 | 62 |
| Finance lease obligation (secured) | | |
| Finance lease obligation | - | 3 |
| Inter corporate deposits (unsecured) | 461 | 439 |
| Deferred payment liability (unsecured) | 46 | 42 |
| | 15,171 | 12,660 |
| Less: Amount clubbed under "other current financial liabilities"(refer note 19B) | 627 | 546 |
| | 14,544 | 12,114 |
| Aggregate Secured loans | 5,797 | 5,864 |
| Aggregate Unsecured loans | 9,374 | 6,796 |

16.1 Term Loan from bank include :

(a) Rs. 5764 lacs (March 31, 2017 : Rs. 5,771 lacs) from IDFC Bank Limited repayable in 52 quarterly installments from June, 2018 is secured by way of :

b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.

c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the Borrower of whatsoever nature and wherever arising, both present and future.

d) a first charge on entire intangible assets of the Borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;

e) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right , title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.

f) an irrevocable and unconditional corporate guarantee of the Guarantor.

g) Security interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 1000 Lacs

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

h) Security interest set out in sub clauses (a), (c) and (d) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 9500 Lacs.

16.2 Term loan from non banking finance companies

Term Loan from non-banking financial company includes Rs. 33 lacs (March 31, 2017: Rs.90 lacs) from SREI Equipment Finance Limited repayable in 28 quarterly installments from November 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.

16.3 Finance lease obligation is secured by hypothecation of medical equipment underlying the leases repayable in 20 quarterly installments from December 2011.

16.4 Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets .

16.5 Inter corporate deposits

(a) Inter Corporate Deposits from Max Healthcare Institute Limited amounting to Rs. 246 lacs (March 31, 2017: Rs.2506 lacs) is unsecured and is repayable by March 31, 2020.

(b) Inter Corporate Deposits from Hometrail Estate Private Limited amounting to Rs. 6008 Lacs (March 31, 2017: Rs.1485) is unsecured and is repayable by March 31, 2020.

16.6 Terms of redemption of Zero Percent Redeemable Preference Shares

During the financial year 2013-14, the Company had allotted 2,000,000 nos., 6 years 0% Cumulative Preference Shares of Rs. 100/- each aggregating to Rs. 2,000 lacs on March 25, 2014 to Max Healthcare Institute Limited (the Holding Company). These preference shares have been issued on following terms & conditions:

- (i) Nature: zero percent redeemable non-convertible preference shares.
- (ii) Dividend: These preference shares shall not carry any dividend.
- (iii) Voting Rights: These Preference shares shall not carry any voting rights except as provided under section 47 of the Companies Act, 2013 or such other provisions as applicable.
- (iv) Premium: Redemption premium providing internal rate of return (IRR) of 11.25% per annum.
- (v) Tenure: Redeemable after 6 years

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

(Rs in Lacs)

| | As at | As at |
|--|-----------------------|-----------------------|
| | March 31, 2018 | March 31, 2017 |

17. Provisions

A Non current

Provision for employee benefit

-Provision for gratuity (refer note 29.2)

31

22

Provision for rehabilitation under PPP

103

86

134

108

B Current

Provision for employee benefit

-Provision for leave encashment

32

28

-Provision for gratuity (refer note 29.2)

7

5

39

33

18. Financial liabilities - Borrowings

Cash credit from banks (secured)

189

156

189

156

Cash credit facilities from bank is secured by:

1) First Charge by way of hypothecation of the company's entire current assets (present and future) to the extent allowed by existing term lenders and except escrow account with the Government of Punjab.

2) Second charge on entire movable fixed assets (excluding Vehicles) as provided to first charge holders of the Company both present and future.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

(Rs in Lacs)

| | As at | As at |
|--|-----------------------|-----------------------|
| | March 31, 2018 | March 31, 2017 |

19. Financial liabilities

A. Trade payables

| | | |
|--|------------|------------|
| Total outstanding dues of micro enterprise and small enterprise* | - | - |
| Total outstanding dues of creditors other than micro enterprise and small enterprise | 622 | 542 |
| Trade payables to related parties | 5 | 401 |
| | 627 | 943 |

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

As per the Act, the Company is required to identify the Micro and Small suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of the act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

B. Other financial liabilities

| | | |
|--|------------|------------|
| Current maturities of long term loans (refer note 16) | 627 | 543 |
| Current maturities of finance lease obligation (refer note 16) | - | 3 |
| Capital creditors | 39 | 56 |
| Concessional fee payable | 142 | 102 |
| | 808 | 704 |

20. Other Current Liabilities

| | | |
|-----------------------|-----------|-----------|
| Advance from patients | 16 | 33 |
| Statutory dues | 75 | 31 |
| | 91 | 64 |

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

(Rs in Lacs)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--|--|
| 21. Revenue from operations | | |
| Sale of products | | |
| Pharmacy and pharmaceuticals supplies | 873 | 668 |
| Revenue from healthcare services (net) | 4,977 | 4,293 |
| Other operating revenues | | |
| - From hospital advisory services | 4 | - |
| - Sponsorship and educational income | 2 | - |
| - Income from ancillary activities | 15 | 15 |
| | 5,871 | 4,976 |
| 22. Other income | | |
| Profit on foreign exchange fluctuation | - | 2 |
| Unclaimed Balances & excess provisions written back | 43 | 38 |
| Other non-operating income | 1 | 1 |
| | 44 | 41 |
| 23. Finance income | | |
| Interest Income on | | |
| -Security deposits | 3 | 2 |
| -Income tax refund | - | 6 |
| | 3 | 8 |

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

(Rs in Lacs)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--|--|
| 24. Employee benefits expense | | |
| Salaries, wages and bonus | 1,148 | 978 |
| Contribution to provident and other funds | 59 | 49 |
| Gratuity expense (refer note 29.2) | 10 | 8 |
| Staff welfare expenses | 83 | 78 |
| | <u>1,300</u> | <u>1,113</u> |
| 25. Finance costs | | |
| Interest on debts and borrowings | 1,504 | 1,453 |
| Bank charges | 19 | 13 |
| | <u>1,523</u> | <u>1,466</u> |
| 26. Depreciation and amortization expense | | |
| Depreciation of tangible assets (refer note 3) | 493 | 629 |
| Amortization of intangible assets (refer note 4) | 5 | 5 |
| | <u>498</u> | <u>634</u> |
| 27. Other expenses | | |
| Professional and consultancy fee | 1,581 | 1,151 |
| Outside lab investigation | 43 | 36 |
| Concessional Fee* | 296 | 250 |
| Patient catering expenses | 96 | 86 |
| Rent | 18 | 103 |
| Insurance | 41 | 41 |
| Rates and taxes | 17 | 22 |
| Facility maintenance expenses | 128 | 132 |
| Power and fuel | 245 | 232 |
| Repairs and maintenance: | | |
| Building | 14 | 8 |
| Plant and equipments | 108 | 91 |
| Others | 40 | 45 |
| Printing and stationery | 34 | 28 |
| Travelling and conveyance | 45 | 40 |
| Communication | 21 | 20 |
| Legal and professional | 62 | 33 |
| IT support expense | 59 | 36 |
| Watch and ward | 49 | 45 |
| Directors' sitting fee | 1 | 1 |
| Advertisement and publicity | 140 | 101 |
| Equipment hiring charges | 3 | - |
| Provision for doubtful debts | 47 | - |
| Provision for doubtful advances | 10 | - |
| Bad debts written off | 105 | 1 |
| Miscellaneous expenses | 13 | 2 |
| | <u>3,216</u> | <u>2,504</u> |
| Payment to auditor (included in legal and professional fee) | | |
| As auditor: | | |
| Audit fee | 9 | 6 |
| Reimbursement of expenses | 3 | 3 |
| | <u>12</u> | <u>9</u> |

*The Company had entered into triplicate long term concessional agreement dated February 20, 2009 along with its holding company, with the Government of Punjab. As per the terms of concessional agreement, the Company is to build and operate a Hospital for initial term of 50 years on public-private-partnership(PPP) mode. The Company is Obligated to pay concessional fee to Government of Punjab as per terms of agreement.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

28. Contingent liabilities , commitments and litigations

28.1 Finance lease commitments: company as lessee

i. The Company has finance lease for certain medical equipments for a period of 5 years. Future minimum lease payment (MLP) under the finance lease plan together with the present value of MLP are as follows :

ii. Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

| Particulars | (Rs in Lacs) | |
|---|------------------|----------------------|
| | March 31, 2018 | |
| | Minimum payments | Present value of MLP |
| Within one year | - | - |
| After one year but not more than five years | - | - |
| More than five years | - | - |
| Total minimum lease payments | - | - |

28.2 Contingent Liabilities

| S. No. | Particulars | (Rs in Lacs) | |
|--------|--|----------------|----------------|
| | | As at | As at |
| | | March 31, 2018 | March 31, 2017 |
| (I) | Claims against the Company not acknowledged as debts Civil Cases (Refer note (a)) | 251 | 133 |

Note:

a. Claims against the Company not acknowledged as debts represent the civil cases that are pending with various Consumer Disputes Redressal Commissions / Courts. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases. In addition to this, as a measure of good corporate governance the company has taken Professional Indemnity Insurance Policy for claims pending against the company to secure the company from any financial implication in case of claims settled against the company.

b) Income Tax Cases

(i) Pendency of Assessment matters before the Appellate authorities

| (Rs in Lacs) | | | | |
|-----------------|-----------------------|------------------|--|--|
| Assessment Year | Appeal pending Before | Demand (if any) | Disallowances as per Assessment Order - as at March 31, 2018 | Disallowances as per Assessment Order - as at March 31, 2017 |
| 2014-15 | CIT(Appeals) | 4 | - | - |
| 2015-16 | CIT(Appeals) | - | 800 | - |

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

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Hometrail Buildtech Private Limited
Notes formig part of financial statements for the year ended 31 March 2018
29 Other Notes

| 29.1 Earnings per share (EPS) | (Rs. in lacs) | |
|---|--|--|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| a) Basic Earnings per share | | |
| Numerator for earnings per share | | |
| loss after taxation | (2,538) | (2,344) |
| Denominator for earnings per share | | |
| Weighted number of equity shares outstanding during the year (No's) | 1,64,98,372 | 1,57,24,240 |
| Earnings per share-Basic (one equity share of Re. 10/- each) | (15.38) | (14.91) |
| b) Diluted Earnings per share | | |
| Numerator for earnings per share | | |
| loss after taxation | (2,538) | (2,344) |
| Denominator for earnings per share | | |
| Weighted number of equity shares outstanding during the year (No's) | 1,64,98,372 | 1,57,24,240 |
| Earnings per share-Diluted (one equity share of Re. 10/- each) | (15.38) | (14.91) |

29.2 Gratuity

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is not funded.

| | (Rs. in lacs) | |
|--|--------------------------------------|--------------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| a) Reconciliation of opening and closing balances of Defined Benefit obligation | | |
| Defined Benefit obligation at the beginning of the year | 28 | 23 |
| Interest Expense | 2 | 2 |
| Current Service Cost | 8 | 6 |
| Benefit paid | (1) | (4) |
| Acquisition adjustment | - | - |
| Remeasurement of (Gain)/loss in other comprehensive income | - | - |
| Actuarial changes arising from changes in demographic assumptions | 1 | 1 |
| Actuarial changes arising from changes in financial assumptions | (1) | 1 |
| Actuarial changes arising from changes in experience adjustments | 1 | (1) |
| Defined Benefit obligation at year end | 38 | 28 |
| b) Net defined benefit asset/ (liability) recognized in the balance sheet | | |
| Fair value of plan assets | - | - |
| Present value of defined benefit obligation | (38) | (27) |
| Amount recognized in Balance Sheet- Asset / (Liability) | (38) | (27) |
| c) Net defined benefit expense (Recognized in the Statement of profit and loss for the year) | | |
| Current service cost | 8 | 6 |
| Past service cost | - | - |
| Interest cost on benefit obligation | 2 | 2 |
| Expected return on plan assets | - | - |
| Net defined benefit expense debited to statement of profit and loss | 10 | 8 |
| d) Principal assumptions used in determining defined benefit obligation | | |
| Assumption Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Discount Rate | 7.1% | 6.6% |
| Salary Escalation Rate | 8.0% | 8.0% |
| Mortality Rate (% of IALM 06-08) | 100.0% | 100.0% |

Hometrail Buildtech Private Limited
Notes forming part of financial statements for the year ended 31 March 2018

| | | (Rs. in lacs) | |
|----|--|------------------------------|------------------------------|
| | | Year ended March 31, 2018 | Year ended March 31, 2017 |
| e) | Quantitative sensitivity analysis for significant assumptions is as below: | | |
| | Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| | <u>Discount Rate</u> | | |
| | Increase by 1.00% | (1.82) | (1.28) |
| | Decrease by 1.00% | 2.02 | 1.41 |
| | <u>Salary growth rate</u> | | |
| | Increase by 1.00% | 2.00 | 1.38 |
| | Decrease by 1.00% | (1.84) | (1.27) |
| | <u>Attrition Rate</u> | | |
| | Increase by 0.50% | (2.81) | (2.91) |
| | Decrease by 0.50% | 4.60 | 5.04 |
| | | (Rs. in lacs) | |
| | | Year ended March 31, 2018 | Year ended March 31, 2017 |
| f) | Maturity profile of defined benefit obligation (valued on undiscounted basis) | | |
| | Within the next 12 months (next annual reporting period) | 7 | 5 |
| | Between 2 and 5 years | 22 | 17 |
| | Between 5 and 10 years | 14 | 9 |
| | More than 10 years | 16 | 9 |
| | Total expected payments | 59 | 40 |
| g) | The average duration of the defined benefit plan obligation at the end of the reporting period is 5 Years (March 31, 2017 : 5 years) | | |
| h) | The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary. | | |
| i) | Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. | | |
| j) | The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. | | |

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Hometrail Buildtech Private Limited
Notes forming part of financial statements for the year ended 31 March 2018

29.3 Financial instruments

- A. The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

| Category | Carrying value | | Fair Value | |
|---|----------------|---------------|---------------|---------------|
| | March 31,2018 | March 31,2017 | March 31,2018 | March 31,2017 |
| | | | | |
| 1) Financial asset at amortized cost | | | | |
| Loans (current / non current) | 26 | 47 | 26 | 47 |
| Other financial assets (current / non current) | 31 | 42 | 31 | 42 |
| Trade receivables | 893 | 812 | 893 | 812 |
| Cash and cash equivalents | 36 | 98 | 36 | 98 |
| Other bank balances | 106 | 59 | 106 | 59 |
| 2) Financial liabilities at amortized cost | | | | |
| Borrowings (current / non current) | 14,733 | 12,270 | 14,733 | 12,270 |
| Other financial liabilities | 808 | 704 | 808 | 704 |
| Trade payables | 627 | 943 | 627 | 943 |

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31,2018

| Particulars | Carrying Value March 31, 2018 | Fair Value | | |
|---|----------------------------------|------------|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets carried at amortized cost for which fair value are disclosed | | | | |
| Loans (current / non current) | 26 | - | - | 26 |
| Other financial assets (current / non current) | 31 | - | - | 31 |
| Trade receivables | 893 | - | - | 893 |
| Cash and cash equivalents | 36 | - | - | 36 |
| Other bank balances | 106 | - | - | 106 |
| Liabilities carried at amortized cost for which fair value are disclosed | | | | |
| Borrowings (current / non current) | 14,733 | - | - | 14,733 |
| Other financial liabilities | 808 | - | - | 808 |
| Trade Payables | 627 | - | - | 627 |

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31,2017

| Particulars | Carrying Value March 31, 2017 | Fair Value | | |
|---|----------------------------------|------------|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets carried at amortized cost for which fair value are disclosed | | | | |
| Loans (current / non current) | 47 | - | - | 47 |
| Other financial assets (current / non current) | 42 | - | - | 42 |
| Trade receivables | 812 | - | - | 812 |
| Cash and cash equivalents | 98 | - | - | 98 |
| Other bank balances | 59 | - | - | 59 |
| Liabilities carried at amortized cost for which fair value are disclosed | | | | |
| Borrowings (current / non current) | 12,270 | - | - | 12,270 |
| Other financial liabilities | 704 | - | - | 704 |
| Trade Payables | 943 | - | - | 943 |

29.4 Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 16, 18 cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalised EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at (1.81) for FY16-17 and (1.52) for FY 2017-18. Similarly, the Net Debt to EBITDA ratio of the Company stood at (40.80) for FY 2016-17 and (23.69) FY 2017-18.

The Senior management review the status vis a vis approved maximum ratio of Debt : Equity of 2 : 1 and Net Debt to EBITDA ratio of 6:1.

Max Healthcare Institute Limited by itself influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the required capital structure at group level. So, Debt: Equity ratio at Company level do not reflect true capital structure position from perspective of outside stakeholders.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the Corporate Finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilised borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

Matruity profit of financial liabilities

The amount disclosed in the table are the contratual undiscounted cash flows for the period mentioned below:

| | March 31, 2018 | | | | March 31, 2017 | | | |
|-----------------------------|----------------|-----------|-------------------|--------|----------------|-----------|-------------------|--------|
| | 0-1 Years | 1-5 Years | More than 5 Years | Total | 0-1 Years | 1-5 Years | More than 5 Years | Total |
| Interest bearing borrowings | 334 | 10,053 | 4,987 | 15,374 | 574 | 6,906 | 5,248 | 12,728 |
| Trade payable | 627 | | | 627 | 943 | | | 943 |
| Other financial liabilities | 181 | | | 181 | 158 | | | 158 |
| % to Total | 7% | 62% | 31% | 100% | 12% | 50% | 38% | 100% |

Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis. Trade receivables comprise a widespread customer base and a large part of these sits in the State and Central Government bodies and institutions owned and managed by the State. A large segment of the Company's customers settle their bill in cash or using major credit cards on discharge date as far as possible. Further, a fairly large proportion of the customers are discharged post confirmation of third party administrator of the insurance companies, with whom the Company has a written contract. Further the Company provides for allowance for deductions based on empirical evidence whereby the receivables from various counterparties is marked down at the time of recognition of revenue. The management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year under review that has not been provided for.

The ageing analysis of trade receivables has been considered from the date the invoice falls due

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------------------|-------------------------|-------------------------|
| Neither past due or impaired | 322 | 276 |
| 0 to 180 days due past due date | 521 | 455 |
| More than 180 days due past due date | 50 | 81 |
| Total trade receivables | 893 | 812 |

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------------|-------------------------|-------------------------|
| At the beginning of the year | 118 | 129 |
| Provision during the year | 47 | - |
| Bad debts written off | - | - |
| Reversal of provision | - | (11) |
| At the end of the year | 165 | 118 |

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in note 29.3 and the liquidity table above.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Foreign currency exposures recognized by the Company are as under:

| As at March 31, 2018 | | | | (Rs. in Lacs) |
|----------------------|--------------|---------------|---------------------------|-----------------------------|
| Currency | Amount in FC | Amount in INR | Increase/decrease in rate | Impact on profit before tax |
| USD Payable | 1 | 46 | 1% | 0.46 |

| As at March 31, 2017 | | | | (Rs. in Lacs) |
|----------------------|--------------|---------------|---------------------------|-----------------------------|
| Currency | Amount in FC | Amount in INR | Increase/decrease in rate | Impact on profit before tax |
| USD Payable | 1 | 45 | 1% | 0.45 |

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's policy is to hedge part of its borrowings

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

| | | | (Rs. in Lacs) |
|---------------|-----------------------------------|-----------------------------|---------------|
| Year | Increase/decrease in basis points | Effect on profit before tax | |
| March 31 2018 | 0.50% | 29 | |
| March 31,2017 | 0.50% | 23 | |

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Hometrail Buildtech Private Limited**Notes forming part of financial statements for the year ended 31 March 2018****29.5 Capital management**

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Max Healthcare Institute Limited by itself influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the required capital structure at group level. So, capital gearing ratio at Group level is to keep between 20% and 50% and maintained at 46.40 % as on March 31, 2018, 43.62% as on March 31, 2017 Capital gearing ratio at Company level do not reflect true capital structure position from perspective of outside stakeholders.

| | (Rs. in lacs) | |
|--|-----------------------|-----------------------|
| | As at | As at |
| | March 31, 2018 | March 31, 2017 |
| Borrowings (refer note 16, 18) | 15,360 | 12,816 |
| Less: cash and cash equivalents and Other bank balances (refer note 11 and 12) | (142) | (157) |
| Net debt | 15,218 | 12,659 |
| Equity (refer note 14, 15) | (8,096) | (5,557) |
| Capital and net debt | 7,122 | 7,102 |
| Gearing ratio | 214% | 178% |

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Hometrail Buildtech Private Limited**Notes formig part of financial statements for the year ended 31 March 2018****29.6 Related party disclosures**

The related parties are as per the term of Ind AS - 24 " Related Party Disclosure" (Specified under section 133 of the Companies Act, 2013 with Rule 7 of Companies (Accounts) Rule, 2015) as disclosed below

| Names of related parties and description of relationship | |
|--|---|
| Holding Company | Max Healthcare Institute Limited |
| Fellow Subsidiaries | Hometrail Estate Private Limited Alps Hospital Limited Saket City Hospitals Private Limited Crosslay Remedies Limited Max Medical Services Limited (Upto November 01, 2017) |
| Key Management Personnel | Mr. Sunil Mehta (Whole Time Director) Mr. Pawan Khurana (Head Finance) (As per Companies Act, 2013) Mr. Yogesh Sharma (Company Secretary) (As per Companies Act, 2013) |

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Hometrail Buildtech Private Limited

Notes formig part of financial statements for the year ended 31 March 2018

29.6a Transactions with related parties during the year

| (Rs in Lacs) | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Loans Taken | | |
| Max Healthcare Institute Limited (Holding Company) | - | 400 |
| Hometrail Estate Private Limited (Fellow subsidiary) | 4,130 | 1,417 |
| Loans Repaid | | |
| Max Healthcare Institute Limited (Holding Company) | 1,889 | 2,590 |
| Interest expense | | |
| Max Healthcare Institute Limited (Holding Company) | 433 | 652 |
| Hometrail Estate Private Limited (Fellow subsidiary) | 437 | 76 |
| Rent Expenses | | |
| Max Healthcare Institute Limited (Holding Company) | 1 | - |
| Services Received | | |
| Max Healthcare Institute Limited (Holding Company)-Finance arrangement fees | 29 | 23 |
| Max Healthcare Institute Limited (Holding Company)-Pathlab Exp | 38 | 27 |
| Purchase of Goods (excluding Taxes) | | |
| Max Healthcare Institute Limited (Holding Company) | 15 | 333 |
| Max Healthcare Institute Limited (Holding Company)- Property, plant and equipment purchase | - | 10 |
| Share Capital Issued | | |
| Equity shares | | |
| Max Healthcare Institute Limited (Holding Company)- Face Value | - | 349 |
| Max Healthcare Institute Limited (Holding Company)- Premium Value | - | 1,151 |
| Director's Remuneration | | |
| Sunil Mehta (Whole Time Director) | 34 | 27 |

29.6b Balance Outstanding at the year end

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Inter-corporate deposits repayable on demand (unsecured) | | |
| Max Healthcare Institute Limited (Holding Company) | 246 | 2,506 |
| Hometrail Estate Private Limited (Fellow subsidiary) | 6,008 | 1,485 |
| Trade Payables | | |
| Max Healthcare Institute Limited (Holding Company) | 5 | 401 |

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Hometrail Buildtech Private Limited

Notes formig part of financial statements for the year ended 31 March 2018

29.7 The Board of Directors of the Company had, at their meeting held on January 30, 2017, approved the amalgamation of Hometrail Estate Private Limited ["HEPL"] (fellow subsidiary of the company) into the Company. The petition for Scheme of Amalgamation amongst HEPL, the Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on May 08, 2017 and Regional Director and /or official liquidator has submitted their reply on the letter issued to then by NCLT and matter is list for hearing before NCLT on May 22, 2018.

29.8 Deferred Tax Asset/ (Liability)

The Company follows Ind AS 12 "Accounting for Income Taxes", as notified by Companies Indian Accounting Standards Rules, 2015. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

29.9 Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segment '.

29.10 The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figures 0.00 wherever stated represents value less than Rs. 50,000/-

29.11 Note No. 1 to 29 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the board of directors of

Hometrail Buildtech Private Limited

Sd/-

Sunil Mehta

(Whole-Time Director)

DIN : 07270445

Sd/-

Yogesh Kumar Sareen

(Director)

DIN : 00884252

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

Sd/-

Pawan Khurana

(Head -Finance)

Sd/-

Yogesh Sharma

(Company Secretary)

M. No. : A29286

Place : Gurugram

Date : May 05, 2018

Place : Gurugram

Date : May 05, 2018