

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Hometrail Buildtech Private Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Hometrail Buildtech Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 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 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 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 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2015, its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 2 in the financial statements which, indicate that the Company has accumulated losses and its net worth has been substantially eroded, the Company has incurred a net loss and net cash loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2015 ("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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

- (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 financial statements – Refer Note 25 to the 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**

sd/-  
**per Manoj Kumar Gupta**  
**Partner**  
**Membership Number: 83906**  
**Place of Signature: Gurgaon**  
**Date: May 14, 2015**

**Annexure 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 fixed assets.
  - (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two 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.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (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 healthcare services, 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, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company did not have any outstanding dues in respect of debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R. Batliboi & CO. LLP**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 301003E**

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**per Manoj Kumar Gupta**  
**Partner**  
**Membership Number:83906**  
**Place of Signature: Gurgaon**  
**Date: May 14, 2015**

**Hometrail Buildtech Private Limited****Balance sheet as at March 31, 2015****(Rs. in Lacs)**

|  | Notes | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------|-------------------------|-------------------------|
| <b>Equity and liabilities</b>              |       |                         |                         |
| <b>Shareholders' funds</b>                 |       |                         |                         |
| Share capital                              | 3     | <b>3,301</b>            | 3,101                   |
| Reserves and surplus                       | 4     | <b>(3,230)</b>          | (1,792)                 |
|  |       | <b>71</b>               | 1,309                   |
| <b>Non-current liabilities</b>             |       |                         |                         |
| Long-term borrowings                       | 5     | <b>7,320</b>            | 6,802                   |
| Long-term provisions                       | 6     | <b>245</b>              | 14                      |
|  |       | <b>7,565</b>            | 6,816                   |
| <b>Current liabilities</b>                 |       |                         |                         |
| Short-term borrowings                      | 7     | <b>164</b>              | 112                     |
| Trade payables                             | 8     | <b>718</b>              | 532                     |
| Other current liabilities                  | 8     | <b>662</b>              | 735                     |
| Short-term provisions                      | 6     | <b>28</b>               | 17                      |
|  |       | <b>1,572</b>            | 1,396                   |
| <b>TOTAL</b>                               |       | <b>9,208</b>            | 9,521                   |
| <b>Assets</b>                              |       |                         |                         |
| <b>Non-current assets</b>                  |       |                         |                         |
| Fixed assets                               |       |                         |                         |
| Tangible assets                            | 9     | <b>8,257</b>            | 8,768                   |
| Intangible assets                          | 9     | <b>2</b>                | 3                       |
| Capital work-in- progress                  |       | <b>13</b>               | -                       |
| Long term loans and advances               | 10    | <b>71</b>               | 7                       |
|  |       | <b>8,343</b>            | 8,778                   |
| <b>Current assets</b>                      |       |                         |                         |
| Inventories                                | 11    | <b>152</b>              | 125                     |
| Trade receivables                          | 12    | <b>515</b>              | 191                     |
| Cash and bank balances                     | 13    | <b>132</b>              | 323                     |
| Short term loans and advances              | 10    | <b>52</b>               | 70                      |
| Other current assets                       | 14    | <b>14</b>               | 34                      |
|  |       | <b>865</b>              | 743                     |
| <b>TOTAL</b>                               |       | <b>9,208</b>            | 9,521                   |
| Summary of significant accounting policies | 2.2   |                         |                         |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

**For and on behalf of the board of directors of**  
**Hometrail Buildtech Private Limited**

Sd/-  
**per Manoj Kumar Gupta**  
 Partner  
 Membership Number: 83906

Sd/-  
**Haresh Dahyalal Trivedi**  
 (Whole-Time Director)  
 DIN : 06863423

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

Sd/-  
**Sanjeev Kumar Bansal**  
 (Head -Finance)

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

Place : Gurgaon  
 Date : May 14, 2015

Place : New Delhi  
 Date : May 14, 2015

**Hometrail Buildtech Private Limited****Statement of profit and loss for the year ended March 31, 2015****(Rs. in Lacs )**

|   | Notes | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|---|-------|--------------------------------------|--------------------------------------|
| <b>Income</b>   |       |                                      |                                      |
| Revenue from operations (net)   | 15    | 4,467                                | 2,733                                |
| Other income  | 16    | 7                                    | 24                                   |
| <b>Total revenue (I)</b>  |       | <b>4,474</b>                         | <b>2,757</b>                         |
| <b>Expenses</b>   |       |                                      |                                      |
| Purchase of pharmacy,drugs,consumables and implants   |       | 1,509                                | 914                                  |
| (Increase)/decrease in inventory of pharmacy,drugs and consumables                              |       | (27)                                 | 6                                    |
| Employee benefit expenses   | 17    | 1,123                                | 783                                  |
| Depreciation and amortisation expense   | 18    | 592                                  | 451                                  |
| Finance costs   | 19    | 1,006                                | 1,008                                |
| Other expenses  | 20    | 2,283                                | 2,066                                |
| <b>Total expenses (II)</b>  |       | <b>6,486</b>                         | <b>5,228</b>                         |
| <b>Loss before tax (I-II)</b>   |       | <b>(2,012)</b>                       | <b>(2,471)</b>                       |
| <b>Loss for the year</b>  |       | <b>(2,012)</b>                       | <b>(2,471)</b>                       |
| <b>Earnings per equity share[Nominal value of shares Rs.10 each<br/>(Previous year Rs. 10)]</b> |       |                                      |                                      |
| Basic & diluted   | 21 -  | 18.22                                | -                                    |
|   |       |                                      | 22.44                                |
| Summary of significant accounting policies  | 2.2   |                                      |                                      |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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Sd/-  
**per Manoj Kumar Gupta**  
 Partner  
 Membership Number: 83906

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

Place : Gurgaon  
 Date : May 14, 2015

Place : New Delhi  
 Date : May 14, 2015

**Hometrail Buildtech Private Limited**  
**Cash Flow statement for the year ended Mar 31, 2015**

(Rs. in Laacs)

|   | For the year ended<br>Mar 31, 2015 | For the year ended<br>Mar 31, 2014 |
|---|------------------------------------|------------------------------------|
| <b>A. Cash flow from operating activities</b>   |                                    |                                    |
| Net profit/ (loss) before tax   | (2,012)                            | (2,471)                            |
| <b>Non cash adjustments:</b>  |                                    |                                    |
| Depreciation and amortization expenses  | 592                                | 451                                |
| Loss on sale of fixed assets  | 4                                  | 2                                  |
| Provision for doubtful debts  | 45                                 | 3                                  |
| Bad debts/ sundry balances written off  | -                                  | 1                                  |
| Foreign exchange fluctuation loss   | 2                                  | 55                                 |
| Liabilities no longer required written back   | (1)                                | -                                  |
| Interest income   | (3)                                | (22)                               |
| Provision for guaranteed internal rate of return on Preference shares   | (225)                              | -                                  |
| Interest expense  | 994                                | 999                                |
| <b>Operating profit before working capital changes</b>  | <b>(604)</b>                       | <b>(982)</b>                       |
| <b>Movements in working capital :</b>   |                                    |                                    |
| Increase in trade payables, other liabilities and provisions  | 445                                | 37                                 |
| (Increase) / decrease in inventories  | (27)                               | 6                                  |
| (Increase) in trade receivables   | (368)                              | (93)                               |
| (Increase) in loans and advances  | (49)                               | (4)                                |
| (Increase) / decrease in other assets   | 16                                 | (22)                               |
| <b>Cash (used in) operations</b>  | <b>(587)</b>                       | <b>(1,058)</b>                     |
| Direct taxes paid (net of refund)   | 2                                  | (19)                               |
| <b>Net cash (used in) operating activities (A)</b>  | <b>(585)</b>                       | <b>(1,077)</b>                     |
| <b>B. Cash flows from investing activities</b>  |                                    |                                    |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances                                      | (106)                              | (178)                              |
| Investment in / Maturity of fixed deposits with banks (having original maturity of more than three months)            | 248                                | (16)                               |
| Interest received   | 7                                  | 22                                 |
| <b>Net cash from/ (used in) investing activities (B)</b>  | <b>149</b>                         | <b>(172)</b>                       |
| <b>C. Cash flows from financing activities</b>  |                                    |                                    |
| Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued | 999                                | -                                  |
| Proceeds from issuance of Redeemable Preference share   | -                                  | 2,000                              |
| Proceeds from long-term borrowings  | 724                                | 1,708                              |
| Repayments of long term borrowings  | -                                  | (348)                              |
| Proceeds/ (repayments) of short-term borrowings   | 52                                 | (1,368)                            |
| Interest paid   | (1,282)                            | (731)                              |
| <b>Net cash from financing activities (C)</b>   | <b>493</b>                         | <b>1,261</b>                       |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>  | <b>57</b>                          | <b>12</b>                          |
| Total cash and cash equivalents at the beginning of the year  | 74                                 | 62                                 |
| <b>Total cash and cash equivalents at the end of the year</b>   | <b>131</b>                         | <b>74</b>                          |
| <b>Components of total cash and cash equivalents:</b>   |                                    |                                    |
| Cash on hand  | 8                                  | 8                                  |
| Cheques on hand   | 4                                  | 3                                  |
| Balances with banks on current accounts   | 57                                 | 15                                 |
| Balances with banks on escrow accounts  | 62                                 | 48                                 |
| <b>Total cash and cash equivalents (note 13)</b>  | <b>131</b>                         | <b>74</b>                          |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

**For and on behalf of the board of directors of**  
**Hometrail Buildtech Private Limited**

Sd/-  
**per Manoj Kumar Gupta**  
Partner  
Membership Number: 83906

Sd/-  
**Haresh Dahyalal Trivedi**  
(Whole-Time Director)  
DIN : 06863423

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

Place : Gurgaon  
Date : May 14, 2015

Place : New Delhi  
Date : May 14, 2015

## **Hometrail Buildtech Private Limited**

### **Notes to financial statements for the year ended March 31, 2015**

#### **1 Corporate Information**

Hometrail Buildtech Private Limited, ('the Company') is a multi-speciality hospital with a state-of-art healthcare services and expertise in city of "Bhatinda" in State of Punjab.

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)

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 Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on the accrual basis and under historical

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

Healthcare is a long gestation business. The company is still in gestation period. Company has started commercial operations in 2011. The Company has incurred a loss of Rs.2,012 Lacs (Previous Year Rs. 2,471 Lacs) in the current year, due to which accumulated loss has been posted at Rs.8,192 Lacs (Previous year Rs. 6,180 Lacs) against share capital of Rs. 3,301 Lacs as of March 31, 2015 (Previous year Rs. 3,101 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 does not anticipate that it will not be able realize its assets and discharge its liabilities in

##### **2.1 Change in accounting policy**

###### **Depreciation on fixed assets**

Till the year ended March 31, 2014 Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has not resulted in the material impact on depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

###### **2.1.1 Useful lives/ depreciation rates**

Till the year ended March 31, 2014 depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, which are equal to rates as prescribed under Schedule II.

##### **2.2 Summary of significant accounting policies**

###### **(a) Use of estimates**

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

**(b) Tangible assets**

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

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

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

**(c) Depreciation on tangible assets**

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its tangible

|  | <b>Estimated useful lives (in years)</b>                                |
|--|---|
| Leasehold Improvements                                   | 60 Years or remaining lease period or agreement, whichever ever is less |
| Building   | 60 Years or remaining period as per PPP                                 |
| Fences, Wells & Tubewells                                | 5 Years   |
| Medical Equipments                                       | 13 Years  |
| Lab Equipments   | 10 Years  |
| Electric Installations and Equipments                    | 10 Years  |
| Plant and Equipment                                      | 15 Years  |
| Office Equipment and Computers                           | 5 Years   |
| Computers - Servers & Networks                           | 6 Years   |
| Computers - End User Devices, i.e., Desktop, Laptop etc. | 3 Years   |
| Furniture and Fixtures                                   | 10 Years  |
| Motor Vehicles - Company Cars                            | 8 Years   |
| Motor Vehicles - Ambulances                              | 6 Years   |

**(d) Intangible assets**

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

Intangible assets are amortised on a straight line basis over the estimated useful economic life in range from two to six

#### Cost of internally generated intangible assets

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

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

The cost of internally generated intangible asset includes sum of expenditure incurred from the time the intangible asset first meet the development criteria and comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is

#### **(e) Leases**

##### **Where the Company is lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in schedule II to Companies Act, 2013. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight –line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in schedule II to Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on

#### **(f) Borrowing costs**

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

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with arrangement of

#### **(g) Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In

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

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

**(h) Inventories**

Inventories are valued at lower of cost and net realizable value. Cost comprises of purchase price including duties, taxes and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in

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.

**(i) Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**Sale of Goods**

Revenue from sale of pharmacy and pharmaceutical supplies is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects value added taxes (VAT) and service tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded

**Income from Services**

Revenue from healthcare services are recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets.

**Interest**

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

**(j) Foreign currency translation**

**Initial recognition**

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

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rates at the date when the values were determined.

**Exchange differences**

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

**(k) Retirement and other employee benefits**

**Provident fund**

Retirement benefit in the form of provident fund (Contributed to the Regional PF Commissioner) is a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders related Service. There are no other obligations other than contribution payable.

#### **Gratuity**

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

#### **Compensated Absences**

Accumulated leave, which is expected to be utilised 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-

### **(l) Income Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relates to the same taxable entity and

### **(m) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year (including prior period items, if any) attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year.

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

**(n) Provisions**

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

**(o) Contingent liability**

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

**(p) Cash & Cash equivalents**

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

## Hometrail Buildtech Private Limited

### 3. Share Capital

(Rs. in Lacs )

|   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>Authorised</b>   |                         |                         |
| 15,000,000 (March 31, 2014: 15,000,000) Equity shares of Rs.10/- each                   | 1,500                   | 1,500                   |
| 2,000,000 (March 31, 2014: 2,000,000) 0% Redeemable Preference shares of Rs. 100/- each | 2,000                   | 2,000                   |
|   | <u>3,500</u>            | <u>3,500</u>            |
| <b>Issued, subscribed and fully paid-up</b>   |                         |                         |
| 13,010,000 (March 31, 2014: 11,010,000) Equity shares of Rs.10/- each                   | 1,301                   | 1,101                   |
| 2,000,000 (March 31, 2014: 2,000,000) 0% Redeemable Preference shares of Rs.100/- each  | 2,000                   | 2,000                   |
| <b>Total issued, subscribed and fully paid-up share capital</b>                         | <u>3,301</u>            | <u>3,101</u>            |

#### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

|   | March 31, 2015    |                | March 31, 2014    |                |
|---|-------------------|----------------|-------------------|----------------|
|   | No. of shares     | (Rs. in Lacs ) | No. of shares     | (Rs. in Lacs ) |
| <b>Equity shares</b>                      |                   |                |                   |                |
| At the beginning of the year              | 11,010,000        | 1,101          | 11,010,000        | 1,101          |
| Issued during the year                    | 2,000,000         | 200            | -                 | -              |
| <b>Outstanding at the end of the year</b> | <u>13,010,000</u> | <u>1,301</u>   | <u>11,010,000</u> | <u>1,101</u>   |

|   | March 31, 2015   |                | March 31, 2014   |                |
|---|------------------|----------------|------------------|----------------|
|   | No. of shares    | (Rs. in Lacs ) | No. of shares    | (Rs. in Lacs ) |
| <b>Redeemable Preference Shares</b>       |                  |                |                  |                |
| At the beginning of the year              | 2,000,000        | 2,000          | -                | -              |
| Issued during the year                    | -                | -              | 2,000,000        | 2,000          |
| <b>Outstanding at the end of the year</b> | <u>2,000,000</u> | <u>2,000</u>   | <u>2,000,000</u> | <u>2,000</u>   |

#### 3.2 Terms/rights attached to equity shares

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

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

#### 3.3 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% Redeemable 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

#### 3.4 Shares held by holding company (Legal Ownership)

Out of Equity and Preference Shares, Share held by holding company are stated below:

(Rs. in Lacs )

|   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>Max Healthcare Institute Limited</b>   |                         |                         |
| 13,009,994 (March 31, 2014: 11,009,994) Equity shares of Rs.10/- each fully paid up     | 1,301                   | 1,101                   |
| 2,000,000 (March 31, 2014: 2,000,000) 0% Redeemable Preference shares of Rs. 100/- each | 2,000                   | 2,000                   |
|   | <u>3,301</u>            | <u>3,101</u>            |

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**3.5 Details of shareholder holding more than 5% shares in the company (legal ownership)**

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| Name of the Shareholder          | March 31, 2015    |              | March 31, 2014 |        |
|----------------------------------|-------------------|--------------|----------------|--------|
|                                  | No. of shares     | % held       | No. of shares  | % held |
| <b>Equity Shares</b>             |                   |              |                |        |
| Max Healthcare Institute Limited | <b>13,009,994</b> | <b>99.99</b> | 11,009,994     | 99.99  |
| <b>Preference Shares</b>         |                   |              |                |        |
| Max Healthcare Institute Limited | <b>2,000,000</b>  | <b>100</b>   | 2,000,000      | 100    |

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**Hometrail Buildtech Private Limited****4. Reserves and surplus**

|   | <b>(Rs. in Laacs )</b> |                       |
|---|------------------------|-----------------------|
|   | <b>As at</b>           | <b>As at</b>          |
|   | <b>March 31, 2015</b>  | <b>March 31, 2014</b> |
| <b>Securities premium account</b>   |                        |                       |
| At the beginning of the year  | <b>4,388</b>           | 4,395                 |
| Add: premium on issue of Equity shares                                    | <b>800</b>             | -                     |
| Less: provision for premium on redemption of Redeemable Preference shares | <b>(225)</b>           | (7)                   |
| Less: share issue expenses  | <b>(1)</b>             | -                     |
| <b>Closing balance</b>  | <b>4,962</b>           | 4,388                 |
| <br>  |                        |                       |
| <b>Deficit in the statement of profit and loss</b>                        |                        |                       |
| Balance as per last financial statements                                  | <b>(6,180)</b>         | (3,709)               |
| Loss for the year   | <b>(2,012)</b>         | (2,471)               |
| <b>Net deficit in the statement of profit and loss</b>                    | <b>(8,192)</b>         | (6,180)               |
| <br>  |                        |                       |
| <b>Total reserves and surplus</b>   | <b>(3,230)</b>         | (1,792)               |

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Hometrail Buildtech Private Limited

5. Long-term borrowings

|  | (Rs. in Lacs )          |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Non-current portion     |                         | Current maturities      |                         |
|  | As at<br>March 31, 2015 | As at<br>March 31, 2014 | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>Term Loans (secured)</b>  |                         |                         |                         |                         |
| From non-banking financial company                                   | 4,853                   | 5,244                   | 361                     | 110                     |
| <b>Finance lease obligation (secured)</b>                            | 35                      | 86                      | 50                      | 49                      |
| <b>Deferred payment liabilities (unsecured)</b>                      | -                       | -                       | 45                      | 91                      |
| <b>Inter Corporate Deposits (unsecured)</b>                          | 2,432                   | 1,472                   | -                       | -                       |
|  | <u>7,320</u>            | <u>6,802</u>            | <u>456</u>              | <u>250</u>              |
| <b>The above amount includes</b>                                     |                         |                         |                         |                         |
| Secured borrowings   | 4,888                   | 5,330                   | 411                     | 159                     |
| Unsecured borrowings   | 2,432                   | 1,472                   | 45                      | 91                      |
| Amount disclosed under the head "other current liabilities" (note 8) | -                       | -                       | (456)                   | (250)                   |
|  | <u>7,320</u>            | <u>6,802</u>            | <u>-</u>                | <u>-</u>                |

5.1 Term Loan from the non-banking financial company includes Rs. 5,010 lacs (March 31, 2014: Rs.5,100 lacs) is repayable in 32 quarterly installment commencing from December 2014. The loan obtained from L&T Infrastructure Finance Company Limited is secured by :

- (i) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
- (ii) First charge on movable fixed assets excluding vehicles, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets.
- (iii) First pari-passu charge on all the book debts, operating cash flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior charge in favour of working capital bankers restricted to the present working capital limits of Rs.1000 Lacs).
- (iv) First charge on all intangibles.
- (v) Corporate guarantee by the holding Company.

5.2 Term Loan from non-banking financial company includes Rs. 204 lacs (March 31, 2014: Rs.254 lacs) is repayable in 28 quarterly installment commencing from November 2011. The loan obtained from SREI Equipment Finance Private Limited is secured by way of exclusive charge over the medical equipment acquired through this facility from November 2011.

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

5.4 Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.

5.5 Inter Corporate Deposits from Max Healthcare Institute Limited amounting to Rs. 2,432 lacs (March 31, 2014: Rs.1,472 lacs) is unsecured and will mature on March 31, 2018.

6 Provisions

|  | (Rs. in Lacs )          |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Long - term             |                         | Short - term            |                         |
|  | As at<br>March 31, 2015 | As at<br>March 31, 2014 | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>Provision for employee benefits</b>   |                         |                         |                         |                         |
| Provision for leave encashment   | -                       | -                       | 28                      | 17                      |
| Provision for gratuity (note 22)   | 13                      | 7                       | -                       | -                       |
| <b>Other provisions</b>  |                         |                         |                         |                         |
| Provision for premium on redemption of redeemable preference shares (note 3.3) | 232                     | 7                       | -                       | -                       |
|  | <u>245</u>              | <u>14</u>               | <u>28</u>               | <u>17</u>               |

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**Hometrail Buildtech Private Limited****7. Short term borrowings**

|                                  | (Rs. in Lacs)  |                |
|----------------------------------|----------------|----------------|
|                                  | As at          | As at          |
|                                  | March 31, 2015 | March 31, 2014 |
| Cash credit from banks (secured) | 164            | 112            |
|                                  | <u>164</u>     | <u>112</u>     |

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) except Escrow account with the Government of Punjab.
- 2) Second charge on entire movable fixed assets (excluding Vehicles) both present and future.

**8. Current Liabilities**

|   | (Rs. in Lacs)  |                |
|---|----------------|----------------|
|   | As at          | As at          |
|   | March 31, 2015 | March 31, 2014 |
| Trade Payables dues of other than micro and small enterprises | 718            | 532            |
| Trade Payables dues to micro and small enterprises*           | -              | -              |
|   | <u>718</u>     | <u>532</u>     |
| <b>Other liabilities</b>                                      |                |                |
| Current maturities of long-term borrowings (refer note 5)     | 406            | 201            |
| Current maturity of finance lease obligation (refer note 5)   | 50             | 49             |
| Interest accrued but not due on borrowings                    | 1              | 290            |
| Capital Creditors   | 83             | 95             |
| Advance from patients**                                       | 4              | 9              |
| Concession fee payable  | 84             | 54             |
| Statutory dues  | 34             | 37             |
|   | <u>662</u>     | <u>735</u>     |
|   | <u>1,380</u>   | <u>1,267</u>   |

**\*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.

\*\* Outstanding for a period of less than 365 days.

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Hometrail Buildtech Private Limited

9. Fixed Assets

(Rs. in Lacs )

| Particulars                           | Gross Block  |           |           |              | Depreciation/amortisation |                        |           |              | Net Block    |              |
|---------------------------------------|--------------|-----------|-----------|--------------|---------------------------|------------------------|-----------|--------------|--------------|--------------|
|                                       | As at        | Additions | Disposal  | As at        | As at                     | Additions for the year | Disposals | As at        | As at        | As at        |
|                                       | Apr 01, 2014 |           |           | Mär 31, 2015 | Apr 01, 2014              |                        |           | Mär 31, 2015 | Mär 31, 2015 | Mär 31, 2014 |
| <b>Tangible Assets</b>                |              |           |           |              |                           |                        |           |              |              |              |
| Building                              | 5,287        | -         | -         | 5,287        | 265                       | 116                    | -         | 381          | 4,906        | 5,022        |
| Medical equipments                    | 2,538        | 46        | -         | 2,584        | 451                       | 200                    | -         | 651          | 1,933        | 2,087        |
| Plant and Equipment                   | 728          | -         | -         | 728          | 86                        | 51                     |           | 137          | 591          | 642          |
| Office Equipment                      | 65           | 9         | 1         | 73           | 9                         | 20                     | -         | 29           | 44           | 56           |
| Furniture and Fixture                 | 451          | 1         | 5         | 447          | 114                       | 45                     | 1         | 158          | 289          | 337          |
| Motor Vehicles                        | 11           | -         | -         | 11           | 2                         | 3                      | -         | 5            | 6            | 9            |
| Computers & Data Processing Units     | 162          | 2         | -         | 164          | 63                        | 52                     | -         | 115          | 49           | 99           |
| Electrical Installations & Equipments | 510          | -         | -         | 510          | 69                        | 58                     | -         | 127          | 383          | 441          |
| Other Surgical Instruments            | 154          | 27        | 15        | 166          | 79                        | 46                     | 15        | 110          | 56           | 75           |
| <b>Total</b>                          | <b>9,906</b> | <b>85</b> | <b>21</b> | <b>9,970</b> | <b>1,138</b>              | <b>591</b>             | <b>16</b> | <b>1,713</b> | <b>8,257</b> | <b>8,768</b> |
| Previous Year                         | 9,902        | 25        | 21        | 9,906        | 706                       | 450                    | 18        | 1,138        | 8,768        |              |
| <b>Intangible Assets</b>              |              |           |           |              |                           |                        |           |              |              |              |
| Computer Software                     | 5            | -         | -         | 5            | 2                         | 1                      | -         | 3            | 2            | 3            |
| <b>TOTAL</b>                          | <b>5</b>     | <b>-</b>  | <b>-</b>  | <b>5</b>     | <b>2</b>                  | <b>1</b>               | <b>-</b>  | <b>3</b>     | <b>2</b>     | <b>3</b>     |
| Previous Year                         | 5            |           |           | 5            | 1                         | 1                      |           | 2            | 3            |              |

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

9.2 Medical Equipment includes medical equipment given on an operating lease:

|                                  | March 31, 2015<br>(Rs. in Lacs ) | March 31, 2014<br>(Rs. in Lacs ) |
|----------------------------------|----------------------------------|----------------------------------|
| Gross Block                      | 310                              | 310                              |
| Depreciation charge for the year | 24                               | 22                               |
| Accumulated depreciation         | (76)                             | (52)                             |
| Net book value                   | <u>234</u>                       | <u>258</u>                       |

**Hometrail Buildtech Private Limited****10. Loans and advances****(Rs. in Lacs)**

|   | <b>Non - Current</b>            |                                 | <b>Current</b>                  |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | <b>As at<br/>March 31, 2015</b> | <b>As at<br/>March 31, 2014</b> | <b>As at<br/>March 31, 2015</b> | <b>As at<br/>March 31, 2014</b> |
| <b>Capital Advance</b>                      |                                 |                                 |                                 |                                 |
| Unsecured, considered good                  | <b>2</b>                        | 2                               | -                               | -                               |
| <b>Security deposits</b>                    |                                 |                                 |                                 |                                 |
| Unsecured, considered good                  | <b>30</b>                       | 5                               | -                               | -                               |
| <b>Advances recoverable in cash or kind</b> |                                 |                                 |                                 |                                 |
| Unsecured, considered good                  | -                               | -                               | <b>12</b>                       | 3                               |
| <b>Other loans and advances</b>             |                                 |                                 |                                 |                                 |
| Tax deducted at source recoverable          | <b>39</b>                       | -                               | -                               | 42                              |
| Prepaid expenses                            | -                               | -                               | <b>40</b>                       | 25                              |
|   | <u><b>71</b></u>                | <u>7</u>                        | <u><b>52</b></u>                | <u>70</u>                       |

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**Hometrail Buildtech Private Limited**

**11. Inventories (valued at lower of cost and net realizable value)**

|  | (Rs. in Lacs ) |                |
|--|----------------|----------------|
|  | Current        |                |
|  | As at          | As at          |
|  | March 31, 2015 | March 31, 2014 |
| Stock of drugs, consumables and implants | 152            | 125            |
|  | <u>152</u>     | <u>125</u>     |

**12. Trade receivables**

|   | (Rs. in Lacs ) |                |
|---|----------------|----------------|
|   | Current        |                |
|   | As at          | As at          |
|   | March 31, 2015 | March 31, 2014 |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |                |                |
| Unsecured, considered good  | 124            | 5              |
| Doubtful  | 47             | 3              |
|   | <u>171</u>     | 8              |
| Provision for doubtful receivables  | (47)           | (3)            |
|   | <u>124</u>     | 5              |
| <b>Other receivables</b>  |                |                |
| Unsecured, considered good  | 391            | 186            |
| Doubtful  | -              | -              |
|   | <u>391</u>     | 186            |
|   | <u>515</u>     | <u>191</u>     |

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**Hometrail Buildtech Private Limited****13. Cash and bank balances**

|                                  | (Rs. in Lacs ) |                |
|----------------------------------|----------------|----------------|
|                                  | Current        |                |
|                                  | As at          | As at          |
|                                  | March 31, 2015 | March 31, 2014 |
| <b>Cash and cash equivalents</b> |                |                |
| Balances with banks:             |                |                |
| On current accounts              | 57             | 15             |
| On escrow accounts               | 62             | 48             |
| Cheques/drafts on hand           | 4              | 3              |
| Cash on hand                     | 8              | 8              |
|                                  | <u>131</u>     | <u>74</u>      |
| <b>Other bank balances</b>       |                |                |
| Margin money deposits            | 1              | 249            |
|                                  | <u>1</u>       | <u>249</u>     |
|                                  | <u>132</u>     | <u>323</u>     |

**Margin money deposits given as security**

Rs.1 lac (March 31, 2014: Rs. 1 lac) to secure bank guarantee given to sales tax authorities.

Rs. Nil (March 31, 2014: Rs. 187 lacs) to secure debt service reserve account requirement of L&T Infrastructure Finance Co. Ltd.

Rs.Nil (March 31, 2014: Rs. 61 lacs) to secure performance bank guarantee in favour of Government of Punjab.

**14. Other assets**

|   | (Rs. in Lacs ) |                |
|---|----------------|----------------|
|   | Current        |                |
|   | As at          | As at          |
|   | March 31, 2015 | March 31, 2014 |
| <b>Unsecured, considered good unless otherwise stated</b> |                |                |
| Interest accrued on fixed deposits                        | -              | 4              |
| Unbilled revenue  | 14             | 27             |
| Receivable under duty credit scheme                       | -              | 3              |
|   | <u>14</u>      | <u>34</u>      |

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**Hometrail Buildtech Private Limited****15. Revenue from operations (net)****(Rs. in Lacs)**

|  | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|--|--|--------------------------------------|
| Revenue from healthcare services (net) | <b>3,987</b>                                 | 2,478                                |
| Sale of products                       |  |                                      |
| Pharmacy and pharmaceuticals supplies  | <b>472</b>                                   | 252                                  |
| Other Operating Revenue                |  |                                      |
| Income from Rent                       | <b>8</b>                                     | 3                                    |
|  | <b>4,467</b>                                 | <b>2,733</b>                         |

**16. Other income****(Rs. in Lacs)**

|   | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|---|--|--------------------------------------|
| Interest Income on                          |  |                                      |
| Bank deposits                               | -  | 22                                   |
| Income tax refund                           | <b>3</b>                                     | -                                    |
| Liabilities no longer required written back | <b>1</b>                                     | -                                    |
| Other non-operating income                  | <b>3</b>                                     | 2                                    |
|   | <b>7</b>                                     | <b>24</b>                            |

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**Hometrail Buildtech Private Limited****17. Employee benefit expenses****(Rs. in Lacs )**

|   | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|---|--|--------------------------------------|
| Salaries, wages and bonus                 | 1,021  | 706                                  |
| Contribution to provident and other funds | 51   | 40                                   |
| Gratuity expense (note 22)                | 6  | 2                                    |
| Staff welfare expenses                    | 45   | 35                                   |
|   | <u>1,123</u>                                 | <u>783</u>                           |

**18. Depreciation and amortization expense****(Rs. in Lacs )**

|                                   | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|-----------------------------------|--|--------------------------------------|
| Depreciation of tangible assets   | 591  | 450                                  |
| Amortization of intangible assets | 1  | 1                                    |
|                                   | <u>592</u>                                   | <u>451</u>                           |

**19. Finance Cost****(Rs. in Lacs )**

|              | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|--------------|--|--------------------------------------|
| Interest     | 994  | 999                                  |
| Bank charges | 12   | 9                                    |
|              | <u>1,006</u>                                 | <u>1,008</u>                         |

**20. Other expenses****(Rs. in Lacs )**

|  | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|--|--|--------------------------------------|
| Professional and consultancy fee           | 968  | 859                                  |
| Outside lab investigation                  | 34   | 20                                   |
| Concession fee (note 20.1)                 | 215  | 139                                  |
| Patient catering expenses                  | 92   | 71                                   |
| Rent                                       | 25   | 7                                    |
| Insurance                                  | 21   | 18                                   |
| Rates and taxes                            | 16   | 36                                   |
| Facility maintenance expenses              | 149  | 131                                  |
| Power and fuel                             | 247  | 323                                  |
| Repairs and maintenance:                   |  |                                      |
| Building                                   | 10   | 7                                    |
| Plant and equipments                       | 119  | 97                                   |
| Others                                     | 52   | 22                                   |
| Printing and stationery                    | 22   | 27                                   |
| Travelling and conveyance                  | 23   | 25                                   |
| Communication                              | 12   | 11                                   |
| Legal and professional                     | 36   | 55                                   |
| IT support expense                         | 32   | 34                                   |
| Watch and ward                             | 39   | 33                                   |
| Advertisement and publicity                | 106  | 87                                   |
| Recruitment expenses                       | 7  | -                                    |
| Provision for doubtful debts               | 45   | 3                                    |
| Net loss on sale/disposal of fixed assets  | 4  | 2                                    |
| Loss on foreign exchange fluctuation (net) | 2  | 55                                   |
| Miscellaneous expenses                     | 7  | 4                                    |
|  | <u>2,283</u>                                 | <u>2,066</u>                         |

| <b>Payment to auditor ( Included in Legal and Professional )</b> | <b>(Rs. in Lacs )</b>                        |                                      |
|--|--|--------------------------------------|
|  | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
| Audit Fee  | <b>5</b>                                     | 5                                    |
| Reimbursement of expenses  | <b>1</b>                                     | 1                                    |

#### **20.1 Note on Concessional Fee**

The Company had entered into a triplicate long term concessional agreement dated February 20, 2009 along with its holding company, with the Government of Punjab. As per the terms of 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 company is obliged to pay concessional fee to Government of Punjab as per terms of arrangement.

#### **21. Earnings per share (EPS)**

|   | <b>For the year ended<br/>March 31, 2015</b> | For the year ended<br>March 31, 2014 |
|---|--|--------------------------------------|
| Profit/(loss) after tax   | <b>(2,012)</b>                               | (2,471)                              |
| Weighted average number of equity shares in calculating basic and diluted EPS | <b>11,042,877</b>                            | 11,010,000                           |
| <b>Basic and Diluted Earnings Per Share (Rs.)</b>                             | <b>(18.22)</b>                               | (22.44)                              |

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## 22. 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 non funded.

The following table summarises the component of net benefit expense recognised in statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of the Gratuity Plan.

### Statement of profit and loss

Net employee benefit expense recognized in employee cost

|  | (Rs. in Lacs ) |                |
|--|----------------|----------------|
|  | Gratuity       |                |
|  | March 31, 2015 | March 31, 2014 |
| Current service cost                               | 5              | 3              |
| Interest cost on benefit obligation                | 1              | -              |
| Expected return on plan assets                     | -              | -              |
| Net actuarial( gain) / loss recognized in the year | -              | (1)            |
| <b>Net benefit expense</b>                         | <b>6</b>       | <b>2</b>       |
| Actual return on plan assets                       | -              | -              |

### Balance sheet

Benefit asset/ liability

|   | (Rs. in Lacs ) |                |
|---|----------------|----------------|
|   | Gratuity       |                |
|   | March 31, 2015 | March 31, 2014 |
| Present Value of defined benefit obligation | 13             | 7              |
| Fair value of plan assets                   | -              | -              |
| Funded Status                               | (13)           | (7)            |
| <b>Plan asset / (liability)</b>             | <b>13</b>      | <b>7</b>       |

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

|   | (Rs. in Lacs ) |                |
|---|----------------|----------------|
|   | Gratuity       |                |
|   | March 31, 2015 | March 31, 2014 |
| Opening defined benefit obligation        | 7              | 5              |
| Current service cost                      | 5              | 3              |
| Interest Cost                             | 1              | -              |
| Benefits paid                             | -              | -              |
| Actuarial (gains) / losses on obligation  | -              | (1)            |
| <b>Closing defined benefit obligation</b> | <b>13</b>      | <b>7</b>       |

### The principal assumptions used in determining benefit obligations for the gratuity is shown below:

|                   | (Rs. in Lacs ) |                |
|-------------------|----------------|----------------|
|                   | Gratuity       |                |
|                   | March 31, 2015 | March 31, 2014 |
| Discount rate     | 7.8%           | 9.1%           |
| Retirement Age    | 60 Years       | 60 Years       |
| Employee turnover | 30             | 30             |

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

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

|  | (Rs. in Lacs ) |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | Gratuity       |                |                |                |
|  | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
| Defined benefit obligation                 | 13             | 7              | 5              | 1              |
| Plan assets                                | -              | -              | -              | -              |
| Surplus / (deficit)                        | (13)           | (7)            | (5)            | (1)            |
| Experience adjustments on plan liabilities | (1)            | 1              | (1)            | -              |
| Experience adjustments on plan assets      | -              | -              | -              | -              |

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## 23. Leases

### 23.1 Finance lease: company as lessee

i. The Company has finance lease for certain medical equipments for a period of 5 years commencing from December 31, 2011. Future minimum lease payment (MLP) under the finance lease plan together with the present value of MLP are as follows :

ii. Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows: **(Rs. In lacs)**

| Particulars                                 | March 31, 2015   |                      | March 31, 2014   |                      |
|---|------------------|----------------------|------------------|----------------------|
|   | Minimum payments | Present value of MLP | Minimum payments | Present value of MLP |
| Within one year                             | 56               | 50                   | 60               | 49                   |
| After one year but not more than five years | 37               | 35                   | 93               | 86                   |
| More than five years                        | -                | -                    | -                | -                    |
| <b>Total minimum lease payments</b>         | <b>93</b>        | <b>85</b>            | <b>153</b>       | <b>135</b>           |

### 23.2 Operating lease : company as lessee

i. The Company has entered into operating lease agreement for nursing hostel, rent paid is Rs. 25 lacs (March 31, 2014 is Rs. 7 lacs). The Company also recover certain portion of rent from the employees.

## 24. Capital and other commitments

### a. Capital commitment

|   | March 31, 2015 |     | March 31, 2014 |     |
|---|----------------|-----|----------------|-----|
|   |                |     |                |     |
| Estimated amount of contracts remaining to be executed on capital |                | 2   |                | 2   |
| Less: Capital advances  |                | (2) |                | (2) |
| Balance Value of Contracts  |                | -   |                | -   |

b. Commitments relating to lease arrangements, refer note 22

## 25. Contingent Liabilities

| S. No. | Particulars  | As at          |                |
|--------|--|----------------|----------------|
|        |  | March 31, 2015 | March 31, 2014 |
| (i)    | Claims against the Company not acknowledged as debts<br>Civil Cases (Refer note (a)) | 55             | -              |

### 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.

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26. Related party disclosures

|   |   |
|---|---|
| <b>Names of related parties where control exist irrespective of whether transactions have occurred or not</b> |   |
| <b>Holding Company</b>  | Max Healthcare Institute Limited  |
| <b>Names of other related parties with whom transactions have taken place during the year</b>                 |   |
| <b>Fellow Subsidiaries</b>  | <b>Max Bupa Health Insurance Limited</b><br>(till November 10, 2014)<br><b>Max Life Insurance Company Limited</b><br>(till November 10, 2014) |
| <b>Key Management Personnel</b>   | <b>Mr. Haresh Dahyalal Trivedi</b><br>(Whole time director)   |
| <b>Additional related parties as per Companies Act, 2013</b>  |   |
| <b>Key Management Personnel</b>   | <b>Mr. Sanjeev Bansal</b><br>(Head Finance)<br><b>Mr. Yogesh Sharm</b><br>(Company Secretary)   |

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## 26.1 Transactions with related parties during the year

( Rs. In lacs )

| Particulars   | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| <b>Loans Taken</b>  |                                      |                                      |
| Max Healthcare Institute Limited (Holding Company)                            | 1,645                                | 2,464                                |
| <b>Loans Repaid</b>   |                                      |                                      |
| Max Healthcare Institute Limited (Holding Company)                            | 696                                  | 2,128                                |
| <b>Interest expense</b>   |                                      |                                      |
| Max Healthcare Institute Limited (Holding Company)                            | 287                                  | 296                                  |
| <b>Services Renderd</b>   |                                      |                                      |
| Max Bupa Health Insurance Ltd. ( Fellow Subsidiary till November 10, 2014)    | 1                                    | 9                                    |
| <b>Services Received</b>  |                                      |                                      |
| Max Bupa Health Insurance Ltd. ( Fellow Subsidiary till November 10, 2014)    | -                                    | 4                                    |
| Max Life Insurance Company Limited (Fellow Subsidiary till November 10, 2014) | 4                                    | -                                    |
| Max Healthcare Institute Limited (Holding Company)                            | 28                                   | 18                                   |
| <b>Purchase of Goods (excluding Taxes)</b>                                    |                                      |                                      |
| Max Healthcare Institute Limited (Holding Company)                            | 5                                    | 91                                   |
| <b>Share Capital Issued</b>   |                                      |                                      |
| Preference share  |                                      |                                      |
| Max Healthcare Institute Limited (Holding Company)                            | -                                    | 2,000                                |
| Equity shares   |                                      |                                      |
| Max Healthcare Institute Limited (Holding Company)                            | 1,000                                |                                      |
| <b>Director's Remuneration</b>  |                                      |                                      |
| Haresh Dahyalal Trivedi (Whole Time Director)                                 | 47                                   | -                                    |

## Balance Outstanding at the year end

( Rs. In lacs )

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>Inter-corporate deposits repayable on demand (unsecured)</b>               |                         |                         |
| Max Healthcare Institute Limited (Holding Company)                            | 2,432                   | 1,472                   |
| <b>Interest Payable</b>   |                         |                         |
| Max Healthcare Institute Limited (Holding Company)                            | -                       | 289                     |
| <b>Advances recoverable in cash or kind</b>                                   |                         |                         |
| Max Bupa Health Insurance Limited ( Fellow Subsidiary till November 10, 2014) | -                       | 0                       |
| Max Life Insurance Company Limited (Fellow Subsidiary till November 10, 2014) | -                       | -                       |
| <b>Trade Payables</b>   |                         |                         |
| Max Healthcare Institute Limited (Holding Company)                            | -                       | 10                      |
| <b>Trade Receivable</b>   |                         |                         |
| Max Bupa Health Insurance Limited ( Fellow Subsidiary till 10 Nov. 2014)      | -                       | 2                       |
| Max Healthcare Institute Limited (Holding Company)                            | -                       | -                       |
| Hometrail Estate Private Limited  | -                       | 1                       |

**27. Deferred Tax Asset/ (Liability)**

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

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**28. Particulars of Unhedged Foreign Currency as at the balance sheet date (Rs. in Lacs )**

|                              | Foreign Currency |                | Indian Rupees  |                |
|------------------------------|------------------|----------------|----------------|----------------|
|                              | March 31, 2015   | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| Import capital creditor(EUR) | -                | 0.01           | -              | 1              |
| Import capital creditor(USD) | 0.70             | 1.51           | 45             | 91             |

Closing rates are as under

|     | (Rs.)          |                |
|-----|----------------|----------------|
|     | March 31, 2015 | March 31, 2014 |
|     | TT Sell        | TT Sell        |
| USD | 63.63          | 60.10          |
| EUR | 68.98          | 82.58          |

**29. Value of Imports calculated on CIF Basis (Rs. in Lacs )**

|              | March 31, 2015 | March 31, 2014 |
|--------------|----------------|----------------|
| Consumables  | 4              | 7              |
| <b>Total</b> | <b>4</b>       | <b>7</b>       |

**30. Expenditure in foreign currency (accrual basis) (Rs. in Lacs )**

|              | March 31, 2015 | March 31, 2014 |
|--------------|----------------|----------------|
| Interest     | -              | 10             |
| <b>Total</b> | <b>-</b>       | <b>10</b>      |

**31**

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

**32 Previous year figures**

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

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

**For and on behalf of the board of directors of**  
**Hometrail Buildtech Private Limited**

Sd/-  
**Haresh Dahyalal Trivedi**  
(Whole-Time Director)  
DIN : 06863423

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

Sd/-  
**per Manoj Kumar Gupta**  
Partner  
Membership Number: 83906

Sd/-  
**Sanjeev Kumar Bansal**  
(Head -Finance)

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

Place : Gurgaon  
Date : May 14, 2015

Place : New Delhi  
Date : May 14, 2015