

MAX HEALTHCARE INSTITUTE LIMITED

CIN U72200DL2001PLC111313

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 1100 20, India

NOTICE TO MEMBERS

NOTICE is hereby given that the **16TH ANNUAL GENERAL MEETING** of the members of Max Healthcare Institute Limited will be held on **Friday, September 29, 2017** at **1130 Hrs** at the registered office of the Company at **Meeting Room No. 1, First Floor, Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020, India** (route map enclosed) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a) the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, and the Reports of Directors and Auditors thereon.
 - b) the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Rajit Mehta (DIN 01604819), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mohit Talwar (DIN 02394694), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E) (previously S.R. Batliboi & Co.), Chartered Accountants, as the statutory auditors for the Financial Year 2017-18 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 16th Annual General Meeting (“AGM”) of the Company till the conclusion of 17th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

Special Business:

5. **Appointment of Mr. Adam Mills Pyle as a Director**

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Adam Mills Pyle (a nominee of Life Healthcare International (Proprietary) Limited) (DIN 07634698), who was appointed as an additional director by the Board of Directors of the Company, with effect from October 21, 2016 and whose term of office as Director expires as per Section 161(1) of the Companies Act, 2013 ("the Act"), at this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to Section 152 of the Act, Mr. Adam Mills Pyle shall be liable to retire by rotation."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. **Appointment of Ms. Roshini Bakshi as a Director**

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

"RESOLVED THAT Ms. Roshini Bakshi (DIN 01832163), who was appointed as an additional director by the Board of Directors of the Company, with effect from June 22, 2017, and whose term of office as Director expires as per Section 161(1) of the Companies Act, 2013 ("the Act"), at this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. **Appointment of Ms. Roshini Bakshi as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, the consent of members of the Company be and are hereby accorded for appointment of Ms. Roshini Bakshi (DIN 01832163), Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company to hold office for five consecutive years w.e.f. June 22, 2017.”

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

8. **Ratification of remuneration payable to M/s Chandra Wadhwa & Co., Cost Accountants, appointed as Cost Auditor of the Company for FY 2017 -18**

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Record & Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of Rs. 4,95,000 (Rupees Four Lacs Ninety Five Thousand Only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit, to be paid to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 000239), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2018.”

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary, of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and papers as may be necessary to give effect to the above resolution."

9. **Terms of remuneration payable to Mr. Rajit Mehta as Managing Director & Chief Executive Officer (“MD & CEO”) of the Company for the period starting from April 1, 2017 till March 31, 2018**

To consider and if thought fit, to pass the following resolution with or without modification/s, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Rules made there under, as amended from time to time, the consent of members of the Company be and are hereby accorded to the following terms of remuneration for Mr. Rajit Mehta (DIN 01604819) as Managing Director & Chief Executive Officer (“MD & CEO”) of the Company, for the period starting from April 1, 2017 till March 31, 2018:

- (a) **Fixed Pay:** (including but not limited to Basic, House Rent Allowance/Company owned or leased accommodation including house maintenance, Provident Fund and Gratuity, perquisites and allowances viz., leave travel allowance, company owned assets including company car, furniture and appliances, car lease rentals, if any, fuel reimbursements, vehicle maintenance, driver facility, children education allowance, management allowance and medical reimbursements) of Rs. 3,00,00,000 (Rupees Three Crore only) per annum. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, they shall be evaluated at actual cost.
- (b) **Variable Pay:** Performance based variable pay, which will be objective, transparent and measurable and shall be based on the Company’s Measures of Success (MoS) achievement linked variable pay parameters.

The Variable Pay for FY 2017 -18, shall be based on the relevant individualized Variable Pay Grid applicable to Mr. Mehta for the said performance year and would be determined basis individual performance and company performance.

In addition to the remuneration and perquisites to be paid as aforesaid, Mr. Rajit Mehta shall be entitled to encashment of leave, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group Term Life Insurance, club memberships and any other perquisites / retiral benefits as per the policy / rules of the Company in force and/or as may be approved by the Board / Committee, from time to time. The Company shall also provide the facility of mobile phones / other communication instruments, including telephones installed at his residence.”

“RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such

acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the foregoing resolution.”

10. **Offer and issue of non-convertible debentures**

To consider and if thought fit, to pass the following resolution with or without modification/s, as a **Special Resolution**:

“RESOLVED THAT in terms of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force (“Act”), read with the rules made thereunder, as may be amended from time to time and the provisions of the memorandum of association and articles of association of the Company, as amended and the provisions of the Foreign Exchange Management Act, 1999, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended or restated, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended, modified or restated, and subject to such approvals, permissions, consents and sanctions as might be required from any regulatory authority and further subject to such conditions and modifications as may be prescribed by such regulatory authority while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), the consent of the members of the Company be and are hereby accorded for raising funds by way of offer, issue and allotment of Secured Non-Convertible Debentures aggregating up to a principal amount not exceeding INR 490,00,00,000 (Indian Rupees Four Hundred and Ninety Crores only) (“Debentures”) to International Finance Corporation (“IFC”), an International Organization established by Articles of Agreement among its member countries, including the Republic of India, having its office at 2121, Pennsylvania Avenue, NW, Washington DC-20433, by way of private placement, in one or more tranches, subject to the total borrowing of the Company and creation of security pursuant to the proposed issuance of the Debentures not exceeding the borrowing limits approved by the members of the Company under section 180(1)(c) and section 180 (1) (a) of the Act respectively.”

“RESOLVED FURTHER THAT for the purpose of giving effect to Private Placement of Secured Non-Convertible Debentures as aforesaid, the Board be and is hereby authorized to finalise the terms of the issue, to negotiate, finalize, modify, execute and deliver all transaction documents (including documents for

securing the Debentures) and other contracts, agreements deeds, appointment letters, engagement letters, agreements and all other deeds, documents and instruments as may be required or desirable in connection with the issue of the Debentures by the Company (including approving any amendments or modifications thereto), to approve the Private Placement Letter of Offer (“LOF”), issue any declaration / undertaking required to be included in the LOF and other regulatory requirements for the time being in force and to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the foregoing resolution.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, confirmed and ratified in all respects.”

11. **Approval of Phantom Stock Plan**

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

“RESOLVED THAT in terms of the applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder and subject to such other permissions and approvals as may be required and subject to such conditions and modifications as may be imposed while granting such permissions and approvals; the approval and consent of the members of the Company be and is hereby accorded to adopt the Phantom Stock Plan of the Company under the name and style of “Max Healthcare Institute Limited Employee Phantom Stock Plan 2017” (“MHIL PS”), and the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to grant Phantom Stocks to be settled by way of payment as per predetermined methodology, to any employee as defined under MHIL PS and selected on the basis of length of service, grade, performance, technical knowledge, and such other criteria at the discretion of the Board in accordance with MHIL PS, such that the Phantom Stocks shall not exceed in aggregate 5 % of the issued equity shares of the Company as on date of issue of grant or such adjusted numbers of such face value, as may be determined by the Board, due to change in capital structure of the Company as a result of issue/re-classification of shares, splitting up of the face value of shares, sub-division of shares, issue of bonus shares, conversion of shares into other shares or securities of the Company and any other change in the rights or obligations in respect of shares, inter alia, on the terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.”

“RESOLVED FURTHER THAT that for the purpose of giving effect to this Resolution, regarding grant of Phantom Stocks, the Board be and is hereby authorized to evolve, decide upon and bring into effect the aforesaid Scheme and to make any modifications, changes, variation, alteration or revisions in the said Scheme or to suspend, withdraw or revive the Scheme from time to time in accordance with the applicable laws and/or as may be specified by any appropriate authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary, desirable, usual or proper in relation thereto with the liberty to the Board on behalf of the Company to settle any question, difficulties or doubts whatsoever that may arise with regard to grant of Phantom Stocks without requiring the Board to secure any further consent or approval of the members of the Company at a general meeting.”

**By order of the Board
For Max Healthcare Institute Limited**

Date: August 4, 2017

New Delhi

**sd/-
Ruchi Mahajan
Company Secretary
FCS 5671**

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020, India at any time but not less than 48 hours before the meeting. A format of proxy in the prescribed form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice. Unless otherwise provided under this Notice, the term “Act” shall mean Companies Act, 2013.
6. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of directors seeking appointment / reappointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors) are given as a separate Annexure 1 to this Notice.
8. Members may also note that the Notice of the 16th Annual General Meeting will also be available on the Company’s website www.maxhealthcare.in for their download.
9. The members may please note that M/s. S.R. Batliboi & Co. LLP (“SRBC”), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting (“AGM”) held on September 28, 2015 for another term of 5 years until the conclusion of AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating to ratification of appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for approval.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, IN RESPECT OF SPECIAL BUSINESS

Item No. 5

The members may please note that, pursuant to Clause 35 (a) (ii) of the Articles of Association of the Company ("AOA"), Life Healthcare International (Proprietary) Limited ("LHC") had nominated Mr. Adam Mills Pyle as a Board member of the Company and he was appointed as an additional director w.e.f October 21, 2016.

In terms of Section 161(1) of the Act, the term of his office shall expire at the ensuing Annual General Meeting ("AGM") of the Company. The Company has received notice in writing in terms of Section 160 of the Act, alongwith the requisite deposit, proposing the candidature of Mr. Adam Mills Pyle as a director of the Company. In terms of the Section 152 of the Act, Mr. Pyle shall be the retiring director.

Mr. Adam Mills Pyle is a Commerce and Law graduate by qualification. Currently, he holds the position of Group Strategy and Investor Relations Executive in Life Healthcare Group Proprietary Limited. His responsibilities include strategy, investor relations and health policy. He joined Life Healthcare in 2003 and has had a number of executive roles including marketing and funder relations. He was previously marketing director at Health Bridge.

It is strongly believed that the Company would be benefitted by way of strategic guidance, leadership and wider perspective in Board's deliberation with the appointment of Mr. Pyle as a Board Member of the Company.

Accordingly, the Board of Directors recommends the appointment of Mr. Pyle as a Director of the Company in terms of Section 160 of the Act for approval of members of the Company as an Ordinary resolution.

The documents referred above are available for inspection in physical form during normal business hours (9.00 AM till 6.00 PM) on any working day, excluding holidays at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

The other relevant detail as required under Secretarial Standards for general meetings (SS-2) is provided under Annexure -1 to this Notice.

Except Mr. Adam Mills Pyle, being an appointee, Mr. Anton Van Loggerenberg (alternate director to Mr. Adam Mills Pyle) and Mr. Petrus Phillippus Van Der Westhuizen, who is also a director nominated by LHC and LHC (being one of the Promoters of the Company), none of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 5.

Item No. 6 & 7

The members may please note that, in order to broad base the Board and to have wider and independent perspective in Board's deliberation, on June 22, 2017, the Board of Directors of the Company had appointed Ms. Roshini Bakshi as an additional director designated as Independent Director of the Company in terms of Section 149 (6) of the Companies Act, 2013 ("the Act"). As on date, she is also a member of the Audit Committee and Nomination & Remuneration Committee of the Company.

In terms of Section 161(1) of the Act, the term of office of directorship of Ms. Roshini Bakshi shall expire at the ensuing Annual General Meeting ("AGM") of the Company. The Company has received notice in writing in terms of Section 160 of the Act, along with the requisite deposit, proposing the candidature of Ms. Roshini Bakshi for the office of Director of the Company.

Given her expertise and knowledge in various fields, the Board believes that her appointment as a Director of the Company would be of immense benefit to the Company. Also, in the opinion of the Board, Ms. Roshini Bakshi fulfils the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management of the Company.

Accordingly, the Board of Directors recommends her appointment as Director of the Company designated as Independent Director, for a period of five years w.e.f. June 22, 2017 for approval of members of the Company as an Ordinary resolution. Further, in terms of Section 149 (13) of the Act, Ms. Bakshi shall not be liable to retire by rotation.

The detailed profile of Ms. Roshini Bakshi along with other relevant details as required under Secretarial Standards for general meetings (SS-2) is provided under Annexure -1 to this Notice.

The documents referred above (including the terms of appointment of Ms. Roshini Bakshi) are available for inspection in physical form during normal business hours (9.00 AM till 6.00 PM) on any working day, excluding holidays at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

Except Ms. Roshini Bakshi, being an appointee, none of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 & 7.

Item No. 8

The members may please note that, in terms of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"),

based on the recommendation of the Audit Committee at its meeting held on May 23, 2017, the Board of Directors of the Company had approved the appointment of M/s Chandra Wadhwa & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of Rs. 4,95,000 (Rupees Four Lacs Ninety Five Thousand Only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit (as approved by the Board based on recommendation by the Audit Committee).

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the aforesaid remuneration payable to the Cost Auditors for the FY 2017 -18.

Accordingly, the Board of Directors recommends the item no. 8 for approval of members of the Company as an Ordinary resolution.

The documents referred above are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are concerned or interested, financial or otherwise, in the Resolution at item no. 8 of the Notice.

Item No. 9

The members may please note that Mr. Rajit Mehta was appointed as a Managing Director & CEO of the Company for a period of 5 years w.e.f April 1, 2015 and the terms of his remuneration for FY 2017 -18 was recommended by the Nomination & Remuneration Committee ("NRC") and approved by the Board, subject to the approval of members of the Company.

Under the leadership of Mr. Rajit Mehta, the Company has made remarkable progress including but not limited to improved financial performance and sustenance, significant impact in organization strengthening and institutionalizing governance rhythms, focus on clinical hiring and clinical quality, strengthening of the leadership team, ensuring staffing of critical positions in the Organization, perceptible culture change under way, starting of learning & development intervention on a strong footing with multiple initiatives across nursing, junior/senior residents, front office and supervisory cadres and setting up of operational priorities and identification and monitoring of top 10 risks areas.

In an increasingly competitive environment, Mr. Rajit Mehta has capably led the organization to overcome a multitude of challenges and not only grow the business but also synergize complex operations.

Mr. Mehta has set the Company on the path to build a culture centered on the core values of sevabhav, excellence, credibility and enhance overall governance of the business. Mr. Mehta is a valued member of the Max Group top team and will be critical to delivering the performance and growth aspiration of the Company.

In recognition of his performance and contribution, based on the recommendations by the Nomination & Remuneration Committee and subject to the approval of members of the Company, the Board of Directors of the Company had, in its meeting held on May 23, 2017 approved the terms of his remuneration for the period starting from April 1, 2017 till March 31, 2018, as detailed under Resolution no.9.

The proposed remuneration of Mr. Rajit Mehta, is aligned with the current and emerging remuneration practices and trends for similar positions in the corporate sector in India as well as the key components of the remuneration policy criteria prescribed under the Companies Act, 2013 ("the Act").

The following additional information as required by Schedule V to the Act, is given below:

I General Information about the Company

➤ Nature of Industry:

The Company is a Healthcare Service provider offering all three levels of medical care - primary, secondary and tertiary.

➤ Date of commencement of Commercial Production:

The healthcare business of Max India Limited, the erstwhile holding Company of your Company, was transferred to the Company effective March 31, 2002. The first facility of the healthcare business was operational in January 2001.

➤ In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NOT APPLICABLE

➤ Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2017:

<u>Particulars</u>	<u>For the year ended 31.03.2017</u>
Turnover and other income	(INR in Crores) 1014.29
Net profit / (loss) after tax	(12.75)

- Foreign investments or Collaborators, if any: As on date, International Finance Corporation, USA (IFC), is holding 4,02,98,799 equity shares, constituting 7.5% of the total paid - up equity share capital of the Company

As on date, Life Healthcare International (Proprietary) Limited (previously Tedo Beleggings 163 Proprietary Limited), is holding 246,848,537 equity shares of INR 10 each, constituting 45.95% of the total paid-up equity share capital of the Company.

II Information about the appointee

Brief Profile of Mr. Rajit Mehta

Background details, recognition or awards, job profile and his suitability, past remuneration and remuneration proposed:

Mr. Rajit Mehta aged about 55 years, is a graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France. His total experience spans more than 3 decades.

He was appointed as a Board member of the Company designated as Dy. Managing Director w.e.f March 31, 2014.

Currently, as the Managing Director & CEO of Max Healthcare, Mr. Mehta provides strong leadership in helping the Company in achieving its vision of being the most admired healthcare company in India known for clinical and service excellence. Besides leading the operations of the company, he is also currently engaged in leading an important transformation journey at the Company, including critical growth projects, enabling the Company to become a preferred Nursing employer, optimization of processes and establishing a strong culture of clinical excellence and patient centricity.

He is also a Non-Executive Director in various other companies and is a trustee of Max India Foundation – the CSR arm for Max Group of Companies. In addition, he is the Chairman of CII Northern Region Committee on Healthcare, Member of CII Northern Regional Council & Member of CII National Healthcare Council for the year 2017 – 18 and also a Governing Council Member at NATHEALTH, Healthcare Federation of India.

Mr. Mehta was a founder member of Max Life Insurance Company Limited (“MLIC” / “Max Life”), since October 2000 and has been instrumental in helping MLIC become an admired, profitable and well run Company. During his tenure in MLIC, he undertook additional responsibilities as the Chief Transformation Officer which provided oversight on execution of key initiatives; designing and implementing new work systems; aligning key stakeholders; rationalizing the cost structure to improve profitability; and laying down a comprehensive change management agenda. During this period, MLIC not only doubled its market share but also seamlessly transitioned to a new brand identity. Mr. Mehta was also instrumental in building a strong cadre and ethos of Human Capital as the founder HR Director of MLIC by recruiting and retaining a strong management

team, creating a positive work environment and culture and ushering "best-in-class" HR practices.

Under his leadership, MLIC also progressed its Quality & Service Excellence journey. This included putting a Service Blueprint in place, implementing a comprehensive outsourcing strategy to impact customer experience and cost and embedding the Max Performance Excellence framework (MPEF) in the business. Mr. Mehta has also mentored the setting up of the Learning & Development Centre of Excellence.

Prior professional experience

Prior to Max Life, Mr. Rajit Mehta was the Director – Human Resources at Bank of America (January 1992 to September 2000) and has earlier worked with HCL, a leading IT company. His total experience spans 31 years. At Bank of America, he was part of the team which set up the Retail Division and was also involved in managing two large exit programs including sale of the Retail division to ABN Amro Bank. At the bank, he was also involved in several training initiatives across Asia.

Past remuneration:

The remuneration for the performance year 2016 -17 is as follows:

Terms	Amount (in INR per annum)
<u>Fixed Pay:</u> (including but not limited to Basic, House Rent Allowance/Company owned or leased Accommodation including house maintenance, Provident Fund and Gratuity, perquisites and allowances viz., leave travel allowance, company owned assets including company car, furniture and appliances, car lease rentals, if any, fuel reimbursements, vehicle maintenance, driver facility, children education allowance, management allowance and medical reimbursements)	2,75,00,000
Variable compensation/performance incentive	Rs. 1,47,73,940
- ESOP : 3,00,000 stock options under ESOP- 2006 Scheme at a grant price of INR 64.60 per stock option, vesting equally over 3 years (starting from 12 months from the date of grant) viz., March 24, 2016; March 1, 2017; March 1, 2018. - Long term reward : ESOP : 5,93,000 stock options under Max Healthcare Employee Stock Option Plan 2006 (ESOP 2006) at a grant price of INR 64.60 per stock option, with bullet vesting on March 1, 2019.	

In addition to the remuneration and perquisites as aforesaid, Mr. Rajit Mehta shall be entitled to encashment of leave, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group Term Life Insurance, club memberships and any other perquisites / retiral benefits as per the policy / rules of the Company in force and/or as may be approved by the Board / Committee, from time to time. The Company shall also provide the facility of mobile phones / other communication instruments, including telephones installed at his residence.

Proposed Remuneration

Salary, variable pay and other benefits as detailed in the enclosed resolution set out at Item no. 9 of this notice.

Comparison with Industry

The 'Remuneration Profile' of Mr. Rajit Mehta on a comparative basket of companies comprising multinationals and high performing Indian companies from the services sector, which have a global presence and turnover in excess of INR 1000 crore. Individual specific remuneration is an outcome of a strategic Human Capital Initiative, which measures 'Competency Profiles' for each person and rates the individual vis-à-vis the standard required for the job. The eventual pricing matrix is then a function of this rating, which is superimposed on the target market price, currently benchmarked at the 'Top Quartile'.

III. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except the remuneration received from the Company as MD& CEO, he doesn't have any pecuniary relationship directly or indirectly with the Company, or relationship with the Director / KMP / managerial personnel of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

IV. Other Information: Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement, expected increase in productivity and profits in measurable terms:

The Company has reported cash profits of INR 37.86 Crores during the year. However, it continues to report net loss and the reasons for loss or inadequate profits are as given below:

- 1 Launch of new hospitals: New Hospital projects in Healthcare industry involve substantial capital investment and are characterized by long gestation periods, resulting into losses in the initial years and gradual growth of business/ revenue. The launch of two new hospitals during 2011-12 period has adversely affected overall profitability of the Company, as expected. Further, the company has made significant outlay in 2015 (~Rs 572 Cr) for purchase of controlling stake in two

healthcare companies in order to expand its footprint. However, in the current financial year, the performance has significantly improved over the previous year and with the proposed merger of Max Medical Services Ltd with the Company, we expect the Company to return profits soon.

2. **Price increase and Employee Costs:** Given the nature of industry and larger issues like affordability, accessibility to healthcare - the price increases are kept at minimal. However, at the same time due to rising demand for professional doctors/nurses/paramedical staff, the Company is spending higher amount on employee benefits including salary, skilling etc. The Company do expect that in the coming years, the increased productivity and relative market share of the Company's hospital will enable it to improve the equations.
3. The company faces stiff competition from leading hospitals and medical Centers in the region.

Steps taken or proposed to be taken for improvement:

The Company has taken the following steps for stemming losses and improving its profitability:

1. With the support of skilled doctors, dedicated to quality patient care and modern, patient-centric hospital facilities and a cost-effective business model, the Company has in place robust mechanism to reduce its direct costs. This coupled with small increases in prices are expected to improve the profitability and meet increased employee costs.
2. Occupancy is the driver of revenues in the hospitality industry and the Company's hospital has been experiencing higher footfall leading to higher occupancies. In addition, the Company has embarked on a programme to cut down length of stay of IPD patients through variety of means, which also help us improve patient safety and faster discharge of patients. This in effect also would lead to higher ARPOB and profitability.
3. **Medical Programmes:** With growing number of Lifestyle diseases like Cardiac, Neuro-sciences and Orthopedics etc., there is increasingly high demand for complex procedures like organ transplant, interventional neurology etc. The Company continuously rejigs its specialty mix and adds new & complex procedure to its offering, leading to higher realizations and better utilization of its resources.

Expected increase in productivity and profits in measurable terms:

It is difficult to forecast the productivity and profitability in measurable terms. However, with the above measures, cost optimization and other such initiatives, the operating efficiencies is expected to increase in future leading to adequate profits. The Company

is well poised to sustain and capture growth opportunities in all its business segments within the confines of business prudence.

Further, it may please be noted that, as on date, Mr. Rajit Mehta is CEO & MD of the Company. In compliance of Section 152 (6) (c) of the Act, he is liable to retire by rotation. Further, such retirement and simultaneous re-appointment do not affect the position of Mr. Mehta appointed as CEO& MD w.e.f. April 1, 2015 for 5 years by the members of the Company.

Accordingly, the Board recommends the Resolution set forth in Item No. 9 of the Notice for approval of the Members.

The documents referred above (including the terms and conditions of appointment) are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

Except Mr. Rajit Mehta, none of the Promoters, Directors and Key Managerial Personnel (KMPs) of the Company and their relatives, are concerned or interested, financial or otherwise, in passing of the above resolutions set out at item no. 9 of this AGM Notice.

The notice and explanatory statement may be treated as the abstract of the terms of remuneration of Mr. Rajit Mehta.

Item No. 10

The members may please note that the Board of Directors of the Company had, in its meeting held on May 23, 2017, approved in - principle, the proposal relating to invitation, offer or issue of Secured Non-Convertible Debentures aggregating upto a principal amount not exceeding INR 490,00,00,000 (Indian Rupees Four Hundred and Ninety Crores only) ("Debentures") to International Finance Corporation ("IFC"), by way of private placement, in one or more tranches, subject to the approval of members of the Company.

The fund is proposed to be utilized for exercising option to purchase remaining 49% equity stake in one of the subsidiary companies of the Company i.e. Saket City Hospitals Private Ltd, general capital expenditure of the Company or its network hospitals and / or such other purposes as permitted under the applicable laws and approved by the Board from time to time.

Also, pending utilization of the subscription money for its actual purpose / objects as referred above, if required, such subscription money can temporarily can be invested in interest bearing liquid investments and instruments, including money market mutual funds and deposits with banks and corporate, in accordance with investment policies approved by the Board / Audit Committee from time to time.

In terms of Section 42 of the Companies Act, 2013 ("the Act") and Rule 14(2) (a) of the Companies (Prospectus & Allotment of Securities) Rules, 2014 previous approval of members of the Company by way of a Special Resolution is required for making private placement of its securities.

Pursuant to Sec 71 and Sec 42 (2) of the Act read with Rule 14 of the Companies (Prospectus & Allotment of Securities) Rules, 2014, approval of members of the Company is sought by way of special resolution to issue and allot redeemable, secured, non-convertible debentures aggregating upto INR 490,00,00,000, as detailed under the resolution set forth in Item No. 10.

The documents referred above (including the terms and conditions of appointment) are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are concerned or interested, financial or otherwise, in the Resolution at item no. 10 of the Notice.

Item No. 11

In order to enhance long-term shareholder value of the Company, further aligning the interests of the employees to the interests of the Company and motivating them to contribute to the growth and profitability of the Company, the Company is proposing a Phantom Stock Options Plan (PSP) for its key employees. The same was recommended by Nomination & Remuneration Committee and approved by the Board of Directors of the Company in their respective meetings held on August 3, 2017 and August 4, 2017 respectively.

It is proposed that the Company adopt a Phantom Scheme under the name and style of "Max Healthcare Institute Limited Employee Phantom Stock Plan 2017 ('MHIL PS') for the purposes of granting phantom stock to the eligible employees of the Company.

PSP does not entail issuance of any form of stocks or securities and is designed to draw benefits from the positive growth and appreciation in the enterprise value of the Company which means the grantee employees shall benefit by way of settlement of appreciation through cash outlays without any dealings in the shares or securities of the Company, whether directly or indirectly.

Since, the Company is an unlisted company, SEBI Regulations are not applicable to the aforesaid PSP and approval of members is being taken from best governance perspective.

The resolution set forth at item no. 11 seeks to obtain the members' approval to authorize the Board of Directors of the Company to create, issue, offer stock appreciation rights, to be paid/settled in cash, in the form of appreciation on allotted 'phantom stock' under the MHIL PS, by way of a Special Resolution.

A copy of the proposed MHIL PS Scheme 2017 will also be available for inspection at the Registered Office of the Company between 09.00 a.m. to 6:00 p.m. on all working days up to the date of this Annual General Meeting.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are concerned or interested, financial or otherwise, in the Resolution at item no. 11 of the Notice, except to the extent of phantom stocks, if any, granted to them, from time to time, under MHIL PS.

Annexure -1

Details of directors seeking appointment / reappointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

I. Name of the Director : Mr. Adam Mills Pyle (DIN 07634698)

- Age: 45 years
- Qualification: Commerce and Law graduate.
- Experience: Mr. Adam is a Commerce and Law graduate by qualification. He is currently holding the position of Group Executive, Strategy and Investor relations in Life Healthcare International (Pty.) Limited since 2011 and is responsible for formulating and driving the international (Poland, India and other territories) strategy, South Africa strategy and managing the relationship with investors.
- Terms & conditions of appointment / reappointment along with the remuneration details:

The Board of Directors of the Company had, in its meeting held on October 21, 2016, appointed Mr. Adam as an additional director of the Company in terms of Section 161 (1) of the Act. The other details relating to his appointment at the ensuing AGM have been provided under explanatory statement to resolution set out at Item no. 5.

Further, in terms of the Amended and Restated Shareholders' Agreement ("Amended & Restated SHA") executed amongst Max India Ltd, Life Healthcare Group (Proprietary) Limited, Life Healthcare International (Proprietary) Ltd ("LHC") and the Company dated August 31, 2014, he is also acting as a representative of LHC on the Board of the Company.

He is drawing no sitting fees / remuneration from the Company.

- Date of first appointment on the Board: October 21, 2016.
- Shareholding in the Company: He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.
- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2016-17 : Nil (Only one board meeting was held during FY 2016 -17 after his appointment on Board of the Company)
- Directorship & Committee position as on the date of his appointment:

Directorship in other Companies	Committee Membership in other Companies
Life Healthcare International (Pty) Ltd.	NIL
Life Management Pty Ltd.	NIL

Pyedra (Pty) Ltd.	NIL
Life Healthcare Multi Issuer Program (RF)(Pty)Ltd.	NIL

II. **Name of the Director : Ms. Roshini Bakshi (DIN 01832163)**

- Age: 50 years
- Qualification: MBA from the Indian Institute of Management, Ahmedabad and graduate in Economics from St. Stephen's College, University of Delhi.
- Experience: Ms. Bakshi has over 25 years of rich experience in marketing and establishing a number of large brands. She has been an independent director on the Board of JM Financial Products Limited since January 2015 and has also been an independent director of Persistent Systems Limited since July 2014. She is also associated with Everstone Capital Management as Managing Director since April 2015 and is responsible for evaluating new opportunities, thematic strategies and operational improvements for Everstone's portfolio companies especially based on her experience with leading transformations.
- Terms & conditions of appointment / reappointment along with the remuneration details:

In terms of Section 161 (1) of the Act, the Board of Directors of the Company had appointed Ms. Bakshi as an additional director designated as Independent Director of the Company w.e.f. June 22, 2017. The other details relating to her appointment at the ensuing AGM have been provided under explanatory statement to resolution set out at Item no. 6&7. Further, the terms & conditions of her appointment as an Independent Director of the Company are available on website of the Company.

She is not drawing any remuneration from the Company, however, a sitting fee of INR 1 Lac per meeting is payable to her for attending the meetings of Board and its committees.
- Date of first appointment on the Board: June 22, 2017.
- Shareholding in the Company: She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.
- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2016-17 : Nil
- Directorship & Committee position as on the date of his appointment:

Directorship in other Companies*	Committee Membership in other Companies
Burger King India Private Limited Persistent Systems Limited JM Financial Products Limited	NIL

III. **Name of the Director : Mr. Rajit Mehta (DIN 01604819)**

- Age: 55 years
- Qualification: Graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France.
- Experience: The experience snapshot of Mr. Rajit Mehta has been provided under explanatory statement to the resolution set out under item no. 9 of the AGM Notice.
- Terms & conditions of appointment / reappointment along with the remuneration details:
The details have been provided under explanatory statement to the resolutions set out under item no.9 of the AGM Notice.
- Date of first appointment on the Board: March 31, 2014.
- Shareholding in the Company: He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.
- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2016-17: 5 (Five)
- Directorship & Committee position as on March 31, 2017:

Directorship in other Companies*	Committee position in other Companies
1. Max Life Insurance Company Limited	1. Member of Operational Committee of Crosslay Remedies Ltd.
2. Windows Consultants Private Limited	2. Member of Corporate Social Responsibility of Max Life Insurance Company Ltd.
3. Interstoff Syndicate Private Limited	3. Member of Nomination & Remuneration Committee of Saket City Hospitals Pvt. Ltd.
4. Quantum Institute For Wellbeing Private Limited	4. Member of Operational Committee of Saket City Hospitals Pvt. Ltd.
5. Max Skill First Limited (Formerly Max Healthstaff International Limited)	
6. Crosslay Remedies Limited	
7. Saket City Hospitals Private Limited	

IV. Name of the Director : Mr. Mohit Talwar (DIN 02394694)

- Age: 58 years
- Qualification: Post Graduate from St. Stephen's College and completed his management studies in Hospitality from the Oberoi School.
- Experience: Mr. Talwar brings a wealth of experience of over 30 years in Corporate Finance and Investment Banking. He spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia. Prior to this, he spent almost 6 years with the Oberoi Group. Mr. Talwar is the Managing Director of Max India Limited since January 15, 2016.
- Terms & conditions of appointment / reappointment along with the remuneration details:

The Board of Directors of the Company had, in its meeting held on May 27, 2014, appointed Mr. Mohit Talwar as an additional director designated as non executive director of the Company. Further, in terms of Section 160 (1) of the Act, the members of the Company in the Annual General Meeting held on September 26, 2014, appointed him as a Director and in terms of Section 152 of the Act, he shall be liable to retire by rotation.

Further, in terms of the Amended and Restated Shareholders' Agreement ("Amended & Restated SHA") executed amongst Max India Ltd, Life Healthcare Group (Proprietary) Limited, Life Healthcare International (Proprietary) Ltd and the Company dated August 31, 2014, w.e.f. November 10, 2014, he is acting as a representative of Max India Ltd on the Board of the Company..

He is drawing no sitting fees / remuneration from the Company.

- Date of first appointment on the Board: May 27, 2014.
- Shareholding in the Company: He holds one share in the Company as a nominee on behalf of Max India Limited (as provided under first proviso to Section 187 of the Act).
- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2016-17: 3 (Three)
- Directorship & Committee position as on March 31, 2017:

Directorship in other Companies*	Committee position in other Companies
1. Max Financial Services Limited	i. Member of Audit Committee ii. Member of Stakeholders Relationship Committee

	iii. Member of Investment & Finance Committee
2. Max India Limited	i. Member of Audit Committee ii. Member of Stakeholders Relationship Committee iii. Member of Investment & Finance Committee
3. Max Ventures and Industries Limited	i. Member of Audit Committee ii. Member of Stakeholders Relationship Committee iii. Member of Investment & Finance Committee iv. Member of Nomination and Remuneration Committee
4. Antara Senior Living Limited	i. Member of Nomination and Remuneration Committee
5. Max Bupa Health Insurance Company Limited	i. Member of Risk Committee
6. Max Speciality Films Limited	i. Member of Nomination and Remuneration Committee
7. Max Life Insurance Company Limited	i. Member of Investment Committee

*Companies here means the Company defined under section 2(20) of the Act.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

CIN: U72200DL2001PLC111313

Name of the Company: **Max Healthcare Institute Limited**

Registered office: **Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020, India**

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
 Address: _____
 Email Id: _____
 Signature: _____; or failing him

2. Name: _____
 Address: _____
 Email Id: _____
 Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Friday, 29th day of September 2017 at 1130 Hrs at its registered office (as referred above) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

8. _____
9. _____
10. _____
11. _____

Signed this ____ day of _____, 2017
Signature of member

Affix Revenue
Stamp

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting.

Max Healthcare Institute Limited
(CIN U72200DL2001PLC111313)
Max House, 1, Dr. Jha. Marg, Okhla, New Delhi – 110 020, India

Attendance Slip
Sixteenth Annual General Meeting of Max Healthcare Institute Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Husband Name	Address as Regd. With the Company
1.			
2.			
3.			

I/ We hereby record my/ our presence at the 16th Annual General Meeting of the Company being held on Friday, 29th day of September 2017 at 1130 Hrs at Meeting No.1, First Floor, Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020, India.

Please (✓) in the box

☐ Member ☐ Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route map of the AGM Venue



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 16th Annual Report on the business and operations of the Company ("Max Healthcare" or "MHC") together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2017.

Your Company focused on strengthening its existing operations, improving the overall performance of network hospitals, added to the width and depth of its offerings, and also firmed up bed expansion plans to secure future growth. Integrating newly acquired assets with the network in terms of processes, supply chain, offering and other protocols and at the same time leveraging its enlarged operational strengths to improve overall financial performance for the network during the year under review led to robust growth in revenues and marked improvement in cash profit situation.

In later part of the year, the revenue and profitability was impacted consequent to regulatory change involving > 60% price cut in stent pricing. Your Company is however, well equipped to navigate such challenges and working on several fronts to mitigate potential impact, through a combination of internal changes and advocacy efforts. Your Company is dedicated to its core of Sevabhav and will ensure it shines through, in every aspect of our service delivery.

FINANCIAL HIGHLIGHTS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The highlights of the Company's financial performance on Standalone and Consolidated basis, for the year ended March 31, 2017 is summarized below:

(INR in Crores)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Operating Income	984	912	1623	1432
Other Income	30	35	56	42
Total Income	1014	47	1679	1474
Total Expenditure	941	890	1466	1333
Operating Profit/(Loss)	73	57	213	141
Less: Finance Charges	35	30	101	69
Cash Profit	38	27	112	72
Less: Depreciation	51	50	107	91

Profit/(Loss) before Tax & Prior Period Items	(13)	(24)	5	19
Tax (Expense)/ Income	-	-	4	(4)
Other Comprehensive Expense – Remeasurement Loss on defined benefit	1	-	1	-
Non-Controlling Interest	-	-	-	5
Total Comprehensive Income attributable to Equity Shareholders	(14)	(24)	8	18
Earnings per equity share				
Basic* (in INR)	(0.24)	(0.47)	0.18	(0.36)
Diluted* (in INR)	(0.24)	(0.47)	0.17	(0.36)

* Nominal value of shares INR 10/- per share

Previous year figure have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

STATE OF COMPANY'S AFFAIRS / FINANCIAL PERFORMANCE

Your Company witnessed revenue growth of 7.1% in FY 2016-17, and achieved revenue of INR 1014 Crores as compared to INR 947 Crores in FY 2015-16.

The operating profit before interest and depreciation grew by 28.1%. The cash profit was INR 38 Crores, a growth of 40.7% over the previous year. Net loss stood at INR 14 Crores, as compared to loss of INR 24 Crores in the previous year.

OPERATIONAL PERFORMANCE

Your Company has exhibited impressive performance on all key operational metrics during 2016-17.

The bed occupancy for the financial year 2016-17 has been 68.4%. Your Company has been able to maintain the occupancy rates despite increase in operational bed capacity from 729 beds to 774 beds in 2016-17.

Revenue for key clinical specialties or Centers of Excellence (COE – Cardiac sciences, orthopedics, neuro-sciences, oncology, MAS and renal) has increased by 6% as compared to last year and share of COE has increased from 48.2% in FY

2015-16 to 48.8% in FY 2016-17. Efforts are being made to upgrade the medical technology, clinical talent and infrastructure to cater to high end tertiary care patients in these hospitals as well.

Average Length of Stay (ALOS) has increased from 3.01 in FY 2015-16 to 3.11 in FY 2016-17. The Inpatient Average Revenue Realized (ARR) improved by 2.5% while the hospital ARR improved by 4.3% during FY 2016-17.

DIVIDEND & TRANSFER TO RESERVES

In view of the Company's carried forward losses, your Directors do not recommend any dividend for the year under review and no amount was transferred to the general reserves.

AMALGAMATION / RESTRUCTURING

In order to create synergies by consolidating ownership, utilizing capital more efficiently and creating a stronger capital base for the future growth, during the year under review, your Company filed together with Max Medical Services Limited ("MMSL") a wholly owned subsidiary, a joint application with Hon'ble National Company Law Tribunal ("NCLT") for amalgamation of MMSL into the Company.

Further as per the NCLT order, dated May 8, 2017, the unsecured creditors of the Company have, in their meeting held on June 27, 2017, approved the aforesaid amalgamation and consequently second motion application for the final order of amalgamation was filed with Hon'ble NCLT on July 17, 2017.

Also, two wholly owned subsidiary companies of the Company viz. Hometrail Estate Private Limited ("HEPL") and Hometrail Buildtech Private Limited ("HBPL") have filed joint application with Hon'ble NCLT for amalgamation of HEPL into HBPL on May 8, 2017. Further, Hon'ble NCLT vide its order dated June 29, 2017, has directed the companies (i.e. HBPL and HEPL) to either furnish the consent of creditors in the form of an affidavit (as per Sec 230(9) of the Act) or convene the meetings for every class of creditors. The companies are in process of submitting the aforesaid affidavits. You will be pleased to note that this merger will lead to more efficient utilization of capital, bed capacity & other resources and also create a stronger capital base for the future growth.

SHARE CAPITAL

For meeting funding requirements of the Company for working capital, capital expenditure, investment in subsidiaries and other general corporate purposes, on May 31, 2016, the Company had issued and allotted 38,36,230 (Thirty Eight Lacs Thirty Six Thousand Two Hundred Thirty) fully paid-up equity shares of INR 10 each at an issue premium of INR 57.50 per share, aggregating to INR 25,89,45,525 (Rupees Twenty Five Crores Eighty Nine Lacs Forty Five Thousand Five Hundred Twenty Five only) by way of Rights Issue subscribed by two shareholders i.e. International Finance Corporation ("IFC") and Dr. Pradeep Kumar Chowbey.

As on March 31, 2017, the authorized share capital of the Company stands at INR 1050,00,00,000 (Rupees One Thousand Fifty Crores) divided into (i) 92,50,00,000 (Ninety Two Crores Fifty Lakhs) Ordinary equity shares having a nominal value of INR10/- each and (ii) 12,50,00,000 (Twelve Crore Fifty Lakhs) Cumulative Preference Shares having a nominal value of INR 10 each.

As on March 31, 2017, the issued, subscribed and paid up equity share capital stands at INR 537,24,43,280 (Indian Rupees Five Hundred Thirty Seven Crores Twenty Four Lacs Forty Three Thousand Two Hundred Eighty only) divided into 53,72,44,328 (Fifty Three Crores Seventy Two Lacs Forty Four Thousand Three Hundred Twenty Eighty) equity shares of INR10 each.

The Board of Directors of the Company had, in its meeting held on May 23, 2017, approved in - principle, the invitation, offer and issue of Secured Non-Convertible Debentures aggregating up to a principal amount not exceeding INR 490,00,00,000 (Indian Rupees Four Hundred and Ninety Crores only) ("Debentures") to International Finance Corporation ("IFC"), by way of private placement, in one or more tranches, subject to the approval of members of the Company.

The fund is proposed to be utilized for exercising option to purchase remaining 49% equity stake in one of the subsidiary companies of the Company i.e. Saket City Hospitals Pvt. Ltd., general capital expenditure of the Company or its network hospitals or such other purposes as permitted under the applicable laws and approved by the Board from time to time.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATES

As on March 31, 2017, your Company has six subsidiaries i.e. Hometrail Estate Private Limited (100%), Hometrail Buildtech Private Limited (100%), Max Medical Services Limited (100%), Alps Hospital Limited (directly 14.96% and remaining 85.04% is being held indirectly through Max Medical Services Limited), Crosslay Remedies Limited (78.35%) and Saket City Hospitals Private Limited (51%).

As on March 31, 2017, your Company has no associate/joint venture company.

CONSOLIDATED FINANCIAL STATEMENTS

In terms of Rule 8 (1) of the Companies (Accounts) Rules, 2014, this Board Report has been prepared on the basis of standalone financial statement of the Company for FY 2016 -17.

In compliance with provisions of Section 129 (3) of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014, the Consolidated Financial Statements forms part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting

Standards (IND AS) notified under section 133 of the Act read with Companies (Accounts) Rules, 2014. The consolidated financial statements for the financial year ended March 31, 2017 are the Company's first IND-AS compliant annual consolidated financial statements with comparative figures for the year ended March 31, 2016 also under IND-AS. The date of transition is April 1, 2015.

Further, a statement containing salient features of the financial statements of the subsidiary companies is disclosed separately and forms part of this Annual Report in Form AOC-1.

Further, the Audited Financial Statements of each of the subsidiary companies have also been placed on the website of the Company www.maxhealthcare.in. The members interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

REPORT ON PERFORMANCE & FINANCIAL POSITION OF THE SUBSIDIARIES

In terms of Rule 8(1) of the Companies (Accounts) Rules, 2014, the highlights on performance and financial position of your Company's subsidiaries (included in the consolidated financial statement for FY 2016 -17) are as follows:

- Hometrail Estate Private Limited (HEPL): HEPL was incorporated on April 21, 2008 and is having its registered office at Max House, 1, Dr. Jha Marg, Okhla, New Delhi 110020.

Pursuant to the concession agreement executed with the Government of Punjab for setting up of a super-specialty hospital in Mohali, HEPL is running a hospital ("Max Super Specialty Hospital, Mohali") that provides high end medical care to the residents of tri-city of Chandigarh, Mohali and Panchkula. The hospital has been set up as Public Private Partnership with Govt. of Punjab and opened its door to the general public in September, 2011.

During the year ended March 31, 2017, HEPL made a profit after tax of INR 19.01 Crores.

- Hometrail Buildtech Private Limited (HBPL): HBPL was incorporated on April 21, 2008 and is having its registered office at Max House, 1, Dr. Jha Marg, Okhla, and New Delhi 110020.

Pursuant to the concession agreement executed with the Government of Punjab for setting up of a Super- Specialty hospital in Bhatinda, HBPL is running a hospital ("Max Super Specialty Hospital, Bhatinda") in the industrial town of Bathinda, Punjab. The hospital has been set up as Public Private Partnership with Govt. of Punjab, and was commissioned in September, 2011.

During the year ended March 31, 2017, HBPL made a loss of INR 23.44 Crores.

- Max Medical Services Limited (MMS): MMS was incorporated on September 6, 1994 and is having its registered office at Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020. It is engaged in the business of planning, designing, constructing, running and/or management of, and provision of connected services to, hospitals and other healthcare related services. The Company also leases medical and other related equipments.

During the year ended March 31, 2017, MMS made a profit after tax of INR 12.46 Crores.

- Alps Hospital Limited (Alps): Alps was incorporated on May 26, 1989 and is having its registered office at Max House, 1, Dr. Jha Marg, Okhla, New Delhi -110020.

It operates in the healthcare services business in India. Currently, it focuses on establishing, maintaining, and running a hospital in Gurgaon, Haryana ("Max Hospital, Gurgaon"). It also has dispensaries, maternity and family welfare centers, diagnostic and pathology centers, emergency and trauma centers, X-Ray and E.C.G centers etc.

During the year ended March 31, 2017, Alps made a profit after tax of INR 12.01 Crores.

- Crosslay Remedies Limited (CRL): CRL was incorporated on January 8, 2002 and is having its registered office at A-14, Pushpanjali, Vikas Marg Extension, New Delhi - 110092.

CRL owns and currently operates Max Super Specialty Hospital, Vaishali (erstwhile Pushpanjali Crosslay Hospital).

CRL becomes the subsidiary of your Company w.e.f. July 10, 2015, as on March 31, 2017, the Company is holding 78.35% equity stake in CRL on non diluted basis.

During the year ended March 31, 2017, CRL made a profit after tax of INR 18.98 Crores.

- Saket City Hospitals Private Limited (SCHPL): SCHPL was incorporated on January 8, 1991 and is having its registered office at Mandir Marg, Saket, New Delhi – 110017.

In terms of Share Purchase Agreement dated November 27, 2015, SCHPL becomes the subsidiary of your Company w.e.f December 1, 2015 by way of acquisition of 51% of the paid up equity share capital of SCHPL.

SCHPL provides medical services to erstwhile Saket City Hospital (rechristened as Max Smart Super Speciality Hospital "MSSH"), a unit of Gujarmal Modi Hospital and Research Centre ("Society"), through a long term exclusive arrangement.

During the year ended March 31, 2017, SCHPL made a loss of INR 9.23 Crores.

Also, in order to focus Company's efforts and resources towards growth and development of its core business of healthcare services and to provide the requisite fillip to the healthcare services vertical, the Medical Equipment division of SCHPL has been sold under slump sale to M/s Gujarmal Modi Hospital & Research Centre for Medical Sciences, Mandir Marg, Saket, New Delhi-110017 for INR 3,700 Lacs in June, 2017.

DIRECTORS

An active and informed Board is a pre-requisite for strong and effective corporate governance. The Board plays a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board ensures that the Company has clear goals aligned to the shareholders' value and growth. The Board is duly supported by the Managing Director & CEO and Senior Management Personnel in ensuring effective functioning of the Company.

The Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent Directors including one woman Director. The Board provides strategic guidance and direction to the Company to help achieve its vision, long term strategic objectives and to protect the interest of the stakeholders.

The following changes have taken place in the composition of the Board since the last annual general meeting:

During the year, Mr. Adam Mills Pyle (DIN 07634698), was appointed as an additional director on Board of Directors of the Company w.e.f. October 21, 2016. In terms of Section 161(1) of the Act, the term of office of directorship of Mr. Pyle as an additional director of the Company shall expire at the ensuing AGM of the Company. The Company has received a notice in writing in terms of Section 160 of the Act, along with the requisite deposit, proposing the candidature of Mr. Pyle for the office of Director of the Company.

Also, in order to broaden the Board's membership and introduce wider perspectives in the Board's deliberations, the Board of Directors of the Company had appointed Ms. Roshini Bakshi (DIN 01832163) as an independent director of the Company w.e.f. June 22, 2017, for a term of 5 consecutive years, subject to the approval of shareholders in the ensuing Annual General Meeting ("AGM").

In terms of Section 161(1) of the Act, Ms. Roshini Bakshi was appointed as additional director, so, her term as an additional director of the Company shall expire at the ensuing AGM of the Company. The Company has also received a notice in writing in terms of Section 160 of the Act, alongwith the requisite deposit, proposing the candidature of Ms. Roshini Bakshi for the office of Director of the Company.

In terms of the Section 152 of the Act, Mr. Pyle will be retiring director and in terms of Section 149 of the Act, Ms. Bakshi shall be non retiring director.

Further, Mr. Andre Meyer (DIN 06877862) (acting as a representative of “LHC”), due to his preoccupation, has stepped down from the position of Director of the Company with effect from June 30, 2017. Also, due to appointment as a Whole time member of SEBI, Ms. Madhabi Puri Buch stepped down from the position of independent director of the Company with effect from April 3, 2017.

The Board of Directors placed on record, its sincere appreciation and deepest gratitude for the valuable contribution made by Mr. Andre Meyer and Ms. Madhabi Puri during their tenure as a board member of the Company.

In terms of Section 165 of the Act, none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Mohit Talwar (DIN 02394694), Non-Executive Director and Mr. Rajit Mehta (DIN 01604819), CEO & Managing Director of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment. Your Directors recommend their re-appointment at the ensuing AGM.

A brief profile and other details of the above named directors seeking appointment / re- appointment and / or fixation of remuneration of Directors (including Managing Director or whole time directors) at the ensuing AGM of the Company has been provided in the notice of the AGM.

DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from all Independent Directors of the Company (i.e. Mr. K Narasimha Murthy, Dr. Omkar Goswami and Ms. Roshini Bakshi) confirming their independence as prescribed under the Act. The terms and conditions of appointment of independent directors is available for inspection at the registered office of the Company by any member during normal business hours and the same has also been posted on the Company's website.

A formal letter of appointment together with the Induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The directors are familiarized with your Company's business and operations and interactions are held between the directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board / Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. A tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in New Delhi. The Agenda for the Board and Committee meetings including detailed notes on the items to be discussed at the meeting are circulated well in advance to enable the Directors to take an informed decision. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated under Act, Secretarial Standard on the meetings of the Board issued by Institute of Company Secretaries of India. The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 5 times viz. May 4, 2016, July 26, 2016, October 21, 2016, December 6, 2016 and February 8, 2017. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company have constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board:

Audit Committee ("AC")

As on date, the Committee comprises of Mr. K. Narasimha Murthy (Chairman & Independent Director), Dr. Omkar Goswami (Independent Director), Ms. Roshini Bakshi (Independent Director), Dr. Ajit Singh (Non-Executive Director) and Mr. Petrus Phillippus Van Der Westhuizen (Non-Executive Director). The composition, role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all recommendations made by the Audit Committee from time to time.

Nomination & Remuneration Committee ("NRC")

The Committee comprises of Dr. Ajit Singh (Chairman & Non-Executive Director), Mr. K. Narasimha Murthy (Independent Director), Dr. Omkar Goswami (Independent Director) and Ms. Roshini Bakshi (Independent Director). The

composition, role and terms of reference of this Committee are in compliance with the Section 178 of the Act, besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

Scientific Projects & Technology Committee ("SP&TC")

This Committee comprises of Dr. Ajit Singh (Chairman & Non-Executive Director), Mr. Adam Mills Pyle (Non-Executive Director) and Dr. Pradeep K. Chowbey (Executive Director). This Committee has the mandate for reviewing and assessing the investments in emerging technologies and information systems, besides establishing a governance framework for evaluation of existing or new medical programs as proposed by Management.

Medical Excellence and Compliance Committee ("MECC")

This Committee comprises of Dr. Ajit Singh (Chairman & Non-Executive Director), Mr. Adam Mills Pyle (Non-Executive Director) and Dr. Pradeep K. Chowbey (Executive Director). This Committee reviews and assesses the Medical Quality standards and metrics and establishes clinical excellence framework for operations of the network hospitals.

Service Excellence Committee ("SEC")

This Committee comprises of Dr. Omkar Goswami (Chairman & Independent Director), Dr. Ajit Singh (Non- Executive Director), Dr. Pradeep K. Chowbey (Executive Director) and Mr. K. Narasimha Murthy (Independent Director). This Committee guides the management team on service quality and efficiency metrics including reviewing and assessing the operating process and efficiency.

Investment & Performance Review Committee ("I&PRC")

This Committee comprises of Mr. Rahul Khosla (Chairman & Non-Executive Director), Dr. Ajit Singh (Non- Executive Director), Mr. Mohit Talwar (Non-Executive Director) and Mr. Petrus Phillippus Van Der Westhuizen (Non-Executive Director) and Mr. Adam Mills Pyle (Non-Executive Director). This Committee guides and assists the Board in the matters relating to various investments, Management's Performance review and key people related decisions etc.

Corporate Social Responsibility Committee ("CSR")

In terms of Section 135 of the Act and Companies (Corporate Social Responsibilities Policy) Rules, 2013, the CSR Committee of Board of Directors was constituted to recommend the CSR Policy of the Company indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, recommending the amount of expenditure to be incurred on such activities once the Company meets the profitability criteria prescribed under the Rules and monitoring the CSR Policy of the Company from time to time. This Committee comprises of Dr. Ajit Singh (Non-Executive Director & Chairman), Mr. K Narasimha Murthy (Independent Director) and Mr. Adam Mills Pyle (Non- Executive Director).

Mr. Pieter Phillippus Van Der Westhuizen shall be the special invitee for NRC and SEC, till the appointment of one director nominated by LHC in place of Mr. Andre Meyer.

The details of Board / Committee meetings held during the financial year 2016 -17 as required under SS-1 has been provided as **Annexure – 1**.

BOARD EVALUATION

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the year 2016 -17. The Company followed two- pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committees. The second part was driven by face-to-face discussions at the NRC and Board meeting with the aim to evaluate the performance of individual directors. In addition, a separate meeting of all the Independent Directors was convened to review the performance of non-independent directors and Board as a whole, review the performance of Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

The evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as knowledge, contribution and guidance to the Management. The Directors expressed satisfaction with the evaluation process.

INDUCTION AND FAMILIARIZATION PROGRAM FOR BOARD MEMBERS

A formal letter of appointment together with the induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The directors are familiarized with your Company's business and operations and interactions are held between the directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board / Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

KEY MANAGERIAL PERSONNELS (KMPs) – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Rajit Mehta, CEO & Managing Director, Mr. Yogesh Sareen, Senior Director & Chief Financial Officer and Ms. Ruchi Mahajan, Company Secretary, are the KMPs of the

Company. During the year under review, there was no change in the position of KMPs of the Company.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE ACT

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration of the Directors, Key Managerial Personnel (“KMP”) and other employees. A brief of the aforesaid Policy is as follows:

➤ Appointment Criteria and Qualification

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. For the purpose, the NRC shall identify and ascertain the integrity, independence in terms of Section 149 of the Act, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

The potential candidate for appointment to the Board are inter – alia evaluated on the basis of the highest level of personal and professional ethics, standing, integrity, appreciation of the Company’s vision, prominence in industry, independence, professional skills, financial literacy and such other competencies and skills as may be required from time to time. The selection and appointments on the Board of the Company are done on the recommendation of NRC.

While evaluating the candidature of an independent director, in addition to the above, the NRC abides by the criteria for determining the independence as stipulated under the Act.

In case of reappointment of the Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their level of engagement.

For the appointment of KMPs [other than MD / Whole time Director (WTD)], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

➤ Remuneration Policy

The Board has adopted a Remuneration Policy for Directors, KMPs and other employees. The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act w.r.t the

appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

The key components of the Company's Remuneration Policy are - the compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

➤ Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration of the Managing / Whole - time Director will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Subject to the compliance of the Act, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

➤ Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non- Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the NRC / Board / Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act, as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(5) of the Act, the Directors, to the best of their knowledge and belief confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied

them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for another term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2020, subject to ratification by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to ratify the appointment of SRBC as the Statutory Auditors of the Company for the FY 2017 -18 and fix their remuneration, at the ensuing AGM.

The Company has received a certificate from SRBC, the retiring auditors, confirming that the ratification of their appointment for FY 2017 -18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the Act read with Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditors in their Report to Board of Directors of the Company on Standalone and Consolidated Financial Results of the Company for FY 2016 -17, pointed out that the Company has provided requisite disclosures in these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management, except for amounts (as disclosed separately Auditors' Report on Standalone and Consolidated Financial Statements for FY 16 - 17) directly deposited in bank by customers.

In this regard, it is clarified that, in view of the sudden developments on November 8, 2016, the patients travelling from far off areas and those with planned admissions exercised the option to deposit cash directly to Company's bank Account (as per RBI Circular no. RBI/2016-17/112DCM (Plg) No.1226/10.27.00/2016-17 dated of November 8, 2017), under the cover of an authorization by the concerned hospital. Since the Company as well as the bank has the necessary KYC documents, the Company is of the considered opinion that such deposits of Specified Bank Notes were in line with RBI directions and comply with all regulatory requirements.

Except as stated above, the Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation or adverse opinion.

REPORTING OF FRAUD

During the FY 2016 -17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records & Audit) Rules, 2014 ("the Rules"), the Company had appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2016 -17. The Cost Auditor had conducted audit of Cost Accounting Records of the Company for the financial year 2016 -17 and the Cost Audit Report will be filed within the stipulated period of 180 days from the close of the financial year.

Further, the Company has received a certificate from M/s Chandra Wadhwa & Co., confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for the financial year 2017 -18.

It is proposed to appoint M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for the Financial Year 2017 -18, at a remuneration of INR 4,95,000 (Indian Rupees Four Lacs Ninety Five Thousand). Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed has been proposed for the ratification by the members of the Company in the ensuing AGM.

The Cost Auditor in their report for FY 2016 -17, pointed out that the Company is incurring losses at some key specialties i.e. neuro surgery, cardiac surgery and internal medicine and it is incurring losses at its unit located at Shalimar Bagh, Pitampura and Dehradun and suggested that efforts should be made improve profitability for the aforesaid specialties and units.

In this regard, it is clarified that the Company has already taken steps to improve the cost efficiency, pricing as well as productivity for these specialties. There have also been significant changes in the medical programme in the Company's

hospitals at Saket and Pitampura during the course of the financial year, which has led to losses in some specialties arising mainly out of higher allocation of indirect overheads. In terms of units, both Dehradun and Shalimar Bagh have significantly reduced their losses and going forward, we expect them to become profitable in near future.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 ("the Act") read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Jus & Associates, Company Secretaries, as the Secretarial Auditor of the Company for FY 2016 -17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed herewith as **Annexure 2** to this Report. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse opinion.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority have been disseminated to senior management to cascade within their departments. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Further, in the design and evaluation of our disclosure controls and procedures, our management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Company has a dedicated Internal Audit team and the Internal Audit Head reports functionally to the Audit Committee of Board which reviews and approves annual internal audit plan. The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems and internal audit reports and performance of the internal audit function on a periodic basis.

RISK MANAGEMENT

The Management is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of the Risk Management Framework of the Company through the Audit Committee.

The Company follows detailed risk assessment and minimization procedures, which are reviewed by the Audit Committee. The Company has in place a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management. The Audit Committee provides oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company promotes integrity and ethical behavior in its business activities and has a Whistle Blower Policy to provide appropriate avenues to the stakeholders to raise bona fide concerns relating to unethical and improper practices, irregularities, governance weakness, financial reporting issues or any other wrongful conduct and to prohibit the victimization of the whistle blowers.

A whistle blower can raise his / her concerns with the designated official and under exceptional circumstances with the Audit Committee. The investigations relating to the concern is required to be carried out by / or under the instruction of the whistle blower committee comprising of five members including the MD & CEO (the Chairperson of the Committee), Head Internal Audit, Head - HR, Director - Legal & Regulatory Affairs, Senior Director & Chief Financial Officer and any other members as may be co-opted on a case by case basis for effective redressal of a concern. Any allegations that fall within the scope of the concerns identified are investigated and resolved appropriately. Further, during the year, no individual was denied access to the Audit Committee for reporting concerns, if any.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints.

The details of establishment of vigil mechanism for Directors and employees to report genuine concerns are available at the website of the Company viz. www.maxhealthcare.in.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the Audit Committee / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the Financial Year 2016-17, with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC - 2. Further, there are no related party transactions made by the Company which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Indian AS 24.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the standalone financial statement.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return of Company in terms of Section 134 (3) (a) of the Act, is annexed herewith **Annexure 3** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company outline its CSR focus areas, recommend the amount of CSR expenditure, execution process, review & monitoring mechanism, and reporting process to the Management and the Board of Directors of the Company. The CSR Policy may be accessed on the Company's website.

As per the aforesaid Policy, MHC shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. , Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self help

groups for single women led households in villages identified for adoption by the Company. In terms of Section 135 of the Act read with Companies (Corporate Social Responsibilities Policy) Rules, 2013, in view of the Company's carried forward losses, your Company was unable to contribute to the CSR activities for the FY 2016 -17. The Annual Report on CSR activities is annexed as **Annexure 4**.

DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

SERVICE EXCELLENCE

During the year under review, your Company continued its focus on patient satisfaction and Sevabhav and the path to Service Excellence was paved with various initiatives like Front Office transformation journey - Mission PRIDE, Seva Bhav training for all supporting cadre, process re-engineering and quality initiatives. Transparent goals, robust governance mechanism and encouragement through reward and recognition helped the cause. The first ever 'Project of the Year Exhibition' with an objective of promoting the culture of quality was organized during the year, wherein 60 teams participated with various quality initiatives. During the year under review, overall patient experience score improved by 37% and various employee engagement programs also led to positive impact thereon

Service Excellence & Sevabhav is one of the core values of your Company and it took significant strides in this direction. We continued to strengthen our Patient Listening process through an independent survey by a third party. Our Patient experience scores, as reported by them, improved from 63% to 68%. This was achieved at the back of various initiatives like Front office Transformation, Streamlining Discharge, improving the Pharmacy process and Nursing process and communication improvements. Various new service technologies were implemented which gave us a boost in our patient experience: complete implementation of an integrated appointment and queue management system, automated TPA processing and real time app based feedback capturing.

We also progressed well in our Quality journey, Max Healthcare participated in the World Conference on Quality and Improvement 2017 (WCQI) organised by American Society for Quality (ASQ). All three projects submitted by MHC/ its network received the 'Certificate of Appreciation' in different areas of excellence.

You will be pleased to note that your Company is the first Healthcare Service Providers to come to make it to finals at this world conference in the past five years.

MEDICAL EXCELLENCE

Your Company is committed to providing the highest standards of Medical excellence. Our constant endeavor is to establish Max Healthcare clinical & safety outcomes at the highest level comparable to the best known institutions of the globe. We serve as a role model in several areas of clinical care and are sought after by aspiring doctors, nurses & paramedical staff as a high quality organization to work for. Reaching to this level has not been an easy task but has been achieved by the unflinching commitment and support given by you (both at the Board & operating level). The strengths of Medical excellence consist of accreditations (national & international), audits for continuous improvements, evidence based practices, clinical leaderships, systems & protocols, patient safety goals & clinical indicators.

You will be pleased to note that our network hospitals i.e. Max Super Specialty Hospital Saket (East & West Wings) have successfully achieved Joint Commission International (JCI) accreditation and received the gold seal in the first attempt in February 2017. 13 hospitals across the network (both secondary and tertiary care centres) are successfully NABH accredited. Max Multi Speciality Centre, Panchsheel Park, New Delhi has achieved NABH accreditation for Dental Health Care Service Providers (DHSP) and it the only Corporate Hospital in India to receive it. Eight laboratories are NABL accredited & three blood banks are NABH accredited.

INFORMATION TECHNOLOGY

Your Company is constantly leveraging advancements in information technology to enable timely access to information by both patients and clinicians in order to enhance patient safety & care. In FY 2016-17, there were several notable technology interventions in your Company including rollout of RIS-PACS radiology imaging system across Max Healthcare locations, launch of Electronic Health Record system and enhancements across all major MHC network hospitals, launch of e-Prescription system for some of its network hospitals and upgrade of the hospital information system.

As a significant step to ensure continuity of care, your Company launched first phase of Max @Home digital platform for phlebotomists for enabling automated logistics and protocols for pathology sample collections at home.

There was also a significant progress made on operational and clinical analytics by the deployment of a best-in-class QlikSense tool for tracking operational performance. Overall, all these initiatives during the year helped to elevate the quality of medical care and decision-making process.

TALENT MANAGEMENT

The ever-evolving people practices across healthcare industry have ensured that your Company Talent Management team keeps pace with the change. The rise of technology and social media has completely redefined the role of Human Resources around the world. It has not only impacted big players but every enterprise present in the market.

To keep up with the pace and mark our presence in the industry, your Company's people function has incessantly remained agile and swift to churn out initiatives to nurture and grow our Human Capital. The infusion of able leadership during FY15 , strategic alignment of Hospital Operations into clusters have yielded better synergies and business results in FY16 -17.

Multiple people initiatives taken during the year have ensured better employee experience for our 10,000 employees (excluding visiting consultants) on a day to day basis. The launch of "DISHA" ERP system has strengthened a lot of HR processes, from recruitment to exit, from goal sheet to annual appraisal, the system has ensured a big move from manual to automated world of governance.

Nursing engagement has always remained critical to success of the hospital business and your Company has made significant achievements under Nursing Transformation journey in FY16 - 17. From campus adoption to re-aligning policies to launching career program under exchange program with our JV partner viz. LHC, each initiative witnessed an overwhelming response from nursing fraternity. New designations and competency based hiring was introduced for Front Office team as part of Mission Pride (Front Office transformation) initiative and better retention is expected with this move.

Information in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees (as amended from time to time), is given separately as **Annexure 5** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company strongly believes in providing a safe and harassment free workplace for every individual working in MHC through various interventions, policy and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) at every work locations / hospitals, which is responsible for redressal of complaints related to sexual harassment in accordance with the guidelines provided in the policy.

During the year ended March 31, 2017, the ICC received 4 complaints pertaining to sexual harassment. Detailed investigations were carried out and appropriate actions have been taken by the ICC in all the reported incidents and no complaint is pending as on date.

EMPLOYEES STOCK OPTIONS PLAN - 2006

The growth and performance of your Company is highly dependent on the hard work, dedication and commitment of its employees. In order to attract, retain and motivate its employees to create value for the Company and reward them through sharing the benefits of value so created and enjoy the fruits of the phenomenal growth that the Company foresees in the coming years, your Company implemented Employee Stock Option Plan in 2006, which was amended with the approval of the shareholders of the Company in its meeting held on March 1, 2016.

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with Section 62 of the Act and Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time) are set out as **Annexure 6** to this Report.

As of March 31, 2017, 41,33,326 (Forty One Lacs Thirty Three Thousand Three Hundred Twenty Six) stock options are outstanding under the aforesaid Employees Stock Plan.

PHANTOM STOCK PLAN

In order to enhance long-term shareholder value of the Company, further aligning the interests of the employees to the interests of the Company and motivating them to contribute to the growth and profitability of the Company, based on recommendations by the NRC, the Board of Directors of the Company had, in its meeting held on August 4, 2017, proposed a Phantom Stock Options Plan (PSP) for its key employees by adopting a Phantom Scheme under the name and style of "Max Healthcare Institute Limited Employee Phantom Stock Plan 2017 ("MHIL PS") for the purposes of granting phantom stock to the eligible employees of the Company. The detail of MHIL PS has been provided in AGM notice of the ensuing AGM of the Company.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business, in the Company's subsidiaries or in the nature of business carried on by them and generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. During the year, your Company has taken following significant energy conservation measures across its various hospitals:

- Replacement of existing fixtures with energy efficient LED lights continues on ongoing basis.
- Control on HVAC systems contributed by way of efficient monitoring and regulation of temperature in Operation Theatres (OTs) and use of winter chillers.
- More than 99% uptime of all major engineering equipments and systems across all hospitals.
- Monitoring and benchmarking of power consumption per occupied bed, optimizing actual vs. designed efficiency of major equipments and spreading awareness to conserve our environment amongst various stake holders are some of the efforts which have helped conserve power consumption while the hospitals cater to increased footfalls .
- Recycling of water and optimizing water consumption in OT and other patient areas.

b) Capital investment on energy consumption equipments: INR 2,14,137

c) Impact of measures at (a) & (b):

- The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

B. Research & Development (R & D):

a. The areas of research being pursued by your Company include:

- Your Company has built a strong foundation in managing several sponsored global & national clinical trials and Investigator Initiated trials/ studies in all major therapeutic areas like Cardiology, Vascular surgery, Oncology, Neurology, Endocrinology, Intensive care, Internal medicine, Pulmonology, Psychiatry, Pathology, Anesthesia, Minimal Access Metabolic and Bariatric Surgery, Radiology, Nephrology & Kidney Transplant, Obstetrics &

Gynecology, IVF, Urology, Physiotherapy & Rehabilitation, Ophthalmology, gastroenterology, Pediatrics, Neonatology, Urology, and Emergency medicine covering the areas of drugs, devices and post marketing surveillance studies.

- Since 2005, through the Clinical Research Program established at your Company, the Office of research has been able to successfully initiate more than 146 sponsored clinical trials of which 118 have been completed and 28 currently are ongoing till date.
- Collaboration with Imperial Research (UK): The aim of the collaboration is to develop world- class research, addressing the major unmet clinical needs common to India and UK and providing a research base and legacy for future research. We currently have an ongoing project in the field of genetics i.e. Max Genetic study.

b. Benefits derived as a result of the above R&D

- Fulfilling unmet therapeutic needs.
- Collaboration with the external global funding and Government agencies for carrying out research.
- Innovation in the areas of new technology and clinical procedures thereby improving the treatment process.

c. Future Plan of action

The futuristic approach of your Company will continue to concentrate its focus on Research & Development activities:-

- Office of Research at MHC plans to conduct various training programmes on research areas like medical writing, statistics through collaborations with the academic institutions in clinical research and renowned pharmaceutical companies to enhance the research skills of researchers.
- Your Company also plans to augment its clinical research programme in various areas viz. Epidemiology (Studies involving collecting & analysing data about health & disease in target populations), Clinical Research (Innovation of techniques and ideas by physicians, supported by laboratory research) and Clinical Trials (Investigations of a new drug on human volunteers to determine safety, toxicity, efficacy, dosage).

C. Technology Absorption:

(a) & (b):

Efforts in brief, made towards technology absorption and benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Medical technology plays a crucial role in enhancing the quality of delivery, reduction in turnaround time of workflows and thus the overall cost, besides bringing in higher accountability into the system. Your Company has consistently invested in acquiring latest and newer technologies that result in better clinical outcomes and hence, greater patient satisfaction.

During the year under review, your Company has installed new hybrid Cath Lab at its network hospital at Max Hospital, Saket that has lead to improved Patient safety, reduced complications (access site and bleeding) for advanced cardiovascular diagnostic and interventional procedures. High end microscope, Ortho-suite Navigation system, DR system in Radiology are the other latest upgradations that has helped improve decision making capabilities and throughput of surgeon to gain competitive advantage.

The above initiatives have helped the Company to provide improved medical quality and holistic care to our patients in a more effective manner.

- c) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: NA

D. Foreign Exchange Earnings and Outgo:

- a) Activities relating to exports: Initiatives taken to increase exports, development of new export markets for products and services, and export plans : Your Company continues to explore new markets for expanding its network/ reach.

- b) Total foreign exchange earned and used :

(i) Earnings : INR 52.44 Crores

(ii) Expenditure: CIF Value of Imports - INR 7.82 Crores
Others - INR 3.53 Crores

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of shares (including sweat equity shares) to employees of the Company under any scheme save and except under ESOP referred to in this Report.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its

subsidiaries.

4. No significant or material adverse orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the shareholders, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

For and on behalf of the Board of Directors

Date: August 4, 2017
Place: New Delhi

sd/-
Rajit Mehta
MD & CEO
(DIN 01604819)

sd/-
Pradeep K. Chowbey
Executive Vice Chairman
(DIN 01141637)

DETAILS OF THE MEETINGS OF BOARD AND COMMITTEES OF MAX HEALTHCARE INSTITUTE LIMITED ATTENDED BY THE DIRECTORS IN PERSON FOR FY 16-17**I. BOARD OF DIRECTORS' MEETING**

No. of meetings: 5 i.e. May 4, 2016, July 26, 2016, October 21, 2016, December 6, 2016 and February 8, 2017.

NAME OF THE BOARD MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Rahul Khosla	4
Mr. Adam Mills Pyle	0
Dr. Ajit Singh	5
Mr. Andre Meyer	2
Mr. K. Narasimha Murthy	5
Ms. Madhabi Puri Buch	5
Mr. Mohit Talwar	3
Dr. Omkar Goswami	2
Dr. Peter George Harper	1
Mr. Petrus Phillippus Van Der Westhuizen	1
Mr. Pieter Francois Theron	2
Dr. Pradeep Kumar Chowbey	4
Mr. Rajit Mehta	5

II. AUDIT COMMITTEE

No. of meetings: 7 i.e. May 3, 2016, June 1, 2016, July 25, 2016, September 20, 2016, October 20, 2016, December 6, 2016 and February 7, 2017.

NAME OF THE AUDIT COMMITTEE MEMBER	NUMBER OF MEETINGS ATTENDED
Dr. Ajit Singh	5
Mr. Andre Meyer	0
Mr. K. Narasimha Murthy	7
Ms. Madhabi Puri Buch	5
Dr. Omkar Goswami	4
Mr. Petrus Phillippus Van Der Westhuizen	1

III. **NOMINATION & REMUNERATION COMMITTEE**

No. of meetings: 4 i.e. May 3, 2016, July 25, 2016, October 20, 2016, and February 7, 2017.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Dr. Ajit Singh	4
Mr. Andre Meyer	2
Mr. K. Narasimha Murthy	4
Ms. Madhabi Puri Buch	3
Dr. Omkar Goswami	2

IV. **INVESTMENT AND PERFORMANCE REVIEW COMMITTEE**

No. of meetings: 4 i.e. May 3, 2016, July 25, 2016, October 20, 2016, and February 8, 2017.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Rahul Khosla	4
Mr. Adam Mills Pyle	0
Dr. Ajit Singh	4
Mr. Andre Meyer	2
Mr. Mohit Talwar	4
Mr. Petrus Phillippus Van Der Westhuizen	1
Mr. Pieter Francois Theron	2

V. **MEDICAL EXCELLENCE & COMPLIANCE COMMITTEE**

No. of meetings: 4 i.e. May 3, 2016, July 25, 2016, October 20, 2016, and February 7, 2017.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Dr. Ajit Singh	4
Mr. Adam Mills Pyle	0
Dr. Pradeep Kumar Chowbey	4
Mr. Andre Meyer	1
Dr. Peter George Harper	1

VI. **SERVICE EXCELLENCE COMMITTEE**

No. of meetings: 4 i.e. May 4, 2016, September 20, 2016, October 20, 2016, and February 7, 2017.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Dr. Omkar Goswami	4
Mr. Andre Meyer	1
Dr. Ajit Singh	3

Dr. Pradeep Kumar Chowbey	2
Mr. K. Narasimha Murthy	4

VII. **SCIENTIFIC PROJECTS & TECHNOLOGY COMMITTEE**

No. of meetings: 4 i.e. May 3, 2016, July 25, 2016, October 20, 2016, and February 7, 2017.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Dr. Ajit Singh	4
Mr. Adam Mills Pyle	0
Dr. Pradeep Kumar Chowbey	4
Mr. Pieter Francois Theron	2
Dr. Peter George Harper	1
Mr. Petrus Phillippus Van Der Westhuizen	1

VIII. **INDEPENDENT DIRECTOR'S MEETING**

No. of meeting during FY 2016 -17: 1 i.e. July 25, 2016

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. K. Narasimha Murthy	1
Ms. Madhabi Puri Buch	1
Dr. Omkar Goswami	1

Notes:

1. Dr. Peter Harper and Mr. Pieter Francois Theron ceased to be Directors of the Company w.e.f July 26, 2016.
2. Mr. Petrus Phillippus Van Der Westhuizen was appointed as an Additional Director on the Board w.e.f. July 26, 2016.
3. Mr. Adam Mills Pyle was appointed as an Additional Director on the Board w.e.f. October 21, 2016 and only one Board meeting took place in FY 16-17 post his appointment.

SECRETARIAL AUDIT REPORT

[For the Financial Year ended 31st March, 2017]

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members

Max Healthcare Institute Limited

Max House, 1 Dr Jha Marg,
Okhla, New Delhi- 110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Max Healthcare Institute Limited**” (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;
- ii) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent applicable in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- iii) Secretarial Standards issued by the Institute of Company Secretaries of India.



iv) Other significant laws specifically applicable to the Company, including:

- Delhi Nursing Homes Registration Act, 1953 and Rules
- Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945
- Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004 and Guidelines to set up Nuclear Medicine Facility.
- The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994
- Medical Termination of Pregnancy Act, 1971 and Medical Termination of Pregnancy Regulations, 2003
- Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013
- The Food Safety and Standards Act, 2006
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981
- The Bio Medical Waste (Management & Handling Rules), 1998

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

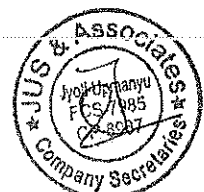
1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director, in terms of the relevant provisions of the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions are carried unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the financial year under review.

4. The Company has obtained the approval of Shareholders in its Annual General Meeting, held on September 29, 2016, under section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Act, and Rules made there under, for payment of remuneration payable to Mr. Rajit Mehta as Managing Director & Chief Executive Officer of the Company for the period from April 1 2016 to March 31, 2017.
5. The Company has obtained the approval of the Shareholders in its Annual General meeting, held on September 29, 2016, under section 186 of the Companies Act, 2013 to give enabling powers to the Board of Directors or duly constituted Committee thereof, for making investment in subsidiaries (existing & future), providing loans to its subsidiary companies (existing or future) or give guarantee and providing security in connection with the loan taken by the subsidiary companies and other healthcare service providers under Max network of Hospitals, in one or more tranches, for an aggregate amount of not exceeding Rs. 2500 Crores excluding the wholly owned subsidiaries, over and above the existing limit of Section 186(2).
6. The Company has obtained approval of shareholders in its Annual General held on September 29, 2016 to contribute an amount up to Rs. 1 Crore, in one or more tranches, in any financial year, either directly or through a non-profit organization, or in any other way, to bonafide charitable and other funds.

We further report on the following specific events, as under:

- A. The Board of the Company has approved shifting of place of maintenance of Books of Accounts of the Company and other relevant papers from 1, Max House, Okhla, New Delhi-110020 to Tower A, DLF Centre Court, Phase V, Sector-42, Golf Course Road, Gurugram, Haryana.
- B. The Board of Directors in its meeting held on December 06, 2016 approved amalgamation of wholly owned subsidiary of the Company, Max Medical Services Limited into Max Healthcare Institute Limited and the Scheme of Amalgamation.
- C. The Company has allotted 38,36,230 fully paid up Equity Shares Rs.10 each at a premium of Rs. 57.50 per share, amounting Rs. 25,89,45,525 under Rights Issue on May 31, 2016 after complying with Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.
- D. The Company, during the audit period, has made investments, provided loans and guarantee/security to its subsidiaries and other healthcare service providers operating under Max Network of hospitals after complying with the relevant provisions of the Companies Act, 2013 and rules made there under.

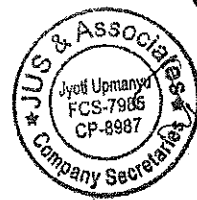
We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific, under both Central and State legislations, reliance has been placed on the Compliance Certificate issued by the Management at each Board meeting, based on the report received by the Company from various hospitals, nursing homes, day-care centers etc. as part of the Company's Compliance Management and Reporting System. Based on the aforesaid internal compliance certification mechanism, we are of the opinion that the Company has generally complied with the following:

- i) Deposit of Provident Fund, Employee State Insurance, Employee Deposit Linked Insurance and other employee related statutory dues.
- ii) Applicable stipulations pertaining to the Payment of Wages Act, Minimum wages Act, Contract Labour (Regulation and Abolition) Act and other related legislations.
- iii) Deposit of taxes relating to Income Tax, Value Added Tax, Central Sales Tax and other applicable taxes including Tax Deducted at Source. Cases of disputed liabilities have been disclosed as contingent liability in the Notes to Accounts forming an integral part of the financial statement for the year under review, and brief of the same has also been disclosed in the Independent Auditors' Report. The aforesaid contingent liability includes estimated liability in respect of legal cases filed against the Company.
- iv) Applicable State and Central laws, including those related to the Environment, Food Safety & Standards and Standards of Weights and Measures, pertaining to the operations of the Company. However, notices received from the statutory authorities are reported to the Management and appropriate action is taken from time to time.

For JUS & Associates
Company Secretaries



Jyoti Upmanyu
Jyoti Upmanyu
FCS- 7985
CP No.- 8987

Place: New Delhi
Date: August 04, 2017

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U72200DL2001PLC111313
Registration Date	June 18, 2001
Name of the Company	MAX HEALTHCARE INSTITUTE LIMITED
Address of the Registered office and contact details	MAX HOUSE, 1, DR JHA MARG, OKHLA, PHASE III, NEW DELHI – 110020 Phone No. 011-41220600 Email id – secretarial@maxhealthcare.com Website – www.maxhealthcare.in
Category / Sub-Category of the Company	Public Company Limited by Shares
Whether listed company	Non-Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Limited (Registrars & Share Transfer Agents) T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83 Fax:- 26387384 email:- info@masserv.com website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S. No.	Name and description of main services/products	NIC Code of the Service/ Product	% of the total turnover of the Company
1.	Name of Services – Healthcare Description - The Company is engaged in the business of owning, constructing, establishing, managing, operating and/or developing hospitals, clinics, nursing homes, health centres, medical centres in primary/ secondary/ tertiary/ quaternary care, and providing healthcare and medical services (such as technology enabled health care delivery services, health information services and home based care) to third parties and areas allied to healthcare such as wellness, integrated medicine, diagnostics, pathology, in-house pharmacy outlets (which are operated/ managed within the premises of the healthcare facilities operated by the Company and/ or its Subsidiaries), leasing of medical equipment, medical education, nursing college and paramedics college.	As Per NIC Code 2008 Division is 86	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shares	Applicable Section
1	Hometrail Buildtech Private Ltd. Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020	U45400DL2008PTC176962	Subsidiary	100 (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
2	Hometrail Estate Private Ltd. Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020	U45400DL2008PTC176963	Subsidiary	100 (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013

3	Max Medical Services Ltd. Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020	U74899DL1994PLC061314	Subsidiary	100 (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
4	Alps Hospital Ltd.* Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020	U74899DL1989PLC036413	Subsidiary	100 (Indirectly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
5.	Crosslay Remedies Ltd.	U24239DL2002PLC113719	Subsidiary	78.35% (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
6.	Saket City Hospitals Private Limited	U85110DL1991PTC042646	Subsidiary	51% (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013

* Max Healthcare holds 14.96% directly in Alps Hospital Ltd. and 85.04% indirectly through Max Medical Services Ltd.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding – **As per Annexure 2A**
- (ii) Shareholding of Promoters – **As per Annexure 2B**
- (iii) Change in Promoters' Shareholding – **As per Annexure 2C**
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – **Annexure – 2D**
- (v) Shareholding of Directors and Key Managerial Personnel – **As per Annexure – 2E**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Opening Balance as on 01.04.2016	24,773	2,500	-	27,273
ii Interest due but not paid as on 01.04.2016	-	-	-	-
ii. Interest Accrued but not due as on 01.04.2016	27	-	-	27
Total (i+ii+iii)	24,800	2,500	-	27,300
Change in indebtedness during the financial year				
i. Change in Principal during the period {Addition / (reduction)}	6,417	(2,500)	-	3,917
ii. Change in Interest Accrued during the period {Addition / (reduction)}	(27)	-	-	(27)
Indebtedness at the end of the financial year				
i. Principal Closing Balance as on 31.03.2017	31,190	-	-	31,190
ii Interest due but not paid as on 31 03. 2017	-	-	-	-
iii. Interest Accrued but not due as on 31.03.2017	204	-	-	204
Total (i+ii+iii)	31,394	-	-	31,394

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole Time Directors and/or Manager

(IN INR)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1	Gross Salary	Dr. Pradeep Kumar Chowbey	Mr. Rajit Mehta	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	48,40,824	4,15,20,240	4,63,61,034
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961.	42,28,001	20,97,070	63,25,070
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	-		
2.	Stock Options	Nil	-	-
3.	Sweat Equity Shares	-	-	-
4.	Commissions ➤ As % of profit ➤ Others	Nil		
5.	Others	2,95,999	9,90,000	12,85,999
	Total A	93,64,824	4,46,07,310	5,39,72,133
	Ceiling as per the Act*			

**As per Rule 7 of Chapter XIII of Companies Act, 2013 ceiling limit is not applicable to Max Healthcare Institute Ltd.*

B. Remuneration to other directors

(IN INR)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. K N Murthy	Dr. Omkar Goswami	Ms. Madhabi Puri Buch		
	Fee for attending board committee meetings*	21,00,000	12,00,000	14,00,000		
	Commission	-	-	-		
	Others, please specify	-	-	-		
	Total (1)	21,00,000	12,00,000	14,00,000		47,00,000
2	Other Non-Executive Directors	Nil	Nil	Nil		
	Fee for attending board committee meetings*	-	-			
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (2)	-	-	-		-
	Total (B)=(1+2)	21,00,000	12,00,000	14,00,000		47,00,000
	Total Managerial Remuneration	-	-	-		-
	Overall Ceiling as per the Act	-	-	-		-

* After Tax Deduction at Source

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD.

(IN INR)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Yogesh Sareen	Ms. Ruchi Mahajan	
1	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,00,07,130	41,50,308	2,41,57,438
	Value of Perquisite u/s 17(2) Income Tax Act, 1961.	15,48,210	5,38,866	20,87,076
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	NIL	NIL	NIL
2.	Stock Options	NIL	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL	NIL
4.	Commissions As % of profit Others	NIL	NIL	NIL
5.	Others	7,60,742	1,37,359	8,98,101
	Total A	2,23,16,082	48,26,533	2,71,42,615
	Ceiling as per the Act	Not Applicable	Not Applicable	Not Applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE – There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year

ANNEXURE – 2A

Category of Shareholders	No. of Equity Shares held at the beginning of the year[As on 31-March-2016]				No. of Equity Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indians									
Bodies Corp.	246848529	8*	246848537	46.28%	246848529	8*	246848537	45.95%	0.33%
Total shareholding of Promoter (A1)	246848529	8	246848537	46.28%	246848529	8	246848537	45.95%	0.33%
(2) Foreign									
Bodies Corporate	56766451	190082086	246848537	46.28%	56766451	190082086	246848537	45.95%	0.33%
Total shareholding of Promoter (A2)	56766451	190082086	246848537	46.28%	56766451	190082086	246848537	45.95%	0.33%
Total shareholding of Promoter(A) = (A1) + (A2)	303614980	190082094	493697074	92.56%	303614980	190082094	493697074	91.90%	(0.66%)
B. Public Shareholding									
(1) Institutions									
Foreign Financial Institution									
Equity	9090909	27570115	36661024	6.87%	9090909	31207890	40298799	7.50%	(0.63%)

Preference	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	9090909	27570115	36661024	6.87%	9090909	31207890	40298799	7.50%	(0.63%)
2. Non-Institutions									
b) Individuals	-								
i) Individual shareholders holding nominal share capital upto INR 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	3050000	3050000	0.57%	-	3248455	3248455	0.60%	0.03%
c) Others (specify)									
Sub-total (B)(2):-	-	3050000	3050000	0.57%	-	3248455	3248455	0.60%	0.03%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9090909	30620115	39711024	7.44%	9090909	34456345	43547254	8.10%	(0.66%)
C. Shares held by Custodian for GDR & ADR	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	312705889	220702209	533408098	100%	312705889	224538439	537244328	100%	

**include shares held by nominee on behalf of Max India Ltd.*

(Shareholding of Promoter) - ANNEXURE – 2B

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Max India Limited	246848537	46.28%*	Nil	246848537	45.95%*	Nil	(1.03)%
2	Life Healthcare International (Proprietary) Limited (LHC)	246848537	46.28%*	Nil	246848537	45.95%*	Nil	(1.03)%

(Changes in Promoters' Shareholding) - ANNEXURE – 2C

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Max India Ltd.	At the beginning of the year	246848537	46.28%	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	246848537	46.28%	-	-

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Life Healthcare International (Proprietary) Ltd.	At the beginning of the year	246848537	46.28%	-	-

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	246848537	46.28%		

(Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) - ANNEXURE – 2D

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	1. International Finance Corporation (IFC)				
	At the beginning of the year	36661024 Equity	6.87 %		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	On May 31, 2016, the Company had allotted 36,37,775 fully paid-up equity shares of INR 10 each on Rights basis to International Finance Corporation		40298799	7.50%
	At the end of the year	40298799 (Equity)	7.50%	40298799 (Equity)	7.50%

Shareholding of Directors and Key Managerial Personnel - ANNEXURE – 2E

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Pradeep Kumar Chowbey (Director - Executive Vice Chairman)				
	At the beginning of the year	20,00,000	0.40%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	On May 31, 2016 under Right Issue Dr. Chowbey received 198455 equity shares			
	At the end of the year	2198455	0.41%		
2.	Mr. Yogesh Kumar Sareen				
	At the beginning of the year	1*	0%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil			
	At the end of the year	1*	0%		

**as a nominee of Max India Ltd*

ANNEXURE 4

Annual Report on CSR Activities taken up by the Company pursuant to Rule 8 of the Companies (CSR Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken:

Brief outline of the Company's CSR objectives and its projects/ programmes are mentioned in the CSR section of the Board's report. The details are also provided in the CSR policy which is available on the website of the Company viz. <http://www.maxhealthcare.in/sites/default/files/CSR-Policy.pdf>

2. The Composition of the CSR Committee: This Committee comprises of Dr. Ajit Singh (Non Executive Director & Chairman), Mr. K Narasimha Murthy (Independent Director) and Mr. Adam Mills Pyle (Non Executive Director).

3. Average net profit of the Company for last three financial years (2013-2016): NIL (due to carry forward losses).

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2013- 2016) :Not Applicable

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below: NOT APPLICABLE

S. No.	CSR project or activity identified	Sector in which project is covered	Project or Programs Local Area or other State & district	Amount outlay (budget) project or program wise	Amount spent on the project or programs	Cumulative Expenditure upto the Reporting period	Amount Spent: Direct or through implementing agency

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Not Applicable
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company – Not Applicable

For and on behalf of the Board of Directors

Date: August 4, 2017
Place: New Delhi

sd/-
Rajit Mehta
Managing Director & CEO
(DIN 01604819)

Dr. Ajit Singh
Chairman of CSR Committee
(DIN 02525853)

ANNEXURE 6 TO THE DIRECTORS' REPORT

Details of shares issued under Employees Stock Option Plan (ESOP)

S. No.	Particulars	Employee Stock Option Plan : 2006 (for FY 16-17)									
1	Options granted during the year	7,54,234									
2	Options vested during the year	3,40,000									
3	Options exercised during the year	NIL									
4	The total no. of shares arising as a result of exercise of option (during the year)	NIL									
5	Options lapsed	558,250									
6	The exercise price for the stock options granted during the year: Rs. 54.40										
7	Variation of terms of options during the year	Not Applicable									
8	Money realised by exercise of options during the year	NIL									
9	Total no. of options in force (as on date)	41,33,326									
10	Employee wise details of options granted during the year to 1) Key Managerial Personnel – Nil 2) Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year. <table border="1"> <thead> <tr> <th>S. No.</th><th>Name of Employee</th><th>Options granted</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Dr. Sandeep Budhiraja</td><td>286944</td></tr> <tr> <td>2.</td><td>Dr. Harit Chaturvedi</td><td>467290</td></tr> </tbody> </table> 3) Identified employees who were granted option, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the company at the time of grant. – NIL		S. No.	Name of Employee	Options granted	1.	Dr. Sandeep Budhiraja	286944	2.	Dr. Harit Chaturvedi	467290
S. No.	Name of Employee	Options granted									
1.	Dr. Sandeep Budhiraja	286944									
2.	Dr. Harit Chaturvedi	467290									

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Max Healthcare Institute Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies.

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 25 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 43 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from

November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management, except for amounts directly deposited in bank by customers amounting to Rs 10,082,500.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 23, 2017

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

Re: Max Healthcare Institute Limited (‘the Company’)

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (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 sale of goods and services related to healthcare, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, wealth tax, service tax, sales tax, duty of custom, 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. The provisions related to duty of excise are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
DVAT, 2005	Mismatch of VAT under section 32 and 33 of DVAT, 2005	116.40	FY 2012-13 and FY 2013-14	Additional Commissioner (VAT)
Service Tax	Demand Notice issued-Doctor Payout (Business Support Service)	1,184.81	FY 2006-07 to FY 2012-13	CESTAT, Delhi

- viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, and bank .The Company did not have any outstanding dues from debenture holders or Government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, and on overall examination of the balance sheet, we report that monies raised by the Company by way of right issue / term loans were applied for the purpose for which the money raised/ loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no frauds/ material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 23, 2017

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Max Healthcare Institute Limited

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

To the Members of **Max Healthcare Institute Limited**

We have audited the internal financial controls over financial reporting of Max Healthcare Institute Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature:

Date:

Audit report formats for reports issued on consolidated Ind AS financial statements prepared under the requirements of the Companies Act, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Max Healthcare Institute Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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 the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls, 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and subsidiary companies respectively none of the directors of the Group's companies, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 36 to the consolidated Ind AS financial statements;
- ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2017.
- iv. The Holding Company, subsidiaries, incorporated in India, have provided requisite disclosures in Note 50 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company except for amounts directly deposited in bank by customers amounting to Rs 20,339,082.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature:

Date: May 23, 2017

ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAX HEALTHCARE INSTITUTE LIMITED

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

To the Members of Max Healthcare Institute Limited

In conjunction with our audit of the consolidated financial statements of Max Healthcare Institute Limited as of and for the year ended March 31, 2017, we have audited the Internal Financial Controls Over Financial Reporting of Max Healthcare Institute Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature:

Date: May 23, 2017

Max Healthcare Institute Limited
Balance sheet as at March 31, 2017

				(Rs. in Lacs)
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	40,354	39,356	41,567
Capital work-in-progress	3	2,865	645	366
Intangible assets	4	2,504	3,029	1,268
Intangible assets under development	4	104	5	1,086
Investments in subsidiaries	5	86,569	83,998	26,796
Financial assets	6			
(i) Loans		12,705	15,796	25,786
(ii) Other financial assets		3,382	3,122	2,586
Other non current assets	7	12,998	10,447	11,663
		161,481	156,398	111,118
Current assets				
Inventories	8	1,386	1,318	1,274
Financial assets	9			
(i) Loans		1,010	1,088	52
(ii) Trade receivables		14,922	11,927	14,401
(iii) Other investments		-	-	14,626
(iv) Other financial assets		669	603	468
(v) Cash and cash equivalents		451	391	1,946
(vi) Other bank balances		9	6	12
(vii) Derivative instruments		29	-	-
Other current assets	10	3,204	2,230	1,596
		21,680	17,563	34,375
TOTAL ASSETS		183,161	173,961	145,493
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	53,724	53,341	48,881
Other equity	11	77,009	76,211	52,988
Total Equity		130,733	129,552	101,869
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	12	24,291	17,556	22,075
(ii) Other financial liabilities	13	210	238	51
Long term provisions	14	791	722	479
Government grant		64	-	-
Other non-current liabilities	15	549	473	199
		25,905	18,989	22,804
Current liabilities				
Financial Liabilities	16			
(i) Borrowings		6,424	8,713	4,029
(ii) Trade payables		15,257	13,056	11,127
(iii) Other financial liabilities		2,275	1,744	3,802
Short term provisions	17	968	769	767
Other current liabilities	18	1,599	1,138	1,095
		26,523	25,420	20,820
TOTAL LIABILITIES		52,428	44,409	43,624
TOTAL EQUITY AND LIABILITIES		183,161	173,961	145,493
Summary of significant accounting policies	2			
Contingent liabilities, commitments and litigations	26			
Other notes on accounts	27			

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

**For and on behalf of the Board of Directors of
Max Healthcare Institute Limited**

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

Sd/-
Rajit Mehta
(Managing Director & Chief Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number: 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Statement of profit and loss for the year ended March 31, 2017

			(Rs. in Lacs)
	Notes	for the year ended March 31, 2017	for the year ended March 31, 2016
INCOME			
Revenue from operations	19	98,425	91,238
Other income	20	622	633
Finance income	21	2,382	2,831
Total income		101,429	94,702
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		27,104	26,069
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants		(69)	(44)
Employee benefits expense	22	24,855	22,013
Finance costs	23	3,515	3,027
Depreciation and amortization expense	24	5,061	5,037
Other expenses	25	42,238	40,957
Total expenses		102,704	97,059
Loss before tax		(1,275)	(2,357)
Tax expenses		-	(2)
Loss after tax		(1,275)	(2,355)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	27.3	(124)	(5)
Income tax effect		-	-
		(124)	(5)
Other comprehensive income for the year, net of tax		(124)	(5)
Total comprehensive income for the year, net of tax attributable to Equity shareholder		(1,399)	(2,360)
Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 27.12)			
Basic (Rs.)		(0.24)	(0.47)
Diluted (Rs.)		(0.24)	(0.47)
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	26		
Other notes on accounts	27		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 23, 2017

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

Sd/-
Rajit Mehta
(Managing Director & Chief
Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number: 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Statement of changes in equity for the year ended March 31, 2017

a) Equity Share Capital

Particulars	Nos.	(Rs. in Lacs)
At April 1, 2015	488,813,654	48,881
Add: Equity share issued (refer note 11)	44,594,444	4,460
At March 31, 2016	533,408,098	53,341
Add: Equity share issued (refer note 11)	3,836,230	383
At March 31, 2017	537,244,328	53,724

b) Other Equity

Particulars	Reserves and surplus				Total equity
	Capital Reserve	Securities Premium Account	Employee stock options outstanding	Retained earnings	
As at April 1, 2015	1	79,891	7	(26,911)	52,988
Profit for the year			-	(2,355)	(2,355)
Other comprehensive income for the year			-	(5)	(5)
Addition on equity shares issued (refer note 11)		25,584	(1)	-	25,583
At March 31, 2016	1	105,475	6	(29,271)	76,211
Profit for the year				(1,275)	(1,275)
Other comprehensive income for the year				(124)	(124)
Addition on equity shares issued (refer note 11)		2,203			2,203
ESOP lapsed during the year			(6)		(6)
At March 31, 2017	1	107,678	-	(30,670)	77,009

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	26
Other notes on accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

Sd/-
Rajit Mehta
(Managing Director &
Chief Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number: 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Statement of cash flows for the year ended March 31, 2017

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities		
Loss before tax	(1,275)	(2,357)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	4,247	4,339
Amortization of intangible assets	814	698
Employee stock option scheme expenses	35	308
Net foreign exchange differences	(39)	-
Provision for doubtful debts	440	280
Provision for doubtful advances	55	40
Bad debts written off	257	264
Loss on disposal of property, plant and equipment	52	4
Profit on sale of current investment	-	(268)
Unclaimed Balances & excess provisions written back	(154)	(93)
Finance income (including fair value change in financial instruments)	(2,382)	(2,831)
Finance costs (including fair value change in financial instruments)	3,288	2,845
Operating profit before working capital changes	5,338	3,229
Working capital adjustments:		
Movements in provisions, gratuity and government grant	208	240
(Increase)/decrease in trade and other receivables and prepayments	(6,199)	1,478
Increase in inventories	(68)	(44)
Increase in trade and other payables	3,065	2,305
Cash generated from operations	2,344	7,208
Income tax paid	(791)	(1,153)
Net cash flows from operating activities	1,553	6,055
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	295	61
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(8,228)	(2,238)
Loan repaid by subsidiaries/ fellow subsidiaries/ other healthcare institutions	5,569	16,049
Loan given to subsidiaries/ fellow subsidiaries/ other healthcare institutions	(2,400)	(7,095)
Interest received	2,382	2,831
Proceeds from redemption of mutual funds	-	14,894
Investment in fixed deposits	(3)	6
Acquisition of a subsidiary/investment in subsidiary, net of cash acquired	(2,500)	(57,196)
Net cash flows used in investing activities	(4,885)	(32,688)
Cash flow from financing activities		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	2,586	30,044
Interest paid	(3,288)	(2,845)
Repayments of short-term borrowings	(2,500)	-
Proceeds from short-term borrowings	211	4,684
Proceeds from long-term borrowings	22,958	1,000
Repayment of long-term borrowings	(16,575)	(7,805)
Net cash flows from financing activities	3,392	25,078
Net increase/(decrease) in cash and cash equivalents	60	(1,555)
Cash and cash equivalents at the beginning of the year	391	1,946
Cash and cash equivalents at year end	451	391

Max Healthcare Institute Limited
Statement of cash flows for the year ended March 31, 2017

Components of cash and cash equivalents :-

	(Rs. in Lacs)	
	As at	As at
	March 31, 2017	March 31, 2016
Balances with banks:		
On current accounts	282	245
Cheques/ drafts on hand	103	66
Cash on hand	66	80
	<u>451</u>	<u>391</u>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	26
Other notes on accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

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Rajit Mehta
(Managing Director &
Chief Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number: 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Notes forming part of the financial statements

1 Corporate Information

Max Healthcare Institute Limited ("the Company") is a public limited Company domiciled in India. The Company has a network of healthcare facilities in the National Capital Region and in the state of Uttarakhand, comprising of primary care clinics, secondary care hospitals/medical centers and tertiary care facilities.

The financial statements of the Company includes the performance of hospitals and medical centers, which are operational and the central support team, which is meant to support the current operations and ongoing expansion.

The Company has also entered into long term service contracts with other healthcare service providers and downstream subsidiaries to provide medical and pathology services to them in their hospital operations.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 27.15 for information on how the company has adopted Ind AS.

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

- (i) Derivative financial instruments,
- (ii) Certain financial assets and financial liabilities
- (iii) Defined benefit plans - plan assets

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

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

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

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

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

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

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

Max Healthcare Institute Limited
Notes forming part of the financial statements

c. Intangible assets

Separately acquired intangible assets

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

Research and development cost

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

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

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

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

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

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

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

d. Impairment of non financial assets

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

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

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

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

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

e. Financial Instruments

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

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortized cost

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

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

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

Debt instruments at fair value through OCI

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

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

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

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

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

Derecognition

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

-the rights to receive cash flows from the asset have expired, or

-the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred the rights to receive cash flows from the financial assets or

(b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Impairment of financial assets

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

- Financial assets measured at amortised cost;

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

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

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

Reclassification of financial assets

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

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Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

f. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

g. Revenue recognition

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

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

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

Sale of goods

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

Rendering of services

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

Rental income

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

Interest

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

Incentive Income

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

h. Inventories

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

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

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i. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

j. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

k. Borrowing costs

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

l. Leases

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

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

Company as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2 k).

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

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

Company as a lessor

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

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

m. Provisions

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

Contingent liabilities

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

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

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n. Employee benefits

Provident fund

Retirement benefit in the form of Provident Fund is a defined benefit obligation as the Company and its employees are contributing to a provident fund trust “Max Financial Services Limited Employees Provident Fund Trust” managed by the Max Financial Services Limited and the contributions are charged to statement of profit and loss account of the year when the contributions to the respective funds are due. Shortfall in the fund, if any, is adequately provided for by the Company.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

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

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

(ii) Net interest expenses or income

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

Compensated Absences

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

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

Short-term obligations

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

Long term incentive plan

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

o. Share-based payments

Employees of the Company receive remuneration in the form of share based payment transaction, whereby employees render services as a consideration for equity instruments or cash (equity settled transactions with a cash alternative).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 27.5. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

p. Cash and cash equivalents

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

q. Earning per share

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

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r. Foreign currencies

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

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

Measurement of foreign currency items at the balance sheet date

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

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

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

s. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

(iii) Hedges of a net investment in a foreign operation

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

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

(iii) Hedges of a net investment

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

t. Fair value measurement

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

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

(i) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

2.4 Significant accounting judgements, estimates and assumptions

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

Judgements

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

(a) Operating lease commitments - Company as lessee

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

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

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 27.3.

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

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

(e) Impairment of non-Financial assets

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

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Notes forming part of the financial statements

(f) Share based payments

The Company initially measures the cost of cash settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash settled share based payment transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognized in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in note 27.5.

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Max Healthcare Institute Limited
Notes forming part of the financial statements

3. Property, plant and equipment (PPE)

(Rs in Lacs)

	Leasehold land	Building	Leasehold improvements	Medical equipment	Lab equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
At cost														
Deemed cost as at April 1, 2015	6,256	13,016	4,653	10,057	22	3,162	355	1,101	468	449	1,213	815	41,567	366
Additions	-	129	123	1,015	-	121	20	58	96	128	160	343	2,193	1,000
Disposals	-	-	-	24	-	51	12	12	109	2	1	170	381	721
As at March 31, 2016	6,256	13,145	4,776	11,048	22	3,232	363	1,147	455	575	1,372	988	43,379	645
Additions	-	364	720	2,708	-	97	150	182	787	355	58	171	5,592	3,461
Disposals	-	-	144	422	-	48	25	30	195	227	19	231	1,341	1,241
As at March 31, 2017	6,256	13,509	5,352	13,334	22	3,281	488	1,299	1,047	703	1,411	928	47,630	2,865
Depreciation														
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	657	366	1,375	14	420	173	238	100	237	208	551	4,339	-
Disposals	-	-	-	24	-	51	12	8	48	2	1	170	316	-
As at March 31, 2016	-	657	366	1,351	14	369	161	230	52	235	207	381	4,023	-
Additions	-	335	638	1,444	4	430	140	185	138	219	191	523	4,247	-
Disposals	-	-	144	148	-	27	24	29	135	227	19	241	994	-
As at March 31, 2017	-	992	860	2,647	18	772	277	386	55	227	379	663	7,276	-
Net carrying amount														
As at March 31, 2017	6,256	12,517	4,492	10,687	4	2,509	211	913	992	476	1,032	265	40,354	2,865
As at March 31, 2016	6,256	12,488	4,410	9,697	8	2,863	202	917	403	340	1,165	607	39,356	645
As at April 1, 2015	6,256	13,016	4,653	10,057	22	3,162	355	1,101	468	449	1,213	815	41,567	366

3.01 Land pertaining to hospital situated at West Block, Saket and Shalimar Bagh has been taken from Delhi Development Authority under perpetual lease.

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

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Gross Block	559	559	559
Depreciation charge for the year	56	56	-
Accumulated Depreciation	112	56	-
Net Book Value	447	503	559

3.03 PPE given as security

PPE are subject to charge to secure the Company's secured long term borrowings as disclosed in note 12.

4. Intangible assets

	(Rs in Lacs)			
	Computer software	Non compete fee	Total	Intangible assets under development
At cost				
Deemed cost as at April 1, 2015	1,268	-	1,268	1,086
Additions	1,194	1,265	2,459	-
Disposals	-	-	-	1,081
As at March 31, 2016	2,462	1,265	3,727	5
Additions	289	-	289	99
Disposals	1	-	1	-
As at March 31, 2017	2,750	1,265	4,015	104
Amortization				
As at April 1, 2015	-	-	-	-
Additions	566	132	698	-
Disposals	-	-	-	-
As at March 31, 2016	566	132	698	-
Additions	633	181	814	-
Disposals	1	-	1	-
As at March 31, 2017	1,198	313	1,511	-
Net carrying amount				
As at March 31, 2017	1,552	952	2,504	104
As at March 31, 2016	1,896	1,133	3,029	5
As at April 1, 2015	1,268	-	1,268	1,086

- 4.01** Non compete fees represents amount paid to erstwhile owners of "Crosslay Remedies Limited" as per the terms of share purchase agreement dated May 28, 2015. The non compete fees is amortized over a period of seven years.

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Max Healthcare Institute Limited
Notes forming part of the financial statements

5. Investments in subsidiaries

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in equity instrument (value at cost)			
Investments in subsidiaries			
(a) Unquoted equity shares			
Max Medical Services Limited			
34,142,535 (March 31, 2016 : 34,142,535) (April 1, 2015 : 34,142,535) equity shares of Rs.10/- each fully paid-up	12,094	12,094	12,094
Alps Hospital Limited			
431,034 (March 31, 2016 : 431,034) (April 1, 2015 : 431,034) equity shares of Rs.10/- each fully paid-up	500	500	500
Hometrail Estate Private Limited			
12,947,634 (March 31, 2016 : 12,947,634) (April 1, 2015 : 12,947,634) equity shares of Rs.10/- each fully paid-up	7,701	7,701	7,701
Hometrail Buildtech Private Limited			
16,498,372 (March 31, 2016 : 13,010,000) (April 1, 2015 : 13,010,000) equity shares of Rs.10/- each fully paid-up	8,001	6,501	6,501
Crosslay Remedies Private Limited			
111,625,297 (March 31, 2016 : 111,625,297) (April 1, 2015 : Nil) equity shares of Rs.10/- each fully paid-up	24,696	24,696	-
Saket City Hospitals Private Limited			
14,864,817 (March 31, 2016 : 14,864,817) (April 1, 2015 : Nil) equity shares of Rs.10/- each fully paid-up	32,500	32,500	-
Saket City Hospitals Private Limited			
5,00,000 (March 31, 2016 : Nil) (April 1, 2015 : Nil) compulsory convertible preference shares of Rs.10/- each fully paid-up	1,000	-	-
(b) Others [refer note (v) below]	77	6	-
	86,569	83,998	26,796
Non-Current	86,569	83,998	26,796
Aggregate value of unquoted investments	86,569	83,998	26,796
Amount of impairment in value of investments	-	-	-

(i) During the financial year 2015-16, the Company, in terms of the Share Subscription and Purchase Agreement dated May 28, 2015 as amended by Amendment Agreement dated July 10, 2015 (collectively referred as "Transaction Documents"), acquired, by way of primary and secondary purchase, in various tranches 111,625,297 equity shares of Crosslay Remedies Limited @ Rs.22.10 per equity share which contributes to 77.95 % of the equity share capital on a fully diluted basis. Crosslay Remedies Limited owns and operates Max Super Speciality Hospital, Vaishali (erstwhile Pushpanjali Crosslay Hospital), a 340-bedded hospital (expandable up to 540 beds).

After expiry of 4 years from the Completion date i.e. July 10, 2015, the Company shall have a call option right to acquire all remaining shares held by the existing shareholders (except for 530,000 equity shares) at fair market value subject to a floor price of Rs. 35.10 per equity share, in accordance with the terms of the Transaction Documents. In accordance with the terms of the Transaction Documents, the existing shareholders, after expiry of 4 years from the Completion date i.e. July 10, 2015, have a put option right to sell all remaining shares held by them to the Company (except for 530,000 equity shares) at fair market value subject to a floor price of Rs. 35.10 per equity share.

(ii) During the financial year 2015-16, the Company, in terms of the Share Purchase Agreement dated November 27, 2015 (referred as "Transaction Document"), acquired by way of secondary purchase 14,864,817 equity shares (51% of the paid up capital) of Saket City Hospitals Private Limited ("SCHPL") @ Rs.218.64 per equity share. SCHPL provides medical services to erstwhile Saket City Hospital (rechristened as Max Smart Super Speciality Hospital "MSSH"), a unit of Gujar Mal Modi Hospital and Research Centre ("Society"), through a non-cancellable and exclusive arrangement. MSSH has 230 operational beds and is currently expanding to 300 beds, further expandable to 1200 beds.

The Company also has a call option right to acquire all remaining shares held by the existing shareholders in accordance with the terms of the Transaction Document. Further, after the (i) expiry of 3 (three) years from the Completion Date i.e. November 27, 2015 or (ii) receipt by the Society of all the approvals required from Governmental Authority(ies) as may be required for commencement of the construction of 900 additional beds, whichever is later, the existing shareholders shall have a put option right to sell all remaining shares held by them to the Company in accordance with the terms of the Transaction Document.

(iii) The Board of Directors of the Company had, at their meeting held on December 6, 2016, approved the amalgamation of Max Medical Services Ltd. (a wholly owned subsidiary of the Company) ["MMS"] into the Company. The petition for Scheme of Amalgamation amongst MMS, the Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on February 23, 2017 vide its order dated May 8, 2017 has dispensed with holding of meeting of shareholders and secured creditors and further directed the Company to hold the meeting of unsecured creditors on June 27, 2017.

(iv) The Board of Directors of Hometrail Buildtech Private Limited [HBPL] and Hometrail Estate Private Limited [HEPL] at their meeting held on January 30, 2017, approved the amalgamation of the HBPL into HEPL. The petition for Scheme of Amalgamation amongst HBPL and HEPL, their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on May 08, 2017 and the same is listed for hearing before NCLT on May 16, 2017.

(v) In terms of ESOP 2006 Scheme of the Company (amended w.e.f March 1, 2016), the Company can grant stock options to the employees of subsidiary company. Accordingly, on March 1, 2016, the Company had granted 2,80,000 stock options to Dr. A K Singh, Director of Mind, Head of Neurosurgery and Chairman of Hospital Executive Council, Max Medical Services Limited at an exercise price of Rs. 30 per stock option with bullet vesting after 12 months from the date of grant and exercise period is 12 months from the date of vesting.

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Max Healthcare Institute Limited
Notes forming part of the financial statements

6. Non-current financial assets

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Loans (Valued at amortized cost) (unsecured considered good)			
Loans to related parties (refer note 27.10)	7,183	9,925	11,146
Loans and advances to other healthcare service providers	-	907	10,179
Preference shares in Alps Hospital Limited [refer note (i) below]			
2,000,000 (March 31, 2016 : 2,000,000) (April 1, 2015 : 2,000,000) 0% redeemable shares of Rs.100/- each fully paid-up	2,759	2,480	2,229
Preference shares in Hometrail Buildtech Private Limited [refer note (ii) below]			
2,000,000 (March 31, 2016 : 2,000,000) (April 1, 2015 : 2,000,000) 0% redeemable shares of Rs.100/- each fully paid-up	2,763	2,484	2,232
	12,705	15,796	25,786
(ii) Other financial assets (Valued at amortized cost)			
Security deposits	3,382	3,122	2,586
	3,382	3,122	2,586
7. Other non current assets (unsecured considered good)			
Capital advances	2,826	2,189	3,667
Others			
Prepaid expenses	5,967	4,823	5,200
Tax deducted at source recoverable	4,148	3,378	2,796
Balance with statutory authorities	57	57	-
	12,998	10,447	11,663
8. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realizable value)	1,386	1,318	1,274
	1,386	1,318	1,274

(i) Alps Hospital Limited had allotted 2,000,000 nos., 0% redeemable preference shares of Rs. 100/- each aggregating to Rs, 2,000 lacs in March, 2014 to the Company with redemption premium at internal rate of return of 11.25% per annum.

(ii) Hometrail Buildtech Pvt. Ltd had allotted 2,000,000 nos., 0% redeemable preference shares of Rs.100/- each aggregating to Rs, 2,000 lacs in March, 2014 to the Company with redemption premium at internal rate of return of 11.25% per annum.

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	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
9. Current financial assets			
(i) Loans			
Loans to related parties (refer note 27.10)	1,010	1,088	52
	<u>1,010</u>	<u>1,088</u>	<u>52</u>
(ii) Trade receivables			
Unsecured :-			
Trade receivables - considered good	13,784	11,637	12,524
Trade receivables - considered doubtful	2,570	2,317	2,037
Trade receivables from related parties - considered good (refer note 27.10)	1,138	290	1,877
Less: Impairment allowance for trade receivable considered doubtful	(2,570)	(2,317)	(2,037)
	<u>14,922</u>	<u>11,927</u>	<u>14,401</u>
(iii) Other investment			
Quoted mutual funds			
Nil (March 31, 2016: Nil) (April 1, 2015 : 26,696,297) units of Rs.10/- each in ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	-	3,822
Nil (March 31, 2016 : Nil) (April 1, 2015 :88,556) units of Rs.10/- each in IDFC Cash fund -Growth Direct Plan	-	-	1,506
Nil (March 31, 2016 : Nil) (April 1, 2015: 69,038) units of Rs.1000/- each in Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	1,961
Nil (March 31, 2016 : Nil) (April 1, 2015 : 43,759) units of Rs.1000/- each in Kotak Floater Short Term-Direct Plan Growth	-	-	1,004
Nil (March 31, 2016 : Nil) (April 1, 2015 : 111,389) units of Rs.1000/- each in Reliance Liquid Fund - Cash Plan - Direct growth plan	-	-	2,511
Nil (March 31, 2016 : Nil) (April 1, 2015 : 167,465) units of Rs.1000/- each in UTI-Floating Rate Fund -STP-Direct Growth Plan	-	-	3,822
	<u>-</u>	<u>-</u>	<u>14,626</u>
Aggregate amount of quoted mutual fund	-	-	14,626
Market value of quoted mutual fund	-	-	14,626
(iv) Other financial assets			
Unbilled revenue	624	603	445
Security deposits	45	-	23
	<u>669</u>	<u>603</u>	<u>468</u>
(v) Cash and cash equivalents			
Balances with banks:			
On current accounts	282	245	1,798
Cheques/ drafts on hand	103	66	67
Cash on hand	66	80	81
	<u>451</u>	<u>391</u>	<u>1,946</u>
(vi) Other bank balances			
Deposits:			
(I) Deposits with remaining maturity for more than 12 months	-	-	2
(II) Under lien #	9	6	6
(III) Margin money deposits #	-	-	4
	<u>9</u>	<u>6</u>	<u>12</u>
(vii) Derivative instruments at fair value through profit or loss			
Foreign exchange forward contracts	29	-	-
	<u>29</u>	<u>-</u>	<u>-</u>
# Margin money deposits given as security			
Rs.8.57 Lacs (March 31, 2016 : Rs.6 Lacs) (April 1, 2015 : Rs. 6 Lacs) to secure bank guarantee issued to customers.			
Rs.0.47 Lacs (March 31, 2016: Rs.0.40 Lacs) (April 1, 2015: Rs. 0.34 Lacs) to secure bank guarantee given to registrar state government.			
Nil (March 31, 2016: Nil) (April 1, 2015: Rs.3.91 Lacs) to secured for bank guarantee and foreign letter of credits.			
10. Other current assets (unsecured considered good, unless otherwise stated)			
Tax deducted at source recoverable	782	761	188
Other advances :-			
Unsecured, considered good	930	698	675
Unsecured, considered doubtful	8	8	8
Less: Provision for doubtful advances	(8)	(8)	(8)
Prepaid expenses	1,319	771	733
Receivable under duty credit scheme	173	-	-
	<u>3,204</u>	<u>2,230</u>	<u>1,596</u>

11. Share capital and other equity

(i) Equity share capital

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Authorized			
925,000,000 (March 31, 2016: 925,000,000) (April 1, 2015 : 925,000,000) equity shares of Rs.10/- each	92,500	92,500	92,500
125,000,000 (March 31, 2016: 125,000,000) (April 1, 2015 : 125,000,000) cumulative preference shares of Rs.10/- each	12,500	12,500	12,500
	105,000	105,000	105,000
Issued, subscribed and fully paid-up			
537,244,328 (March 31, 2016: 533,408,098) (April 1, 2015 : 488,813,654) equity shares of Rs.10/- each	53,724	53,341	48,881
Total issued, subscribed and fully paid-up share capital	53,724	53,341	48,881

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016	
Equity shares	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
At the beginning of the year	533,408,098	53,341	488,813,654	48,881
Issued during the year				
- Right issue #	3,836,230	383	44,444,444	4,445
- ESOP	-	-	150,000	15
Outstanding at the end of the year	537,244,328	53,724	533,408,098	53,341

On May 31, 2016, the Company had issued and allotted 38,36,230 fully paid-up equity shares of Rs.10 each at an issue premium of Rs.57.50 per share, aggregating to Rs.2,589 Lacs on rights basis subscribed by International Finance Corporation and Dr. Pradeep Kumar Chowbey.

c) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max India Limited	246,848,537	45.95%	246,848,537	46.28%	224,626,315	45.95%
Life Healthcare International (Proprietary) Limited	246,848,537	45.95%	246,848,537	46.28%	224,626,315	45.95%
International Finance Corporation, USA (IFC)	40,298,799	7.50%	36,661,024	6.87%	36,661,024	7.50%

e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note no. 27.5.

f) Aggregate number of Shares issued for Consideration other than cash

22,955,268 (March 31, 2016: 22,955,268) (April 1, 2015 : 22,955,268) Equity Shares have been allotted on conversion of 2% cumulative partially convertible preference shares issued to IFC on July 28, 2007.

In addition, the Company has issued 9,50,000 (March 31, 2016 : 27,00,000) (April 1, 2015 : 28,50,000) Equity Shares during the period of five years immediately preceding the reporting date, on exercise of options granted under the Employee Stock Option Plan 2006 to the permanent employees of the Company wherein part consideration was received in form of employee services.

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Max Healthcare Institute Limited
Notes forming part of the financial statements

(ii) Other equity

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve (refer note a below)	1	1	1
Securities premium account (refer note b below)	107,678	105,475	79,891
Employee stock options outstanding (refer note c below)	-	6	7
Retained earnings (refer note d below)	(30,670)	(29,271)	(26,911)
	77,009	76,211	52,988

Notes:

a) Capital reserve	1	1	
b) Securities premium account			
At the beginning of the year	105,475	79,891	
Add: premium on issue of equity shares	2,206	25,556	
Add: additions on ESOPs exercised	-	55	
Add: transferred from employee stock options outstanding	-	3	
Less: share issue expenses	(3)	(30)	
	107,678	105,475	
c) Employee stock options outstanding			
At the beginning of the year	6	7	
Add: expense recognized during the year	-	2	
Less: lapsed during the year	(6)	-	
Less: transferred to securities premium on exercise of stock options	-	(3)	
	-	6	
d) Retained earnings			
At the beginning of the year	(29,271)	(26,911)	
Loss for the year	(1,275)	(2,355)	
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(124)	(5)	
	(30,670)	(29,271)	

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Max Healthcare Institute Limited
Notes forming part of the financial statements

12. Borrowings

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current borrowings :-			
Term loans (secured)			
From financial institutions	-	9,870	14,445
From banks	19,172	7,219	6,810
From non-banking financial company	4,662	375	611
Finance lease obligation (secured)			
Long term maturities of finance lease obligation	-	17	111
Vehicle loans (secured)	457	75	98
Current borrowings :-			
Term loans (secured)			
From financial institutions	-	22	2,513
From banks	175	593	370
From non-banking financial company	309	265	248
Finance lease obligation (secured)			
Current maturity of finance lease obligation	17	94	119
Vehicle loans (secured)	178	57	67
	24,970	18,587	25,392
Less: Amount disclosed under "other current financial liabilities" [refer note 16(iii)]	679	1,031	3,317
	24,291	17,556	22,075
Aggregate Secured loans	24,970	18,587	25,392
Aggregate Unsecured loans	-	-	-

Term loan from financial Institutions :-

- (i) Rs. Nil (March 31, 2016: Rs. Nil) (April 1, 2015: Rs.2,099 lacs) from Export Import Bank of India repayable in 15 half yearly installments from December 20, 2008.
(ii) Rs. Nil (March 31, 2016 : Rs.9,892 Lacs) (April 1, 2015: Rs.14,859 lacs) from Housing Developing Finance Corporation Limited repayable in 36 quarterly instalment from February, 2015.

The above loans are secured by following:

- First Pari-passu charge on the whole of movable PPE (excluding vehicles) including medical equipment (except assets having exclusive charge in favor of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc. of the Company and its subsidiaries namely Max Medical Services Limited.
- First Pari-passu charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company , present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
- Pledge of the Company's 26% shareholding in its subsidiary, namely Max Medical Services Limited and pledge of Max Medical Services Limited's shareholding in Alps Hospital Limited, equivalent to 26% of issued Equity capital of Alps Hospital Limited.
- The term loan at (i) above was secured by a Corporate guarantee by Max India Limited.
- The term loans at (i) & (ii) above are secured by equitable mortgage of the Company's immovable property at Plot no 1 , Press Enclave Road, Saket, New Delhi. The company has also created charge in favor of Canara Bank, which is acting as a security trustee for term loans referred in (i) & (ii) above.

Term loan from banks :-

- (i) Loan of Rs.82 lacs (March 31, 2016 : Rs. 6,822 lacs) (April 1, 2015: Rs.7,180 lacs) from ICICI Bank Limited repayable in 36 quarterly installments from June 2014 is secured by way of :

- Exclusive charge over the immovable property of the company located at Shalimar Bagh.
- First pari-passu charge on the whole of movable PPE (excluding vehicles) including medical equipment (except assets having exclusive charge in favor of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc. of the Company.
- Second pari-passu charge on all the entire current assets including book debts, operating cash flows, receivables, revenue subject to prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7500 lacs.
- First pari-passu charge on the whole of movable PPE of the Company's wholly owned subsidiary (Max Medical Services Limited).
- Pledge of the Company's 26% shareholding in its subsidiary, namely Max Medical Services Limited and pledge of Max Medical Services Limited's shareholding in Alps Hospital Limited, equivalent to 26% of issued Equity capital of Alps Hospital Limited.

- (ii) Rs.19,265 lacs (March 31, 2016 : Rs. 990 lacs) (April 1, 2015 : Rs. Nil) from IDFC Bank Limited repayable in 52 quarterly installments from April, 2018 is secured by way of :

- A First Mortgage and Charge on entire immovable properties of the borrower pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
- A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Borrower and Max Medical Services Limited (MMSL), both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.

- c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the Borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
- d) A first charge on the entire current assets including cash flow receivables, book debts, revenues, raw material, stock-in-trade, and inventory of MMSL, of whatsoever nature and wherever arising both present and future.
- e) A first charge on the entire PPE of the borrower and MMSL, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.

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

g) Pledge of share held by Borrower in demat form in the equity share capital of MMSL representing 30% (thirty percent) of the total paid up equity share capital of MMSL which shall , on the earlier of assignment/novation/transfer by the Bank of part of the Loan to any person or upon participation by other lender(s) in the Loan or on being permissible under the Applicable Laws shall be increased to 51% (fifty one present) of the total paid up equity share capital of MMSL provided that, the Borrower shall, pending creation of pledge over the entire 51% (fifty one present) of the total paid up equity share capital of MMSL, execute an undertaking in favor of the Bank in respect of the balance 21% (twenty one present) of the total paid up equity share capital of the Borrower to the effect that the Borrower will not transfer, assign, dispose of pledge charge or create any lien or any security interest or in any way encumber in favor of any person(s) shares representing 21% (twenty one percent) of the total equity share capital of MMSL so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of MMSL upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/joint venture agreement/financing arrangement, with regard to pledge/transfer of the shares/Securities including transfer upon enforcement of the pledge.

Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 75 crore

Security interest set out in sub clauses (a), (b) and (d) to (g) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 340 Crore

Term loan from non-banking financial company :-

(i) Rs.4,574 lacs (March 31, 2016 : Rs. Nil) (April 1, 2015 : Rs. Nil) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018 is secured by way of :-

- a) A First Mortgage and Charge on entire immovable properties of the borrower pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
- b) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the borrower and Max Medical Services Limited (MMSL), both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
- c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
- d) A first charge on the entire current assets including cash flow receivables, book debts, revenues, raw material, stock-in-trade, and inventory of MMSL, of whatsoever nature and wherever arising both present and future.
- e) A first charge on the entire PPE of the borrower and MMSL, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.

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

g) Pledge of share held by Borrower in demat form in the equity share capital of MMSL representing 30% (thirty percent) of the total paid up equity share capital of MMSL which shall , on the earlier of assignment/novation/transfer by the Bank of part of the Loan to any person or upon participation by other lender(s) in the Loan or on being permissible under the Applicable Laws shall be increased to 51% (fifty one present) of the total paid up equity share capital of MMSL provided that, the Borrower shall, pending creation of pledge over the entire 51% (fifty one present) of the total paid up equity share capital of MMSL, execute an undertaking in favor of the Bank in respect of the balance 21% (twenty one present) of the total paid up equity share capital of the Borrower to the effect that the Borrower will not transfer, assign, dispose of pledge charge or create any lien or any security interest or in any way encumber in favor of any person(s) shares representing 21% (twenty one percent) of the total equity share capital of MMSL so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of MMSL upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/joint venture agreement/financing arrangement, with regard to pledge/transfer of the shares/Securities including transfer upon enforcement of the pledge.

Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 75 crore

Security interest set out in sub clauses (a), (b) and (d) to (g) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of upto INR 340 Crore

(ii) Rs. 397 lacs (March 31, 2016: Rs.640 lacs) (April 01, 2015 : Rs. 859 lacs) from SREI Equipment Finance Private Limited repayable in 28 quarterly installments from December 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.

Finance lease obligation:-

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

Vehicle loan :-

Vehicle Loans of Rs. 635 lacs (March 31, 2016: Rs.132 lacs) (April 01, 2015 : Rs. 165 lacs) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

Max Healthcare Institute Limited
Notes forming part of the financial statements

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13. Other non current financial liabilities			
Provision for employee stock options (refer note 27.5)	210	238	51
	210	238	51
14. Long term provision			
Provision for employee benefits			
Provision for gratuity (refer note 27.3)	791	722	479
	791	722	479
15. Other non current liabilities			
Lease equalization reserve	549	473	199
	549	473	199
16. Current financial liabilities			
(i) Borrowings			
Cash credit from banks	6,424	6,213	4,029
Short term loan from bank	-	2,500	-
	6,424	8,713	4,029
Cash credits from banks is secured by way of prior pari – passu charge on stocks, book debts and other current assets, present and future of the Company prior to charge in favor of term lenders of the Company. The cash credits are repayable on demand.			
Loan of Rs. Nil (March 31, 2016 : Rs.2,500 lacs) (April 1, 2015: Rs. Nil) from HDFC Bank Limited with the maximum tenor of 180 days with a put/call option every 30 days after a lock in period of 2 months.			
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	15,257	13,056	11,127
	15,257	13,056	11,127
* Details of dues to micro and small enterprises as per MSMED Act, 2006			
As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.			
# Trade payables include due to related parties Rs.298 Lacs (March 31,2016 : Rs.145 Lacs) (April 1, 2015 : Rs.3 Lacs)			
(iii) Other current financial liabilities			
Current maturity of long term borrowings (refer note 12)	662	937	3,198
Current maturity of finance lease obligation (refer note 12)	17	94	119
Security deposits	220	86	81
Employee stock options payable	289	149	60
Capital creditors	1,087	478	344
	2,275	1,744	3,802
17. Short term provision			
Provision for employee benefits			
Provision for leave encashment	759	627	543
Provision for gratuity (refer note 27.3)	209	142	224
	968	769	767
18. Other current liabilities			
Advance from patients	491	294	409
Statutory dues	1,045	824	672
Other advances	63	20	14
	1,599	1,138	1,095

Max Healthcare Institute Limited
Notes forming part of the financial statements

19. Revenue from operations

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products		
Pharmacy and pharmaceuticals supplies	11,542	11,252
Total sale of products	11,542	11,252
Revenue from healthcare services (net)	85,791	79,077
Other operating Income		
- Sponsorship and educational income	474	387
- Income from laundry services	-	141
- Income from ancillary activities	218	195
- Income from served from India scheme	400	186
Total	98,425	91,238

20. Other income

Profit on sale of current investments	-	268
Profit on foreign exchange fluctuation	39	-
Deferred income EPCG	1	-
Unclaimed Balances & excess provisions written back	154	93
Other non-operating income	428	272
	622	633

21. Finance income

Interest Income on		
Bank deposits	1	1
Security deposits	61	40
Loans to subsidiary companies	1,796	1,883
Loans to other healthcare service providers	369	725
Income tax refund	155	33
Others	-	149
	2,382	2,831

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Max Healthcare Institute Limited
Notes forming part of the financial statements

22. Employee benefits expense

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	22,507	19,780
Contribution to provident and other funds	811	737
Employee stock option scheme	35	308
Gratuity expense (refer note 27.3)	233	208
Staff welfare expenses	1,269	980
	24,855	22,013

23. Finance costs

Interest on debts and borrowings	3,288	2,845
Bank charges	227	182
	3,515	3,027

24. Depreciation and amortization expense

Depreciation of property, plant and equipment (refer note 3)	4,247	4,339
Amortization of intangible assets (refer note 4)	814	698
	5,061	5,037

25. Other expense

Professional and consultancy fee	20,353	20,336
Outside lab investigation	473	469
Patient catering expenses	1,013	1,074
Rent	3,252	3,140
Insurance	535	430
Rates and taxes	250	224
Facility maintenance expenses	1,698	1,644
Power and fuel	2,089	2,392
Repairs and maintenance:		
Building	365	240
Plant and equipment	1,083	975
Others	653	584
Printing and stationery	367	439
Travelling and conveyance	1,062	996
Communication	386	287
Legal and professional	3,219	3,360
IT support expense	918	577
Watch and ward	443	412
Directors' sitting fee	54	55
Advertisement and publicity	2,536	2,112
Software expenses	-	1
Recruitment expenses	95	122
Charity and donation	67	2
Equipment hiring charges	236	211
Provision for doubtful debts	440	280
Provision for doubtful advances	55	40
Bad debts written off	257	264
Net loss on sale/disposal of fixed assets	52	4
Miscellaneous expenses	287	287
	42,238	40,957
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	41	39
Other services (certification fees)	2	2
Reimbursement of expenses	3	2
	46	43

26 Commitments and contingencies

A Contingent liabilities (to the extent not provided for)

		(Rs. in Lacs)		
		As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Particulars				
(i) Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by a subsidiaries of the Company and other healthcare service providers. (refer note a below)		80,375	74,158	22,896
(ii) Claims against the Company not acknowledged as debts				
- Civil Cases (refer note b below)		5624	3746	2,327
- DVAT cases		116	129	122
- Service Tax		1242	1242	-
- Income Tax cases (refer note c below)		0	9	9

Note:

- a Guarantees given by the Company to the lenders on behalf of wholly owned subsidiaries and other healthcare services provider is not considered as prejudicial to the interest of the Company as it provides opportunities for growth and increase in operations.
- b 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.

c Income Tax Cases

Assessment year	Pending before ITAT		Disallowances pending before CIT(A)	Disallowances pending - as at March 31, 2017 (Rs. in lacs)	Disallowances pending - as at March 31, 2016 (Rs. in lacs)	Disallowances pending - as at April 1, 2015 (Rs. in lacs)	Demand(if any) (Rs. in Lacs)		
	Disallowances pending before ITAT (Rs. in lacs)*	Disallowances confirmed by CIT (A) (Rs. in lacs)					As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2003-04	941	213	-	1,154	1,154	1,154	-	-	-
2004-05	641	-	-	641	641	641	-	-	-
2005-06	598	-	-	598	598	628	-	-	-
2006-07	462	-	-	462	462	462	-	-	-
2007-08	907	-	-	907	907	917	-	-	-
2008-09	239	-	-	239	239	249	-	-	-
2009-10	201	-	-	201	201	211	-	-	-
2010-11	171	-	-	171	171	171	-	-	-
2011-12	177	-	-	177	177	177	-	-	-
2012-13	-	-	711	711	711	711	-	-	-
2013-14	-	-	114	114	114	-	-	-	-
2014-15	-	-	90	90	-	-	-	-	-
2010-11*	-	-	-	-	-	-	-	9	-
2012-13**	-	-	-	-	-	-	-	-	9
	4,337	213	915	5,465	5,375	5,321	-	9	9

Note: -

* Appeal before ITAT for Withholding taxes.

** Appeal before CIT (Appeals) for Withholding taxes.

The Company is contesting the demands of DVAT, income tax & service tax and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

B Capital commitment

- a. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)

		(Rs. in Lacs)		
		March 31, 2017	March 31, 2016	April 1, 2015
Estimated amount of contracts remaining to be executed on capital account		10,244	6,342	13,153
Less: Capital advances		2,826	2,189	3,667
Balance value of contracts		7,418	4,153	9,486

- b. Commitments relating to lease arrangements, refer note 26 (C)

- c. The Company has provided financial support to Hometrail Buildtech Private Limited and Saket City Hospitals Private Limited, subsidiaries of the Company in order to meet its future financial obligation.

d. Other Commitments

Export obligation as on date to be fulfilled, in the succeeding eight years from the date of license issued by EPCG for availing of concessional custom duty on imports under EPCG scheme to the extent of six times the duty saved.

(Rs. in Lacs)	
Duty Saved Amount	Export Obligation
66	396

C Lease commitments

(I) Financial lease commitments - Company as lessee

- a) The Company has finance lease for certain medical equipment for a period of 5 years. Upon the expiry of terms, the absolute and unencumbered ownership of the equipment shall vest with the Company at the guaranteed residual value.
- b) Future minimum lease payments (MLP) and the payment profile of non-cancellable finance leases are as follows:

		(Rs. in Lacs)			
		March 31, 2017		March 31, 2016	
		Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Particulars					
(i) not later than one year		17	17	101	94
(ii) later than one year and not later than five years		-	-	17	17
(iii) later than five years		-	-	-	-
Total minimum lease payments		17	17	118	111

(II) Operating lease commitments - Company as lessee

- a) The Company has entered into operating lease agreements for hospitals, premises office spaces and accommodation for its employees under operating lease agreements. The leases have an average life between 3 to 30 years.
- b) Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

		(Rs. in Lacs)		
		March 31, 2017	March 31, 2016	April 1, 2015
Particulars				
(i) not later than one year		2,135	1,386	1,305
(ii) later than one year and not later than five years		7,542	6,136	6,984
(iii) later than five years		16,810	18,586	11,809
Total		26,487	26,108	20,098

Lease payments recognized in the statement of profit and loss as rent expense for the year

27 Other notes to accounts

27.1 Investment in subsidiaries, associates and joint venture

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27" Separate Financial Statements".
(b) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2017	Portion of ownership interest as at March 31, 2016	Portion of ownership interest as at April 1,2015	Method used to account for the investment
Max Medical Services Limited	India	100%	100%	100%	At Cost
Alps Hospital Limited (Ultimate subsidiaries)	India	100%	100%	100%	At Cost
Hometrail Estate Private Limited	India	100%	100%	100%	At Cost
Hometrail Buildtech Private Limited	India	100%	100%	100%	At Cost
Crosslay Remedies Limited	India	78%	78%	-	At Cost
Saket City Hospitals Private Limited	India	51%	51%	-	At Cost

During the year, the Company has further acquired 34,88,372 number of shares in Hometrail Buildtech Private Limited, having its registered office at Bathinda, Punjab for a consideration of Rs.1500 Lacs. The said Company is engaged in business of providing healthcare facilities.

- 27.2 During the year Company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress(CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Opening Balances	-	7
Add:		
Rent	67	-
Salaries, wages and bonus	74	-
Interest	15	-
Miscellaneous Expenses	8	-
Total	164	7
Less: Capitalized during the year	42	7
Preoperative expenses pending capitalization	122	-

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		(Rs. in Lacs)	
		Year ended March 31, 2017	Year ended March 31, 2016
a)	Reconciliation of opening and closing balances of defined benefit obligation		
	Defined benefit obligation at the beginning of the year	934	767
	Interest expense	70	63
	Current service cost	168	150
	Benefit paid	(217)	(74)
	Acquisition adjustment	1	23
	Remeasurement of (Gain)/loss in other comprehensive income		
	Actuarial changes arising from changes in demographic assumptions	30	2
	Actuarial changes arising from changes in financial assumptions	37	7
	Actuarial changes arising from changes in experience adjustments	57	(4)
	Defined benefit obligation at year end	1,080	934
b)	Reconciliation of opening and closing balances of fair value of plan assets		
	Fair value of plan assets at beginning of the year	70	64
	Expected return on plan assets	5	5
	Employer contribution	5	-
	Remeasurement of (Gain)/loss in other comprehensive income	-	1
	Fair value of plan assets at year end	80	70
c)	Net defined benefit asset/ (liability) recognized in the balance sheet		
	Fair value of plan assets	80	70
	Present value of defined benefit obligation	(1,080)	(934)
	Amount recognized in balance sheet- asset / (liability)	(1,000)	(864)
d)	Net defined benefit expense (recognized in the statement of profit and loss for the year)		
	Current service cost	168	150
	Past service cost	-	-
	Interest cost on benefit obligation	70	63
	Expected return on plan assets	(5)	(5)
	Net defined benefit expense debited to statement of profit and loss	233	208
e)	Broad categories of plan assets as a percentage of total assets		
	Insurer managed funds	100%	100%
f)	Principal assumptions used in determining defined benefit obligation		
	Assumption particulars	As At March 31, 2017	As At March 31, 2016
	Discount rate	6.6%	7.5%
	Salary escalation rate	8.0%	8.0%
	Mortality Rate (% of IALM 06-08)	100.0%	100.0%
			(Rs. in Lacs)
		Year ended March 31, 2017	Year ended March 31, 2016
g)	Quantitative sensitivity analysis for significant assumptions is as below:		
	Increase / (decrease) on present value of defined benefits obligations at the end of the year		
	<u>Discount rate</u>		
	Increase by 1.00%	(52)	(35)
	Decrease by 1.00%	58	38
	<u>Salary growth rate</u>		
	Increase by 1.00%	53	34
	Decrease by 1.00%	(48)	(32)
	<u>Attrition rate</u>		
	Increase by 0.50%	(53)	(38)
	Decrease by 0.50%	92	63
			(Rs. in Lacs)
		Year ended March 31, 2017	Year ended March 31, 2016
h)	Maturity profile of defined benefit obligation (valued on undiscounted basis)		
	Within the next 12 months (next annual reporting period)	225	153
	Between 2 and 5 years	481	584
	Between 5 and 10 years	427	379
	Beyond 10 Years	504	210
	Total expected payments	1,637	1,326

i)	The average duration of the defined benefit plan obligation at the end of the reporting period is 6 Years (March 31, 2016 : 4 years)
j)	The plan assets are maintained with LIC of India
k)	The Company expects to contribute Rs.1183 Lacs (March 31, 2016 : Rs.1007 lacs) to the planned assets during the next financial year.
l)	The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
m)	Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
n)	The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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27.4 Provident Fund

The Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Plan assets at year end at fair value	6,837	6,738
Present value of defined benefit obligation at year end	6,734	6,693
Surplus as per actuarial certificate	103	45
Shortfall recognized in balance sheet	-	-
Active members as at year end (Nos)	3,437	3,170

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

	March 31, 2017	March 31, 2016
Discount rate	7.51%	7.72%
Withdrawal rate	5.00%	5.00%
Yield on existing funds	8.79%	9.06%
Expected guaranteed interest rate	8.65%	8.75%

Contribution to Defined benefit Plan, recognized as expense for the year is as under:

	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Employer's Contribution towards Provident Fund (PF)	441	383
	441	383

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27.5 Employee Stock Option Plan

Employee Stock Option Plan – 2006 (“the 2006 Plan”):

The ESOP 2006 Plan instituted by the Company w.e.f August 10, 2006 was amended by the shareholders of the Company in its meeting held on March 1, 2016 based on the recommendations by the Nomination & Remuneration Committee and Board of Directors of the Company in their respective meetings held on February 3, 2016 and February 4, 2016.

The key features of the amended ESOP 2006 Scheme is are follows:

1. The total number of options to be granted : Not more than 5% of the aggregate numbers of issued equity shares of the Company at any point of time, in one or more tranches, may be issued as stock options under the Scheme.

2. Identification of classes of employees entitled to participate in the ESOP Scheme :

- a) A permanent employee of the company who has been working in India or outside India; or
- b) A director of the Company, whether a whole time director or not but excluding an Independent Director; or
- c) An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the Company, if any, but does not include –
 - an employee who is a promoter or a person belonging to the promoter group; or
 - a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

3. Requirements of vesting and period of vesting (minimum and maximum period of vesting)

- The exact proportion in which the options would vest shall be determined by the NRC, subject to the minimum vesting period of one year and maximum vesting period of 5 years, from the date of grant of options.
- The NRC will decide on the vesting of the options, in full (“Bullet Options”) or in a graded manner (“Graded Options”) on any date beginning at the end of one year from the date of grant and concluding at the end of five year from the date of grant.
- The NRC, in its discretion, at the time of each grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options are granted under the Scheme would vest (subject to the minimum and maximum vesting period as specified above).

4. Exercise Price or formula for arriving at the same

To be determined by the NRC from time to time, in accordance with the provisions of the applicable laws, provided that the exercise price shall not be below the face value of the equity shares of the Company.

5. Exercise period

Exercise Period: The exercise period would commence from the date of vesting and will expire on completion of not more than five (5) years from the date of respective vesting of options, as may be decided by the NRC from time to time.

6. Lock in period, if any:

The shares allotted under ESOP 2006 are subject to lock-in up to the time of listing of shares. The shares are not transferable during the said Lock-in period unless otherwise approved and/or waived (or relaxed with such other terms & conditions imposed, as the case may be) by the NRC after evaluation such matter on a case to case basis.

Further, the shares arising out of the options exercised by the employees may be subject to such restrictions including but not limited to obligations in respect of drag along and right of first refusal and such other terms and conditions, as may be determined by the NRC from time to time.

7. Maximum number of options to be granted per employee and in aggregate

The maximum number of options to be granted in aggregate shall not exceed 5% of the aggregate of number of issued equity shares of the Company at any point of time. The maximum number of options to be granted per employee shall be as determined by NRC from time to time.

8. The method which the company shall use to value its options

The Company shall use one of the methods (whether intrinsic value or fair value or other) as may be prescribed under the applicable laws from time to time.

9. Exit option for Stock options :

The employee may opt to exit from the stock options granted by the Company in full or in parts based on the share valuation price ,i.e., Valuation of shares of the Company done by a Category -I merchant banker and/or valuation of shares of the Company for any investment in the shares of the Company , whichever is later. The difference between the exercise price and the Share price would be paid to such employee as deferred compensation.

10. Exit option for the employees who have been issued shares upon exercise of the Stock options :

The employee is having an exit option by way of listing of shares. Prior to listing of shares of the Company and/or upon the occurrence of any strategic event in the nature of a change in management control/ownership, the NRC may , at its sole discretion on case to case basis, endeavor to determine the methodology, price, timelines, restrictions and other relevant matters for offering appropriate exit mechanism to such employees.

The 2006 Plan gives an option to the employee to purchase the share at a price determine by remuneration committee subject to minimum par value of shares (Rs. 10/-). However employees have a right to choose to settle in cash at a value calculated as a difference between Fair Market value of Shares and Exercise Price of Share. The Company have valued Employee Stock Option outstanding as at year end based on trend of last two years w.r.t. exercise of option in favor of Cash Settlement or Equity Settlement.

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The details of activity under the Scheme are summarized below:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	3,937,340	51.48	1,613,000	48.32
Granted during the Year	754,234	54.40	2,524,340	51.69
Forfeited during the year	558,250	41.29	-	-
Exercised during the year	-	-	200,000	28.75
Outstanding at the end of the year	4,133,324	53.45	3,937,340	51.48
Exercisable at the end of the year	700,000	38.31	230,000	42.22

The weighted average fair value of stock options granted during the year was Rs 54.40 (March 31, 2016: Rs 51.69)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2017 are as follows:

Date of grant	March 31, 2017		March 31, 2016	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
1-Mar-12	220,000	4.14 Years	220,000	5.14 Years
1-Oct-12	-	-	300,000	5.84 Years
25-Mar-15	893,000	6.25 Years	893,000	7.25 Years
1-Jul-15	1,326,818	6.35 Years	1,585,070	7.35 Years
1-Aug-15	508,626	6.44 Years	508,626	7.44 Years
25-Aug-15	150,646	6.50 Years	150,646	7.50 Years
1-Mar-16	280,000	4.92 Years	280,000	1.92 Years
1-Apr-16	754,234	8.28 Years	-	-

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

Black Scholes Option Pricing model

Particulars	March 31, 2017	March 31, 2016			
		Inputs used for diff Grant Dates for Black Scholes Valuation of Option Granted			
		1-Jul-15	1-Aug-15	25-Aug-15	1-Mar-16
A. Stock Price Now (in Rupees)	48.12	47.65	47.65	47.65	47.65
B. Exercise Price (X) (in Rupees)	54.4	54.4	54.4	54.4	30
C. Expected Volatility (Standard Dev - Annual)	26.87%	44.93%	44.93%	44.93%	44.93%
D. Historical Volatility					
E. Expected Life of the options granted (Vesting and exercise period) in years	8.28 Years	7.35 Years	7.43 Years	7.50 Years	1.92 Years
F. Expected Dividend	Nil	Nil	Nil	Nil	Nil
G. Average Risk- Free Interest Rate	7.25%	7.8%	7.8%	7.8%	7.4%
H. Expected Dividend Rate	Nil	Nil	Nil	Nil	Nil

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

27.6 Deferred Tax Asset/ (Liability)

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

27.7 Segment reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 106 on 'Segment Reporting'.

27.8A Financial instruments

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

Category	Carrying value			Fair Value		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
1) Financial asset at amortized cost						
Loans	13,715	16,884	25,838	13,715	16,884	25,838
Other financial assets	4,051	3,725	3,054	4,051	3,725	3,054
Trade receivables	14,922	11,927	14,401	14,922	11,927	14,401
Cash and cash equivalents	451	391	1,946	451	391	1,946
Other bank balances	9	6	12	9	6	12
Derivative instruments	29	-	-	29	-	-
2) Financial liabilities at amortized cost						
Borrowings	30,715	26,269	26,104	30,715	26,269	26,104
Other financial liabilities	2,485	1,982	3,853	2,485	1,982	3,853
Trade payables	15,257	13,056	11,127	15,257	13,056	11,127
3) Financial asset carried at fair value through statement of profit & loss						
Other investments	-	-	14,626	-	-	14,626

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

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

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

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

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

27.8B Fair value hierarchy

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

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

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

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

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

Particulars	Carrying value March 31, 2017	Fair value		
		(Rs. in Lacs)		
		Level 1	Level 2	Level 3
Loans	13,715	-	-	13,715
Other financial assets	4,051	-	-	4,051
Trade receivables	14,922	-	-	14,922
Cash and cash equivalents	451	-	-	451
Other bank balances	9	-	-	9
Derivative instruments	29	-	-	29

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2016

Particulars	Carrying value March 31, 2016	Fair value		
		(Rs. in Lacs)		
		Level 1	Level 2	Level 3
Loans	16,884	-	-	16,884
Other financial assets	3,725	-	-	3,725
Trade receivables	11,927	-	-	11,927
Cash and cash equivalents	391	-	-	391
Other bank balances	6	-	-	6

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(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on April 1, 2015

Particulars	Carrying value April 1, 2015	Fair value			(Rs. in Lacs)
		Level 1	Level 2	Level 3	
Loans	25,838	-	-	25,838	
Other financial assets	3,054	-	-	3,054	
Trade receivables	14,401	-	-	14,401	
Cash and cash equivalents	1,946	-	-	1,946	
Other bank balances	12	-	-	12	
Other investments	14,626	14,626	-	-	

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

Particulars	Carrying value March 31, 2017	Fair value			(Rs. in Lacs)
		Level 1	Level 2	Level 3	
Borrowings	30,715	-	-	30,715	
Other financial liabilities	2,485	-	-	2,485	
Trade payables	15,257	-	-	15,257	

(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2016

Particulars	Carrying value March 31, 2016	Fair value			(Rs. in Lacs)
		Level 1	Level 2	Level 3	
Borrowings	26,269	-	-	26,269	
Other financial liabilities	1,982	-	-	1,982	
Trade payables	13,056	-	-	13,056	

(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 1, 2015

Particulars	Carrying value April 1, 2015	Fair value			(Rs. in Lacs)
		Level 1	Level 2	Level 3	
Borrowings	26,104	-	-	26,104	
Other financial liabilities	3,853	-	-	3,853	
Trade payables	11,127	-	-	11,127	

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27.9 Financial risk management objectives and policies

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

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

a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 12 and 16, cash and cash equivalents disclosed in note 9 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalized EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization, adjusted for non-operating items, one offs and for any mid of the year merger and acquisition activity. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at 0.14 for FY15-16 and 0.19 for FY 2016-17. Similarly, the Net Debt to EBITDA ratio of the Company stood at 3.19 for FY 2015-16 and 3.36 FY 2016-17.

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

Note : Working capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity ratio

b) Liquidity risk

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

The table below represents the maturity profile of Company's financial liabilities at the end of April 1, 2015, March 31, 2016 and March 31, 2017 based on contractual undiscounted payments :-

April 1, 2015	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	7,905	5,920	11,767	25,592
Trade payable	11,127	-	-	11,127
Other financial liabilities	485	-	-	485
% to Total	52%	16%	32%	100%
March 31, 2016	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	1,030	8,691	9,024	18,745
Trade payable	13,056	-	-	13,056
Other financial liabilities	713	-	-	713
% to Total	46%	27%	28%	100%
March 31, 2017				
Interest bearing borrowings	703	2,858	21,681	25,242
Trade payable	15,257	-	-	15,257
Other financial liabilities	1,596	-	-	1,596
% to Total	42%	7%	52%	100%

c) Credit risk

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

(i) Trade receivables

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

Trade receivables		(Rs. in Lacs)	
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	4,922	4,469	3,742
0 to 180 days due past due date	8,364	6,510	7,837
More than 180 days due past due date	1,636	948	2,822
Total trade receivables	14,922	11,927	14,401

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

		(Rs. in Lacs)	
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	2,317	2,037	1,543
Provision during the year	440	280	494
Bad debts written off	-	-	-
Reversal of provisions	(187)	-	-
Total Provision	2,570	2,317	2,037

(ii) Financial instruments and cash deposit

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 27.8 (A) and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign currency risk

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

Foreign currency risk sensitivity

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

Unhedged foreign currency exposures recognized by the Company are as under:

(Rs. in Lacs)				
Currency	March 31, 2017 Foreign currency	March 31, 2017 Indian rupees	Increase/decrease in rate	Impact on profit before tax
Payables in Euro	0.06	3.84	1%	0.04
Payables in JPY	0.66	0.40	1%	-
Payables in USD	3.04	196.93	1%	1.97

(Rs. in Lacs)				
Currency	March 31, 2016 Foreign currency	March 31, 2016 Indian rupees	Increase/decrease in rate	Impact on profit before tax
Payables in Euro	0.06	4.60	1%	0.05
Payables in JPY	0.66	0.40	1%	-
Payables in USD	1.31	88.57	1%	0.89

Max Healthcare Institute Limited
Notes forming part of the financial statements

(Rs. in Lacs)				
Currency	April 1, 2015 Foreign currency	April 1, 2015 Indian rupees	Increase/decrease in rate	Impact on profit before tax
Payables in Euro	0.06	4.14	1%	0.04
Payables in JPY	0.66	0.35	1%	-
Payables in USD	0.04	2.55	1%	0.03

The Company has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial instruments. The details of the outstanding foreign exchange forward are as follows:

(Rs. in Lacs)			
Particulars	March 31,2017	March 31,2016	April 1,2015
Payables in USD	209	-	-

(ii) Interest rate risk

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

Interest rate Sensitivity of Borrowings

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

(Rs. in Lacs)		
Year	Increase/decrease in interest rate	Effect on profit before tax
March 31,2017	0.50%	107
March 31,2016	0.50%	100
April 1,2015	0.50%	139

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27.10 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

(A) Names of related parties and description of relationship :

(i) Related party where control exists (irrespective of whether transactions occurred or not)

Subsidiary Companies	Relationship
1 Max Medical Services Limited	Wholly-owned subsidiary
2 Alps Hospital Limited	Wholly-owned subsidiary
3 Hometrail Estate Private Limited	Wholly-owned subsidiary
4 Hometrail Buildtech Private Limited	Wholly-owned subsidiary
5 Crosslay Remedies Limited (w.e.f. July 10,2015)	Subsidiary Companies
6 Saket City Hospitals Private Limited (w.e.f. December 1,2015)	Subsidiary Companies

(ii) Enterprises in which directors are interested (with whom transactions have taken place during the year)

1	Core Diagnostics Private Limited
2	Medecube Healthcare India Pvt Ltd

(iii) Key Management Personnel (with whom transactions have taken place during the year)

1	Mr. Rajit Mehta, Managing Director & Chief Executive Officer
2	Dr. Pradeep Kumar Chowbey, Executive Vice Chairman
2	Mr. Yogesh Kumar Sareen, Chief financial officer (As per Companies Act, 2013)
3	Ms. Ruchi Mahajan, Company secretary (As per Companies Act, 2013)

(iv) Investing party or venture in respect of which the reporting enterprises in an associates or Joint venture (with whom transactions have taken place during the year)

1	Max India Limited

(Rs. in Lacs)		
(B) Transactions during the year	For the year ended March 31,2017	For the year ended March 31,2016
Purchase of fixed assets		
Max India Limited	-	14
Alps Hospital Limited (Subsidiary)	-	8
Loans and advances given		
Hometrail Estate Private Limited (Subsidiary)	-	2
Hometrail Buildtech Private Limited (Subsidiary)	400	1,893
Alps Hospital Limited (Subsidiary)	-	1,000
Crosslay Remedies Limited (Subsidiary)	100	6,300
Saket City Hospitals Private Limited (Subsidiary)	1,900	200
Repayment of loans and advances given		
Hometrail Estate Private Limited (Subsidiary)	552	300
Hometrail Buildtech Private Limited (Subsidiary)	2,590	-
Max Medical Services Limited (Subsidiary)	2,400	3,015
Alps Hospital Limited (Subsidiary)	-	2,500
Crosslay Remedies Limited (Subsidiary)	100	4,300
Interest income		
Max Medical Services Limited (Subsidiary)	361	555
Alps Hospital Limited (Subsidiary)	279	366
Hometrail Estate Private Limited (Subsidiary)	25	80
Hometrail Buildtech Private Limited (Subsidiary)	652	688
Crosslay Remedies Limited (Subsidiary)	265	190
Saket City Hospitals Private Limited (Subsidiary)	214	4
Finance Arrangement Fee		
Alps Hospital Limited (Subsidiary)	9	10
Hometrail Estate Private Limited (Subsidiary)	26	-
Hometrail Buildtech Private Limited (Subsidiary)	23	-
Crosslay Remedies Limited (Subsidiary)	63	32
Saket City Hospitals Private Limited (Subsidiary)	134	44
Sale of drugs, pharmaceuticals & medical		
Alps Hospital Limited (Subsidiary)	1,434	1,423
Hometrail Estate Private Limited (Subsidiary)	30	12
Hometrail Buildtech Private Limited (Subsidiary)	333	2
Crosslay Remedies Limited (Subsidiary)	26	3
Healthcare Services rendered		
Alps Hospital Limited (Subsidiary)	611	361
Hometrail Estate Private Limited (Subsidiary)	213	109
Hometrail Buildtech Private Limited (Subsidiary)	27	22
Crosslay Remedies Limited (Subsidiary)	309	123
Professional Services rendered		
Alps Hospital Limited (Subsidiary)	177	162
Services received		
Max India Limited	150	163
Core Diagnostics Private Limited	81	-
Medecube Healthcare India Pvt Ltd	108	-
Ajit Singh	122	-
Liabilities transferred from Max India Limited on account of transfer of employees		
Max India Limited	-	26

Transactions during the year	(Rs. in Lacs)	
	For the year ended March 31,2017	For the year ended March 31,2016
Sale of Fixed Assets		
Alps Hospital Limited (Subsidiary)	0.49	-
Hometrail Buildtech Private Limited (Subsidiary)	10	-
Crosslay Remedies Limited (Subsidiary)	18	-
Director's remuneration		
Dr. Pradeep Chowbey (Key Management Personnel)	94	71
Mr. Rajit Mehta (Key Management Personnel)	446	376
Employee Benefit Funds		
Company's contribution to PF trust	441	383
Investment made in Equity Shares		
Hometrail Buildtech Private Limited (Subsidiary)	1,500	-
Crosslay Remedies Limited (Subsidiary)	-	24,696
Saket City Hospitals Private Limited (Subsidiary)	-	32,500
Investment made in Preference Shares		
Saket City Hospitals Private Limited (Subsidiary)	1,000	-

(C) Balances at the year end	(Rs. in Lacs)	
	As at March 31,2017	As at March 31,2016
Investment		
Max Medical Services Limited (Subsidiary)	12,171	12,100
Hometrail Estate Private Limited (Subsidiary)	7,701	7,701
Hometrail Buildtech Private Limited (Subsidiary)	8,001	6,501
Alps Hospital Limited (Subsidiary)	500	500
Crosslay Remedies Limited (Subsidiary)	24,696	24,696
Saket City Hospitals Private Limited (Subsidiary)	33,500	32,500
Loan and advances		
Max Medical Services Limited (Subsidiary)	948	3,348
Hometrail Estate Private Limited (Subsidiary)	-	552
Hometrail Buildtech Private Limited (Subsidiary)	2,506	4,752
Crosslay Remedies Limited (Subsidiary)	2,421	2,157
Saket City Hospitals Private Limited (Subsidiary)	2,318	204
Preference shares in Alps Hospital Limited	2,759	2,480
Preference shares in Hometrail Buildtech Private Limited	2,763	2,484
Trade payable		
Max India Limited	282	145
Core Diagnostics Private Limited	14	-
Medecube Healthcare India Pvt Ltd	2	-
Trade Receivables		
Alps Hospital Limited (Subsidiary)	115	57
Hometrail Estate Private Limited (Subsidiary)	9	21
Hometrail Buildtech Private Limited (Subsidiary)	401	22
Crosslay Remedies Limited (Subsidiary)	413	144
Saket City Hospitals Private Limited (Subsidiary)	200	46

27.11 Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	(Rs. in Lacs)		
	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
Borrowings (refer note 12)	31,394	27,300	29,421
Trade payables (refer note 16)	15,257	13,056	11,127
Less: cash and cash equivalents (refer note 9)	(451)	(391)	(1,946)
Net debt	46,200	39,965	38,602
Equity (refer note 11)	130,733	129,552	101,869
Total capital	130,733	129,552	101,869
Total capital and net debt	176,933	169,517	140,471
Gearing ratio	26.11%	23.58%	27.48%

27.12 Earnings per share (EPS)

	(Rs. in Lacs)	
	As At March 31,2017	As At March 31, 2016
a) Basic Earnings per share		
Numerator for earnings per share		
Profit after taxation	(1,275)	(2,355)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	536,613,715	504,199,036
Earnings per share-Basic (one equity share of Re. 10/- each)	(0.24)	(0.47)
b) Diluted Earnings per share		
Numerator for earnings per share		
Profit after taxation	(1,275)	(2,355)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	541,071,359	507,325,482
Earnings per share- Diluted (one equity share of Re. 10/- each) *	(0.24)	(0.46)

* The conversion effect of potential equity shares in previous year is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

27.13 Disclosure required under Section 186 (4) of the Companies Act, 2013.

(a) Particulars of Loans given:

							(Rs. in Lacs)
Sr. No	Name of the Loanee	Opening Balance	Loan given	Loan repaid	Outstanding balance	Purpose	
1	Hometrail Buildtech Private Limited	4,325	400	2,590	2,135	For business operations, repayment of debts and other general corporate purpose	
2	Max Medical Services Limited	3,348	-	2,400	948	For business operations, repayment of debts and other general corporate purpose	
3	Hometrail Estate Private Limited	552	-	552	-	For business operations, repayment of debts and other general corporate purpose	
4	Crosslay Remedies Limited	2,000	100	100	2,000	For business operations, repayment of debts and other general corporate purpose	
5	Saket City Hospitals Private Limited	200	1,900	-	2,100	For business operations, repayment of debts and other general corporate purpose	
6	Balaji Medical & Diagnostics Research Centre	906	-	906	-	For business operations, repayment of debts and other general corporate purpose	

(b) Particulars of Guarantee given:

							(Rs. in Lacs)
Sr. No	Name of the financial institutions / banks/NBFC	Name of borrowing legal entity	Opening Balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	L & T Infrastructure Finance Company Limited	Hometrail Estate Private Limited	5,299	-	5,299	-	For new hospital construction
2	IDFC Bank Ltd	Hometrail Estate Private Limited	-	5,087	-	5,087	For refinancing of existing loans
3	IDFC Infrastructure Finance Limited	Hometrail Estate Private Limited	-	1,395	-	1,395	For refinancing of existing loans
4	L & T Infrastructure Finance Company Limited	Hometrail Buildtech Private Limited	4,701	-	4,701	-	For new Hospital construction
5	IDFC Bank Ltd	Hometrail Buildtech Private Limited	-	5,807	-	5,807	For refinancing of existing loans
6	Export-Import Bank of India	Balaji Medical & Diagnostics Research Centre	1,055	-	1,055	-	For capital expenditure
7	Housing Development Finance Corporation Limited	Balaji Medical & Diagnostics Research Centre	1,275	-	1,275	-	For expansion of bed capacity
8	IDFC Bank Ltd	Balaji Medical & Diagnostics Research Centre	-	5,267	-	5,267	For refinancing of existing loans
9	IDFC Infrastructure Finance Limited	Balaji Medical & Diagnostics Research Centre	-	1,576	-	1,576	For refinancing of existing loans
10	HDFC Bank Limited	Balaji Medical & Diagnostics Research Centre	8,000	-	-	8,000	For repayment of Max Healthcare Institute Ltd. loan and capital expenditure
11	IndusInd Bank Limited	Devki Devi Foundation	1,250	-	1,250	-	For working capital requirement
12	Axis Bank Limited	Devki Devi Foundation	2,500	-	2,500	-	Loan to pay outstanding obligation towards Max Healthcare Institute Ltd and Max Medical Services Ltd
13	ICICI Bank Limited	Devki Devi Foundation	5,000	-	5,000	-	For loan repayment of Max Healthcare Institute Ltd. and capital expenditure
14	IDFC Bank Ltd	Devki Devi Foundation	-	6,693	-	6,693	For refinancing of existing loans
15	IDFC Infrastructure Finance Limited	Devki Devi Foundation	-	2,086	-	2,086	For refinancing of existing loans
16	HDFC Bank Limited	Alps Hospital Limited	2,000	-	500	1,500	For repayment of Max Healthcare Institute Ltd. loan and other business activities
17	Yes Bank Limited	Balaji Medical & Diagnostics Research Centre	4,550	-	4,550	-	For refinancing of PNB loan & capital expenditure
18	Canara Bank Limited	Crosslay Remedies Limited	327	-	327	-	For working capital requirement
19	Axis Bank Limited	Crosslay Remedies Limited	11,468	2,946	-	14,414	For refinancing of the existing debt and financing the capital expenditure
20	Axis Bank Limited	Saket City Hospitals Private Limited	13,355	5	-	13,360	For refinancing of existing loans & expansion of bed capacity
21	Yes Bank Limited	Saket City Hospitals Private Limited	13,378	1,812	-	15,190	For refinancing of existing loans & expansion of bed capacity

(c) Particulars of Investments made:

							(Rs. in Lacs)
Sr. No	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding balance	Purpose	
Investment in subsidiaries							
1	Max Medical Services Limited	12,094	-	-	12,094	For business operations, repayment of debts and other general corporate purpose	
2	Alps Hospital Limited	500	-	-	500	For business operations, repayment of debts and other general corporate purpose	
3	Hometrail Estate Private Limited	7,701	-	-	7,701	For business operations, repayment of debts and other general corporate purpose	
4	Hometrail Buildtech Private Limited	6,501	1,500	-	8,001	For business operations, repayment of debts and other general corporate purpose	
5	Crosslay Remedies Limited	24,696	-	-	24,696	For business operations, repayment of debts and other general corporate purpose	
6	Saket City Hospitals Private Limited	32,500	1,000	-	33,500	For business operations, repayment of debts and other general corporate purpose	

(d) Particulars of Investments made in preference shares:

							(Rs. in Lacs)
Sr. No	Name of the Investee	Opening Balance	Interest	Preference shares redeemed	Outstanding balance	Purpose	
1	Alps Hospital Limited	2,480	279	-	2,759	For business operations, repayment of debts and other general corporate purpose	
2	Hometrail Buildtech Private Limited	2,484	279	-	2,763	For business operations, repayment of debts and other general corporate purpose	

Max Healthcare Institute Limited
Notes forming part of the financial statements

27.14A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

		(Rs. in Lacs)		
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	41,711	(144)	41,567
Capital work-in-progress		366	-	366
Intangible assets		1,268	-	1,268
Intangible assets under development		1,086	-	1,086
Investments in subsidiaries		30,796	(4,000)	26,796
Financial assets				
Loans	10	21,325	4,461	25,786
Other financial assets	2	8,140	(5,554)	2,586
Other non current assets	2	6,489	5,174	11,663
		111,181	(63)	111,118
Current assets				
Inventories		1,274	-	1,274
Financial assets				
Loans		52	-	52
Trade receivables		14,401	-	14,401
Other investments	9	14,301	325	14,626
Other financial assets		468	-	468
Cash and cash equivalents		1,946	-	1,946
Other bank balances		12	-	12
Other current assets	2	1,275	321	1,596
		33,729	646	34,375
TOTAL ASSETS				
		144,910	583	145,493
EQUITY AND LIABILITIES				
Equity				
Equity share capital		48,881	-	48,881
Other equity	6,7	52,272	716	52,988
Total Equity		101,153	716	101,869
Non-current liabilities				
Financial Liabilities				
Borrowings	4	22,275	(200)	22,075
Other financial liabilities	3	-	51	51
Long term provisions		479	-	479
Other non-current liabilities		199	-	199
		22,953	(149)	22,804
Current liabilities				
Financial Liabilities				
Borrowings		4,029	-	4,029
Trade payables		11,127	-	11,127
Other financial liabilities	3	3,786	16	3,802
Short term provisions		767	-	767
Other current financial liabilities		1,095	-	1,095
		20,804	16	20,820
TOTAL LIABILITIES				
		43,757	(133)	43,624
TOTAL EQUITY AND LIABILITIES				
		144,910	583	145,493

Max Healthcare Institute Limited
Notes forming part of the financial statements

27.14B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

		(Rs. in Lacs)		
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	39,484	(128)	39,356
Capital work-in-progress		645	-	645
Intangible assets		3,029	-	3,029
Intangible assets under development		5	-	5
Investments in subsidiaries		87,992	(3,994)	83,998
Financial assets				
Loans	10	10,832	4,964	15,796
Other financial assets	2	8,361	(5,239)	3,122
Other non current assets	2	5,640	4,807	10,447
		155,988	410	156,398
Current assets				
Inventories		1,318	-	1,318
Financial assets				
Loans		1,088	-	1,088
Trade receivables		11,927	-	11,927
Other financial assets		603	-	603
Cash and cash equivalents		391	-	391
Other bank balances		6	-	6
Other current assets	2	1,862	368	2,230
		17,195	368	17,563
TOTAL ASSETS		173,183	778	173,961
EQUITY AND LIABILITIES				
Equity				
Equity share capital		53,341	-	53,341
Other equity	6,7	75,616	595	76,211
Total Equity		128,957	595	129,552
Non-current liabilities				
Financial Liabilities				
Borrowings	4	17,715	(159)	17,556
Other financial liabilities	3	-	238	238
Long term provisions		722	-	722
Other non-current liabilities		473	-	473
		18,910	79	18,989
Current liabilities				
Financial Liabilities				
Borrowings		8,713	-	8,713
Trade payables		13,056	-	13,056
Other financial liabilities	3	1,640	104	1,744
Short term provisions		769	-	769
Other current financial liabilities		1,138	-	1,138
		25,316	104	25,420
TOTAL LIABILITIES		44,226	183	44,409
TOTAL EQUITY AND LIABILITIES		173,183	778	173,961

27.14C Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS

				(Rs. in Lacs)
	Footnotes	Year ended March 31, 2016		
		IGAAP	Adjustment	Ind AS
INCOME				
Revenue from operations	2	91,493	(255)	91,238
Other income	9	958	(325)	633
Finance income	2,10	2,012	819	2,831
Total income		94,463	239	94,702
Expenses				
Purchase of pharmacy, drugs, consumables and implants		26,069	-	26,069
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		(44)	-	(44)
Employee benefits expense	3,5	21,725	288	22,013
Depreciation and amortization expense	1	5,052	(15)	5,037
Finance costs	1,4	2,986	41	3,027
Other expenses	2	40,892	65	40,957
Total expense		96,680	379	97,059
Loss before tax		(2,217)	(140)	(2,357)
Tax expenses		(2)	-	(2)
Loss for the year		<u>(2,215)</u>	<u>(140)</u>	<u>(2,355)</u>
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	5,7	-	(5)	(5)
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	(5)	(5)
Total comprehensive income for the year, net of tax attributable to Equity shareholder		(2,215)	(145)	(2,360)

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27.14D Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

1) Property, plant and equipment

The Company has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

3) Employee stock option expense

Under the previous GAAP, the costs of equity-settled employee share-based plan were recognized using the intrinsic value method. Under Ind AS 102, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date. Under the previous GAAP, the costs of Cash-settled employee share-based plan were recognized using the intrinsic value method. Under Ind AS, the cost of cash-settled share-based plan is recognized based on the fair value of the options as at the year ending date. Ind AS 102 provides clear treatment of Group share based payments arrangements in financial statement of company and group financial statement. Here treatment is given accordingly. ESOP issued to employees of subsidiaries company under cash settled share based plan, liabilities is recognized and corresponding amount charged to subsidiary company on the fair value of option as at the year ending date.

4) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing.

5) Remeasurements of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

6) Retained earnings

Retained earnings as at April 1, 2015 and March 31, 2016 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith.

7) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

8) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9) Mutual Fund Investments

Under Indian GAAP, All current investments including mutual funds are measured at lower of cost or market value. As per Ind AS 109, Investments in mutual funds are required to be recognized at their fair value, for which changes in fair value being recognized in profit & loss.

10) Investment in redeemable preference shares

The Company has invested in redeemable preference shares issued by its subsidiaries. The redeemable preference shares will be redeemed after 6 years with a redemption premium that has a guaranteed internal rate of return. Under Indian GAAP, these redeemable preference shares were classified as long term investments and are accounted for at cost and no interest is recognised. Under Ind-AS, debt based investments whose only cash flows are principal and interest, and which are held for the purposes of collecting such cash flows, are carried at amortized cost. Investment in preference shares are carried at amortized cost and interest based on GIRR is accrued at the effective interest rate method in the statement of profit and loss.

27.15 First-time adoption of Ind AS (Exception and exemption availed)

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Share based payment transactions

Ind AS 101 permits a first time adopter to elect not to apply principles of Ind AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Company has elected not to apply Ind AS 102- "Share based payment" on stock options that vested before date of transition.

Investments in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

27.16 Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	(Rs. in Lacs)	
		Other denomination notes	Total
Closing cash in hand as on 08.11.2016	94	4	98
+ Permitted Receipts**	131	830	961
(-) Permitted Payments	-	62	62
Amount Deposited in Banks**	225	735	960
Closing cash in hand as on 30.12.2016	-	38	38

Note It excludes Cash deposited by Customers directly in our bank accounts amounting to Rs. 100,82,500/-**

Max Healthcare Institute Limited

Notes forming part of the financial statements

- 27.17** The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.
- 27.18** Figures relating to April 1, 2015 (date of transition) and March 31, 2016 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.
- 27.19** Note No.1 to 27 form integral part of the Balance sheet and Statement of profit and loss.

As per our report of even date

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

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

Sd/-
Rajit Mehta
(Managing Director & Chief
Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number: 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Particulars	Name of Subsidiaries					
	Details as on March 31, 2017					
	Max Medical Services Limited	Alps Hospital Limited	Hometrail Estate Private Limited	Hometrail Buildtech Private Limited	Crosslay Remedies Limited	Saket City Hospitals Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A	N.A
Share capital	3,414	288	1,295	1,650	14,246	2,965
Reserves & surplus	9,839	675	6,771	(7,207)	(9,176)	(4,570)
Total assets	17,155	7,006	17,882	8,565	24,563	28,504
Total Liabilities	3,902	6,043	9,816	14,122	19,493	30,109
Investments	-	-	-	-	-	-
Turnover	5,647	12,007	23,693	5,001	21,255	3,996
Profit before taxation	1,920	1,576	2,237	(2,344)	502	(923)
Provision for taxation	674	375	336	-	(1,396)	-
Profit after taxation	1,246	1,201	1,901	(2,344)	1,898	(923)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100%	100%*	100%	100%	78.35%	51%

* Direct holding = 14.96%

Indirect Holding through MMS (Subsidiary) = 85.04%

Notes:

1. Investments excludes investments in subsidiaries

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

For and on behalf of the Board of Directors of

Max Healthcare Institute Limited

Sd/-

Dr. Pradeep Kumar Chowbey

(Whole-Time Director)

DIN:01141637

Sd/-

Rajit Mehta

(Managing Director & Chief Executive Officer)

DIN: 01604819

Sd/-

Yogesh Kumar Sareen

(Chief Financial Officer)

ICAI Membership Number: 087383

Sd/-

Ruchi Mahajan

(Company Secretary)

Membership Number: F5671

Place : Gurugram

Date : May 23, 2017

Place : New Delhi

Date : May 23, 2017

Max Healthcare Institute Limited
Consolidated Balance Sheet as at March 31, 2017

		(Rs. in Lacs)		
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	96,182	96,798	70,292
Capital work-in-progress	3	4,483	1,114	689
Goodwill		29,189	29,189	2,102
Intangible assets	4	99,703	101,293	1,313
Intangible assets under development	4	131	52	1,153
Financial assets	5			
(i) Loans		1,100	907	10,179
(ii) Trade receivables		7,592	7,690	7,761
(iii) Other financial assets		17,913	17,632	2,743
(iv) Other bank balances		2	2	45
Other non current assets	6	23,553	20,785	13,621
		279,848	275,462	109,898
Current assets				
Inventories	7	2,312	2,322	1,854
Financial assets	8			
(i) Loans		1,359	-	-
(ii) Trade receivables		23,482	20,858	17,389
(iii) Other investments		-	-	14,626
(iv) Other financial assets		1,149	1,198	645
(v) Cash and cash equivalents		1,848	1,117	2,545
(vi) Other bank balances		427	196	195
(vii) Derivative instruments		39	-	-
Other current assets	9	4,240	3,357	1,799
		34,856	29,048	39,053
Assets classified as held for sale	9A	30	-	-
		34,886	29,048	39,053
TOTAL ASSETS		314,734	304,510	148,951
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	53,724	53,341	48,881
Other equity	11	64,205	61,177	37,414
Change in valuation for put options granted to NCI in subsidiaries		(7,334)	(1,696)	-
Total equity		110,595	112,822	86,295
Non-current liabilities				
Financial liabilities				
(i) Borrowings	12	77,187	64,880	32,877
(ii) Other financial liabilities	13	210	238	51
Government grant		64	18	-
Long term provisions	14	1,260	1,019	530
Deferred tax liabilities (net)	6A	34,292	36,142	753
Other non- current liabilities	15	52,857	47,178	199
		165,870	149,475	34,410
Current liabilities				
Financial liabilities	16			
(i) Borrowings		8,705	12,066	4,617
(ii) Trade payables		21,372	21,706	15,519
(iii) Other financial liabilities		4,504	5,384	5,818
Other current liabilities	17	2,179	2,058	1,397
Short term provisions	18	1,509	999	895
		38,269	42,213	28,246
TOTAL LIABILITIES		204,139	191,688	62,656
TOTAL EQUITY AND LIABILITIES		314,734	304,510	148,951
Significant accounting policies	2			
Contingent liabilities , commitments & litigations	26			
Other notes on accounts	27			

The accompanying notes are integral part of consolidated financial statements
As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

Sd/-
Rajit Mehta
(Managing Director &
Chief Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Consolidated Statement of profit and loss for the year ended March 31, 2017

		(Rs. in Lacs)	
	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	19	162,675	143,413
Other income	20	1,571	1,580
Finance income	21	3,565	2,061
Total income		167,811	147,054
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		42,300	40,339
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		10	(468)
Employee benefits expense	22	35,350	30,474
Finance costs	23	9,968	6,775
Depreciation and amortization expense	24	10,761	9,121
Other expenses	25	68,952	62,709
Total expenses		167,341	148,950
Profit / (loss) before tax		470	(1,896)
(1) Current tax	6A	1,454	(590)
(2) Adjustment of tax relating to earlier periods		-	(2)
(3) Deferred tax	6A	(526)	367
(4) MAT entitlement credit	6A	(1,363)	590
Total tax expenses		(435)	365
Profit / (Loss) after tax		905	(2,261)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	27.2		
Re-measurement losses on defined benefit plans		(111)	(18)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		(111)	(18)
Non controlling interest		37	459
Total comprehensive income for the year, net of tax attributable to Equity shareholder		831	(1,820)
Earnings per share (Nominal value of share Rs. 10/-) refer note 27.9			
Basic (Rs.)		0.18	(0.36)
to equity holders of the parent			
Diluted (Rs.)		0.18	(0.36)
to equity holders of the parent			
Summary of significant accounting policies	2		
Contingent liabilities , commitments & litigations	26		
Other notes on accounts	27		
The accompanying notes are integral part of consolidated financial statements			

As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 23, 2017

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

Sd/-
Rajit Mehta
(Managing Director &
Chief Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Consolidated statement of changes in equity for the year ended March 31, 2017

a) Equity share capital

Particulars	Nos.	(Rs. in Lacs)
As at April 1, 2015	488,813,654	48,881
Add: Equity share issued (refer note 10)	44,594,444	4,460
As at March 31, 2016	533,408,098	53,341
Add: Equity share issued (refer note 10)	3,836,230	383
As at March 31, 2017	537,244,328	53,724

b) Other equity (Rs. in Lacs)

Particulars	Reserves and surplus				Total equity
	Capital reserve	Securities premium account	Employee stock outstanding	Retained earnings	
As at April 1, 2015	1	79,891	7	(42,485)	37,414
Loss for the year	-	-	-	(2,261)	(2,261)
Loss share of non controlling interest	-	-	-	459	459
Other comprehensive income for the year	-	-	-	(18)	(18)
Addition on equity shares issued (refer note 11)	-	25,584	(1)	-	25,583
As at March 31, 2016	1	105,475	6	(44,305)	61,177
Profit for the year	-	-	-	905	905
Loss share of non controlling interest	-	-	-	37	37
ESOP lapsed during the year	-	-	(6)	-	(6)
Other comprehensive income for the year	-	-	-	(111)	(111)
Addition on equity shares issued (refer note 11)	-	2,203	-	-	2,203
As at March 31, 2017	1	107,678	-	(43,474)	64,205

Summary of significant accounting policies	2
Contingent liabilities , commitments & litigations	26
Other notes on accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Dr. Pradeep Kumar Chowbey
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DIN:01141637

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(Chief Financial Officer)
ICAI Membership Number 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Operating activities		
Profit before tax from continuing operations	470	(1,896)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	8,737	7,967
Amortisation and impairment of intangible assets	2,024	1,154
Share-based payment expense	35	308
Provision for doubtful debts and advances	1,041	626
Bad debts/ sundry balances written off	319	264
Liabilities no longer required written back	(428)	(194)
Net foreign exchange differences	(56)	14
Loss/ (Gain)on sale /disposal of property, plant and equipment	59	12
Profit on sale of current investments	-	(268)
Finance income (including fair value change in financial instruments)	(3,565)	(2,061)
Finance costs (including fair value change in financial instruments)	9,538	6,450
Working capital adjustments:	18,174	12,375
Movements in provisions, gratuity and government grant	235	593
Increase in trade and other receivables and prepayments	(6,138)	(26,930)
Increase in trade and other payables	6,444	54,008
(Increase)/decrease in inventories	10	(468)
	18,725	39,579
Income tax paid	(2,169)	32,671
Net cash flows from operating activities	16,555	72,250
Investing activities		
Proceeds from sale of property, plant and equipment	346	276
Purchase of property, plant and equipment including CWIP, capital advance and intangible assets	(12,497)	(160,557)
Maturity of bank deposits	(231)	42
Proceeds from redemption of mutual funds	-	14,894
Loans given to other healthcare providers (net of repayment)	(1,552)	9,273
Interest received	3,565	2,061
Net cash flows used in investing activities	(10,369)	(134,011)
Financing activities		
Proceeds from issuance of equity share capital including securities premium (net of expenses)	(3,059)	28,347
Proceeds from long term borrowings (net of repayment)	10,503	30,987
Proceeds from short-term borrowings (net of repayment)	(3,361)	7,449
Interest paid	(9,538)	(6,450)
Net cash flows from/(used in) financing activities	(5,455)	60,333
Net increase in cash and cash equivalents	731	(1,428)
Cash and cash equivalents at the beginning of the year	1,117	2,545
Cash and cash equivalents at year end	1,848	1,117

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Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2017

Components of cash and cash equivalents :-

	(Rs. in Lacs)	
	As at	As at
	March 31, 2017	March 31, 2016
Balances with banks:		
On current accounts	647	540
On escrow accounts	323	340
Deposits with original maturity of less than three months	605	-
Cheques/ drafts on hand	171	101
Cash on hand	102	136
	1,848	1,117

Summary of significant accounting policies	2
Contingent liabilities , commitments & litigations	26
Other notes on accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 86370

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
Dr. Pradeep Kumar Chowbey
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DIN:01141637

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ICAI Membership Number 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

1 Corporate Information

Max Healthcare Institute Limited (the "Group company" or "MHIL") through its subsidiaries runs a network of healthcare facilities in the National Capital Region and states of Uttarakhand and Punjab comprising of primary care clinics, secondary care hospitals, medical centers and tertiary care hospitals. These healthcare facilities are staffed by more than 9800 fully qualified, dedicated and compassionate medical, para-medical and other members who strive to give their best services to the patients in medical care.

The financial statements of the Group includes the performance of hospitals and medical centers, which are operational and the central support team, which is meant to support the current operations and ongoing expansion.

The Group has also entered into long term service contracts with other healthcare service providers and downstream subsidiaries to provide medical and pathology services to them in their hospital operations.

2 Significant accounting policies

2.1 Basis of preparation of Consolidated Financial Statements

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 27.11 for information on how the Group has adopted Ind AS.

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

- (i) Derivative financial instruments,
- (ii) Certain financial assets and financial liabilities
- (iii) Defined benefit plans - plan assets

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

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2017. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- (ii) Derecognises the carrying amount of any non-controlling interests
- (iii) Derecognises the cumulative translation differences recorded in equity
- (iv) Recognises the fair value of the consideration received
- (v) Recognises the fair value of any investment retained
- (vi) Recognises any surplus or deficit in profit or loss
- (vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

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All subsidiaries follow financial year as accounting year.

Name of the subsidiary	Country of incorporation	Proportion of ownership			Net Assets, i.e., total assets minus total liabilities						Share in profit or loss			
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015		As at March 31, 2017		As at March 31, 2016	
					As % of consolidated net assets	Amount (in Rs. lakhs)	As % of consolidated net assets	Amount (in Rs. lakhs)	As % of consolidated net assets	Amount (in Rs. lakhs)	As % of consolidated profit or loss	Amount (in Rs. lakhs)	As % of consolidated profit or loss	Amount (in Rs. lakhs)
Parent														
Max Healthcare Institute Limited	India				107%	126,170	111%	127,566	118%	101,870	-735%	(6,109)	239%	(4,348)
Subsidiaries														
Max Medical Services Limited (MMS)	India	100%	100%	100%	2%	2,180	0%	497	-1%	(583)	193%	1,607	-59%	1,074
Hometrail Estate Private Limited (HEPL)	India	100%	100%	100%	0%	589	-1%	(1,418)	-4%	(3,407)	255%	2,116	-109%	1,989
Hometrail Buildtech Private Limited (HBPL)	India	100%	100%	100%	-11%	(13,002)	-10%	(11,076)	-10%	(8,326)	-216%	(1,793)	151%	(2,750)
Alps Hospital Limited (ALPS)*	India	100%	100%	100%	1%	1,170	0%	(158)	-4%	(3,259)	361%	3,003	-170%	3,101
Crosslay Remedies Limited	India	77.95%	77.95%**		2%	2,366	0%	47	0%	-	309%	2,566	-3%	53
Saket City Hospitals Private Limited	India	51%	51%		-1%	(1,543)	-1%	(940)	0%	-	-67%	(559)	52%	(939)
Total					100%	117,930	100%	114,518	100%	86,295	100%	831	100%	(1,820)
Non controlling interest						(7,335)		(1,696)		-		(37)		(459)
Gross total						110,595		112,822		86,295		868		(1,361)

Notes:

* Held through Max Medical Services Limited

** % holding on fully diluted basis

Business combination and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any

non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure the non-controlling interests in the acquiree at the

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter: (i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively. (ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date. (iii) Assets (or disposal groups) that are classified as held for sale

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Group has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

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

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

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

Assets	Useful lives estimated by the management
Leasehold improvements	Shorter of the estimated useful life of tangible asset or respective lease term
Building	5 - 60 Years
Medical equipment	13 Years
Lab equipment	10 Years
Electrical installations and equipment	10 Years
Plant and equipment	15 Years
Office equipment	5 Years
Computers & data processing units	3 - 6 Years
Furniture and fixtures	10 Years
Motor vehicles	6 - 8 Years

c. Intangible assets

Separately acquired intangible assets

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

Research and development cost

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

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

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

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

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

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

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-90 years.

d. Impairment of non financial assets

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

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

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

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

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

e. Financial instruments

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

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortized cost

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

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

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

Debt instruments at fair value through OCI

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

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

Reclassification of financial assets

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

f. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

g. Revenue recognition

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

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

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

Sale of goods

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

Rendering of services

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

Rental income

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

Interest

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

Incentive Income

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

h. Inventories

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

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

i. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

j. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

k. Borrowing costs

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

l. Leases

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

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

Group as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.2 k).

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

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

Group as a lessor

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

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

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m. Provisions

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

Contingent liabilities

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

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

n. Employee benefits

Provident fund

Retirement benefit in the form of Provident Fund is a defined benefit obligation as the Group and its employees are contributing to a provident fund trust "Max Financial Services Limited Employees Provident Fund Trust" managed by the Max Financial Services Limited, Investing party and the contributions are charged to statement of profit and loss account of the year when the contributions to the respective funds are due. Shortfall in the fund, if any, is adequately provided for by the Group.

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

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. For some group companies the group has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

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

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

(ii) Net interest expenses or income

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

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group 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 Group 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 Group 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 Group has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

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

Long term incentive plan

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

o. Share-based payments

Employees of the Group receive remuneration in the form of share based payment transaction, whereby employees render services as a consideration for equity instruments or cash (equity settled transactions with a cash alternative).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 27.5. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

p. Cash and cash equivalents

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

q. Earning per share

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

r. Foreign currencies

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

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

Measurement of foreign currency items at the balance sheet date

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

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

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

s. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses. Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

(iii) Hedges of a net investment

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

t. Fair value measurement

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

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

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

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

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

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

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

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

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

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

2.4 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Group is assessing the potential effect of the amendments on its financial statements.

The Group will adopt these amendments, if applicable from their applicability date.

2.5 Significant accounting judgements, estimates and assumptions

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

Judgements

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

- (a) Operating lease commitments - Group as lessee

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- (a) Taxes

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

- (b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 27.3.

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(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

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

(e) Impairment of non-Financial assets

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

(f) Share based payments

The Group initially measures the cost of cash settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash settled share based payment transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognized in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in note 27.5.

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3. Property, plant and equipments (PPE)

(Rs in Lacs)

	Leasehold land	Building	Leasehold improvements	Medical equipment	Lab equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
At Cost														
Decemed cost as at April 1, 2015	6,256	26,306	4,653	20,657	22	5,407	493	1,953	530	574	2,308	1,133	70,292	689
Additions	-	297	123	2,096	-	169	69	84	135	152	170	506	3,801	1,727
Acquisition through business combination	5,730	4,448	-	-	-	-	-	-	-	-	-	-	10,178	-
Acquisition of subsidiary	1,904	6,949	-	8,096	-	2,923	151	663	68	52	8	-	20,814	594
Disposals	-	-	-	427	-	79	57	49	133	13	2	265	1,025	1,896
As at March 31, 2016	13,890	38,000	4,776	30,422	22	8,420	656	2,651	600	765	2,484	1,374	104,060	1,114
Additions	6	1,095	720	4,138	-	104	229	228	787	781	58	380	8,526	4,772
Disposals	-	-	144	606	-	49	37	47	195	263	24	343	1,708	1,403
As at March 31, 2017	13,896	39,095	5,352	33,954	22	8,475	848	2,832	1,192	1,283	2,518	1,411	110,878	4,483
Depreciation														
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	1,073	366	3,042	14	984	289	519	129	335	387	768	7,906	-
Acquisition through business combination	-	61	-	-	-	-	-	-	-	-	-	-	61	-
Disposals	-	-	-	244	-	58	42	29	53	12	2	265	705	-
As at March 31, 2016	-	1,134	366	2,798	14	926	247	490	76	323	385	503	7,262	-
Additions	-	760	638	3,849	4	1,077	238	452	170	339	371	756	8,654	-
Additions in purchase price allocation	-	83	-	-	-	-	-	-	-	-	-	-	83	-
Disposals	-	-	144	281	-	27	35	44	135	263	22	352	1,303	-
As at March 31, 2017	-	1,977	860	6,366	18	1,976	450	898	111	399	734	907	14,696	-
Net carrying amount														
As at March 31, 2017	13,896	37,118	4,492	27,588	4	6,499	398	1,934	1,081	884	1,784	504	96,182	4,483
As at March 31, 2016	13,890	36,866	4,410	27,624	8	7,494	409	2,161	524	442	2,099	871	96,798	1,114
As at April 1, 2015	6,256	26,306	4,653	20,657	22	5,407	493	1,953	530	574	2,308	1,133	70,292	689

3.01 Land pertaining to hospital situated at West Block, Saket and Shalimar Bagh has been taken from Delhi Development Authority under perpetual lease.

3.02 Letter of credit facility of Rs. 200 Lacs sanctioned to Max Medical Services Limited by Yes Bank Limited is secured by second charge on movable assets of the group.

3.03 The group has in its favour a sub lease for a plot of land in Gurgaon, for an initial period of 97 years, which can be further renewed for two term of 97 years each. The plot of land measures 1.23 acres, and the designated usage in for healthcare facility.

3.04 Land measuring 3.15 acres each Mohali and Bhatinda have been provided by Punjab Government on long term lease of 50 years without consideration.

3.05 Land in Saket City Hospitals Private Limited is freehold and mortgaged to bank.

3.06 Medical equipments includes medical equipment taken on finance lease

	March 31, 2017	March 31, 2016	April 1, 2015
Gross block	1,541	1,541	1,541
Depreciation charge for the year	215	186	-
Accumulated depreciation	401	186	-
Net book value (PPE)	<u>1,140</u>	<u>1,355</u>	<u>1,541</u>

3.07 One of the group subsidiary, Max Medical Services Limited have given all its PPE to other healthcare service provider on operating lease.

3.08 PPE given as security

PPE are subject to charge to secure the group's secured long term borrowings as disclosed in note 12.

3.09 One of the group's subsidiary, Saket City Hospitals Private Limited has given its PPE to other healthcare service provider on operating lease.

	March 31, 2017	March 31, 2016	April 1, 2015
3,759		3,196	3,250
357		333	-
690		333	-
<u>3,069</u>		<u>2,863</u>	<u>3,250</u>

3.10 On July 10, 2015 the group acquired 77.95% of share capital of Crosslay Remedies Limited and accordingly leasehold land and building of Rs. 5,730 lacs and Rs. 4,448 lacs has been recognised in the transaction upon bussiness combinations as per IND AS 103

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4. Intangible assets

	(Rs in Lacs)				
	Computer software	Non compete fee	Service agreement	Total	Intangible assets under development
At cost					
Deemed cost as at April 1, 2015	1,313	-	-	1,313	1,153
Additions	1,331	1,265	-	2,596	47
Acquisition through business combination	-	381	98,066	98,447	-
Acquisition of subsidiary	108	-	-	108	-
Disposals	47	-	-	47	1,148
As at March 31, 2016	2,704	1,646	98,066	102,416	52
Additions	434	-	-	434	150
Additions in purchase price allocation	-	-	-	-	-
Disposals	1	-	-	1	71
As at March 31, 2017	3,137	1,646	98,066	102,849	131
Amortization					
As at April 1, 2015	-	-	-	-	-
Additions	607	132	-	739	-
Acquisition through business combination	-	39	376	415	-
Disposals	31	-	-	31	-
As at March 31, 2016	576	171	376	1,123	-
Additions	700	181	-	881	-
Acquisition through business combination	-	54	1,089	1,143	-
Disposals	-	-	-	-	-
As at March 31, 2017	1,276	406	1,465	3,147	-
Net carrying amount					
At at March 31, 2017	1,862	1,240	96,601	99,703	131
At at March 31, 2016	2,128	1,475	97,690	101,293	52
As at April 1, 2015	1,313	-	-	1,313	1,153

4.1 Non Compete fee represents amount paid to erstwhile owners of "Corsslay Remedies Limited" as per the terms of share purchase agreement dated May 28, 2015. The non compete fee is amortized over a period of seven years.

4.2 One of the group's subsidiary, Saket City Hospitals Private Limited has given computer software on operating lease to other healthcare service provider.

	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Gross block	53	53	53
Amortization charge for the year	13	13	-
Accumulated	26	13	-
Net book value	27	40	53

4.3 On November 27, 2015 the group acquired 51% of share capital of Saket City Hospitals Private Limited and accordingly service agreement of Rs. 98,066 lacs has been recognised in the transaction upon bussiness combination as per INDAS 103

4.4 On July 10, 2015 the group acquired 77.95% of share capital of Crosslay Remedies Limited and accordingly non compete fee of Rs. 381 lacs has been recognised in the transaction upon bussiness combination as per IND AS 103

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Non-current financial assets			
i) Loans (Valued at amortized cost) (Unsecured considered good)			
Loans to other healthcare service providers	1,100	907	10,179
	<u>1,100</u>	<u>907</u>	<u>10,179</u>
ii) Trade receivables (Unsecured considered good)			
Trade receivables - considered good	7,592	7,690	7,761
	<u>7,592</u>	<u>7,690</u>	<u>7,761</u>
As at December 10, 2001 one of our subsidiary Max Medical Services Limited had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 2,431 Lacs. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, the Company has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 Lacs. The said consideration is repayable in equal instalments over 20.5 years from the handover date. Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to Rs. 72 Lacs (March 31, 2016 : Rs. 50 Lacs), has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other Income" as income from deferred credit and interest income on fair valuation of this contract revenue under "Finance Income".			
iii) Other financial assets (Unsecured considered goods)			
Security deposits	17,913	17,632	2,743
	<u>17,913</u>	<u>17,632</u>	<u>2,743</u>
a) Vide Termination agreement dated November 27, 2015, one of the subsidiary, Saket City Hospitals Private Limited (SCHPL) has converted the loan amount including interest thereon alongwith trade receivables from Gujarmal Modi Hospital and Research Centre for Medical Sciences (Society) to refundable security deposit. The said security deposit shall be repayable out of the surplus funds available with the society along with the interest agreed (upto 12% per annum). b) Performance Guarantee of Rs.120 lacs (March 31, 2016 Rs. 120 lacs) (April 01, 2015 Rs. 93 lacs) had been deposited by one of the subsidiary, Max Medical Services limited, with other healthcare service provider, in earlier years, as per the agreement.			
iv) Other bank balances			
Deposit			
(I) Fixed deposits under lien	1	1	1
(II) Margin money deposits #	1	1	44
	<u>2</u>	<u>2</u>	<u>45</u>
# Margin money deposits given as security			
Rs. 1 Lacs (March 31,2016: Rs 1 Lacs) (April 1, 2015 : Nil) to secure bank guarantee given to Sales Tax Department, Gurgaon			
Nil (March 31,2016: Nil) (April 1, 2015 : Rs.44 Lacs) to secure bank guarantee given to CGHS/DGHS/ESIC/NDMC			
6. Other non current assets (unsecured considered good)			
Capital advances	3,000	2,340	3,688
Others			
Prepaid expense	13,299	12,268	5,632
Tax deducted at source recoverable	7,197	6,120	4,301
Balance with statutory authorities	57	57	-
	<u>23,553</u>	<u>20,785</u>	<u>13,621</u>
7. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	2,312	2,322	1,854
	<u>2,312</u>	<u>2,322</u>	<u>1,854</u>
8. Current financial assets			
i) Loan (Valued at amortized cost) (Unsecured considered good)			
Loans to other healthcare service provider	1,359	-	-
	<u>1,359</u>	<u>-</u>	<u>-</u>
ii) Trade receivables (Unsecured considered good)			
Trade receivables - considered good	23,482	20,858	17,389
Trade receivables - considered doubtful	4,357	3,898	2,632
Less : Impairment allowance for trade receivable considered doubtful	(4,357)	(3,898)	(2,632)
	<u>23,482</u>	<u>20,858</u>	<u>17,389</u>
iii) Other investments			
Quoted mutual funds			
Nil (March 31, 2016: Nil) (April 1, 2015 : 26,696,297) units of Rs.10/- each in ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	-	3,822
Nil (March 31,2016 : Nil) (April 1, 2015 :88,556) units of Rs.10/- each in IDFC Cash fund -Growth Direct Plan	-	-	1,506
Nil (March 31,2016 : Nil) (April 1, 2015: 69,038) units of Rs.1000/- each in Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	1,961
Nil (March 31, 2016 : Nil) (April 1, 2015 : 43,759) units of Rs.1000/- each in Kotak Floater Short Term-Direct Plan Growth	-	-	1,004
Nil (March 31,2016 : Nil) (April 1,2015 : 111,389) units of Rs.1000/- each in Reliance Liquid Fund - Cash Plan - Direct growth plan	-	-	2,511
Nil (March 31,2016 : Nil) (April 1, 2015 : 167,465) units of Rs.1000/- each in UTI-Floating Rate Fund -STP-Direct Growth Plan	-	-	3,822
	<u>-</u>	<u>-</u>	<u>14,626</u>
Aggregate amount of quoted mutual fund	-	-	14,626
Market value of quoted mutual fund	-	-	14,626

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
iv) Other financial assets (Valued at amortized cost)			
Security deposits	73	17	23
Unbilled revenue	1,076	1,181	622
	<u>1,149</u>	<u>1,198</u>	<u>645</u>
v) Cash and cash equivalents			
Balances with banks:			
On current accounts	647	540	1,974
On escrow accounts	323	340	334
Deposits with original maturity of less than three months	605	-	-
Cheques/ drafts on hand	171	101	91
Cash on hand	102	136	146
	<u>1,848</u>	<u>1,117</u>	<u>2,545</u>
vi) Other bank balances			
Deposits:			
(I) Deposit with remaining maturity for more than 12 months	-	-	2
(II) Fixed deposits under lien #	9	9	37
(III) Margin money deposit #	418	187	156
	<u>427</u>	<u>196</u>	<u>195</u>
# Margin money deposits given as security			
Rs. 418 Lakhs (March 31 2016: Rs. 186 Lacs) (April 1 2015: Rs. 6 Lacs) to secure bank Guarantee issued / Letter of Credit Issued for EPCG Licenses / Govt Authorities			
Rs. Nil Lakhs (March 31 2016: Rs.Nil Lacs) (April 1 2015: Rs. 175 Lacs) to Secured for Bank Guarantee and Foreign letter of credits.			
Rs. 4 Lakhs (March 31 2016: Rs.7 Lacs) (April 1 2015: Rs. 4 Lacs) is pledged with sale tax authorities.			
Rs. 5 Lakhs (March 31 2016: Rs.3 Lacs) (April 1 2015: Rs. 8 Lacs) to secure bank guarantee in favour of CGHS/DGHS/ESIC/NDMC			
vii) Derivative instruments at fair value through profit and loss			
Foreign exchange forward contracts	39	-	-
	<u>39</u>	<u>-</u>	<u>-</u>
9. Other current assets (unsecured considered goods unless otherwise stated)			
Capital advances	-	10	-
Other advances:-			
Unsecured, considered good	1,102	767	701
Unsecured, considered doubtful	2,090	2,090	8
Less: Provision for doubtful advances	(2,090)	(2,090)	(8)
Tax deducted at source recoverable	1,202	1,229	190
Balance with statutory authorities	25	164	-
Mat credit entitlement	2	2	-
Prepaid expenses	1,734	1,185	893
Receivable under duty credit scheme	175	-	15
	<u>4,240</u>	<u>3,357</u>	<u>1,799</u>
9A Assets classified as held for sale*			
	30	-	-
	<u>30</u>	<u>-</u>	<u>-</u>

*The group has classified a plant and machinery which has retired from active use and held for sale recognized and measured in accordance with Ind-AS 105 "Non current assets held for sales and discontinued operations" at lower of its carrying amount and fair value less cost to sell. The group expects to complete the sale by next financial year 2017-18.

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*** b) The Group has till date recognized Rs.,353 lacs (March 31, 2016 Rs. 592 lacs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

10. Equity share capital

	As at March 31, 2017	As at March 31, 2016	Lacs) As at #####
a) Authorised			
925,000,000 (March 31, 2016: 925,000,000) (April 1,2015 : 925,000,000) equity shares of Rs.10/- each	92,500	92,500	92,500
125,000,000 (March 31, 2016: 125,000,000) (April 1,2015 : 125,000,000) cumulative preference shares of Rs.10/- each	12,500	12,500	12,500
	105,000	105,000	105,000
Issued, subscribed and fully paid-up			
537,244,328 (March 31, 2016: 533,408,098) (April 1,2015 : 488,813,654) equity shares of Rs.10/- each	53,724	53,341	48,881
Total issued, subscribed and fully paid-up share capital	53,724	53,341	48,881

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016	
Equity shares	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
At the beginning of the year	533,408,098	53,341	488,813,654	48,881
Issued during the year				
- Right Issue #	3,836,230	383	44,444,444	4,445
- ESOP	-	-	150,000	15
Outstanding at the end of the year	537,244,328	53,724	533,408,098	53,341

On May 31, 2016, the Company had issued and allotted 38,36,230 fully paid-up equity shares of Rs.10 each at an issue premium of Rs.57.50 per share, aggregating to Rs.2,589 Lacs on rights basis subscribed by International Finance Corporation and Dr. Pradeep Kumar Chowbey.

c) Terms and Rights attached to equity shares

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

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

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

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max India Limited	246,848,537	45.95%	246,848,537	46.28%	224,626,315	45.95%
Life Healthcare International (Proprietary) Limited	246,848,537	45.95%	246,848,537	46.28%	224,626,315	45.95%
International Finance Corporation, USA (IFC)	40,298,799	7.50%	36,661,024	6.87%	36,661,024	7.50%

e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note no. 27.4

f) Aggregate number of Shares issued for Consideration other than cash

22,955,268 (March 31, 2016: 22,955,268) (April 1, 2015 : 22,955,268) Equity Shares have been allotted on conversion of 2% cumulative partially convertible preference shares issued to IFC on July 28, 2007.

In addition, the Company has issued 9,50,0000 (March 31, 2016 : 27,00,000) (April 1, 2015 : 28,50,000) Equity Shares during the period of five years immediately preceding the reporting date, on exercise of options granted under the Employee Stock Option Plan 2006 to the permanent employees of the Company wherein part consideration was received in form of employee services.

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements
11. Other equity

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve (refer note a below)	1	1	1
Securities premium account (refer note b below)	107,678	105,475	79,891
Employee stock options outstanding (refer note c below)	-	6	7
Retained earnings (refer note d below)	(43,474)	(44,305)	(42,485)
	64,205	61,177	37,414
a) Capital reserves	1	1	
b) Securities premium account			
At the beginning of the year	105,475	79,891	
Add: premium on issue of equity shares	2,206	25,556	
Add: additions on ESOPs exercised	-	55	
Add: transferred from employee stock options outstanding	-	3	
Less: share issue expenses	(3)	(30)	
	107,678	105,475	
c) Employee stock options outstanding			
At the beginning of the year	6	7	
Add: expense recognized during the year	-	2	
Less: lapsed during the year	(6)	-	
Less: transferred to securities premium on exercise of stock options	-	(3)	
	-	6	
d) Retained earnings			
At the beginning of the year	(44,305)	(42,485)	
Profit/(Loss) for the year	905	(2,261)	
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(111)	(18)	
Non controlling interest	37	459	
	(43,474)	(44,305)	

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

12. Borrowings

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current borrowings:-			
Term loan (secured)			
From bank	70,266	43,291	6,810
From financial institutions	-	9,870	14,445
From non banking financial company	6,109	9,532	10,843
Finance lease obligation (secured)			
Long term maturities of finance lease obligation	351	2,091	667
Vehicle loans (secured)	461	96	112
Current borrowings:-			
Term loan			
From bank	714	1,074	370
From financial institutions	-	22	2,513
From non-banking financial company	441	1,371	1,016
Deferred payment liability (unsecured)	87	94	90
Current maturities of finance lease obligation (secured)	92	690	275
Vehicle loans (secured)	183	71	74
	78,704	68,202	37,215
Less: Amount clubbed under "other current financial liabilities" [refer note 16.(iii)]	1,517	3,322	4,338
	77,187	64,880	32,877
Aggregate Secured Loan	78,617	68,108	37,125
Aggregate Unsecured Loan	87	94	90

12.1. Term Loan from financial Institutions include:

- (i) Rs. Nil (March 31, 2016: Rs. Nil) (April 1, 2015: Rs.2,099 lacs) from Export Import Bank of India repayable in 15 half yearly installments from December 20, 2008.
- (ii) Rs. Nil (March 31, 2016 : Rs.9,892 Lacs) (April 1, 2015: Rs.14,859 lacs) from Housing Developing Finance Corporation Limited repayable in 36 quarterly instalment from February, 2015.
The above loans are secured by following:
 - a) First Pari-passu charge on the whole of movable PPE (excluding vehicles) including medical equipment (except assets having exclusive charge in favor of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc. of the Company and its subsidiaries namely Max Medical Services Limited.
 - b) First Pari-passu charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company , present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
 - c) Pledge of the Company's 26% shareholding in its subsidiary, namely Max Medical Services Limited and pledge of Max Medical Services Limited's shareholding in Alps Hospital Limited, equivalent to 26% of issued Equity capital of Alps Hospital Limited.
 - d) The term loan at (i) above was secured by a Corporate guarantee by Max India Limited.
 - e) The term loans at (i) & (ii) above are secured by equitable mortgage of the Company's immovable property at Plot no 1 , Press Enclave Road, Saket, New Delhi. The company has also created charge in favor of Canara Bank, which is acting as a security trustee for term loans referred in (i) &

12.2. Term loan from Banks

- (i) Loan of Rs.82 lacs (March 31, 2016 : Rs. 6,822 lacs) (April 1, 2015: Rs.7,180 lacs) from ICICI Bank Limited repayable in 36 quarterly installments from June 2014 is secured by way of :
 - a) Exclusive charge over the immovable property of the company located at Shalimar Bagh.
 - b) First pari-passu charge on the whole of movable PPE (excluding vehicles) including medical equipment (except assets having exclusive charge in favor of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc. of the Company.
 - c) Second pari-passu charge on all the entire current assets including book debts, operating cash flows, receivables, revenue subject to prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7500 lacs.
 - d) First pari-passu charge on the whole of movable PPE of the Company's wholly owned subsidiary (Max Medical Services Limited).
 - e) Pledge of the Company's 26% shareholding in its subsidiary, namely Max Medical Services Limited and pledge of Max Medical Services Limited's shareholding in Alps Hospital Limited, equivalent to 26% of issued Equity capital of Alps Hospital Limited.
- (ii) Rs.19,265 lacs (March 31, 2016 : Rs. 990 lacs) (April 1, 2015 : Rs. Nil) from IDFC Bank Limited repayable in 52 quarterly installments from April, 2018 is secured by way of :
 - a) A First Mortgage and Charge on entire immovable properties of the borrower pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.

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- b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Borrower and Max Medical Services Limited (MMSL), both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
 - c) A charge on the entire current assets including cash flows, receivables, book debts, revenues, raw material, stock-in-trade, and inventory of the Borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
 - d) A first charge on the entire current assets including cash flow receivables, book debts, revenues, raw material, stock-in-trade, and inventory of MMSL, of whatsoever nature and wherever arising both present and future.
 - e) A first charge on the entire intangible assets of the borrower and MMSL, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - f) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the borrower and MMSL under all insurance contracts.
 - g) Pledge of share held by borrower in demat form in the equity share capital of MMSL representing 30% (thirty percent) of the total paid up equity share capital of MMSL which shall, on the earlier of assignment/novation/transfer by the Bank of part of the Loan to any person or upon participation by other lender(s) in the Loan or on being permissible under the Applicable Laws shall be increased to 51% (fifty one percent) of the total paid up equity share capital of MMSL provided that, the Borrower shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of MMSL, execute an undertaking in favor of the Bank in respect of the balance 21% (twenty one percent) of the total paid up equity share capital of the Borrower to the effect that the Borrower will not transfer, assign, dispose of pledge charge or create any lien or any security interest or in any way encumber in favor of any person(s) shares representing 21% (twenty one percent) of the total equity share capital of MMSL so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of MMSL upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/joint venture agreement/financing arrangement, with regard to pledge/transfer of the shares/Securities including transfer upon enforcement of the pledge.
 - h) Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 75
 - i) Security interest set out in sub clauses (a), (b) and (d) to (g) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of up to INR 340 Crore
- (iii) Rs. 1,498 Lacs (March 31, 2016 : Rs. 1,999 Lacs) (April 01, 2015 : Nil) from HDFC Bank Limited repayable in 20 structured quarterly installments from November 2019.
- The above Loan is secured by way of :
- a) First charge by way of hypothecation on movable PPE including movable plant and machinery, medical equipment, machinery spares, tools and accessories, furniture, fixtures and all other movable assets present and future.
 - b) First charge on all the book debts, operating cash flows, receivables and revenue of whatsoever nature, all current assets, operating cash flow, commissions and revenue, present and future (subject to a prior pari-passu charge in favour of working capital bankers restricted to the present working capital limits of Rs.500 Lacs).
 - c) First charge on all intangibles.
 - d) Corporate guarantee by the holding Company.
- (iv) Rs. 5,055/- Lacs (March 31, 2016: Rs. Nil, April 01, 2015: Rs. Nil) from IDFC Bank Limited repayable in 52 structured quarterly instalments from June 2018. The above Loan is secured by:
- a) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
 - b) A Charge on the entire current assets including cash flows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.
 - c) A first charge on entire intangible assets of the borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;
 - d) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to applicable law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the borrower under all Insurance contracts;

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- e) Pledges of Shares held by the Guarantor in demat form in the equity share capital of the borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/notation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that Guarantor shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that guarantor will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/notation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;
- f) an irrevocable and unconditional corporate guarantee of the Guarantor.
- g) Security Interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of Rs. 1,000 Lacs.
- h) Security Interest set out in sub clause (a), (c), (d) and (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of upto Rs. 11,900 Lacs.
- (v) a) Term Loan from the Bank represents Rs. 5771 Lacs (March 31, 2016: Rs.Nil) (April 01, 2015 : Rs. Nil) from IDFC Bank Limited is repayable in 52 quarterly structured installments commencing from June 2018. The loan is secured by :
- b) a first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans;
- c) a Charge on the entire current assets including cashflows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future;
- d) a first charge on entire intangible assets of the Borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;
- e) a first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the Borrower under all Insurance Coverages;
- f) Pledges of Shares held by Max Medical Services Ltd. (MMSL) in demat form in the equity share capital of the Borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/novation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that MMSL shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that MMSL will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The Shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;
- g) an irrevocable and unconditional corporate guarantee of the Guarantor.
- h) Security Interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of Rs. 1,000 Lacs.
- i) Security Interest set out in sub clause (b), (d), (e) and (f) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of upto Rs. 9,500 Lacs.
- (vi) Rs. 12,425 Lacs (March 31, 2016 : Rs. 9,482 Lacs) Term Loan are secured by first charge on the entire movable/ immovable Fixed Assets, of the Crosslay Remedies Limited, both present and future, excluding vehicles specifically charged to other lenders, both present and future and first charge on all the current assets of the Crosslay Remedies Limited and collaterally secured by way of Corporate Guarantee of Max Healthcare Institute
- a) The term loan is having a moratorium of 2.25 years repayable quarterly from Dec 31,2017 in 9 year and 6 months.
- b) Term loan carries interest rate of base rate plus 2%.
- c)The amount payable within the year 2017-18 is Rs. 400 Lacs (March 31, 2016 : Rs. Nil)
- During the previous year the Company approached Corporate Debt Restructuring (CDR) cell through Punjab National Bank for restructuring of its debts availed from Canara Bank and Punjab National Bank. The final restructuring package was approved by CDR Empowered Group in August 2011. The restructuring package includes moratorium of 20 months starting from February 1, 2011 i.e. effective date of CDR for repayment of loans, reduction in rate of interest, funding of interest of moratorium period, waiver of penal interest, liquidated damages on all loans and increase in working capital limit along with additional term loan. However, during the previous year the Company has repaid the entire amount of Term Loans taken from Canara bank and Punjab National Bank covered under the CDR. Now, after the repayments of the above said term loans, the Company is

Max Healthcare Institute Limited**Notes forming part of consolidated financial statements**

- (vii) Rs.12,473 Lacs (March 31, 2016: Rs.12,463 Lacs) from Axis Bank Limited repayable in 52 quarterly installment from January, 2019. The loan is secured by way of:
- a) A first pari passu charge on all borrowers movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixture, and all other movable assets, intangible, goodwill, uncalled capital, both present and future.
 - b) A first pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in all documents executed by the borrower with SHRC including but not limited to the Hospital Service Agreement, both present and future.
 - c) First pari passu charge on all receivables, current assets, present and future, of the borrower.
 - d) Pledge of 25.50% share capital (on a fully diluted basis) of the borrower (in Compliance with BR Act) and option to increase it to 51% subject to inclusion of new lenders; and
 - e) Negative lien for the remaining 21% shareholding of the borrower total aggregate percentage of pledge and negative lien not to exceed 51% of share capital at any time.
 - f) Corporate guarantee by Max Healthcare Institute Limited.
- (viii) Rs.14,411 Lacs (March 31, 2016: Rs.12,608 Lacs) from Yes Bank Limited repayable in 48 quarterly instalment from November, 2018. The loan is secured by way of:
- a) First pari passu charge over all movable fixed assets (both present and future) and immovable (if any acquired in future) of the borrower.
 - b) First pari passu charge over all current assets (both present and future) of the borrower.
 - c) First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
 - d) Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited to remain valid during entire tenor of facilities.
 - e) assignment of all borrowers rights under the service agreement and any other such agreement for providing any other services to Saket City Hospitals Private Limited, letter of credit, guarantee, or performance bond provided by any party for any contract related to the Hospital project in favor of the borrower.
 - f) Assignment of all the contracts, documents, insurance policies, rights, titles, permits/approvals, clearances and interest of the borrower pertaining to the Hospital project on first pari passu basis.
 - g) Pledge of 25.5% equity shares of the borrower held by Max Healthcare Institute Limited.
- 12.3 Term loan from non-banking financial company**
- (i) Rs.4,574 lacs (March 31, 2016 : Rs. Nil) (April 1, 2015 : Rs. Nil) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018 is secured by way of :-
- a) A First Mortgage and Charge on entire immovable properties of the borrower pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
 - b) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the borrower and Max Medical Services Limited (MMSL), both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment
 - c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
 - d) A first charge on the entire current assets including cash flow receivables, book debts, revenues, raw material, stock-in-trade, and inventory of MMSL, of whatsoever nature and wherever arising both present and future.
 - e) A first charge on the entire intangible assets of the borrower and MMSL, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - f) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in any letter of credit guarantee, performance bond, corporate guarantee, bank
 - g) Pledge of share held by borrower in demat form in the equity share capital of MMSL representing 30% (thirty percent) of the total paid up equity share capital of MMSL which shall , on the earlier of assignment/novation/transfer by the bank of part of the loan to any person or upon participation by other lender(s) in the Loan or on being permissible under the applicable laws shall be increased to 51% (fifty one percent) of the total paid up equity share capital of MMSL provided that, the borrower shall, pending creation of pledge over the entire 51% (fifty one present) of the total paid up equity share capital of MMSL, execute an undertaking in favor of the Bank in respect of the balance 21% (twenty one percent) of the total paid up equity share capital of the borrower to the effect that the borrower will not transfer, assign, dispose of pledge charge or create any lien or any security interest or in any way encumber in favor of any person(s) shares representing 21% (twenty one percent) of the total equity share capital of MMSL so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of MMSL upon earlier of assignment/novation/transfer by the lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under applicable law. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/joint venture agreement/financing arrangement, with regard to pledge/transfer of the shares/securities including transfer upon enforcement of the pledge.
 - h) Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 75
 - i) Security interest set out in sub clauses (a), (b) and (d) to (g) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of upto INR 340 Crore

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

- (ii) Rs. 397 lacs (March 31, 2016: Rs.640 lacs) (April 01, 2015 : Rs. 859 lacs) from SREI Equipment Finance Private Limited repayable in 28 quarterly installments from December 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.
- (iii) Rs. Nil (March 31, 2016 : Rs.5,281 lacs) (April 01, 2015: Rs. 5,622 lacs) from L&T Infrastructure Finance Company Limited was repayable in 32 quarterly instalment from January 2015 was prepaid during the year. The above Loan was secured by:
 - a) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
 - b) 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.
 - c) 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. 1,000 Lacs, previously Rs.1000 lacs).
 - d) First charge on all intangibles & Corporate guarantee by the holding company.
- (iv) Rs. 102 lacs (March 31, 2016: Rs. 157 lacs) (April 01, 2015: Rs. 207 lacs) from Srei Equipment Finance Private Limited is repayable in 28 quarterly instalment from November 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.
- (v) Rs. 1,387 Lacs (March 31, 2016 : Rs.Nil, April 01, 2015: Rs. Nil) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly instalments from June 2018.
 The above Loan is secured by:
 - a) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
 - b) A Charge on the entire current assets including cash flows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.
 - c) A first charge on entire intangible assets of the Borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;
 - d) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such project documents all as amended, varied or supplemented from time to time; (b) subject to splicable law, all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the borrower under all insurance contracts;
 - e) Pledges of shares held by the guarantor in demat form in the equity share capital of the borrower representing 30% (thirty percent) of the total paid-up equity share capital of the borrower which shall, on the earlier of assignment/notation/transfer by the bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the applicable laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the borrower. Provided that guarantor shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the borrower, execute an undertaking in favour of the bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the borrower to the effect that guarantor will not transfer, assign, dispose of, pledge, charge or create any lien or any security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares capital of the borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/notation/transfer by the lender of part of the loan to any person or upon participation by other lender(s) in the loan on being permissible under applicable law. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ securities including transfer upon enforcement of the pledge;
 - f) an irrevocable and unconditional corporate guarantee of the guarantor.
 - g) Security Interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of Rs. 1,000 Lacs.
 - h) Security Interest set out in sub clause (a), (c), (d) (e) and (f) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of upto Rs. 11,900 Lacs.
- (vi) a) Term Loan from the non-banking financial company L & T Infrastructure Finance Company Limited has been repaid during the year (March 31, 2016: Rs.4685 lacs) (April 01, 2015 : Rs. 4988 Lacs)
 - b) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
 - c) 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.
 - d) 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.1,000 Lacs).
 - e) First charge on all intangibles.
 - f) Corporate guarantee by the holding company.
- g) Term Loan from non-banking financial company includes Rs. 90 lacs (March 31, 2016: Rs.140 lacs) (April 01, 2015 : Rs. 183 Lacs) is repayable in 24 quarterly instalment. 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.

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12.4 Finance lease obligation:-

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

Finance lease obligations of Alps Hospital Limited represents medical equipment obtained on finance lease as per "Equipment pay per use Agreement" with Philips Electronics India Limited effective from February, 27, 2014 for 84 months with compulsory buy back at the end of tenure.

Philips India Limited is secured by hypothecation of medical equipments of Hometrail Buildtech Private Limited underlying the leases repayable in 20 quarterly instalments beginning from September 2012.

Nil (March 31, 2016: 2,110 Lacs) (April 1, 2015: Rs.2,496 Lacs) the amount is secured by first charge on medical equipments purchased by Saket City Hospitals Private Limited under this arrangement. The loan is further secured by way of corporate guarantee issued in favour of Philips India Limited by Smart Value Ventures Private Limited.

12.5 Vehicle Loans of Rs. 644 lacs (March 31, 2016: Rs.167 lacs) (April 01, 2015 : Rs. 186 lacs) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

12.6 Deferred payment liabilities of Hometrail Estate Private Limited and Hometrail Buildtech Private Limited are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13. Other financial liabilities			
Provision for employee stock options (refer note 27.4)	210	238	51
	210	238	51
14. Long term provisions			
Provision for leave encashment	-	47	-
Provision for rehabilitation under purchase price allocation	193	-	-
Provision for gratuity (refer note 27.2)	1,067	972	530
	1,260	1,019	530
15. Other non current liabilities			
Put call option liabilities	52,308	46,705	-
Lease Equalisation Reserve	549	473	199
	52,857	47,178	199
16. Current financial liabilities			
(i) Borrowings			
Cash credit from banks (secured)	8,705	9,566	4,617
Short term loan from bank (unsecured)	-	2,500	-
	8,705	12,066	4,617

(i) Cash credit loan of Rs.310 Lacs (March 31, 2016: Rs.604 Lacs) (April 1, 2015 : Nil) from Yes Bank Limited bearing interest @ yes bank base rate plus 1.15% i.e presently @ 10.25% per annum payable monthly and is secured by way of :

- First pari passu charge over all movable fixed assets (both present and future) and immovable (if any acquired in future) of the borrower.
- First pari passu charge over all current assets (both present and future) of the borrower.
- First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
- Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited to remain valid during entire tenor of facilities.
- assignment of all borrowers rights under the service agreement and any other such agreement for providing any other services to Saket City Hospitals Private Limited, letter of credit, guarantee, or performance bond provided by any party for any contract related to the Hospital project in favor of the borrower on first pari passu basis.
- Assignment of all the contracts, documents, insurance policies, rights, titles, permits/approvals, clearances and interest of the borrower pertaining to the Hospital project on first pari passu basis.
- Pledge of 25.5% equity shares of the borrower held by Max Healthcare Institute Limited.

(ii) Cash credit loan of Rs. Nil (March 31, 2016: Rs.745 Lacs) (April 1, 2015 : Nil) from Axis Bank Limited base rate plus 1.95% i.e presently @ 11.20% payable monthly and is secured by way of :

- A first pari passu charge over Company's all present and future, moveable and immoveable asset, intangible assets and uncalled capital.
- Pledge of 25.5% equity shares of the company held by Max Healthcare Institute Limited, the holding company and option to increase it to 51% subject to inclusion of new lenders.
- Unconditional and irrevocable corporate guarantee of the holding Company, Max Healthcare Institute Limited, to remain valid during entire tenor
- Further, there is negative lien for 21% shareholding of the Company. Total aggregate percentage of pledge and negative lien not to exceed 51% of the share capital at any time.
- First pari passu charge on all receivables, current assets, present and future, of the borrower.
- A first pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefit, claims and demands whatsoever of the borrower in all documents executed by the borrower with SHRC including but not limited to the hospital service agreement, both present and future.

(iii) Loan of Rs. Nil (March 31, 2016 : Rs.2,500 lacs) (April 1, 2015: Rs. Nil) from HDFC Bank Limited with the maximum tenor of 180 days with a put/call option every 30 days after a lock in period of 2 months.

(iv) Cash credit facilities from bank for the company Homtrail Estate Private Limited and Homtrail Buildtech Private Limited is secured by:

- First charge by way of hypothecation of the Hoemetrail Estate Private Limited and Hometrail Buildtech Private Limited entire current assets (present and future) to the extent allowed by existing term lenders and except escrow account with the Government of Punjab.

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

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

(v) Cash credit from bank is secured by way of hypothecation charge on entire current assets of the Alps Hospitals Limited. The cash credits are repayable on demand.

(vi) Cash credits from banks is secured by way of prior pari – passu charge on stocks, book debts and other current assets, present and future of the Max Healthcare Institute Limited prior to charge in favor of term lenders of the Company. The cash credits are repayable on demand.

(vii) Working capital facilities from Axis bank (Sanctioned Limit Rs 2,000 Lacs) to the extent of Rs. 1,481 Lacs (March 31, 2016 : Rs. 1,173 Lacs) (April 01, 2015 : Rs. 2,015 Lacs) secured by way of first charge on entire movable / immovable fixed assets of the company both present and future, excluding vehicles specially charged to other lenders, both present and future and first charge on all the current assets of the Crosslay Remedies Limited collaterally secured by way of Corporate Guarantee of Max Healthcare Institute Limited.

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(ii) Trade payables			
Total outstanding dues of micro and small enterprises*	-	-	-
Total outstanding dues other than of micro and small enterprises #	21,372	21,706	15,519
	21,372	21,706	15,519

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

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

Trade payables include due to related parties Rs.298 Lacs (March 31,2016 : Rs.145 Lacs) (April 1, 2015 : Rs.3 Lacs)

(iii) Other financial liabilities

Current maturity of long term loans (refer note 12)	1,425	2,632	4,063
Current maturity of finance lease obligation (refer note 12)	92	690	275
Concessional Fee Payable	503	395	412
Security deposits	253	137	87
Employee stock options payable (refer note 27.4)	289	149	60
Capital creditors	1,942	1,381	921
	4,504	5,384	5,818

17. Other current liabilities

Other advances	54	22	14
Advance from patients	640	732	493
Statutory dues	1,485	1,304	890
	2,179	2,058	1,397

18. Short Term Provisions

Provision for income tax(net of advance tax)	258	-	-
Provision for leave encashment	966	797	668
Provision for gratuity (refer note 27.2)	285	202	227
	1,509	999	895

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year March 31, 2016
19. Revenue from operations		
Sale of products		
Pharmacy and pharmaceuticals supplies	14,815	14,544
Total sale of products	14,815	14,544
Revenue from healthcare services (net)	143,795	125,682
Other operating income		
- Income from leasing activities	2,833	2,181
- Sponsorship and educational income	488	388
- Income from laundry services	-	141
- Income from ancillary activities	344	272
- Income from lease rental	-	19
- Income from served from India scheme	400	186
	162,675	143,413
20. Other income		
Profit on foreign exchange fluctuation	56	-
Profit on sale of current investments	-	268
Income from deferred credit	952	913
Unclaimed balances & excess provisions written back	428	194
Deferred income EPCG	19	16
Other non-operating income	116	189
	1,571	1,580
21. Finance income		
Interest Income on		
Bank deposits	39	17
Security deposits	65	43
Loans to other healthcare service providers	3,179	1,793
Income tax refund	282	37
Others	-	171
	3,565	2,061

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lacs)	
	For the year March 31, 2017	For the year March 31, 2016
22. Employee benefits expense		
Salaries, wages and bonus	31,975	27,482
Contribution to provident and other funds	1,251	1,096
Employee stock option scheme	35	308
Gratuity expense (refer note 27.2)	345	281
Staff welfare expenses	1,744	1,307
	35,350	30,474
23. Finance costs		
Interest on debts and borrowings	9,538	6,450
Bank charges	430	325
	9,968	6,775
24. Depreciation and amortization expense		
Depreciation of property, plant and equipment (note 3)	8,737	7,967
Amortization of intangible assets (note 4)	2,024	1,154
	10,761	9,121
25. Other expense		
Professional and consultancy fee	35,308	32,769
Outside lab investigation	1,066	864
Concessional Fee	1,486	1,228
Patient catering expenses	1,732	1,696
Rent	3,589	3,322
Insurance	777	588
Rates and taxes	389	327
Facility maintenance expenses	2,721	2,388
Power and fuel	3,906	4,073
Repairs and maintenance:		
Building	498	284
Plant and equipments	2,064	1,762
Others	939	1,014
Printing and stationery	610	671
Travelling and conveyance	1,253	1,156
Communication	481	355
Legal and professional	4,134	4,323
IT support expense	1,123	693
Watch and ward	737	629
Directors' sitting fee	62	59
Advertisement and publicity	3,819	2,830
Software expenses	3	7
Recruitment expenses	108	136
Charity and donation	67	2
Equipment hiring charges	281	288
Provision for doubtful debts	986	571
Provision for doubtful advances	55	55
Bad debts written off	316	543
Less: Provision written back of earlier years	-	(279)
Debit balances written off	3	-
Net loss on sale/disposal of fixed assets	59	12
Loss on foreign exchange fluctuation	-	14
Premium on forward cover	1	7
Corporate social responsibility contribution (refer note 27.8)	37	-
Miscellaneous expenses	342	322
	68,952	62,709
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	92	94
Tax audit fee	2	3
Reimbursement of expenses	9	13
	103	110

Max Healthcare Institute Limited
Notes to consolidated financial statements for the year ended March 31, 2017

26. Contingent liabilities, commitments and litigations

A. Commitments and contingencies

		(Rs. in Laacs)		
S. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by a subsidiaries of the Company and other healthcare service providers.	80,375	74,158	22,896
b	Claims against the Company not acknowledged as debts			
	- Civil Cases (refer note b below)	8,958	6,309	3,702
	- VAT cases	247	308	255
	- Service tax cases	1,242	1,242	-
	- Income Tax cases (refer note c below)	-	9	28
c	Dividend on Preference Shares has waived off their right to received preference dividend	-	-	353
d	Export obligation as on date to be fulfilled, in the succeeding eight years from the date of license issued by EPCG for availing of concessional custom duty on imports under 5% EPCG scheme to the extent of eight times the duty saved.	1,183	1,516	1,516
e	Bonus for Financial Year 2015-16	-	56	-

Note:

a. Guarantees given by the Group to the lenders on behalf of wholly owned subsidiaries and other healthcare services provider is not considered as prejudicial to the interest of the Group as it provides opportunities for growth and increase in operations.

b. Claims against the Group 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 Group 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 Group.

c. Income tax cases

(Rs. In lacs)									
Assessment year	Pending before ITAT		Diasallowances pending before CIT(A)	Disallowances pending - as at March 31, 2017	Disallowances pending- as at March 31, 2016	Disallowances pending- as at April 1, 2015	Demand (if any)		
	Disallowances deleted by CIT(A) for which department has filed an appeal before ITAT	Disallowances confirmed by CIT(A) for which company has filed an appeal before ITAT					As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2003-04	941	213	-	1,154	1,154	1,154	-	-	-
2004-05	641	-	-	641	641	641	-	-	-
2005-06	598	-	-	598	598	628	-	-	-
2006-07	462	-	-	462	462	462	-	-	-
2007-08	907	-	-	907	907	917	-	-	-
2008-09	239	-	-	239	239	249	-	-	-
2009-10	201	-	-	201	201	211	-	-	-
2010-11	410	-	-	410	410	410	-	-	-
2011-12	547	-	-	547	997	997	-	-	-
2012-13	-	-	711	711	1,646	1,646	-	-	19
2013-14	-	-	509	982	982	-	-	-	-
2014-15	-	-	708	708	-	-	-	-	-
2010-11*	-	-	-	-	-	-	-	9	-
2012-13**	-	-	-	-	-	-	-	-	9
	4,946	213	1,928	7,560	8,237	7,315	-	9	28

Note: -

* Appeal before ITAT for Withholding taxes.

** Appeal before CIT (Appeals) for Withholding taxes.

The Group is contesting the demands of DVAT, income tax & service tax and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

B. Capital commitment

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)

		(Rs. in Laacs)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on capital account		18,233	6,843	15,344
Less: Capital advances		2,999	2,350	3,688
Balance value of contracts		15,234	4,493	11,656

Max Healthcare Institute Limited**Notes to consolidated financial statements for the year ended March 31, 2017****C. Lease commitments****(i) Finance lease: Company as lessee**

(a) The Group has finance lease for certain medical equipments for a period of 5 years. Upon the expiry of terms, the absolute and unencumbered ownership of the equipment shall vest with the Company at the guaranteed residual value.

(b) Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	123	89	276	227	345	271
After one year but not more than five years	403	351	526	439	651	523
More than five years	-	-	-	-	151	143
Total minimum lease payments	526	440	802	666	1,147	937

(ii) Operating lease: Company as lessee

(a) The Group has entered into operating lease agreements for hospitals, premises office spaces and accommodation for its employees under operating lease agreements. The leases have an average life between 3 to 30 years.

(b) Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Not later than one year	2,254	1,510	1,408
b) Later than one year and not later than five year	7,764	6,417	7,291
c) Later than five year	16,810	18,586	11,833
Total	26,828	26,513	20,532

Lease payments recognized in the statement of profit and loss as rent expense for the year

(iii) Operating lease commitments - Company as lessor

Medical & other equipments are given on operating lease. The lease term is for initial period of 5 (five) years and renewable by mutual consent of both the parties.

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Lease rent received	877	746	-

(iii) Two subsidiaries of the Group, Hometrail Estate Private Limited and Hometrail Buildtech Private Limited has entered into operating lease agreement for nursing hostel. Lease rentals recognized in the statement of profit and loss for the year is Rs. 293 lacs (March 31, 2016: Rs. 120 lacs). They also recover certain portion of rent from their employees.

(iv) One of the subsidiary, Crosslay Remedies Limited, had entered into a leases office space, accommodation for its employees and medical equipments under operating lease agreement. Lease rentals recognized in the Statement of Profit and Loss for the year is Rs. 21 lacs (March 31, 2016: Rs. 34 lacs).

(v) One of the subsidiary, Max Medical Services Limited, had entered into a lease on December 10, 2001 and further amendments thereto with a healthcare service provider to make them available medical & other equipments and fixtures for a term of 30 years. As per the terms, lease rentals are based on a fixed percentage of the turnover of the healthcare service provider and are due to the subsidiary on a monthly basis. The lease is entirely contingent on turnover, hence cannot be quantified for any future periods. The subsidiary recognized income from lease rentals for the current year is Rs. 2,036 lacs (March 31, 2016: Rs. 1,933 lacs). Under the terms of the lease, the company is responsible for:

- (a) Acquisition of equipment including its repair and servicing;
- (b) Ensuring adequate insurance coverage for the assets; and
- (c) Replacement of any existing equipment with suitable equipment

E. Other commitments

Export obligation as on date to be fulfilled, in the succeeding eight years from the date of license issued by EPCG for availing of concessional custom duty on imports under EPCG scheme to the extent of six times the duty saved.

Duty Saved Amount	Export Obligaion
66	396

Max Healthcare Institute Limited**Notes to consolidated financial statements for the year ended March 31, 2017****27. Other notes to accounts****27.1 Capitalization of expenditure**

During the year Group has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress(CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening	11	18	29
Add:			
Salaries, wages and bonus	74	-	43
Rent	67	-	-
Legal and professional	-	-	21
Power and fuel	17	-	18
Interest	45	-	-
Miscellaneous expenses	8	-	5
Total	222	18	116
Less: Capitalized during the year	50	7	98
Preoperative expenses pending capitalization	172	11	18

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27.2 Gratuity

The Group 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 partially funded with Life Insurance Company of India in the form of a qualifying insurance policy.

Defined benefit plan

	Year ended March 31, 2017	(Rs. in Lacs) Year ended March 31, 2016
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	1,265	1,032
Interest expense	95	83
Current service cost	255	227
Benefit paid	-272	(113)
Acquisition adjustment (Employees transferred from holding company)	1	23
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Actuarial changes arising from changes in demographic assumptions	14	(3)
Actuarial changes arising from changes in financial assumptions	55	14
Actuarial changes arising from changes in experience adjustments	42	7
Defined benefit obligation at year end	1,455	1,269
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	91	85
Expected return on plan assets	7	7
Employer contribution	5	-
Remeasurement of (Gain)/loss in other comprehensive income	2	(1)
Fair value of plan assets at year end	105	91
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	1,457	1,265
Fair value of plan assets	105	91
Amount recognized in balance sheet- asset / (liability)	1,352	1,174
d) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	255	204
Past service cost	-	-
Interest cost on benefit obligation	94	82
Expected return on plan assets	(3)	(5)
Net actuarial(gain) / loss recognized in the year	(2)	-
Net defined benefit expense debited to statement of profit and loss	345	281
e) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	100%	100%
f) Principal assumptions used in determining defined benefit obligation		
Assumption particulars	As At March 31, 2017	As At March 31, 2016
Discount rate	6.60%	7.50%
Salary escalation rate	8.00%	8.00%
Mortality rate	100.00%	100.00%
i) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount rate</u>		
Increase by 1.00%	(69)	(49)
Decrease by 1.00%	77	54
<u>Salary growth rate</u>		
Increase by 1.00%	70	48
Decrease by 1.00%	(64)	(45)
<u>Attrition rate</u>		
Increase by 50%	(85)	(62)
Decrease by 50%	148	100

Max Healthcare Institute Limited**Notes to consolidated financial statements for the year ended March 31, 2017**

	(Rs. in Lacs)
	Year ended
	March 31, 2017
	March 31, 2016
j) Maturity profile of defined benefit obligation	
Within the next 12 months (next annual reporting period)	217
Between 2 and 5 years	784
Between 5 and 10 years	483
More than 10 years	362
Total expected payments	1,846
k) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 Years (March 31, 2016 : 4 years)	
l) The plan assets are maintained with LIC of India	
m) The Company expects to contribute Rs. 1183 Lacs (March 31, 2016 : Rs.1007 lacs) to the plan during the next financial year.	
n) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.	
o) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.	
p) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.	

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Max Healthcare Institute Limited**Notes to consolidated financial statements for the year ended March 31, 2017****27.3. Provident Fund**

The Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Fund Trust" managed by the Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Fund Trust" which is a common fund for Max Financial Services Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)
	Year ended
	March 31, 2017
	March 31, 2016
Plan assets at year end at fair value	6,837
Present value of defined benefit obligation at year end	6,734
Surplus as per actuarial certificate	103
Shortfall recognised in balance sheet	-
Active members as at year end (Nos)	3,437
	3,170

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

	(Rs. in Lacs)
	Year ended
	March 31, 2017
	March 31, 2016
Discount rate	7.51%
Withdrawal rate	5.00%
Yield on existing funds	8.79%
Expected guaranteed interest rate	8.65%
	8.75%

Contribution to Defined benefit Plan, recognized as expense for the year is as under:

	(Rs. in Lacs)
	March 31, 2017
	March 31, 2016
Employer's Contribution towards Provident Fund (PF)	441
	383
	441
	383

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27.4 Employee Stock Option Plan

Employee Stock Option Plan – 2006 (“the 2006 Plan”):

The ESOP 2006 Plan instituted by the Company w.e.f August 10, 2006 was amended by the shareholders of the Company in its meeting held on March 1, 2016 based on the recommendations by the Nomination & Remuneration Committee and Board of Directors of the Company in their respective meetings held on February 3, 2016 and February 4, 2016.

The key features of the amended ESOP 2006 Scheme are as follows:

1. The total number of options to be granted : Not more than 5% of the aggregate numbers of issued equity shares of the Company at any point of time, in one or more tranches, may be issued as stock options under the Scheme.

2. Identification of classes of employees entitled to participate in the ESOP Scheme :

- a) A permanent employee of the company who has been working in India or outside India; or
- b) A director of the Company, whether a whole time director or not but excluding an Independent Director; or
- c) An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the Company, if any, but does not include –
 - an employee who is a promoter or a person belonging to the promoter group; or
 - a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

3. Requirements of vesting and period of vesting (minimum and maximum period of vesting)

- The exact proportion in which the options would vest shall be determined by the NRC, subject to the minimum vesting period of one year and maximum vesting period of 5 years, from the date of grant of options.
- The NRC will decide on the vesting of the options, in full (“Bullet Options”) or in a graded manner (“Graded Options”) on any date beginning at the end of one year from the date of grant and concluding at the end of five year from the date of grant.

• The NRC, in its discretion, at the time of each grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options are granted under the Scheme would vest (subject to the minimum and maximum vesting period as specified above).

4. Exercise Price or formula for arriving at the same

To be determined by the NRC from time to time, in accordance with the provisions of the applicable laws, provided that the exercise price shall not be below the face value of the equity shares of the Company.

5. Exercise period

Exercise Period: The exercise period would commence from the date of vesting and will expire on completion of not more than five (5) years from the date of respective vesting of options, as may be decided by the NRC from time to time.

6. Lock in period, if any:

The shares allotted under ESOP 2006 are subject to lock-in up to the time of listing of shares. The shares are not transferable during the said Lock-in period unless otherwise approved and/or waived (or relaxed with such other terms & conditions imposed, as the case may be) by the NRC after evaluation such matter on a case to case basis.

Further, the shares arising out of the options exercised by the employees may be subject to such restrictions including but not limited to obligations in respect of drag along and right of first refusal and such other terms and conditions, as may be determined by the NRC from time to time.

7. Maximum number of options to be granted per employee and in aggregate

The maximum number of options to be granted in aggregate shall not exceed 5% of the aggregate of number of issued equity shares of the Company at any point of time. The maximum number of options to be granted per employee shall be as determined by NRC from time to time.

8. The method which the company shall use to value its options

The Company shall use one of the methods (whether intrinsic value or fair value or other) as may be prescribed under the applicable laws from time to time.

9. Exit option for Stock options :

The employee may opt to exit from the stock options granted by the Company in full or in parts based on the share valuation price ,i.e., Valuation of shares of the Company done by a Category -I merchant banker and/or valuation of shares of the Company for any investment in the shares of the Company , whichever is later. The difference between the exercise price and the Share price would be paid to such employee as deferred compensation.

10. Exit option for the employees who have been issued shares upon exercise of the Stock options :

The employee is having an exit option by way of listing of shares. Prior to listing of shares of the Company and/or upon the occurrence of any strategic event in the nature of a change in management control/ownership, the NRC may , at its sole discretion on case to case basis, endeavor to determine the methodology, price, timelines, restrictions and other relevant matters for offering appropriate exit mechanism to such employees.

The 2006 Plan gives an option to the employee to purchase the share at a price determine by remuneration committee subject to minimum par value of shares (Rs. 10/-). However employees have a right to choose to settle in cash at a value calculated as a difference between Fair Market value of Shares and Exercise Price of Share. The Company have valued Employee Stock Option outstanding as at year end based on trend of last two years w.r.t. exercise of option in favor of Cash Settlement or Equity Settlement.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	3,937,340	51.48	1,613,000	48.32
Granted during the Year	754,234	54.40	2,524,340	51.69
Forfeited during the year	558,250	41.29	-	-
Exercised during the year	-	-	200,000	28.75
Outstanding at the end of the year	4,133,324	53.45	3,937,340	51.48
Exercisable at the end of the year	700,000	38.31	230,000	42.22

The weighted average fair value of stock options granted during the year was Rs 54.40 (March 31, 2016: Rs 51.69)

Max Healthcare Institute Limited
Notes to consolidated financial statements for the year ended March 31, 2017

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2017 are as follows:

Date of grant	March 31, 2017		March 31, 2016	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
1-Mar-12	220,000	4.14 Years	220,000	5.14 Years
1-Oct-12	-	-	300,000	5.84 Years
25-Mar-15	893,000	6.25 Years	893,000	7.25 Years
1-Jul-15	1,326,818	6.35 Years	1,585,070	7.35 Years
1-Aug-15	508,626	6.44 Years	508,626	7.44 Years
25-Aug-15	150,646	6.50 Years	150,646	7.50 Years
1-Mar-16	280,000	4.92 Years	280,000	1.92 Years
1-Apr-16	754,234	8.28 Years	-	-

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

Black Scholes Option Pricing model

Particulars	March 31, 2017	March 31, 2016			
		Inputs used for diff Grant Dates for Black Scholes Valuation of Option Granted			
		1-Jul-15	1-Aug-15	25-Aug-15	1-Mar-16
A. Stock Price Now (in Rupees)	48.12	47.65	47.65	47.65	47.65
B. Exercise Price (X) (in Rupees)	54.4	54.4	54.4	54.4	30
C. Expected Volatility (Standard Dev - Annual)	26.87%	44.93%	44.93%	44.93%	44.93%
D. Historical Volatility					
E. Expected Life of the options granted (Vesting and exercise period) in years	8.28 Years	7.35 Years	7.43 Years	7.50 Years	1.92 Years
F. Expected Dividend	Nil	Nil	Nil	Nil	Nil
G. Average Risk- Free Interest Rate	7.25%	7.8%	7.8%	7.8%	7.4%
H. Expected Dividend Rate	Nil	Nil	Nil	Nil	Nil

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

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Max Healthcare Institute Limited
Notes to consolidated financial statements for the year ended March 31, 2017
27.5. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

A. Financial instruments

Category	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
1) Financial assets at amortized cost						
Loans (current / non current)	2,459	907	10,179	2,459	907	10,179
Trade receivables (current / non current)	31,074	28,548	25,150	31,074	28,548	25,150
Other investments	-	-	14,626	-	-	14,626
Other financial assets (current / non current)	19,062	18,830	3,388	19,062	18,830	3,388
Cash and cash equivalents	1,848	1,117	2,545	1,848	1,117	2,545
Other bank balances (current / non current)	429	198	240	429	198	240
Derivative Instruments	39	-	-	39	-	-
2) Financial Liabilities at amortized cost						
Trade Payables	21,372	21,706	15,519	21,372	21,706	15,519
Borrowings (current / non current)	85,892	76,946	37,494	85,892	76,946	37,494
Other financial liabilities (current / non current)	4,714	5,622	5,869	4,714	5,622	5,869
3) Financial assets carried at fair value through statement of profit and loss						
Other investments	-	-	14,626	-	-	14,626

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

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

2) The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

3) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

B. Fair value hierarchy

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

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

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

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

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2017

Particulars	Carrying Value	Fair Value		
	March 31, 2017	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	2,459	-	-	2,459
Trade receivables (current / non current)	31,074	-	-	31,074
Other financial assets (current / non current)	19,062	-	-	19,062
Cash and cash equivalents	1,848	-	-	1,848
Other bank balances (current / non current)	429	-	-	429
Derivative Instruments	39	39	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	21,372	-	-	21,372
Borrowings (current / non current)	85,892	-	-	85,892
Other financial liabilities (current / non current)	4,714	-	-	4,714

Max Healthcare Institute Limited

Notes to consolidated financial statements for the year ended March 31, 2017

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2016

Particulars	Carrying Value March 31, 2016	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	907	-	-	907
Trade receivables (current / non current)	28,548	-	-	28,548
Other financial assets (current / non current)	18,830	-	-	18,830
Cash and cash equivalents	1,117			
Other bank balances (current / non current)	198	-	-	198
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	21,706	-	-	21,706
Borrowings (current / non current)	76,946	-	-	76,946
Other financial liabilities (current / non current)	5,622	-	-	5,622

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on April 01, 2015

Particulars	Carrying Value April 01, 2015	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	10,179	-	-	10,179
Trade receivables (current / non current)	25,150	-	-	25,150
Other financial assets (current / non current)	3,388	-	-	3,388
Cash and cash equivalents	2,545			
Other bank balances (current / non current)	240	-	-	240
Other investments	14,626	14,626	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	15,519	-	-	15,519
Borrowings (current / non current)	37,494	-	-	37,494
Other financial liabilities (current / non current)	5,869	-	-	5,869

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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Max Healthcare Institute Limited

Notes to consolidated financial statements for the year ended March 31, 2017

27.6 Financial risk management objectives and policies

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

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

a) Capital Risk

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of The Group consists of debt, which includes the borrowings disclosed in notes 14, cash and cash equivalents disclosed in note 10 and equity as disclosed in the statement of financial position. The Group uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalised EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items, one offs and for any mid of the year merger and acquisition activity. In order to maintain or adjust the capital structure, The Group may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of The Group for FY 2015-16 and FY 2016-17 stood at 0.68 & 0.78. Similarly, the Net Debt to EBITDA ratio of The Group stood at 5.40 for FY 2015-16 and 3.95 for FY 2016-17

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

Note : Working capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity ratio

b) Liquidity Risk

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

The table below represents The Group's financial liabilities at the end of March 31, 2016 and March 31, 2017

March 31, 2015	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings*	33,678	27,334	16,259	77,271
Trade payable	15,519	-	-	15,519
Other financial liabilities	5,869	-	-	5,869
% to Total	53%	26%	16%	100%
March 31, 2016	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings*	5,579	27,439	43,590	76,608
Trade payable	21,706	-	-	21,706
Other financial liabilities	5,622	-	-	5,622
% to Total	32%	26%	42%	100%
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings*	3,065	19,873	62,926	85,864
Trade payable	21,372	-	-	21,372
Other financial liabilities	4,714	-	-	4,714
% to Total	26%	18%	56%	100%

*Note :- Working capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity Ratio.

c) Credit risk

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

(i) Trade receivables

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

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	7,453	8,502	14,403
0 to 180 days due past due date	8,611	8,200	9,760
More than 180 days due past due date	15,010	11,846	987
Total trade receivables	31,074	28,548	25,150

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

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	3,898	2,632	1,937
Provision during the year	1,034	1,482	695
Bad debts written off	(357)	67	-
Reversal of provision	(218)	(283)	-
At the end of the year	4,357	3,898	2,632

Max Healthcare Institute Limited**Notes to consolidated financial statements for the year ended March 31, 2017****(ii) Financial instruments and cash deposit**

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 27.8 (A) and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency Risk

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

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro and JPY exchange rates, with all other variables held constant. The impact on the company profit before Unhedged foreign currency exposures recognized by the Company are as under:

Currency	March 31, 2017	March 31, 2017	Increase/decrease	Impact on profit before tax
Payables in Euro	0.07	4.84	1%	0.05
Payables in JPY	0.66	0.40	1%	-
Payables in USD	7.95	468.93	1%	17.59

(Rs. in Laacs)				
Currency	March 31, 2016	March 31, 2016	Increase/decrease	Impact on profit before tax
Payables in Euro	0.17	12.60	1%	0.13
Payables in JPY	0.66	0.40	1%	-
Payables in USD	4.64	292.57	1%	2.93

(Rs. in Laacs)				
Currency	April 1, 2015	April 1, 2015	Increase/decrease	Impact on profit before tax
Payables in Euro	0.07	5.14	1%	0.05
Payables in JPY	0.66	0.35	1%	-
Payables in USD	4.14	245.26	1%	2.93

The Company has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial instruments. The details of the outstanding foreign exchange forward are as follows:

(Rs. in Laacs)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Payables in USD	209	-	-

(ii) Interest Rate risk

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

Interest rate Sensitivity of Borrowings

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

(Rs. in Laacs)		
Year	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2017	0.50%	344
March 31, 2016	0.50%	185
April 1, 2015	0.50%	139

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Max Healthcare Institute Limited**Notes to Consolidated financial statements for the year ended March 31, 2017****27.7 Related party transactions**

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

(A) Names of related parties and description of relationship:

- (i) Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture
Max India Limited
Life Healthcare International (Proprietary) Limited

(B) Names of other related parties with whom transactions have taken place during the year :

- (i) Enterprises owned or significantly influenced by key management personnel or their relatives
Core Diagnostics Private Limited
Medecube Healthcare India Private Limited
- (ii) Key management personnel
Mr. Rajit Mehta, Managing Director & Chief Executive Officer
Dr. Ajit Singh Director
Dr. Pradeep Kumar Chowbey, Executive Vice Chairman
Mr. Yogesh Kumar Sareen, Chief Financial Officer (additional related parties as per Companies Act, 2013)
Ms. Ruchi Mahajan, Company Secretary (additional related parties as per Companies Act, 2013)

(C) Transactions with related parties during the year

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase of Property, plant and equipment		
Max India Limited	-	14
Services received		
Max India Limited	150	163
Core Diagnostics Private Limited	81	-
Medecube Healthcare India Private Limited	108	-
Dr. Ajit Singh	122	-
Liabilities transferred from Max India Limited on account of transfer of employees		
Max India Limited	-	26
Director's remuneration		
Dr. Pradeep Chowbey (Key Management Personnel)	94	71
Mr. Rajit Mehta (Key Management Personnel)	446	376

(D) Balances at the year end

Particulars	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Trade payable		
Max India Limited	282	145
Core Diagnostics Private Limited	14	-
Medecube Healthcare India Private Limited	2	-

27.8 Corporate social responsibility

As per the provision of Section 135 of the Companies Act, 2013 the group has to incur at least 2% of average net profit of the preceding three financial years toward Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activity as per schedule VII of the Companies Act, 2013. The group has contributed a sum of Rs. 15 Lacs (March 31, 2016 : Rs. Nil) toward this cause and debited the same to the statement of profit and loss.

	(Rs in Lacs)			
	For the year end March 31, 2017		For the year end March 31, 2016	
Details of CSR expenditure :				
(a) Gross amount required to be spent by the group during the year	41		-	
(b) Amount spent during the year ended March 31, 2017				
	Paid in cash		Yet to be paid in cash	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
(i) Construction/acquisition of any asset	-	-	-	-
(ii) On purpose other than (i) above	35	-	6	-
	35	-	6	-

Max Healthcare Institute Limited

Notes to Consolidated financial statements for the year ended March 31, 2017

27.9. Earnings per share (EPS)

	(Rs. in Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
a) Basic earnings per share		
Numerator for earnings per share		
Profit/(Loss) after taxation	944	(1,802)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	5,366	5,042
Earnings per share-Basic (one equity share of Re. 10/- each)	0.18	(0.36)
b) Diluted earnings per share		
Numerator for earnings per share		
Profit/(Loss) after taxation	944	(1,802)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	5,411	5,073
Earnings per share- Diluted (one equity share of Re. 10/- each) *	0.17	(0.36)

* The conversion effect of potential equity shares in previous year is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

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Max Healthcare Institute Limited

Notes to Consolidated financial statements for the year ended March 31, 2017

27.10A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

(Rs. in Lacs)				
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	69,879	413	70,292
Capital work-in-progress		476	213	689
Goodwill		2,102	-	2,102
Intangible assets		1,361	(48)	1,313
Intangible assets under development		1,153	-	1,153
Investment		-		
Financial assets		-		
Loans	11	10,179	-	10,179
Trade receivables	11	3,648	4,113	7,761
Other financial assets	2	9,004	(6,261)	2,743
Other bank balances		45	-	45
Other non- current assets	2	7,957	5,664	13,621
Deferred tax assets (net)				
		105,804	4,094	109,898
Current assets				
Inventories		1,859	(5)	1,854
Financial assets				
Loans	11	-	-	-
Trade receivables		16,445	944	17,389
Other investments	12	14,301	325	14,626
Other financial assets	2	645	-	645
Cash and cash equivalents		2,560	(15)	2,545
Other bank balances		24	171	195
Other Current Assets		1,622	177	1,799
		37,456	1,597	39,053
TOTAL ASSETS				
		143,260	5,691	148,951
EQUITY AND LIABILITIES				
Equity				
Equity share capital		48,881	-	48,881
Other equity	8,9	35,677	1,737	37,414
Total Equity		84,558	1,737	86,295
Non-current liabilities				
Financial Liabilities				
Borrowings	6	30,153	2,724	32,877
Other financial liabilities		(460)	511	51
Long term provisions		992	(462)	530
Deferred tax liabilities (net)	13	-	753	753
Other Non- financial liabilities		199	-	199
		30,884	3,526	34,410
Current liabilities				
Financial Liabilities				
Borrowings	6	4,617	-	4,617
Trade payables		15,323	196	15,519
Other payables		5,586	232	5,818
Other financial liabilities		1,397	-	1,397
Provisions		895	-	895
		27,818	428	28,246
TOTAL LIABILITIES				
		58,702	3,954	62,656
Total equity and liabilities				
		143,260	5,691	148,951

27.10B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

		(Rs. in Lacs)		
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	87,469	9,329	96,798
Capital work-in-progress		1,327	(213)	1,114
Goodwill		57,729	(28,540)	29,189
Intangible assets		3,214	98,079	101,293
Intangible assets under development		52	-	52
Investment				
Loans	11	907	-	907
Trade receivables	11	3,903	3,787	7,690
Other financial assets	2	30,706	(13,074)	17,632
Other bank balances		2	-	2
Other non current assets	2	8,608	12,177	20,785
Deferred tax assets (net)		452	(452)	-
		194,369	81,093	275,462
Current assets				
Inventories		2,317	5	2,322
Financial assets		-		
Trade receivables	11	21,685	(827)	20,858
Other financial assets	12	1,198	-	1,198
Cash and cash equivalents	2	1,101	16	1,117
Other bank balances		367	(171)	196
Derivative Instruments		-	-	-
Other Current Assets		2,719	638	3,357
		29,387	(339)	29,048
TOTAL ASSETS				
		223,756	80,754	304,510
EQUITY AND LIABILITIES				
Equity				
Equity share capital		53,128	213	53,341
Other Equity	8,9	57,257	3,920	61,177
Total Equity		110,385	4,133	114,518
Change in valuation for put options granted to NCI in subsidiaries		878	(2,574)	-1,696
Non-current liabilities				
Financial Liabilities				
Borrowings	6	70,991	(6,111)	64,880
Non current financial liabilities		-	238	238
Governmaent Grant EPCG		-	18	18
Long term provisions		1,019	-	1,019
Deferred tax liabilities (net)	13	-	36,142	36,142
Other Non- financial liabilities		473	46,705	47,178
		72,483	76,992	149,475
Current liabilities				
Financial Liabilities				
Borrowings	6	12,066	-	12,066
Trade payables		21,896	(190)	21,706
Other payables		1,821	3,563	5,384
Other financial liabilities		3,226	(1,168)	2,058
Provisions		1,001	(2)	999
		40,010	2,203	42,213
TOTAL LIABILITIES				
		112,493	79,195	191,688
Total equity and liabilities				
		223,756	80,754	304,510

27.10 C Reconciliation statement of equity as previously reported under IGAAP to Ind AS

(Rs. in Lacs)				
	Footnotes	Year ended March 31, 2016		
		IGAAP	Adjustment	Ind AS
INCOME				
Revenue from operations	11	144,540	-1,127	143,413
Other income	12	658	922	1,580
Finance income	2	2,021	40	2,061
Total income		147,219	-165	147,054
Expenses				
Purchase of pharmacy, drugs, consumables and implants		40,127	212	40,339
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		-265	-203	-468
Employee benefits expense	4	29,958	516	30,474
Depreciation and amortization expense	1,3	8,838	-2,063	6,775
Finance costs	6	7,166	1,955	9,121
Other expenses	5	62,824	-115	62,709
Total expense		148,648	302	148,950
Loss before tax		-1,429	-467	-1,896
Current tax		268	-858	-590
Adjustment of tax relating to earlier periods		-	-2	-2
Deferred tax		-138	505	367
MAT entitlement credit		-132	722	590
Total tax expenses		-2	367	365
Loss after tax		-1,427	-834	-2,261
Non Controlling Interest		-50	-409	-459
Loss for the year (after adjusting minority interest)		-1,377	-425	-1,802
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	9	-	-18	-18
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	-18	-18
Total comprehensive income for the year, net of tax attributable to Equity shareholder		-1,377	-443	-1,820

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27.10 D Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

1) Property, plant and equipment

The Group has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and on that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

3) Government Grants

Under the previous GAAP, an assets related government grants were given effect as reduction from the related fixed assets. Ind AS 20 requires an assets related grant to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the profit or loss on a systematic basis over the useful life of the the assets. Option to show such grants as a reduction from the related fixed assets is not available.

4) Employee stock option expense

Under the previous GAAP, the costs of equity-settled employee share-based plan were recognized using the intrinsic value method. Under Ind AS 102, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date. Under the previous GAAP, the costs of Cash-settled employee share-based plan were recognized using the intrinsic value method. Under Ind AS, the cost of cash-settled share-based plan is recognized based on the fair value of the options as at the year ending date. Ind AS 102 provides clear treatment of Group share based payments arrangements in financial statement of Group and group financial statement. Here treatment is given accordingly. ESOP issued to employees of subsidiaries Group under cash settled share based plan, liabilities is recognized and corresponding amount charged to subsidiary Group on the fair value of option as at the year ending date.

5) Forward Contracts

Under the Indian GAAP, the Group applied the requirements of accounting standard 11 The effects of changes in foreign exchange rates to account for forward contracts, entered for hedging foreign exchange risk related to liabilities. At the inception of forward contracts , the forward premium was recognised and amortised as expense over the tenure of contract. The underlying liabilities were restated at the closing spot exchange rate. Under Ind AS, forward contracts are fair valued with the resulting changes being recognised in profit or loss.

6) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing and to prepaid expenses to the extent of processing fees paid on undrawn loan amount.

7) Remasurements of post-employment benefit obligations

Under Ind AS, remasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous IGAAP, these remasurements were forming part of the profit or loss for the year.

8) Retained earnings

Retained earnings as at April 1, 2015 and March 31, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

9) Other comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' Includes remasurements of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

10) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

11) Trade Receivable

Under Indian GAAP, Contract revenue is recognised for the amount received or receivable for the period ending. Under Ind AS 18 and 11, Contract revenue is measured at the fair value of consideration received or receivable during the period of contract and recognised as trade receivable. Further, Ind AS 109 requires that all financial instruments are to be initially recorded at their fair values. The trade receivable is a financial instrument and thus has to be initially recorded at its fair value (or discounted value).

12) Mutual Fund Investments

Under Indian GAAP, All current investments including mutual funds are measured at lower of cost or market value. As per Ind AS 109, Investments in mutual funds are required to be recognized at their fair value, for which changes in fair value being recognized in profit & loss.

13) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profit and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

27.11 First-time adoption of Ind AS (Exception and exemption availed)

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Group has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Share based payment transactions

Ind AS 101 permits a first time adopter to elect not to apply principles of Ind AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Group has elected not to apply Ind AS 102- "Share based payment" on stock options that vested before date of transition.

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Group has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Group has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Group has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

- 27.12** Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other denomination notes	(Rs. in Lacs)
			Total
Closing cash in hand as on 08.11.2016	4,177	355	4,532
+ Permitted Receipts**	189	1,558	1,747
(-) Permitted Payments	-	86	86
Amount Deposited in Banks**	4,366	1,407	5,773
Closing cash in hand as on 30.12.2016	-	420	420

Note It excludes Cash deposited by Customers directly in our bank accounts amounting to Rs.203 Lacs**

27.13 Merger & amalgamation

The Board of Directors of the Max Healthcare Institute Limited had, at their meeting held on December 6, 2016, approved the amalgamation of Max Medical Services Ltd. (a wholly owned subsidiary of the Company) ["MMS"] into the Company. The petition for Scheme of Amalgamation amongst MMS, the Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on February 23, 2017 and NCLT vide its order dated May 8, 2017 has dispensed with holding of meeting of shareholders and secured creditors and further directed the Company to hold the meeting of unsecured creditors on June 27, 2017.

The Board of Directors of the Hometrail Estate Private Limited had, at their meeting held on January 30, 2017, approved the amalgamation of the Company into Hometrail Buildtech Private Limited ["HBPL"] (fellow subsidiary of the company). The petition for Scheme of Amalgamation amongst HBPL, the Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on May 08, 2017 and the same is listed for hearing before NCLT on May 16, 2017.

Max Healthcare Institute Limited
Notes to Consolidated financial statements for the year ended March 31, 2017
27.14 Segment Reporting

One of our subsidiary Max Medical Services Limited operates into two major segments: Leasing and other. Other comprises activities relating to Trading, Construction, repair and maintenance and medical services. A description of the types of products and services provided by each reportable segment is as follows:

Leasing includes income from equipments given on lease to healthcare service providers

Trading Activity includes trading in pharmacy and pharmaceuticals products and medical service income.

(Rs in Lacs)

S. No.	Particulars	Segment		Total
		Leasing	Other than Leasing	
1	External Sales	2,036	2,463	4,499
		(1,933)	(2,488)	(4,421)
2	Revenue from operation	2,913	3,811	6,724
		(2,679)	(6,694)	(9,373)
3	Segment Expenses	369	3,047	3,416
		(399)	(5,995)	(6,394)
4	Segment Result	2,544	1,907	4,451
		(2,280)	(1,838)	(4,118)
5	Unallocated Expenses	-	-	-
6	Unallocated Incomes	-	-	-
7	Interest Incomes	-	-	-
8	Operating profit	-	-	-
9	Depreciation and Amortisation	841	20	861
		(868)	(8)	(876)
10	Operating Profit after depreciation	-	-	-
11	Financial Expenses	-	-	-
12	Profit before Tax	-	-	-
13	Tax Expense	-	-	-
14	Profit after Tax	-	-	-
	Other Informations	-	-	-
15	Segment Assets	10,962	10,870	21,832
		(12,028)	(11,694)	(23,722)
16	Unallocated Assets	-	-	-
17	Total Assets	-	-	-
18	Segment Liabilities	958	3,046	4,004
		(3,361)	(2,971)	(6,332)
19	Unallocated Liabilities	-	-	-
	Total Liabilities	-	-	-

(figures in bracket represents previous year) / (figures in double bracket represents loss of previous year)

The Company operates in single geographical Segment

Max Healthcare Institute Limited**Notes to Consolidated financial statements for the year ended March 31, 2017****27.15 Capital management**

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 35% and 60%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings (refer note 12)	87,409	80,268	29,587
Trade payables (refer note 16)	21,372	21,706	15,519
Less: cash and cash equivalents (refer note 8)	(1,848)	(1,117)	(2,545)
Net debt	106,933	100,857	42,561
Equity (refer note 10 and 11)	110,595	112,822	86,295
Total capital	110,595	112,822	86,295
Total capital and net debt	217,529	213,678	128,856
Gearing ratio	49.16%	47.20%	33.03%

27.16 During the financial year 2015-16, the group has made two major acquisitions:-**Max Super Speciality Hospital, Vaishali**

During the financial year 2015-16, the group has, in terms of the share subscription and purchase agreement dated May 28th, 2015 as amended by amendment agreement dated July 10, 2015 (collectively referred as "Transaction Documents"), acquired, by way of primary and secondary purchase, in various tranches, 111,625,297 equity shares of Crosslay Remedies Limited @ Rs.22.10 per equity share which contributes to 77.95 % of the equity share capital on a fully diluted basis. Crosslay Remedies Limited owns and operates Max Super Speciality Hospital, Vaishali (erstwhile Pushpanjali Crosslay Hospital), a 340-bedded hospital (expandable up to 540 beds).

Max Smart Super Speciality Hospital "MSSH"

During the financial year, the group has, in terms of the share purchase agreement dated November 27th, 2015 (referred as "Transaction Document"), acquired by way of secondary purchase 14,864,817 equity shares (51% of the paid up capital) of Saket City Hospitals Private Limited ("SCHPL") @ Rs.218.64 per equity share. SCHPL provides medical services to erstwhile Saket City Hospital (rechristened as Max Smart Super Speciality Hospital "MSSH"), a unit of Gujar Mal Modi Hospital and Research Centre ("Society"), through a non-cancellable and exclusive arrangement. MSSSH has 230 operational beds and is expandable up to 1200 beds approximately.

The group also has a call option right to acquire all remaining shares held by the existing shareholders in accordance with the terms of the Transaction Document. Further, after the (i) expiry of 3 (three) years from the completion Date i.e. November 27th, 2015 or (ii) receipt by the Society of all the approvals required from Governmental Authority(ies) as may be required for commencement of the construction of 900 additional beds, whichever is later, the existing shareholders shall have a put option right to sell all remaining shares held by them to the Company in accordance with the terms of the Transaction Document.

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

27.18 Figures relating to April 1, 2015 (date of transition) and March 31, 2016 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

27.19 Note No.1 to 27 form integral part of the Balance sheet and Statement of profit and loss.

As per our report of even date

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

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Dr. Pradeep Kumar Chowbey
(Whole Time Director)
DIN: 01141637

Sd/-
Rajit Mehta
(Managing Director & Chief Executive Officer)
DIN: 01604819

Sd/-
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number: 087383

Sd/-
Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

MAX MEDICAL SERVICES LIMITED

CIN No. U74899DL1994PLC061314

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 1100 20

NOTICE TO MEMBERS

NOTICE is hereby given that the **23rd ANNUAL GENERAL MEETING** of Max Medical Services Limited will be held on Friday, **September 29, 2017 at 1030 hrs** at the registered office of the Company at **Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020** (*enclosed Route Map*) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Kumar Gupta (DIN 06627814), who retires by rotation, being eligible, offered himself for re-appointment.
3. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E), Chartered Accountants, as the statutory auditors for the Financial Year 2017-18 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 23rd Annual General Meeting (“AGM”) of the Company till the conclusion of 24th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

**By order of the Board
For Max Medical Services Limited**

**New Delhi
August 02, 2017**

**sd/-
Yogesh Kumar Gupta
Whole Time Director
DIN 06627814**

Notes:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020 at any time but not less than 48 hours before the meeting. The prescribed format of proxy form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of director seeking reappointment are given as a separate Annexure 1 to this Notice.
6. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. The members may please note that M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for another term of 5 years until the conclusion of AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

II. Name of the Director: Mr. Yogesh Kumar Gupta

- Age: 45 years
- Qualification: He is qualified Chartered Accountant from ICAI.
- Experience: Mr. Yogesh Kumar Gupta has an overall experience of 20 years and is currently the Senior Vice President – Finance of Max Healthcare Institute Ltd. (MHIL). Prior to joining MHIL he was working as Head Strategic Projects in TPG Wholesale Private Ltd. He has also worked as Finance Controller in Fortis Healthcare Limited from 2010-12, Head of Finance and Analysis-India in NSF International from 2009-2010. He has also worked with Reliance Group and Ranbaxy Laboratories. He has an expertise in costing, budgeting / MIS, corporate finance, treasury, strategy, financial planning and operational/commercial support.

- Date of Appointment & Terms & conditions of reappointment alongwith the remuneration details:

The Board of Directors of the Company had, in its meeting held on May 15 2013, appointed Mr. Yogesh Kumar Gupta as an additional director and Whole-time Director (WTD) for a period of 3 years and subsequently the shareholders approved his appointment as Director and WTD in the Annual General Meeting of the Company for FY 12-13. Further, the shareholders in their last AGM held on September 29, 2016 had approved his re-appointment as WTD for another term of 3 years w.e.f May 14, 2016.

He is not drawing any remuneration from the Company. Mr. Gupta has been nominated by the holding company MHIL, as a Whole-time Director of the Company.

- Shareholding in the Company: 20 Shares as a nominee shareholder of MHIL
- Relationship with other Directors, Manager & KMP: None
- Number of board meetings attended in FY 16-17: 6 (Six)
- Directorship & Committee positions March 31, 2017:

Directorship in other Companies	Committee Membership in other Companies
1. Alps Hospital Ltd. 2. Rama Krishna Cold – Chem Limited.	1. Member of Nomination & Remuneration Committee of Alps Hospital Ltd.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

CIN: U74899DL1994PLC061314

Name of the Company: Max Medical Services Limited

Registered office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
Email Id: _____
Signature: _____; or failing
him
2. Name: _____
Address: _____
Email Id: _____
Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on the 29th day of September 2017 at 10:30 A.M. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1. _____
2. _____
3. _____

Affix Revenue Stamp

Signed this _____ day of _____,
2017

Signature of Shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting

Max Medical Services Limited
(CIN U74899DL1994PLC061314)
Max House, 1, Dr. Jha. Marg, Okhla, New Delhi – 110020

Attendance Slip

Twenty Third Annual General Meeting of Max Medical Services Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Husband Name	Address as Regd. With the Company
1.			
2.			
3.			

I/ We hereby record my/ our presence at the 23rd Annual General Meeting of the Company being held on 29th day of September 2017 at 10:30 a.m. at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020.

Please (✓) in the box

☐ Member ☐ Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route map of the AGM Venue



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 23rd Annual Report on the business and operations of Max Medical Services Limited ("Company") together with the Audited Financial Results and the Auditor's Report thereon for the financial year ended March 31, 2017.

FINANCIAL PERFORMANCE

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind A ") notified under the Companies (Indian Accounting Standards) S Rules, 2015 with effect from April 1, 2016. Previous year figures have been restated and audited by the Statutory Auditor of the Company

The highlights of the Company's financial performance, for the year ended March 31, 2017 is summarized below:

(INR in Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Operating Income	4499	4421
Other Income	91	81
Finance Income	1057	1063
Total Income	5647	5565
Total Expenditure	2505	2527
Operating Profit/(Loss)	3142	3038
Less: Depreciation	861	876
Less: Finance Charges	361	556
Profit/(Loss) before Tax & Prior Period Items	1920	1606
Current Tax	577	138
Deferred Tax	585	532
MAT Credit Entitlements	(488)	(138)
Less: Prior Period Items	-	-
Profit/ (loss)for the year	1246	1074
Earnings per equity share		
Basic and Diluted*	3.65	3.15

*Nominal value of shares INR 10/- per share

Previous year figures have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

OPERATIONAL PERFORMANCE

Your Company is in the business of planning, designing, constructing, running and/or management of, and provision of connected services to, all kinds of hospitals and other healthcare related services. The Company also leases medical and other related equipments.

During the year under review, there is an increase in leasing activities undertaken by your Company, thereby recording total revenue of INR 4,499 Lacs, registering an increase of INR 78 Lacs and 1.76% against the previous year. Further, the Profit during the FY 2016 -17 was INR 1246 Lacs as against the profit of INR 1074 Lacs. There has been a decrease in the finance cost during the year, from INR 556 Lacs to INR 361 Lacs and

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also there is decrease in depreciation of INR 15 Lacs in accordance with schedule II of the Companies Act, 2013.

DIVIDEND & TRANSFER TO RESERVES

Your Directors have considered financially prudent in the long term interest of the Company to reinvest the profits into business, no dividend has therefore been recommended for the year ended March 2017. No amount was transferred to the general reserves.

SHARE CAPITAL

As on March 31, 2017, the Authorized Share Capital of the Company stands at INR 35,00,00,000 (Rupees Thirty Five Crore) divided into 3,50,00,000 (Three Crore Fifty Lacs) Ordinary equity shares having a nominal value of INR10/- each and issued, subscribed & paid up share capital was INR 34,14,25,350 (Rupees Thirty Four Crores Fourteen Lacs Twenty Five Thousand Three Hundred Fifty only) comprising of 3,41,42,535 (Three Crores Forty One Lacs Forty Two Thousand Five Hundred Thirty Five) equity shares of INR 10 each.

During the year, there was no change in the share capital of the Company.

AMALGAMATION / RESTRUCTURING

In order to create synergies by consolidating ownership, utilizing capital more efficiently and creating a stronger capital base for the future growth, during the year under review, your Company had filed together with Max Healthcare Institute Limited ("MHIL") holding company, a joint application before Hon'ble National Company Law Tribunal ("NCLT") for the amalgamation of your company into MHIL.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

As on March 31, 2017, your Company has one subsidiary i.e. Alps Hospital Ltd. (CIN U74899DL1989PLC036413) holding 85.04% of equity shares of the Company.

Further, Your Company has no Joint Venture or Associate Company as on March 31, 2017.

Pursuant with Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the Financial Statement of our subsidiary in the prescribed format AOC 1 is attached with the Annual Report.

DIRECTORS

Your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent Directors. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

During the year, based on the recommendation of Nomination and Remuneration Committee, Mr. Yogesh Kumar Gupta was re-appointed as the Whole Time Director of the Company for a another period of 3 (three) years w.e.f. May 16, 2016.

In terms of Section 165 of the Act, none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

A brief profile of above named director seeking appointment / re- appointment at the ensuing AGM of the Company have been provided in the notice of the AGM

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DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from the Independent Directors of the Company (i.e. Mr. Sanjay Khandelwal and Ms. Kiran Sharma) confirming their independence as prescribed under the Act. The terms and conditions of appointment of independent directors are available for inspection at the registered office of the Company by any member during normal business hours.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given in advance to all the Directors to facilitate them to plan their schedule and to ensure meaningful participation. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The detailed Agenda for the Board and Committee meetings on the items to be discussed at the meeting are provided in advance to enable the Directors to take an informed decision. The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 6 time's viz., on, April 15, 2016, May 3, 2016, July 25, 2016, October 25, 2016, December 5, 2016 and March 15, 2017. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company had constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board:

Audit Committee

As on date, the Committee comprises of Mr. Yogesh Kumar Sareen (Chairman), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all the recommendations made by the Audit Committee from time to time.

Nomination & Remuneration Committee ("NRC")

As on date, the Committee comprises of Mr. Yogesh Kumar Sareen (Chairman) Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the NRC are in compliance with the Section 178 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

Corporate Social Responsibility Committee

In terms of Section 135 of the Act and Companies (Corporate Social Responsibilities Policy) Rules, 2013, the CSR Committee of Board of Directors was constituted to recommend the CSR Policy of the Company indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, recommending the amount of expenditure to be incurred on such activities once the Company meets the profitability criteria prescribed under the Rules and monitoring the CSR Policy of the Company from time to time. This Committee comprises of Mr. Yogesh Kumar Sareen (Non-Executive Director), Mr.

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Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director).

The details of Board / Committee meetings held during the financial year 2016 -17 as required under SS-1 has been provided as **Annexure – 1** to this Report

BOARD EVALUATION

In terms of the Board Evaluation Framework of the Company, the performance of the Board as a whole, Board Committees and Directors was carried out.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Company followed two pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committee. The second part was driven by face to face discussions at NRC & Board Meeting with aim to evaluate the performance of individual director. In addition, a separate meeting of all the Independent Director was convened in terms of schedule IV to the Act.

The Evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as knowledge, contribution and guidance to the Management. The Directors expressed their satisfaction with overall evaluation process.

KEY MANAGERIAL PERSONNEL – APPOINTMENT & RESIGNATION

During the year, Ms. Parul Rastogi, Company Secretary appointed as Key Managerial Personnel w.e.f. April 15, 2016

Currently, Mr. Yogesh Kumar Gupta, Whole Time Director re-appointed w.e.f. May 16, 2016, Mr. Vipin Kumar Rustagi, Head of Finance, appointed on March 16, 2015 & Ms. Parul Rastogi, Company Secretary, appointed on April 15, 2016, of the Company are the Whole Time Key Managerial Personnel of the Company.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP") and other employees. The detail of the aforesaid Policy is as follows:

- **Appointment criteria and Qualification**

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. For the purpose, the NRC shall identify and ascertain the integrity, independence in terms of Section 149 of the Act, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

The potential candidate for appointment to the Board are inter – alia evaluated on the basis of the highest level of personal and professional ethics, standing, integrity, appreciation of the Company's vision, prominence in industry, independence, professional skills, financial literacy and such other competencies and

Max Medical Services Limited
(CIN U74899DL1994PLC061314)

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi-110020
Phone: 91-11-41612123, Fax: 91-11-41612155, E-mail: secretarial@maxhealthcare.com

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skills as may be required from time to time. The selection and appointments on the Board of the Company are done on the recommendation of NRC.

While evaluating the candidature of an independent director, in addition to the above, the NRC abides by the criteria for determining the independence as stipulated under the Act.

In case of reappointment of the Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their level of engagement.

For the appointment of KMPs [other than MD / Whole time Director (WTD)], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

- Remuneration Policy

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act w.r.t the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

The key components of the Company's Remuneration Policy are - the Compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration of the Managing / Whole - time Director as the case may be, will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Whole Time Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director, if any) and Senior Management, and which shall be decided by the Whole Time Director based on the standard market practice and prevailing HR policies of the Company.

- Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the NRC / Board / Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act, as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.

Care for life

- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for another term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to ratify the appointment of SRBC as the Statutory Auditors of the Company for the FY 2017-18 and fix their remuneration, at the ensuing AGM.

The Company has received a certificate from SRBC, Chartered Accountants, the retiring auditors, confirming that ratification of their appointment for FY 2017-18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation or adverse opinion.

REPORTING OF FRAUD

During the FY 2016 -17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company outline its CSR focus areas, recommend the amount of CSR expenditure, execution process, review & monitoring mechanism, and reporting process to the Management and the Board of Directors of the Company. The CSR Policy may be accessed on the Company's website.

As per the aforesaid Policy, your company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. ,

Care for life

Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company.

The necessary annexures required under Rule 9 of The Companies (Corporate Social Responsibility Policy) Rules, 2014, is enclosed as **Annexure – 2.**

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority are shared with the senior management from time to time, to cascade within their departments. Procedures to ensure conformance with the policies and standards have been put in place covering all activities. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives..

The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems

RISK MANAGEMENT

The Company has a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The Company follows detailed risk assessment and minimization procedures for identifying, evaluating and managing all significant risks faced by the Company.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has established a vigil mechanism (Whistle Blower Policy), to cater the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

A whistle blower can raise his / her concerns with the designated official under the Policy and under exceptional circumstances with the Audit Committee. All concerns reported under this Policy shall be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints. During the year under review, no concern/ complaint was received under this policy.

CONTRACTS AND ARRANGEMENT WITH THE RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the Audit Committee / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC -2. Further, there are no related party transactions made by the Company which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Ind AS - 24.

PARTICULAR OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient, if any, are provided in the notes to the financial statement.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of Company is annexed herewith **Annexure 3** to this Report.

DEPOSITS

During the year under review, your Company had not invited or accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees (as amended from time to time), is given separately as **Annexure 4** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended 31 March, 2017, the ICC had not received any complaint.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business or generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

- The equipments, accessories and fitments are under regular preventive maintenance and proactive functionality checks;
- The Company maintained lower Break Downs Time during the year'
- The Company focused on replacement of existing fixtures LED lights for energy efficiency.

b) Capital Investment on energy conservation equipments

- Nil

c) Impact of measures at (a) & (b):

The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost

(B). Technology Absorption:

(a) & (b)

Efforts in brief, made towards technology absorption, adaptation & innovation and Benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- Nil

(c)

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In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: NA

(d) Research & Development

The expenditure incurred on Research & Development - Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports : Initiatives taken to increase exports; development of new export markets for products and services; and export plans : NIL
- Total foreign exchange earned and used

	(In Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Foreign Exchange Earnings	NIL	NIL
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	NIL	NIL
- Trading Good	NIL	NIL
Others	NIL	NIL

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the shareholders, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

New Delhi

For and on behalf of the Board of Directors

Date: August 2, 2017

sd/-
Yogesh Sareen
Director
DIN 00884252

sd/-
Yogesh Kumar Gupta
Whole Time Director
DIN 06627814

ANNEXURE - 1

I. NOMINATION & REMUNERATION COMMITTEE

- **No. of Meetings = 3 i.e. April 14, 2016, May 2, 2016 and July 22, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	3
Ms. Kiran Sharma	3
Mr. Sanjay Khandelwal	3

II. AUDIT COMMITTEE

- **No. of Meetings = 2 i.e. May 2, 2016 and December 4, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	2
Ms. Kiran Sharma	2
Mr. Sanjay Khandelwal	2

III. CORPORATE SOCIAL RESPONSIBILITY MEETING

- No. of Meeting = 1 i.e. April 15, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	1
Ms. Kiran Sharma	1
Mr. Sanjay Khandelwal	1

IV. BOARD MEETINGS

- **No. of Meetings = 6 i.e. April 15, 2016, May 3, 2016, July 25, 2016, October 25, 2016, December 5, 2016 , March 15, 2017**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	6
Mr. Yogesh Kumar Gupta	6
Ms. Kiran Sharma	6
Mr. Sanjay Khandelwal	6

For and on behalf of the Board of Directors

**Yogesh Kumar Gupta
Whole Time Director
DIN 06627814**

**Yogesh Kumar Sareen
Director
DIN 00884252**

Annual Report on CSR Activities taken up by the Company pursuant to Rule 8 of the Companies (CSR Policy) Rules, 2014**1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken:**

As per the CSR Policy, the Company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. , Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company.

2. The Composition of the CSR Committee: This Committee comprises of Mr. Yogesh Sareen (Chairman – Non Executive Director), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director).

3. Average net profit of the Company for last three financial years (2013-14 to 2015-16): 674 Lacs

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2013-14 to 2015-16): 13.48 Lacs

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year: 13.48 Lacs

(b) Amount unspent, if any: 3.48 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which project is covered	Project or Programs Local Area or other State & district	Amount outlay (budget) project or program wise	Amount spent on the project or programs	Cumulative Expenditure upto the Reporting period	Amount Spent: Direct or through implementing agency
1	Health Awareness	Health & Hygiene	Delhi	10 Lacs	10 Lacs Direct	10 Lacs	10 Lacs

In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: The Company's CSR activities are co-ordinated with Max India Foundation who works directly as well as through NGOs towards providing holistic healthcare to underprivileged and work for an eco-friendly environment. This involves setting the foundation of various programs at a small scale and evolves these over a period of time to ensure maximum benefit & impact for the targeted community. In view of this, the actual spend by the Company on CSR was less than 2% of the average net profits for last three Financial Years – a shade lower than 2%. The Company step up the CSR activities and expenses thereon in the coming years as more of CSR projects are launched and existing ones scale up.

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

**sd/-
Yogesh Sareen
Chairman – CSR
Committee DIN 00884252**

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U74899DL1994PLC061314
Registration Date	September 06, 1994
Name of the Company	Max Medical Services Limited
Address of the Registered office and contact details	MAX HOUSE, 1, DR JHA MARG, OKHLA, PHASE III, NEW DELHI – 110020 Phone No. 011-41220600 Email id – secretarial@maxhealthcare.com Website – www.maxhealthcare.in
Category / Sub-Category of the Company	Public Company Limited by Shares
Whether listed company	Non-Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Limited (Registrars & Share Transfer Agents) T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83 Fax:- 26387384 email:- info@masserv.com website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S.No.	Name and description of main services/products	NIC Code of the Service/ Product	% of the total turnover of the Company
1.	Name of Services – Healthcare	As Per NIC Code 2008 Division is 86	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shares	Applicable Section
1.	Max Healthcare Institute Limited	U72200DL2001PLC111313	Holding	100%	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
2.	Alps Hospital Limited	U74899DL1989PLC036413	Subsidiary	85.04%	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding – **As per Annexure 1A**
- (ii) Shareholding of Promoters – **As per Annexure 1B**
- (iii) Change in Promoters' Shareholding – **As per Annexure 1C**
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – **Annexure – 1D**
- (v) Shareholding of Directors and Key Managerial Personnel – **As per Annexure – 1E**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

For the FY 16-17

Particulars	Secured Loans (Excluding Deposits)	Unsecured Loans (Rs. In Lacs)	Deposits	Total Indebtedness (Rs. In Lacs)
Indebtedness at the beginning of the financial year				
i. Principal Amount as on 01.04.2016	NIL	3348	NIL	3348
ii. Interest due but not paid as on 01.04.2016		0		0
iii. Interest accrued but not due as on 01.04.2016		0		0
Total (i+ii+iii)	NIL	3348		3348
Change in indebtedness during the financial year				
Addition		0		0
Reduction (Loan repayment and opening Interest acc payment)		2400		2400
Net Change	NIL	2400		2400
Indebtedness at the end of the financial year				
i. Principal Amount as on 31.03.2017		948		948
ii. Interest due but not paid as on 31.03.2017		0		0
iii. Interest accrued but not due as on 31.03.2017		0		0
Total (i+ii+iii)	NIL	948		948

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole Time Directors and/or Manager

(IN INR)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1	Gross Salary	Yogesh Kumar Gupta	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	NIL
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961.		
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.		
2.	Stock Options	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL
4.	Commission ➤ As % of profit ➤ Others	NIL	NIL
5.	Others	NIL	NIL
	Total A	NIL	NIL
	Ceiling as per the Act		

B. Remuneration to other directors

(IN Rs.)

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Sanjay Khandelwal	Ms. Kiran Sharma	NIL
	Fee for attending board committee meetings*	94,875	94,875	1,89,750
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)	94,875	94,875	1,89,750
2	Other Non-Executive Directors	NIL	NIL	NIL
	Fee for attending board committee meetings*	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	94,875	94,875	1,89,750
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	NIL	NIL	NIL

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD.

(IN INR)

SN.	Particulars of Remuneration	Name of KMP	Name of KMP	Total Amount
1.	Gross Salary	Vipin Kumar Rustagi (CFO)	Parul Rastogi (CS)	
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	NIL	NIL
	Value of Perquisite u/s 17(2) Income Tax Act, 1961.			
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2.	Stock Options	-	-	-
3.	Sweat Equity Shares	-	-	-
4.	Commissions As % of profit Others	-	-	-
5.	Others	-	-	-
	Total A	NIL	NIL	NIL
	Ceiling as per the Act	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE – There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year

ANNEXURE – 1A

[illegible]

Foreign Financial Institution	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Preference	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDR & ADR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	34,142,465	70	34,142,535	100%	34,142,465	70	34,142,535	100%	

(Shareholding of Promoter) - ANNEXURE – 1B

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Max Healthcare Institute Limited	34,142,535	100%	26%	34,142,535	100%	77%	Nil

(Changes in Promoters' Shareholding) - ANNEXURE – 1C

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Max Healthcare Institute Limited	34,142,535	100%	NIL	NIL

(Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) - ANNEXURE – 1D

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

Shareholding of Directors and Key Managerial Personnel - ANNEXURE – 1E

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Yogesh Kumar Gupta	20*	NIL	20*	NIL
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	20*	NIL	20*	NIL

**hold as nominee shareholder on behalf of Max Healthcare Institute Ltd.*

For and on behalf of the Board of Directors

sd/-
Yogesh Sareen
Director
DIN 00884252

sd/-
Yogesh Kumar Gupta
Whole Time Director
DIN 06627814

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Medical Services Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Max Medical Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account ;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 29 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 08, 2016 and December 30, 2016 and has no cash dealings during this period.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Max Medical Services Limited (“The Company”)

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

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax , service tax, sales-tax, duty of custom, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to duty of excise are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amt (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
DVAT, 2005	Mismatch of VAT under section 32 and 33 of DVAT,2005	130	FY 2012-13 FY 2013-14	Additional Commissioner (VAT)

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

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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX MEDICAL SERVICES LIMITED

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

To the Members of Max Medical Services Limited

We have audited the internal financial controls over financial reporting of Max Medical Services Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 20, 2017

Max Medical Services Limited
Balance sheet as at March 31, 2017

		(Rs in Lacs)		
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,550	4,391	5,049
Capital work-in-progress	3	-	-	213
Intangible assets	4	151	84	32
Intangible assets under development	4	19	47	51
Investments in subsidiaries	5	2,548	2,548	2,548
Financial assets				
-Trade receivables	6	7,592	7,690	7,761
-Other financial assets	7	120	105	93
-Other bank balances	8	1	1	1
Other non current assets	9	393	420	505
		14,374	15,286	16,253
Current assets				
Inventories	10	-	5	-
Financial assets				
-Trade receivables	6	2,112	1,855	2,728
-Cash and cash equivalents	11	8	22	7
-Other bank balances	12	-	-	171
Other current assets	13	661	205	31
		2,781	2,087	2,937
TOTAL ASSETS		17,155	17,373	19,190
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	3,414	3,414	3,414
Other equity	15	9,839	8,533	7,453
Total Equity		13,253	11,947	10,867
Non-current liabilities				
Financial liabilities				
-Borrowings	16	948	3,348	6,415
Deferred tax liabilities (net)	17	1,870	1,285	753
Long term provisions	18	0.30	1	0.30
		2,818	4,634	7,168
Current liabilities				
Financial liabilities				
-Trade payables	19A	736	771	979
-Other financial liabilities	19B	11	1	161
Short term provisions	20	318	2	1
Other current liabilities	21	19	18	14
		1,084	792	1,155
TOTAL LIABILITIES		3,902	5,426	8,323
TOTAL EQUITY AND LIABILITIES		17,155	17,373	19,190
Summary of significant accounting policies	1,2			
Contingent liabilities, commitments and litigations	30			
Other notes on accounts	31			

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Atul Seksaria
 Membership Number: 086370

Place : Gurugram
 Date : May 20, 2017

For and on behalf of the Board of Directors of
Max Medical Services Limited

Sd/-
Yogesh Kumar Gupta
 (Whole-Time Director)
 DIN : 06627814

Sd/-
Vipin Kumar
 (Head Finance)

Place : Gurugram
 Date : May 20, 2017

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

Sd/-
Parul Rastogi
 (Company Secretary)
 M. No. : A34981

Max Medical Services Limited
Statement of Profit and Loss for the year ended March 31, 2017

		(Rs in Lacs)	
	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations	22	4,499	4,421
Other income	23	91	81
Finance income	24	1,057	1,063
Total income		5,647	5,565
Expenses			
Purchase of pharmacy, drugs, consumables and implants	25	2,387	2,420
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		5	(5)
Employee benefits expense	26	65	59
Finance costs	27	361	556
Depreciation and amortization expense	28	861	876
Other expenses	29	48	53
Total expenses		3,727	3,959
Profit before tax		1,920	1,606
Tax expenses	17		
(1) Current tax		577	138
(3) Deferred tax		585	532
(3) MAT Credit Entitlement		(488)	(138)
Total tax expenses		674	532
Profit after tax		1,246	1,074
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		0.03	0.15
Income tax effect		-	-
Total comprehensive income for the year (net of tax attributable to Equity Shareholders)		1,246	1,074
Earnings per equity share (Nominal value of share Rs. 10/-) (refer note 31.2)			
Basic & Diluted (Rs.)		3.65	3.15
Summary of significant accounting policies	1,2		
Contingent liabilities, commitments and litigations	30		
Other notes on accounts	31		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Max Medical Services Limited

Sd/-
Yogesh Kumar Gupta
 (Whole-Time Director)
 DIN : 06627814

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

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Vipin Kumar
 (Head Finance)

Sd/-
Parul Rastogi
 (Company Secretary)
 M. No. : A34981

Place : Gurugram
 Date : May 20, 2017

Place : Gurugram
 Date : May 20, 2017

Max Medical Services Limited**Statement of changes in equity for the year ended March 31, 2017****A) Equity share capital**

Particulars	Nos.	Rs. in Lacs
As at April 1, 2015	34,142,535	3,414
Add: Equity shares issued (refer note 14)	-	-
As at March 31, 2016	34,142,535	3,414
Add: Equity shares issued (refer note 14)	-	-
As at March 31, 2017	34,142,535	3,414

B) Other equity

Particulars	Reserves and surplus		Total Equity
	Securities Premium	Retained Earnings	
As at April 1, 2015	8,020	(567)	7,453
Net Profit for the year (refer note 15)	-	1,074	1,074
Other comprehensive income for the year	-	0.15	0.15
Parent contribution (refer note 15)	6	-	6
As At March 31, 2016	8,026	507	8,533
Profit for the year (refer note 15)	-	1,246	1,246
Other comprehensive income for the year	-	0.03	0.03
Parent contribution (refer note 15)	60	-	60
As At March 31, 2017	8,086	1,753	9,839

Summary of significant accounting policies
Contingent liabilities, commitments and litigations
Other notes on accounts

1,2
30
31

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 20, 2017

For and on behalf of the Board of Directors of
Max Medical Services Limited

Sd/-
Yogesh Kumar Gupta
(Whole-Time Director)
DIN : 06627814

Sd/-
Vipin Kumar
(Head Finance)

Place : Gurugram
Date : May 20, 2017

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

Sd/-
Parul Rastogi
(Company Secretary)
M. No. : A34981

Max Medical Services Limited
Statement of Cash Flow for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net profit before tax	1,920	1,606
Adjustments to reconcile profit before tax to net cash flow		
Depreciation and amortization expense	861	876
Provision for doubtful debts and advances	-	15
Liabilities no longer required written back	(19)	(31)
Finance income (including fair value change in financial instruments)	(1,057)	(1,065)
Finance cost (including fair value change in financial instruments)	361	556
Operating profit before working capital changes	2,066	1,957
Movements in working capital :		
(decrease) in trade payables, other liabilities and provisions	15	(174)
(Increase)/ decrease in trade receivables	(159)	929
(Increase)/ decrease in inventories	5	(5)
(Increase)/decrease in financial assets	14	(3)
Cash generated from /(used in) operations	1,926	2,692
Direct taxes paid (net of refunds)	(187)	(76)
Net cash flow from operating activities (A)	1,739	2,616
B. Cash flows from investing activities		
Purchase of fixed assets including intangible assets, CWIP and capital advances	(49)	(214)
Proceeds from sale of fixed assets	-	-
Investment in fixed deposits made with banks (having original maturity of more than three months)	-	171
Interest received	1,057	1,065
Net cash flow (used in) investing activities (B)	1,008	1,022
C. Cash flows from financing activities		
Repayments of long term borrowings	(2,400)	(3,067)
Interest paid	(361)	(556)
Net cash flow (used in) financing activities (C)	(2,761)	(3,623)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(14)	15
Total cash and cash equivalents at the beginning of the year	22	7
Cash and cash equivalents at the end of the year	8	22
Components of cash and cash equivalents:		
Balances with banks on current accounts	8	22
Total cash and cash equivalents (refer note 11)	8	22
Summary of significant accounting policies	1,2	
Contingent liabilities, commitments and litigations	30	
Other notes on accounts	31	

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Max Medical Services Limited

Sd/-
Yogesh Kumar Gupta
 (Whole-Time Director)
 DIN : 06627814

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

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Vipin Kumar
 (Head Finance)

Sd/-
Parul Rastogi
 (Company Secretary)
 M. No. : A34981

Place : Gurugram
 Date : May 20, 2017

Place : Gurugram
 Date : May 20, 2017

Max Medical Services Limited
Notes forming part of the financial statements

1 Corporate Information

Max Medical Services Limited ("the Company") is a public limited Company domiciled in India. The Company is into business of construction of hospital, leasing of medical equipments and other equipments and trading of goods.

The financial statements of the Company includes the performance of hospitals and medical centers, which are operational and the central support team, which is meant to support the current operations and ongoing expansion.

The Company has also entered into long term service contracts with other healthcare service providers and downstream subsidiaries and upstream holdings to provide medical services to them in their hospital operations.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 31.12 for information on how the company has adopted Ind AS.

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

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

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

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

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

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

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

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

Assets	Useful lives estimated by the management (years)
Medical Equipment	13 Years

Max Medical Services Limited
Notes forming part of the financial statements

Electrical Installations and Equipment	10 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers & Data Processing Units	3 - 6 Years
Furniture and Fixtures	10 Years

c. Intangible assets

Separately acquired intangible assets

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

Research and development cost

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

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

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

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

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

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

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

d. Impairment of non financial assets

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

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

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

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

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or

e. Financial Instruments

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

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

- (i) Debt instruments at amortized cost

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

Debt instruments at amortized cost

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the

Debt instruments at fair value through OCI

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

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

Derecognition

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

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

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

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

Reclassification of financial assets

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

Impairment of financial assets

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

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

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

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Borrowings

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

f. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale. Investment carried at cost is tested for impairment as per IND AS 36 . An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

g. Revenue recognition

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

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

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

Sale of goods

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

Rendering of services

Revenue from medical services are recognised pro-rata over the period of contracts as and when services are rendered.

Rental income

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

Interest

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

h. Inventories

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

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

i. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

Deferred tax include Minimum Alternate Tax (MAT) recognized MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

j. Borrowing costs

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

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k. Leases

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

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

Company as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2.j).

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

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

Company as a lessor

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

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

l. Provisions

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

Contingent liabilities

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

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

m. Employee benefits

Provident fund

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

Gratuity

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

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

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

(ii) Net interest expenses or income

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

Compensated Absences

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

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

Short-term obligations

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

n. Cash and cash equivalents

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

o. Earning per share

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

p. Foreign currencies
Transactions and balances

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

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

Measurement of foreign currency items at the balance sheet date

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

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

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

q. Fair value measurement

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

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming

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

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

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

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

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

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Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

2.4 Significant accounting judgements, estimates and assumptions

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

Judgements

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

(a) Operating lease commitments - Company as lessee

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

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

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 30.3

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

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

(e) Impairment of non-Financial assets

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

Max Medical Services Limited
Notes forming part of the financial statements

3. Property, Plant and Equipments

(Rs in Lacs)

	Medical equipment	Plant and equipment	Office equipment	Furniture and fixture	Computers and data processing units	Electrical installations and equipment	Total	Capital work in progress
At deemed cost								
As at April 1, 2015	4,309	639	2	58	2	39	5,049	213
Additions	211	-	-	-	-	-	211	-
Disposals	71	-	-	2	-	1	74	213
As at March 31, 2016	4,449	639	2	56	2	38	5,186	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	3	13	-	-	16	-
As at March 31, 2017	4,449	639	(1)	43	2	38	5,170	-
Depreciation								
As at April 1, 2015	-	-	-	-	-	-	-	-
Additions	721	123	2	12	2	8	868	-
Disposals	71	-	-	1	-	1	73	-
As at March 31, 2016	650	123	2	11	2	7	795	-
Additions	698	123	-	12	-	8	841	-
Disposals	-	-	3	13	-	-	16	-
As at March 31, 2017	1,348	246	(1)	10	2	15	1,620	-
Net carrying amount								
As at March 31, 2017	3,101	393	-	33	-	23	3,550	-
As at March 31, 2016	3,799	516	-	45	-	31	4,391	-
As at April 1, 2015	4,309	639	2	58	2	39	5,049	213

3.01 All the property, plant and equipments have been given on operating lease to healthcare service provider.

3.02 Term loans availed by the Holding company "Max Healthcare Institute Limited" aggregating to Rs. 24,318 Lacs (March 31, 2016 : Rs. 18,344 Lacs) (April 01, 2015 : Rs. 24,997 Lacs) from financial institutions/banks were secured by first pari-passu charge on movable fixed assets (present and future) of the Company.

3.03 Letter of credit facility of Rs. 200 Lacs sanctioned to the Company by Yes Bank Limited is secured by second charge on movable assets of the Company.

Max Medical Services Limited
Notes forming part of the financial statements

4. Intangible assets

	(Rs in Lacs)		
	Computer software	Total	Intangible under development
At Deemed cost			
As at April 1, 2015	32	32	51
Additions	60	60	47
Disposals	-	-	51
As at March 31, 2016	92	92	47
Additions	87	87	43
Disposals	-	-	71
As at March 31, 2017	179	179	19
Amortization			
As at April 1, 2015	-	-	-
Additions	8	8	-
Disposals	-	-	-
As at March 31, 2016	8	8	-
Additions	20	20	-
Disposals	-	-	-
As at March 31, 2017	28	28	-
Net carrying amount			
At at March 31, 2017	151	151	19
At at March 31, 2016	84	84	47
At at April 1, 2015	32	32	51

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Max Medical Services Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Investment in subsidiaries			
Investment in equity instrument (value at cost)			
Investments in subsidiary			
Unquoted equity shares			
Alps Hospital Limited			
2,450,000 (March 31, 2016 : 2,450,000) (April 1, 2015 : 2,450,000) equity shares of Rs.10/- each fully paid-up	2,548	2,548	2,548
	<u>2,548</u>	<u>2,548</u>	<u>2,548</u>
Aggregate value of unquoted investments	2,548	2,548	2,548
Aggregate amount of impairment in value of investments	-	-	-
6. Trade receivables			
Trade receivables - considered good	9,704	9,545	10,489
	<u>9,704</u>	<u>9,545</u>	<u>10,489</u>
Current	2,112	1,855	2,728
Non Current	7,592	7,690	7,761

As at December 10, 2001 the Company had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 2,431 Lacs. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, the Company has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 Lacs. The said consideration is repayable in equal instalments over 20.5 years from the handover date.

Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to Rs. 72 Lacs (March 31, 2016 : Rs. 50 Lacs), has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other Income" as income from deferred credit and interest income on fair valuation of this contract revenue under "Finance Income".

7. Other financial assets (Valued at amortized cost)

Security deposits*	120	105	93
	<u>120</u>	<u>105</u>	<u>93</u>

*Performance Guarantee of Rs. 120 Lacs (March 31, 2016 : Rs. 105 Lacs) (April 01, 2015 : Rs. 93 Lacs) had been deposited with the other healthcare service provider, in earlier years, as per the agreement.

8. Other non current bank balances

Deposits

Fixed deposits under lien	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>

Max Medical Services Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
9. Other non current assets (unsecured considered good)			
Tax deducted at source recoverable	29	29	88
Prepaid expenses	364	391	417
	<u>393</u>	<u>420</u>	<u>505</u>
10. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	<u>-</u>	<u>5</u>	<u>-</u>
	<u>-</u>	<u>5</u>	<u>-</u>
11. Cash and cash equivalents			
Balances with banks:			
On current accounts	8	22	7
	<u>8</u>	<u>22</u>	<u>7</u>
12. Other current bank balances			
Deposits			
Margin money deposit #	-	-	171
	<u>-</u>	<u>-</u>	<u>171</u>
# Margin money deposits given as security			
Rs.Nil (March 31, 2016: Rs. Nil) (April 1, 2015: Rs. 171 Lacs) secure for foreign letter of credit.			
13. Other current assets			
Advances recoverable in cash or kind			
Unsecured, considered good	-	1	-
Other Loans			
Tax deducted at source recoverable	29	29	-
MAT credit entitlement	597	138	-
Prepaid expenses	35	37	31
	<u>661</u>	<u>205</u>	<u>31</u>

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Max Medical Services Limited
Notes forming part of the financial statements

14. Equity share capital

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015

(a) Authorised

35,000,000 (March 31, 2016 : 35,000,000) (April 1, 2015 : 35,000,000) equity shares of Rs. 10/- each	3,500	3,500	3,500
	3,500	3,500	3,500

Issued, subscribed and fully paid-up

34,142,535 (March 31, 2016 : 34,142,535) (April 1, 2015 : 34,142,535) equity shares of Rs. 10/- each	3,414	3,414	3,414
Total issued, subscribed and fully paid-up share capital	3,414	3,414	3,414

(b) Reconciliation of shares outstanding at the beginning and at the end of reporting period

	No. of shares	Amount
At April 01, 2015	34,142,535	3,414
Changes during the period		
- Fresh Issue	-	-
At March 31, 2016	34,142,535	3,414
Changes during the period		
- Fresh Issue	-	-
At March 31, 2017	34,142,535	3,414

14.1 Terms/rights attached to equity shares

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

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

14.2 Shares held by holding company (Legal Ownership)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015

Max Healthcare Institute Limited, the holding company

34,142,465 (March 31, 2016: 34,142,465) (April 01, 2015: 34,142,465) equity shares of Rs.10/- each fully paid up	3,414	3,414	3,414
	3,414	3,414	3,414

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

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited	34,142,465	99.99%	34,142,465	99.99%	34,142,465	99.99%

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

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Max Medical Services Limited
Notes forming part of the financial statements

15. Other equity

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities premium (refer note a below)	8,086	8,026	8,020
Retained Earning (refer note b below)	1,753	507	(567)
	<u>9,839</u>	<u>8,533</u>	<u>7,453</u>

Note :

a) Securities premium

As at April 01, 2015	8,020
Parent Contribution*	6
As at March 31, 2016	8,026
Parent Contribution*	60
As at March 31, 2017	<u>8,086</u>

b) Retained earning

As at April 01, 2015	(567)
Profit for the year	1,074
Items of other comprehensive income recognized directly in retained earnings	
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	0
As at March 31, 2016	507
Profit for the year	1,246
Items of other comprehensive income recognized directly in retained earnings	
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	0
As at March 31, 2017	<u>1,753</u>

*In terms of ESOP 2006 Scheme of the holding company (amended w.e.f March 1, 2016), the holding company can grant stock options to the employees of subsidiary company. Accordingly, on March 1, 2016, the holding company "Max Healthcare Institute Limited" had granted 2,80,000 stock options to an employee of the Company at an exercise price of Rs. 30 per stock option with bullet vesting after 12 months from the date of grant and exercise period is 12 months from the date of vesting.

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Max Medical Services Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
16. Borrowings			
Non-current borrowings			
Inter corportate deposits (unsecured)	948	3,348	6,415
	948	3,348	6,415

Inter Corportate Deposits from Max Healthcare Institute Limited amounting to Rs. 948 Lacs (March 31, 2016 : Rs. 3,348 Lacs), (April 01, 2015 : Rs.6,415 Lacs) is unsecured and will mature on March 31, 2020.

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Max Medical Services Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015

18. Long term provisions

Provision for employee benefits

Provision for gratuity (note 31.2)

0.30	1	0.30
<u>0.30</u>	<u>1</u>	<u>0.30</u>

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015

19. Financial liabilities

A. Trade payables

Total outstanding dues to micro and small enterprises*

Total outstanding dues to creditors other than micro and small enterprises

-	-	-
736	771	979
<u>736</u>	<u>771</u>	<u>979</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. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

B. Other financial liabilities

Capital creditors

11	1	161
<u>11</u>	<u>1</u>	<u>161</u>

20. Short term provisions

Provision for employee benefits

Provision for leave encashment

2	2	1

Other provisions

Provision for income tax(net of advance tax)

316	-	-
<u>318</u>	<u>2</u>	<u>1</u>

21. Other current liabilities

Statutory dues

19	18	14
<u>19</u>	<u>18</u>	<u>14</u>

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Max Medical Services Limited
Notes forming part of the financial statements

	As at March 31, 2017	(Rs in Lacs) As at March 31, 2016	
17. Income taxes			
(a) Income tax expense in the statement of profit and loss comprises :			
Current income tax charge	89	-	
Adjustment of tax relating to earlier years	-	-	
Deferred Tax			
Relating to origination and reversal of temporary differences	585	532	
Income tax expense reported in statement of profit and loss	674	532	
(b) Other Comprehensive Income			
Re-measurement (gain) / losses on defined benefit plans (refer note 30.1)	-	-	
Income tax related to item recognised in OCI during the year	-	-	
(c) Other Comprehensive Income			
Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :			
Accounting profit before tax	1,920	1,606	
Applicable tax rate	34.608%	34.608%	
Computed tax expense	664	556	
Expenses not considered for tax purpose	305	366	
Income not considered for tax purpose	(364)	(294)	
Expenses not allowed for tax purpose	307	349	
Additional allowances for tax purpose	(172)	(290)	
Carried forward losses utilised	(661)	(663)	
Other temporary differences	585	532	
Income tax charged to statement of profit and loss at effective rate 15.02%	664	556	
(d) Deferred tax liabilities comprises :			
Unused tax losses & depreciation	(661)	(625)	1,286
Accelerated depreciation for tax purpose	141	154	(790)
Expenses Allowable on Payment Basis	(5)	6	17
Other Temporary differences	(60)	(67)	(1,266)
Fair Valuation of Security Deposits & Prepaid Expenses	-	-	-
Processing fee on Loans	-	-	-
Retained Earnings & Other Liability	-	-	-
Deferred Tax assets / (Liability)	(585)	(532)	(753)
(Rs in Lacs)			
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unused tax losses & depreciation	(36)	(13)	(1,911)
Accelerated depreciation for tax purpose	(13)	(12)	944
Expenses Allowable on Payment Basis	(12)	8	(10)
Other Temporary differences	8	-	1,198
Fair Valuation of Security Deposits & Prepaid Expenses	-	-	-
Processing fee on Loans	-	-	-
Retained Earnings & Other Liability	-	-	-
Deferred Tax assets / (Liability)	(53)	221	
Reconciliation of Deferred tax liabilities (net)			
Opening Balance as on 1 April	(1,285)	(753)	
Tax Income/expense recognised during the period in profit or loss	(585)	(532)	
Closing balance	(1,870)	(1,285)	

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Max Medical Services Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
22. Revenue from operations		
Sale of products		
Pharmacy and pharmaceuticals supplies	2,463	2,488
Other operating revenues		
- Income from leasing activities	2,036	1,933
	<u>4,499</u>	<u>4,421</u>

23. Other income		
Income from deferred credit	72	50
Unclaimed Balances & excess provisions written back	19	31
	<u>91</u>	<u>81</u>

24. Finance income		
Interest Income on		
Bank deposits	-	2
Interest income from financial assets measured at amortized cost	1,052	1,058
Income tax refund	5	3
	<u>1,057</u>	<u>1,063</u>

25. Details of purchase and sale		
	(Rs in Lacs)	
Description	Purchase	Sales
Stent	825	855
	(1,200)	(1,231)
Baloon	86	88
	(95)	(97)
Pacemakers	795	819
	(655)	(675)
Others	681	701
	(470)	(485)
Total	<u>2,387</u>	<u>2,463</u>
	(2,420)	(2,488)

(figures in brackets represents previous year)

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Max Medical Services Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
26. Employee benefits expense		
Salaries, wages and bonus	63	57
Contribution to provident and other funds	2	2
	65	59
27. Finance cost		
Interest on debts and borrowings	361	556
	361	556
28. Depreciation and amortization expense		
Depreciation of property, plant and equipments (note 3)	841	868
Amortization of intangible assets (note 4)	20	8
	861	876
29. Other expense		
Rent	2	2
Insurance	5	6
Rates and taxes	1	-
Facility maintenance expenses	1	1
Repairs and maintenance:		
Others	18	12
Legal and professional	9	16
Directors' sitting fee	2	1
Provision for doubtful advances	-	15
Contribution towards Corporate social responsibility (refer note 31.11)	10	-
	48	53
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	6.30	6.30
Reimbursement of expenses	0.09	0.19
	6.30	6.30

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Max Medical Services Limited
Notes forming part of the financial statements

30. Contingent liabilities, commitments and litigations

30.1 Contingent liabilities (to the extent not provided for) :

(Rs in Lacs)				
S. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended April 01, 2015
	Claim against the company not acknowledge as debts.			
1	Income Tax Cases (Refer note (a) below)	Nil	Nil	Nil
2	VAT cases for mismatch under section 32 and 33 of Delhi VAT Act, 2005	130	134	133
	Total	130	134	133

Notes:

(a) Income Tax Cases

(Rs in Lacs)						
S. No.	Assessment Years	Status as on March 31, 2017		Disallowances which were pending - as at March 31, 2017	Disallowances as per Assessment Order which were pending before CIT(A) - as at March 31, 2016	Disallowances as per Assessment Order which were pending before CIT(A) - as at April 01, 2015
		Disallowances pending before ITAT, appeal file by department	Disallowances pending before CIT(A)			
1	2010-11*	239	-	239	239	239
2	2011-12*	370	-	370	370	370
3	2012-13*	-	-	-	480	480
4	2013-14*	-	395	395	395	-
5	2014-15*	-	618	618	-	-
	Total	609	1,013	1,622	1,484	1,089

Note :

* The Company has received the grounds of appeal filed by the Department before ITAT for the periods AY 2010-11 and AY 2011-12 against the order of CIT(A) of deleting all the disallowances made by the Assessing Officer.

** Cases of the A/Y 2009-10 & 2010-11 are re-opened u/s 274 for revision of assessment order.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

30.2 Capital Commitments

Estimated amount of capital commitments remaining to be executed and not provided for (net of advance)

(Rs in Lacs)			
Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Estimated value of Capital Contracts remaining to be executed on capital account	30	61	89
Less: Capital advances	-	-	-
Balance Value of Contracts	30	61	89

30.3 Leases

- a) The Company had entered into a lease on December 10, 2001 and further amendments thereto with a healthcare service provider to make them available medical & other equipments and fixtures for a term of 30 years. Under the terms of the lease, the company is responsible for:

- Acquisition of equipment including its repair and servicing;
- Ensuring adequate insurance coverage for the assets; and
- Replacement of any existing equipment with suitable equipment

As per terms, lease rentals based on a fixed percentage of the turnover of the healthcare service provider are due to the Company on a monthly basis.

- b) Accounting for leases has been made in accordance with Ind AS-17 modified by companies (Accounting Standards) Rules 2014. Following are the details of lease transactions for the year:

Operating Lease

Income from lease rentals recognized for the year is Rs. 2,036 Lacs (March 31, 2016 Rs. 1,933 Lacs) As mentioned above, the company has entered into an agreement for supply of equipment on lease. The lease rent is entirely contingent on turnover, hence cannot be quantified for any future periods.

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Max Medical Services Limited**Notes forming part of the financial statements****Other Notes :**

- 31.1** The Company's 26% equity shareholding held in Alps Hospital Limited is pledged in favour of IDBI Trusteeship Services Limited as security on first pari-passu charge basis for the benefit of the Holding Company's term lenders.

31.2 Earning per share (EPS)

	(Rs in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(i) Basic Earning per share		
Numerator for earning per share		
Profit after taxation	1,246	1,074
Denominator for earning per share		
Weighted average number of equity shares outstanding during the year	34,142,535	34,142,535
Earning per share-Basic (one equity share of Rs.10/- each)	3.65	3.15
(ii) Diluted Earning per share		
Numerator for earning per share		
Profit after taxation	1,246	1,074
Denominator for earning per share		
Weighted average number of equity shares outstanding during the year	34,142,535	34,142,535
Earning per share-Basic (one equity share of Rs.10/- each)	3.65	3.15

31.3 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 plan is not funded.

	(Rs. in Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
(i) Reconciliation of opening and closing balances of Defined benefit obligation		
Defined Benefit obligation at the beginning of the year	0.23	0.31
Interest expense	0.02	0.02
Current service cost	0.09	0.05
Benefit paid	-	-
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	(0.01)	0.07
Actuarial changes arising from changes in financial assumptions	0.02	0.00
Actuarial changes arising from changes in experience adjustments	0.03	(0.22)
Defined Benefit obligation at year end	0.38	0.23
Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	-	-
Present value of defined benefit obligation	-	-
Amount recognized in Balance Sheet- Asset / (Liability)	-	-
(ii) Principal assumptions used in determining defined benefit obligation		
Assumption particulars	As at March 31, 2017	As at March 31, 2016
Discount Rate	6.60%	7.50%
Salary Escalation Rate	8.00%	8.00%
Mortality Rate (% Of IALM 06-08)	100.00%	100.00%
(iii) Quantitative sensitivity analysis for significant assumptions is as below:	Year ended March 31, 2017	Year ended March 31, 2016
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount Rate</u>		
Increase by 1.00%	(0.02)	(0.01)
Decrease by 1.00%	0.02	0.02

Max Medical Services Limited
Notes forming part of the financial statements

Salary Increase

Increase by 1.00%	0.02	0.02
Decrease by 1.00%	(0.02)	(0.01)

Attrition Rate

Increase by 0.50%	(0.04)	(0.03)
Decrease by 0.50%	0.06	0.03

(iv) Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)
Between 2 and 5 years
Between 5 and 10 years
More than 10 years
Total expected payments

Year ended March 31, 2017	Year ended March 31, 2016
0.07	0.05
0.16	0.08
0.14	0.10
0.23	0.23
0.60	0.23

- (v) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2016 : 4 years)
- (vi) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.
- (vii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (viii) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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Max Medical Services Limited
Notes forming part of the financial statements

31.4 Financial instruments

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

Category	Carrying value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
	(Rs. in lacs)					
(i) Financial asset at amortized cost						
Other financial assets (current / non current)	120	105	93	120	105	93
Trade receivables (current / non current)	9,704	9,545	10,489	9,704	9,545	10,489
Cash and cash equivalents	8	22	7	8	22	7
Other bank balances (current / non current)	1	1	172	1	1	172
(ii) Financial liabilities at amortized cost						
Borrowings	948	3,348	6,415	948	3,348	6,415
Other financial liabilities	30	19	175	30	19	175
Trade payables	736	771	979	736	771	979

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

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

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

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

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

B Fair value hierarchy

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

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

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

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

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

Particulars	Carrying Value March 31, 2017	Fair Value		
		(Rs. in lacs)		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financial assets (current / non current)	120	-	-	120
Trade receivables (current / non current)	9,704	-	-	9,704
Cash and cash equivalents	8	-	-	8
Other bank balances (current / non current)	1	-	-	1
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings	948	-	-	948
Other financial liabilities	30	-	-	30
Trade payables	736	-	-	736

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31, 2016

Particulars	Carrying Value March 31, 2016	Fair Value		
		(Rs. in lacs)		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financial assets (current / non current)	105	-	-	105
Trade receivables (current / non current)	9,545	-	-	9,545
Cash and cash equivalents	22	-	-	22
Other bank balances (current / non current)	1	-	-	1
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings	3,348	-	-	3,348
Other financial liabilities	19	-	-	19
Trade payables	771	-	-	771

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on April 1, 2015

Particulars	Carrying Value April 1, 2015	Fair Value		
		(Rs. in lacs)		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financial assets (current / non current)	93	-	-	93
Trade receivables (current / non current)	10,489	-	-	10,489
Cash and cash equivalents	7	-	-	7
Other bank balances (current / non current)	172	-	-	172

Max Medical Services Limited
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Liabilities carried at amortized cost for which fair value are disclosed

Borrowings	6,415	-	-	6,415
Other financial liabilities	175	-	-	175
Trade payables	979	-	-	979

31.5 Financial risk management objectives and policies

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

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

a) Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 16, 19 cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA. Net Debt is divided by the Normalised EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at 0.28 for FY15-16 and 0.07 for FY 2016-17. Similarly, the Net Debt to EBITDA ratio of the Company stood at 1.09 for FY 2015-16 and 0.30 FY 2016-17

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

b) Liquidity Risk

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

The table below represents the Company's financial liabilities at the end of March 31, 2016 and March 31, 2017 :-

April 01, 2015	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	-	6,415	-	6,415
Trade payable	979	-	-	979
Other financial liabilities	161	-	-	161
% to Total	28%	156%	0%	183%
March 31, 2016	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	-	3,348	-	3,348
Trade payable	771	-	-	771
Other financial liabilities	1	-	-	1
% to Total	19%	81%	0%	100%
March 31, 2017				
Interest bearing borrowings	-	948	-	948
Trade payable	736	-	-	736
Other financial liabilities	11	-	-	11
% to Total	44%	56%	0%	100%

c) Credit Risk

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

(i) Trade receivables

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	784	648	730
0 to 180 days due past due date	1,229	1,136	1,953
More than 180 days due past due date	7,691	7,761	7,806
Total trade receivables	9,704	9,545	10,489

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	-	-	-
Provision during the year	-	-	-
Bad debts written off	-	-	-
Reversal of provision	-	-	-
At the end of the year	-	-	-

(ii) Financial instruments and cash deposit

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 30.4 of financial instrument and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency Risk

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

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on There is no un hedged foreign currency exposure

As at March 31, 2017				(Rs. in Lacs)
Currency	Amount in Foreign Currency	Amount in Indian Rupee	Increase/ decrease in rate	Impact on profit before tax
USD Payable	-	-	1%	-
As at March 31, 2016				(Rs. in Lacs)
Currency	Amount in Foreign Currency	Amount in Indian Rupee	Increase/ decrease in rate	Impact on profit before tax
USD Payable	-	-	1%	-
As at April 01, 2015				(Rs. in Lacs)
Currency	Amount in Foreign Currency	Amount in Indian Rupee	Increase/ decrease in rate	Impact on profit before tax
USD Payable	2.40	153	1%	2

Interest Rate risk

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

Interest rate Sensitivity of Borrowings

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

Year	Increase/decrease in basis points	(Rs. in Lacs)
March 31 2017	0.50%	5
March 31,2016	0.50%	17

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Max Medical Services Limited
Notes forming part of the financial statements

31.6 Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The holding Company by itself or through group subsidiaries influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the request capital structure at group level. The Company's policy is to keep the gearing ratio between 20% and 40%. Since the fund management is controlled by the holding Company, the capital gearing ratio at Company level will not be meaningful.

	(Rs. in Laacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Borrowings (refer note 16)	948	3,348	6,415
Less: cash and cash equivalents (refer note 11)	(8)	(22)	(7)
Net debt	940	3,326	6,408
Equity	13,253	11,947	10,867
Total capital	13,253	11,947	10,867
Capital and net debt	14,193	15,273	17,275
Gearing ratio	7%	22%	37%

31.7 Investment is subsidiary

- (a) These financial statements are separate financial statements prepared in accordance with Ind AS - 27 "Separate Financial Statements".
(b) The Company's investment in subsidiary are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2017	Portion of ownership interest as at March 31, 2016	Portion of ownership interest as at April 1,2015	Method used to account for the investment
Alps Hospital Limited	India	85.04%	85.04%	85.04%	At Cost

31.8 Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of Investments made:

(Rs. in Laacs)						
Sr. No	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding balance	Purpose
1.	Alps Hospital Limited	2,548	-	-	2,548	For business operations, repayment of debts and other general corporate purpose

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Max Medical Services Limited**Notes forming part of the financial statements****31.9a Related party transactions**

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

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Holding Company	Max Healthcare Institute Limited
Subsidiary Company	Alps Hospital Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Hometrail Estate Private Limited Hometrail Buildtech Private Limited Saket City Hospitals Private Limited (w.e.f. December 01, 2015) Crosslay Remedies Limited (w.e.f. July 01, 2015)
Additional related parties as per Companies Act, 2013	
Key Management Personnel	Mr. Yogesh Kumar Gupta, Whole Time Director Mr. Vipin Kumar, Head Finance Mr. Parul Rastogi, Company Secretary

31.9.b

(Rs in Lacs)		
Transaction with related parties during the year	For the year ended March 31, 2017	For the year ended March 31, 2016
Loans repaid		
Max Healthcare Institute Limited (Holding Company)	2,400	3,015
Interest expense		
Max Healthcare Institute Limited (Holding Company)	361	556

31.9.c

Balances outstanding at the year end	As at March 31, 2016	As at March 31, 2015
Against loan taken		
Max Healthcare Institute Limited (Holding Company)	948	3,348
Investment		
Alps Hospital Limited (Subsidiary)	2,548	2,548

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Max Medical Services Limited
Notes forming part of the financial statements

31.10 Segment Reporting

The Company operates into two major segments: Leasing and other. Other comprises activities relating to Trading, Construction, repair and maintenance and medical services. A description of the types of products and services provided by each reportable segment is as follows:

Leasing includes income from equipments given on lease to healthcare service providers

Trading Activity includes trading in pharmacy and pharmaceuticals products and medical service income.

S. No.	Particulars	Segment		(Rs in Lacs)
		Leasing	Other than Leasing	Total March 31, 2017
1	External Sales	2,036 (1,933)	2,463 (2,488)	4,499 (4,421)
2	Revenue from operation	2,036 (1,933)	2,463 (2,488)	4,499 (4,421)
3	Segment Expenses		2,505 (2,527)	2,505 (2,527)
4	Segment Result	2,036 (1,933)	1,101 (1,100)	3,137 (3,033)
5	Unallocated Expenses			-
6	Unallocated Incomes			-
7	Interest Incomes			5 (5)
8	Operating profit			3,142 (3,038)
9	Depreciation and Amortisation	841 (868)	20 (8)	861 (876)
10	Operating Profit after depreciation			2,281 (2,162)
11	Financial Expenses			361 (556)
12	Profit before Tax			1,920 (1,606)
13	Tax Expense			674 (532)
14	Profit after Tax			1,246 (1,074)
	Other Information			
15	Segment Assets	7,671 (8,891)	9,484 (8,482)	17,155 (17,373)
16	Unallocated Assets			-
17	Total Assets			17,155 (17,373)
18	Segment Liabilities	948 (3,348)	2,954 (2,078)	3,902 (5,426)
19	Unallocated Liabilities	-	-	-
	Total Liabilities	-	-	3,902 (5,426)

(figures in bracket represents previous year) / (figures in double bracket represents loss of previous year)

The Company operates in single geographical Segment.

Max Medical Services Limited**Notes forming part of the financial statements****31.11 Corporate Socail Responsibilities**

As per the provision of Section 135 of the Companies Act, 2013 the Company has to incur at least 2% of average net profit of the preceding three financial years toward Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activity as per schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 10 Lacs (March 31, 2016 : Rs. Nil) toward this cause and debited the same to the statement of profit and loss.

	(Rs in Lacs)	
	As at	As at
	March 31, 2017	March 31, 2016
Details of CSR expenditure :		
(a) Gross amount required to be spent by the Company during the year	13.00	-
(b) Amount spent during the year ended March 31, 2017		
Particulars	Paid in cash	Yet to be paid in cash
	2017	2016
(i) Construction/acquisition of any asset		
(ii) On purpose other than (i) above	10	-
Total	10	3

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Max Medical Services Limited
Notes forming part of the financial statements

31.12 First-time adoption of Ind AS (Exception and exemption availed)

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Share based payment transactions

Ind AS 101 permits a first time adopter to elect not to apply principles of Ind AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Company has elected not to apply Ind AS 102- "Share based payment" on stock options that vested before date of transition.

Investments in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities.

in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognized and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

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Max Medical Services Limited
Notes forming part of the financial statements

31.13.1 Reconciliation of equity as at March 31, 2016

				(Rs in Lacs)
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		4,391	-	4,391
Capital work-in-progress			-	-
Intangible assets		84	-	84
Intangible assets under development		47	-	47
Investment in subsidiaries		2,548	-	2,548
Financial assets			-	
-Trade receivables	6	3,648	4,042	7,690
-Other financial assets	1	783	(678)	105
-Other bank balances		1	-	1
Other non current assets	1	29	391	420
		11,531	3,755	15,286
Current assets				
Inventories		5	-	5
Financial assets			-	
-Trade receivables	6	1,784	71	1,855
-Cash and cash equivalents		22	-	22
-Other bank balances		-	-	-
Other current assets	1	178	27	205
		1,989	98	2,087
TOTAL ASSETS				
		13,520	3,853	17,373
EQUITY AND LIABILITIES				
Equity				
Equity share capital		3,414		3,414
Other equity		5,960	2,573	8,533
Total Equity		9,374	2,573	11,947
Non-current liabilities				
Financial Liabilities				
-Borrowings		3,348	-	3,348
Deferred tax liabilities (net)		-	1,285	1,285
Long term provisions		1	-	1
		3,349	1,285	4,634
Current liabilities				
Financial Liabilities				
-Trade payables		776	(5)	771
-Other financial liabilities		1	-	1
Short term provisions		2	-	2
Other current liabilities		18	-	18
		797	(5)	792
TOTAL LIABILITIES				
		4,146	1,280	5,426
TOTAL EQUITY AND LIABILITIES				
		13,520	3,853	17,373

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Max Medical Services Limited
Notes forming part of the financial statements

31.13.2 Reconciliation of equity as at April 1, 2015

				(Rs in Lacs)
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		5,049	-	5,049
Capital work-in-progress		213	-	213
Intangible assets		32	-	32
Intangible assets under development		51	-	51
Investment in subsidiaries		2,548	-	2,548
Financial assets			-	
-Trade receivables	6	3,903	3,858	7,761
-Other financial assets	1	783	(690)	93
-Other bank balances		1	-	1
Other non current Assets	1	88	417	505
		12,668	3,585	16,253
Current assets				
Inventories		-		-
Financial assets				
-Trade receivables	6	2,683	45	2,728
-Cash and cash equivalents		7	-	7
-Other bank balances		171	-	171
Other current assets	1	4	27	31
		2,865	72	2,937
TOTAL ASSETS				
		15,533	3,657	19,190
EQUITY AND LIABILITIES				
Equity				
Equity share capital		3,414	-	3,414
Other equity		4,549	2,904	7,453
Total Equity		7,963	2,904	10,867
Non-current liabilities				
Financial Liabilities				
-Borrowings		6,363	52	6,415
Deferred tax liabilities (net)			753	753
Long term provisions		0.30		0.30
		6,363	805	7,168
Current liabilities				
Financial Liabilities				
-Trade payables		979	1	979
-Other financial liabilities		213	(52)	161
Short term provisions		1	-	1
Other current liabilities		14	-	14
		1,207	(51)	1,155
TOTAL LIABILITIES				
		7,570	754	8,323
TOTAL EQUITY AND LIABILITIES				
		15,533	3,658	19,190

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Max Medical Services Limited
Notes forming part of the financial statements

31.13.3 Statement of Profit and Loss for the period ended March 31, 2016

				(Rs in Lacs)
	Footnote	Year ended March 31, 2016		Ind AS
		IGAAP	Adjustment	
Revenue from operations	1,6	4,421	-	4,421
Other income		944	(863)	81
Finance income	1,6	5	1,058	1,063
Total income		5,370	195	5,565
Expenses				
Purchase of pharmacy, drugs, consumables and implants		2,420	-	2,420
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		(5)	-	(5)
Employee benefits expense		59	-	59
Finance costs		556	-	556
Depreciation and amortization expense		876	-	876
Other expenses		53	-	53
Total expenses		3,959	-	3,959
Profit before tax		1,411	195	1,606
Tax expenses				
(1) Current tax		138	-	138
(3) Deferred tax			532	532
(3) MAT Credit Entitlement		(138)	-	(138)
Total tax expenses		-	532	532
Profit after tax		1,411	(337)	1,074
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	0.15	0.15
Re-measurement losses on defined benefit plans				
Income tax effect				
Total comprehensive income for the year (net of tax attributable to Equity Shareholders)		1,411	(337)	1,074

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31.14 Footnotes to the reconciliation of equity as at March 31, 2016 and April 1, 2015 and profit or loss for the year ended March 31, 2016

1) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

2) Property, plant and equipments

The Company has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and on that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

3) Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith

4) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

5) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

6) Trade Receivable

Under Indian GAAP, Contract revenue is recognised for the amount received or receivable for the period ending. Under Ind AS 18 and 11, Contract revenue is measured at the fair value of consideration received or receivable during the period of contract and recognised as trade receivable. Further, Ind AS 109 requires that all financial instruments are to be initially recorded at their fair values. The trade receivable is a financial instrument and thus initially recorded at its fair value (or discounted value) and interest is recognised using effective interest rate under "Finance income".

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Max Medical Services Limited

Notes forming part of the financial statements

31.16 The Board of Directors of the Company had, at their meeting held on December 5, 2016, approved the amalgamation of the Company into Max Healthcare

31.17 The figures have been rounded off to nearest Lacs of rupees. The figures 0.00 wherever stated represents value less than Rs. 50,000/-.

31.18 Note No. 1 to 31 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of

Max Medical Services Limited

Sd/-

Yogesh Kumar Gupta

(Whole-Time Director)

DIN : 06627814

Sd/-

Yogesh Kumar Sareen

(Director)

DIN : 00884252

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

Sd/-

Vipin Kumar

(Head Finance)

Sd/-

Parul Rastogi

(Company Secretary)

M. No. : A34981

Place : Gurugram

Date : May 20, 2017

Place : Gurugram

Date : May 20, 2017

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate
companies/joint ventures

	<u>Name of Subidiaires Details</u> <u>as on March 31, 2017</u>
Particulars	Alps Hospital Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as reporting co.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
Share capital	Rs. 288 Lacs
Reserves & surplus	Rs. 675 Lacs
Total assets	Rs. 7,006 Lacs
Total Liabilities	Rs. 6,043 Lacs
Investments	Nil
Turnover	Rs. 12,007 Lacs
Profit before taxation	Rs. 1,576 Lacs
Provision for taxation	Rs. 375 Lacs
Profit after taxation	Rs. 1,201 Lacs
Proposed Dividend	Nil
% of shareholding (MMS)	85.04%

**For and on behalf of the Board of Directors of
Max Medical Services Limited**

sd/-
Yogesh Kumar Gupta
(Whole-Time Director)
DIN: 06627814

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

sd/-
Vipin Kumar
(Head Finance)

sd/-
Parul Rastogi
(Company Secretary)
M. No. : A34981

ALPS HOSPITAL LIMITED

CIN U74899DL1989PLC036413

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020

NOTICE TO MEMBERS

NOTICE is hereby given that the **28th ANNUAL GENERAL MEETING** of the members of Alps Hospital Limited will be held on **Friday, September 29, 2017** at **930 hrs** at the registered office of the Company at **Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020** (*enclosed route map*) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Kumar Sareen (DIN 00884252) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E), Chartered Accountants, as the statutory auditors for the Financial Year 2017-18 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 28th Annual General Meeting (“AGM”) of the Company till the conclusion of 29th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

Special Business:

4. Appointment of Mr. Gaurav Khurana as a Director

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Gaurav Khurana (DIN 07890683) who was appointed as an additional Director with effect from August 2, 2017, and whose term of

office as Director expires as per Section 161(1) of the Companies Act, 2013 ("the Act), at this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

5. **Appointment of Mr. Gaurav Khurana as a Whole time Director of the Company and his terms of remuneration for a period of three years**

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

"RESOLVED THAT pursuant to Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V to the Act, and Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and such other statutes, notifications, circulars, rules and regulations as may be applicable from time to time, each as amended or restated, and such other approvals as may be necessary, and as recommended by Board of the Directors of the Company, the approval of the members of the Company be and are hereby accorded to the appointment of Mr. Gaurav Khurana (DIN 07890683) as a Whole - time Director (WTD) of the Company, designated as "General Manager – Hospital Operations" for a period of three years w.e.f. August 2, 2017, on the following terms and conditions:

Salary:

(Including but not limited to Base Salary, House Rent Allowance, Conveyance Allowance, Additional Allowance, Joining Bonus etc., minimum of Rs. 33,00,000 (Rupees Thirty Three Lacs only) per annum to maximum Rs. 50,00,000 (Rupees Fifty Lacs only) per annum, with the power to the Board (which expression shall deemed to include any Committee thereof and/or any person(s) hereinafter authorized by the Board in this behalf) to set the levels from time to time.

Variable Pay:

Performance based variable pay, which will be objective, transparent and measurable and shall be based on company's performance linked variable pay parameter and individual performance for the said performance year(s).

Perquisites & Allowances & other benefits:

In addition to the aforesaid salary, the Whole time director will also be entitled to be covered under the Group Medical Insurance, Group Term Life Insurance, Group Personal Accident Insurance, as per Company Policies and shall also be entitled for such reimbursement/ benefits/ allowances/ perquisites, club

membership as applicable from time to time to such employees of the Company.”

“RESOLVED FURTHER THAT in addition to the above perquisites, the WTD shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

- i) Contribution to Provident Fund and Superannuation Fund or Annuity fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961;
- ii) Gratuity payable at the rate not exceeding half months’ salary for each completed year of service; and
- iii) Encashment of unavailed leave at the end of tenure.”

"RESOLVED FURTHER THAT

- i. Subject to superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would commensurate with his position as the Whole Time Director of the Company and as may be delegated to him from time to time.
- ii. He shall be entitled to reimbursement of entertainment and all other expenses actually and properly incurred by him in the course of legitimate business of the Company.
- iii. He shall also be entitled to encashment of leave, housing loan as per company policy, club memberships, stock options and any other perquisite as per the policy / rules of the Company in force and/or as may be approved by the Board / Committee, from time to time. The Company shall also provide the facility of mobile phones / other communication instruments, including telephones installed at his residence.
- iv. The Company or he shall be entitled to terminate this appointment by giving three months’ notice in writing or such shorter notice as may be mutually agreed between him and the Company, or in lieu of notice, payment by the Company or by him to the Company, equivalent to three months' last drawn "remuneration".

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or its Committee thereof, is authorized to regulate the payment of remuneration to Mr. Khurana, within the aforesaid limits, from time to time.”

“RESOLVED FURTHER THAT in terms of the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Gaurav Khurana, be and are hereby designated as the Whole time Key Managerial Personnel (KMP) of the Company.”

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorized to take such steps and to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this Resolution.

6. **Ratification of remuneration payable to M/s Chandra Wadhwa & Co., Cost Accountants appointed as Cost Auditor of the Company for FY 2017-18**

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Record & Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of Rs. 1,10,000 (Rupees One Lakh Ten Thousand only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit, to be paid to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 000239), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2018.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and papers as may be necessary to give effect to the above resolution.”

**By order of the Board
For Alps Hospital Limited**

**New Delhi
August 2, 2017**

**sd/-
Yogesh Kumar Gupta
Director
DIN 06627814**

Notes:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020 at any time but not less than 48 hours before the meeting. The prescribed format of proxy form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
6. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice. Unless otherwise provided under this Notice, the term “Act” shall mean Companies Act, 2013.
7. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of directors seeking appointment / reappointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors) are given as a separate Annexure 1 to this Notice.
8. The members may please note that M/s. S.R. Batliboi & Co. LLP (“SRBC”), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting (“AGM”) held on September 28, 2015 for another term of 5 years until the conclusion of AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating to appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, AND RULES MADE THEREUNDER, IN RESPECT OF SPECIAL BUSINESS

Item No. 4 & 5

The members may please note that, in order to broad base the Board, the Board of Directors of the Company had, in its meeting held on August 2, 2017, appointed Mr. Gaurav Khurana as an additional director and whole-time Director of the Company for a period of three years in terms of the provisions of the Companies Act, 2013 ("the Act").

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

I General Information about the Company

1. Nature of Industry:

Business of providing healthcare services and running a Max Hospital, Gurgaon.

2. Commercial Production

Alps Hospital Ltd was incorporated in the year 26th May, 1989. The facility of the healthcare business was operational in July 2007.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NOT APPLICABLE

4. Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2017:

Particulars year ended	As on March 31, 2017 (in lacs)
Total Income	12,007
Net Profit/ loss after Tax	1201

5. Foreign investments or Collaborators : NOT APPLICABLE

II Information about the appointee:

For appointment of Mr. Gaurav Khurana as a Whole time Director of the Company:

Background details, recognition or awards, job profile and his suitability, past remuneration and remuneration proposed:

Mr. Gaurav Khurana is an experienced professional and has played diverse roles in Healthcare Operations, Strategy Formulation & Deployment, Business Analytics, and Transformation/Program Management.

Mr. Khurana is an enthusiastic leader & consistently promoted to positions of increasing responsibility and achieved accomplishment in all assignments. He is an exceptional worker, multi tasker, versatile and routinely use available time to solve organizational problems.

Mr. Khurana also leads the development of work and process redesign to improve individual, team and organizational effectiveness. Ensuring all employees in the unit are constantly trained to enhance skills and develop multi functionality.

Professional Qualification of Mr. Gaurav Khurana:

- MS Management from University of Paisley, Glasgow, United Kingdom (Now known as University of West Scotland);
- MSc. Information Technology from Panjab University, Chandigarh;
- BCA from Panjab University, Chandigarh;
- He also holds Six Sigma Green Belt, Business process Improvement (BPI) Yellow Belt and is a Microsoft Certified Professional (MCP).

Prior to his appointment in the Company, Mr. Khurana, was heading the overall operations of Columbia Asia Hospital, designated as “General Manager” (Head of the Hospital) and was drawing remuneration approx. Rs. 40 lacs per annum.

Comparison with Industry:

The proposed remuneration of Mr. Gaurav Khurana, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented, is comparable with Executive Directors of other Companies of similar size and is in parity with the Industry Standards for such a responsible position.

Individual specific remuneration is an outcome of a strategic Human Capital Initiative, which measures 'Competency Profiles' for each person and rates the individual vis-à-vis the standard required for the job.

Pecuniary relationship with the Company relationship with the managerial personnel, if any:

Mr. Khurana does not have any pecuniary relationship with the Company or its managerial personnel other than in respect of remuneration received for the services rendered to the Company.

III Other Information:

Reasons for loss or inadequate profits:

The Company has reported profits of INR 12.01 Crores during the year and the

reasons for loss or inadequate profits are as given below:

1. Price increase and Employee Costs: Given the nature of industry and larger issues like affordability, accessibility to healthcare - the price increases are kept at minimal. However, at the same time due to rising demand for professional doctors/nurses/ paramedical staff, the Company is spending higher amount on employee benefits including salary, skilling etc. The Company do expect that in the coming years, the increased productivity and relative market share of the Company's hospital will enable it to improve the equations.
2. The company faces stiff competition from leading hospitals and medical Centers in the region.

Steps taken or proposed to be taken for improvement:

1. With the support of skilled doctors, dedicated to quality patient care and modern, patient-centric hospital facilities and a cost-effective business model, the Company has in place robust mechanism to reduce its direct costs. This coupled with small increases in prices are expected to improve the profitability and meet increased employee costs.
2. Occupancy is the driver of revenues in the hospitality industry and the Company's hospital has been experiencing higher footfall leading to higher occupancies. In addition, the Company has embarked on a programme to cut down length of stay of IPD patients through variety of means, which also help us improve patient safety and faster discharge of patients. This in effect also would lead to higher ARPOB and profitability.
3. Medical Programmes: With growing number of Lifestyle diseases like Cardiac, Neuro-sciences and Orthopedics etc., there is increasingly high demand for complex procedures like organ transplant, interventional neurology etc. The Company continuously rejigs its specialty mix and adds new & complex procedure to its offering, leading to higher realizations and better utilization of its resources.

Expected increase in productivity and profits in measurable terms:

It is difficult to forecast the productivity and profitability in measurable terms. However, with the above measures, cost optimization and other such initiatives, the operating efficiencies is expected to increase in future leading to adequate profits. The Company is well poised to sustain and capture growth opportunities in all its business segments within the confines of business prudence.

The Board of Directors recommends the resolution(s) at Item No. 4 & 5 for approval of the members.

The documents referred above (including the terms of appointment of Mr. Gaurav Khurana are available for inspection in physical form during normal business hours (9.00 AM till 6.00 PM) on any working day, excluding holidays at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

Except Mr. Gaurav Khurana, none of the Promoters, Directors and Key Managerial Personnel (KMPs) of the Company and their relatives, are concerned or interested, financial or otherwise, in passing of the above resolutions set out at item no.4 & 5 of this AGM Notice.

The notice and explanatory statement may be treated as the abstract of the terms of remuneration of Mr. Gaurav Khurana.

Item No. 6

The members may please note that, in terms of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), based on the recommendation of the Audit Committee at its meeting held on August 1, 2017, the Board of Directors of the Company have approved the appointment of M/s Chandra Wadhwa & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of INR 1,10,000 per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the aforesaid remuneration payable to the Cost Auditors for the FY 2017-18.

As such, the Board of Directors recommends the resolution no. 6 for approval of members of the Company as a special resolution.

The documents referred above are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are concerned or interested, financial or otherwise, in the Resolution at item no. 6 of the Notice.

Annexure -1

Details of directors seeking appointment / re-appointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

I **Name of the Director: Mr. Yogesh Kumar Sareen (DIN 00884252)**

- Age: 52 years
- Qualification: Member of the Institute of Chartered Accountants of India (ICAI).
- Experience: Mr. Yogesh Sareen, member of the Institute of Chartered Accountants of India, started his career in the industry with Ranbaxy Laboratories in 1988 and had a 30-year long stint across various positions in various countries. He was involved in almost every facet in finance - right from operational finance to corporate finance, treasury, strategy, financial planning and so on.

Mr. Sareen joined Max Healthcare Institute Limited ("MHIL") in January 2012 as the Chief Financial Officer. Before joining MHIL, he was with Fortis Healthcare Limited as CFO, where he built a robust Finance and Accounting Function in his stint of three and a half years. As a member of senior leadership team he has been directly involved in guiding the strategy and execution of the Group's business plans in the healthcare domain.

- Date of appointment & terms & conditions of reappointment along with the remuneration details:

The Board of Directors of the Company had, in its meeting held on December 14, 2012, appointed Mr. Yogesh Kumar Sareen as an additional director and regularized as the director of the company in the AGM held for the FY12-13 and was further reappointed as Director liable to retire by rotation by the shareholders in their AGM held on September 25, 2014. In terms of section 152(6) he is liable to retire by rotation and being eligible, offered himself for re-appointment as a director of the Company.

He is not drawing any remuneration from the Company.

- Shareholding in the Company: Nil
- Relationship with other Directors, Manager & KMP: None
- Number of board meetings attended FY 16-17 : 6 (Six)
- Directorship & Committee position on March 31, 2017.

Directorship in other Companies	Committee Membership in other Companies
1. Crosslay Remedies Limited 2. Hometrail Buildtech Private Limited 3. Hometrail Estate Private	1. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Estate Private Ltd. 2. Member of Audit Committee &

Limited 4. Alps Hospital Limited 5. Max Medical Services Limited 6. Saket City Hospitals Private Limited	Nomination & Remuneration Committee of Max Medical Services Ltd. 3. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Buildtech Pvt. Ltd. 4. Member of Audit Committee of Alps Hospital Ltd. 5. Member of Audit Committee & Operation Committee of Crosslay Remedies Ltd. 6. Member of Audit Committee & Operational Committee of Saket City Hospitals Pvt. Ltd.

II Name of the Director : Mr. Gaurav Khurana (DIN 07890683)

- Age: 37 years
- Qualification:
 - MS Management from University of Paisley, Glasgow, United Kingdom (Now known as University of West Scotland)
 - MSc. Information Technology from Panjab University, Chandigarh
 - BCA from Panjab University, Chandigarh
 - He also holds Six Sigma Green Belt, Business process Improvement (BPI) Yellow Belt and is a Microsoft Certified Professional (MCP)
- Experience: Mr. Gaurav Khurana is an experienced professional and has played diverse roles in Healthcare Operations, Strategy Formulation & Deployment, Business Analytics, and Transformation/Program Management.
- Date of Appointment & Terms & Conditions of appointment / reappointment along with the remuneration details:

The Board of Directors of the Company had, in their meeting held on August 2, 2017 appointed Mr. Gaurav Khurana as an additional director and whole-time directors in terms of provisions of the Act. The other details relating to his appointment at the ensuing AGM including terms of remuneration have been provided under explanatory statement to resolutions set out at Item 4 & 5.
- Shareholding in the Company: Nil
- Relationship with other Director & KMP: None
- Number of board meetings attended in FY 16-17: Nil, as he is appointed w.e.f. August 02, 2017.
- Directorship & Committee position as on March 31, 2017:

Directorship in other Companies	Committee Membership in other Companies
Nil	Nil

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of
the Companies (Management and Administration) Rules, 2014]

CIN: U74899DL1989PLC036413

Name of the Company: Alps Hospital Limited

Registered office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
Email Id: _____
Signature: _____; or
failing him
2. Name: _____ Address: _____ Email Id: _____ Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the 29th day of September 2017 at 9:30 A.M. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Signed this ____ day of _____, 2017

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting

Alps Hospital Limited
(CIN U74899DL1989PLC036413)
Max House, 1, Dr. Jha. Marg, Okhla, New Delhi – 110020

Attendance Slip

Twenty Eighth Annual General Meeting of Alps Hospital Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Husband Name	Address as Regd. With the Company
1.			
2.			

I/ We hereby record my/ our presence at the Twenty Eighth Annual General Meeting of the Company being held on 29th day of September 2017 at 9:30 a.m. at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020.

Please ✓) in the box

☐ Member ☐ Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route map of the AGM Venue



ALPS HOSPITAL LIMITED

(CIN U74899DL1989PLC036413)

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 28th Annual Report on the business and operations of ALPS Hospital Limited ("Company") together with the Audited Financial Results and the Auditor's Report thereon for the financial year ended March 31, 2017.

Your Company is focused on strengthening its positive brand image in the healthcare space and was able to leverage its operational strengths into financial gains during FY 16-17.

The business will continue to identify and implement granular initiatives to achieve sustained growth. This will involve new clinical programs, an increasing focus on developing new specialities along with incremental push on international business.

Your Company from the very beginning has brought immense focus on Patient Care and Patient Safety resulting in building a strong brand equity and increased number of footfalls. Also, we continued our investment in renovation activities, up gradation of medical and engineering equipments.

The healthcare industry is expected to go through far greater scrutiny as we move forward. Your Company is dedicated to its core of Sevabhav and will ensure it shines through in every aspect of our service delivery.

FINANCIAL HIGHLIGHTS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The highlights of the Company's financial performance, for the year ended March 31, 2017 is summarized below:

(Rs. in Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31,
Operating Income	11,862	10,511
Other Income	145	20
Total Income	12,007	10,531
Total Expenditure	9,434	8,211
Operating Profit/(Loss)	2,573	2,320
Less: Finance Charges and Depreciation	716	770
Profit/(Loss) before Tax & Prior Period Items	1,857	1,550
Less: Tax Expenses	369	
Less: Prior Period Items	0	
Profit/ (loss)for the year	1,489	1,550
Earnings per equity share		
Basic*	51.67	53.80
Diluted*		

*Nominal value of shares Rs. 10/- per share.

Previous year figures have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

OPERATIONAL PERFORMANCE

During the financial year 2016-17, your Company continues to review, evaluate and improve the processes and efforts throughout the hospital and developed scorecards for medical quality and other aspects of healthcare delivery in order to raise the bar on the level of care we want to provide to our patients. The hospital continues to witness higher footfalls which are testimony to the service and medical excellence practiced by your Company, to exceed the expectations of its patients.

During the year under review, a new Cath Lab was set up and the hospital touched new heights in all existing specialties. The revenue from Healthcare Services grew by 13% from Rs. 105.11 Crore in 2015-16 to Rs 118.62 Crore in 2016-17. The Company earned a net profit of Rs. 14.89 Crore for FY 2016-17, which is lower as compared to the previous year's profit of Rs. 15.50 Crores.

The Company performed over 566 Ortho-surgeries, Cardiac Surgery-62, Angiography-361, Angioplasty-210, 1206 Obstetrics & Gynaecology surgeries and over 2283 other surgeries and at the same time the average occupancy for the year was 75% (as compared to 82% of last year). The Company touched more than 4.47 Lacs lives during the FY 2016-17 and a large of part of these were the repeat patients, which is testament to the quality and service excellence practiced by the Company.

DIVIDEND & TRANSFER TO RESERVES

Your Directors have considered financially prudent in the long term interest of the Company to reinvest the profits into business, no dividend has therefore been recommended for the year ended March 2017. No amount was transferred to the general reserves.

SHARE CAPITAL

As on March 31, 2017, the Authorized Share Capital of the Company stands at INR 230,000,000 (Rupees Twenty Three Crore only) divided into (i) 3,000,000 (Thirty Lakh) Ordinary equity shares having a nominal value of INR10/- each and (ii) 2,000,000 (Twenty Lakh) Zero Percent Redeemable Preference Shares having a nominal value of INR 100 each.

As on March 31, 2017, the issued, subscribed and paid up equity share capital stands at INR 228,810,340 (Rupees Twenty Two Crore Eighty Eight Lakh Ten Thousand Three Hundred Forty only) divided into (i) 28,81,034 (Twenty Eight Lakh Eighty One Thousand Thirty Four only) equity shares of INR10 each and (ii) 2,000,000 (Twenty Lakh) Redeemable Preference Shares having a nominal value of INR100 each.

During the year, there was no change in the share capital of the Company.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

As on March 31, 2017, your Company has no subsidiary/associate/joint venture company.

DIRECTORS

As on date, your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent Directors. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

The following changes have taken place in the composition of the Board since the last annual general meeting:

Due to pressing professional commitments, Dr. Pawan Kumar (DIN 07506347) stepped down from the position of the Whole Time Director of the Company w.e.f. from July 25, 2017. The Board of Directors placed on record, its sincere appreciation and deepest gratitude for the valuable contribution made by Dr. Kumar during his tenure as a Board Member of the Company.

In terms of Section 160(1) of the Act, Mr. Gaurav Khurana was appointed as an additional director of the Company w.e.f. August 2, 2017 to hold the office up to the ensuing Annual General Meeting of the Company. Mr. Khurana was also appointed as the Whole Time Director of the Company for a period of 3 years, designated as General Manager – Operation of the Company w.e.f. August 2, 2017.

Your Company has received notices in writing in terms of Section 160 of the Act, along with requisite deposit, proposing the candidature of Mr. Gaurav Khurana for the office of Director of the Company.

In accordance with the provisions of the Section 152(6) of the Act, Mr. Yogesh Sareen (DIN 00884252) is due to retire by rotation and being eligible, he offered himself for re-appointment.

In terms of Section 165 of the Act, none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

A brief profile of above named directors seeking appointment / re- appointment at the ensuing AGM of the Company have been provided in the notice of the AGM.

DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from the Independent Directors of the Company (i.e. Mr. Sanjay Khandelwal and Ms. Kiran Sharma) confirming their independence as prescribed under the Act. The terms and conditions of appointment of independent directors are available for inspection at the registered office of the Company by any member during normal business hours.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors to facilitate them to plan their schedule and to ensure meaningful participation. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The detailed Agenda for the Board and Committee meetings on the items to be discussed at the meeting are provided in advance to enable the Directors to take an informed decision. The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 6 time's viz., on, April 4, 2016, May 3, 2016, July 25, 2016, September 27, 2016, December 5, 2016 and March 3, 2017. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company had constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board:

Audit Committee

As on date, the Committee comprises Mr. Yogesh Kumar Sareen (Chairman), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all the recommendations made by the Audit Committee from time to time.

Nomination & Remuneration Committee ("NRC")

As on date, the Committee comprises Mr. Yogesh Kumar Gupta (Chairman) Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the NRC are in compliance with the Section 178 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

Corporate Social Responsibility Committee

In terms of Section 135 of the Act and Companies (Corporate Social Responsibilities Policy) Rules, 2013, the CSR Committee of Board of Directors was constituted to recommend the CSR Policy of the Company indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, recommending the amount of expenditure to be incurred on such activities once the Company meets the profitability criteria prescribed under the Rules and monitoring the CSR Policy of the Company from time to time. This Committee comprises of Mr. Yogesh Kumar Sareen (Non-Executive Director), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director).

The details of Board / Committee meetings held during the financial year 2016 -17 as required under SS-1 has been provided as Annexure - 1

BOARD EVALUATION

In terms of the Board Evaluation Framework of the Company, the performance of the Board as a whole, Board Committees and Directors was carried out.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Company followed two pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committee. The second part was driven by face to face discussions at NRC & Board Meeting with aim to evaluate the performance of individual director. In addition, a separate meeting of all the Independent Director was convened in terms of schedule IV to the Act.

The Evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such

as knowledge, contribution and guidance to the Management. The Directors expressed their satisfaction with the overall evaluation process.

KEY MANAGERIAL PERSONNEL – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as on date Mr. Gaurav Khurana, Whole Time Director, Mr. Umang Jaiswal, Head of Finance and Ms. Gurpreet Kaur, Company Secretary are KMPs of the Company.

The change in KMPs during the year under review is appointment of Mr. Umang Jaiswal as Head of Finance of the Company w.e.f. May 03, 2016.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration for the Directors, Key Managerial Personnel (“KMP”) and other employees. The detail of the aforesaid Policy is as follows:

- **Appointment criteria and Qualification**

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. For the purpose, the NRC shall identify and ascertain the integrity, independence in terms of Section 149 of the Act, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

For the appointment of KMPs [other than MD / Whole time Director (WTD)], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

- **Remuneration Policy**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act w.r.t the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

The key components of the Company's Remuneration Policy are - the Compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration of the Managing / Whole - time Director as the case may be, will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Whole Time Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director, if any) and Senior Management, and which shall be decided by the Whole Time Director based on the standard market practice and prevailing HR policies of the Company.

- Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the NRC / Board / Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act, as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(5) of the Act, to the best of their knowledge and belief, your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for another term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to re-appoint SRBC as the Statutory Auditors of the Company for the FY 2017-18 and fix their remuneration, subject to the ratification by the shareholders of the Company at the ensuing AGM.

The Company has received a certificate from M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, the retiring auditors, confirming that ratification of their appointment for FY 2017 -18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the

Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014

The Statutory Auditors in their Report to Board of Directors of the Company for FY 2016 -17, pointed out that the the Company has provided requisite disclosures in Note 24 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management except for jointly controlled entity in which Rs. 396,000 was directly deposited in bank by its customers, which are other than permitted receipts.

In this regard, it is clarified that, in view of the sudden developments on November 8, 2016, the patients travelling from far off areas and those with planned admissions exercised the option to deposit cash directly to Company's bank Account (as per RBI Circular no. RBI/2016-17/112DCM (Plg) No.1226/10.27.00/2016-17dated of November 8, 2017), under the cover of an authorization by the concerned hospital. Since the Company as well as the bank has the necessary KYC documents, the Company is of the considered opinion that such deposits of Specified Bank Notes were in line with RBI directions and comply with all regulatory requirements.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation or adverse opinion

REPORTING OF FRAUD

During the FY 2016 -17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company

COST AUDITORS

In terms of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records & Audit) Rules, 2014 ("the Rules"), the Company has appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2016 -17.

As per the aforesaid Rules, the Cost Auditor is required to be appointed within 180 days of commencement of each financial year i.e. on or before September 30 of each year. Further, in terms of Section 148 (3) of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed, shall be recommended by the Audit Committee, approved by the Board of Directors of the Company and subsequently ratified by the Shareholders in the general meeting.

The Company has received a certificate from M/s Chandra Wadhwa & Co., confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for the financial year 2017-18.

It is proposed to re- appoint M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for the Financial Year 2017-18 at a remuneration of Rs. 1,10,000/-. Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed has been proposed for the ratification by the Shareholders of the Company in the ensuing AGM.

The Cost Auditor had conducted audit of Cost Accounting Records of the Company for the

financial year 2016-17 and the Cost Audit Report will be filed within the stipulated period of 180 days from the close of the financial year.

The Cost Auditor in their report for FY 2016 -17, pointed out that the Company is incurring losses at some key specialties i.e. Ophthal Surgery, Nephrology and Pediatric Medical and it is incurring losses and suggested that efforts should be made improve profitability for the aforesaid specialties.

In this regard, it is clarified that the Company has already taken steps to improve the cost efficiency, pricing as well as productivity for these specialties.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company outline its CSR focus areas, recommend the amount of CSR expenditure, execution process, review & monitoring mechanism, and reporting process to the Management and the Board of Directors of the Company. The CSR Policy may be accessed on the Company's website.

As per the aforesaid Policy, your company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. , Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company.

The necessary annexures required under Rule 9 of The Companies (Corporate Social Responsibility Policy) Rules, 2014, is enclosed as Annexure – 2.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority are shared with the senior management from time to time, to cascade within their departments. Procedures to ensure conformance with the policies and standards have been put in place covering all activities. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems.

RISK MANAGEMENT

The Company has a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The Company follows detailed risk assessment and minimization procedures for identifying, evaluating and managing all significant risks faced by the Company.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has established a vigil mechanism (Whistle Blower Policy), to cater the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

A whistle blower can raise his / her concerns with the designated official under the Policy and under exceptional circumstances with the Audit Committee. All concerns reported under this Policy shall be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints. During the year under review, no concern/ complaint was received under this policy.

CONTRACTS AND ARRANGEMENT WITH THE RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the Audit Committee / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC -2. Further, there are no related party transactions made by the Company which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Indian AS - 24

PARTICULAR OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient, if any, are provided in the notes to the standalone financial statement.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of Company is annexed herewith **Annexure 3** to this Report.

DEPOSITS

During the year under review, your Company had not invited or accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees (as amended from time to time), is given separately as **Annexure 4** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended March 31, 2017, the ICC received 1 complaints pertaining to sexual harassment. Detailed investigations were carried out and appropriate actions have been taken by the ICC in the reported incidents.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

In terms of Share Purchase & Shareholders' Agreement signed post Balance Sheet Date, the Company has acquired 2600 equity shares of Vikuj Healthcare Private Limited ("VHPL") constituting 26% of the equity share capital of VHPL at par value of INR 10(Ten) per equity share. Depending on achievement of certain conditions precedents, the Company has the right to acquire the remaining equity share capital of VHPL through an escrow arrangement.

Except as disclosed above or elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature

of the Company's business or generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

- Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. During the year, your Company has taken following significant energy conservation measures in its hospital:
 - ✓ Replacement of existing fixtures with energy efficient LED lights continues on ongoing basis
 - ✓ Installation of energy efficient florescent lights.
 - ✓ Control on HVAC systems contributed by way of efficient monitoring and regulation of temperature in OTs and use of Winter Chillers.
 - ✓ More than 99% uptime of all major engineering equipments and systems across the hospital.
 - ✓ Recycling of water and optimizing water consumption in OT and other patient areas
- The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

b) Capital Investment on energy conservation equipment's

- Nil

c) Impact of measures at (a) & (b):

- a. The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

(B). Technology Absorption:

(a) & (b)

Efforts in brief, made towards technology absorption, adaptation & innovation and Benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- Nil

(c)

In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: NA

(d) Research & Development

The expenditure incurred on Research & Development – Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports : Initiatives taken to increase exports; development of new export markets for products and services; and export plans : NIL
- b) Total foreign exchange earned and used

	(In Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Foreign Exchange Earnings	576	274
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	106	50
- Trading Good		
Others	NIL	NIL

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the members, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

For and on behalf of the Board of Directors

New Delhi

Date: 02nd August, 2017

sd/-
Yogesh Sareen
Director
DIN 00884252

sd/-
Gaurav Khurana
Whole Time Director
DIN - 07890683

NOMINATION & REMUNERATION COMMITTEE**No. of Meetings = 2 i.e. May 2, 2016 and July 22, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Gupta	2
Ms. Kiran Sharma	2
Mr. Sanjay Khandelwal	2

AUDIT COMMITTEE**No. of Meetings = 2 i.e. May 2, 2016 and September 27, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	2
Ms. Kiran Sharma	2
Mr. Sanjay Khandelwal	2

CSR COMMITTEE**No. of Meeting = 1 i.e. April 15, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	1
Ms. Kiran Sharma	1
Mr. Sanjay Khandelwal	1

BOARD MEETINGS**No. of Meetings = 6 i.e. April 4, 2016, May 3, 2016 , July 25, 2016, September 27, 2016, December 5, 2016 and March 3, 2017**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	6
Mr. Yogesh Kumar Gupta	6
Ms. Kiran Sharma	6
Mr. Sanjay Khandelwal	6
Dr. Pawan Kumar*	5

* Dr. Pawan Kumar was appointed on May 3, 2016

For and on behalf of the Board of Directors

sd/-
Yogesh Kumar Gupta
Director
DIN 06627814

sd/-
Gaurav Khurana
Whole Time Director
DIN 07890683

Annual Report on CSR Activities taken up by the Company pursuant to Rule 8 of the Companies (CSR Policy) Rules, 2014**1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken:**

As per the CSR Policy, the Company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. , Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company.

2. The Composition of the CSR Committee: This Committee comprises of Mr. Yogesh Sareen (Chairman – Non Executive Director), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director).

3. Average net profit of the Company for last three financial years (2013-14 to 2015-16): Rs. 792.33 Lacs

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above - (2013-14 to 2015-16): Rs. 15.85 Lacs

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year: Rs 15.85 Lacs

(b) Amount unspent, if any: Rs. 0.73 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which project is covered	Project or Programs Local Area or other State & district	Amount outlay (budget) project or program wise	Amount spent on the project or programs	Cumulative Expenditure upto the Reporting period	Amount Spent: Direct or through implementing agency
1	NGO Work on Healthcare Platform	Health & Hygiene	Delhi	3.50	3.50 Direct	3.50	Direct
2.	Health Awareness	Health & Hygiene	Delhi	11.50	11.62 Direct	11.62	Direct

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: The Company's CSR activities are co-ordinated with Max India Foundation who works directly as well as through NGOs towards providing holistic healthcare to underprivileged and work for an eco-friendly environment. This involves setting the foundation of various programs at a small scale and evolve these over a period of time-to ensure maximum benefit & impact for the targeted community. In view of this, the actual spend by the Company on CSR was less than 2% of the average net profits for last three Financial Years – a shade lower than 2%. The Company step up the CSR activities and expenses thereon in the coming years as more of CSR projects are launched and existing ones scale up.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

For and on behalf of the Board of Directors

Sd/-
Yogesh Sareen
DIN 00884252
Chairman – CSR Committee

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U74899DL1989PLC036413
Registration Date	May 26, 1989
Name of the Company	Alps Hospital Limited
Address of the Registered office and contact details	MAX HOUSE, 1, DR JHA MARG, OKHLA, PHASE III, NEW DELHI – 110020 Phone No. 011-41220600 Email id – secretarial@maxhealthcare.com
Category / Sub-Category of the Company	Public Company Limited by Shares
Whether listed company	Non-Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Limited (Registrars & Share Transfer Agents) T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83 Fax:- 26387384 email:- info@masserv.com website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S.No.	Name and description of main services/products	NIC Code of the Service/ Product	% of the total turnover of the Company
1.	Name of Services – Healthcare	As Per NIC Code 2008 Division is 86	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shares	Applicable Section
1.	Max Medical Services Limited	U74899DL1994PLC061314	Holding	85.04%	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding – **As per Annexure 1A**
- (ii) Shareholding of Promoters – **As per Annexure 1B**
- (iii) Change in Promoters' Shareholding – **As per Annexure 1C**
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – **Annexure – 1D**
- (v) Shareholding of Directors and Key Managerial Personnel – **As per Annexure – 1E**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

(In Lacs)

					(INR in Lacs)
Particulars	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
	Lease	HDFC			
Indebtedness at the beginning of the financial year					
<i>i. Principal Opening Balance as on 01.04.2016</i>	475	2,000	-		2,475
<i>ii Interest due but not paid as on 01.04.2016</i>	4	-	-		-
<i>ii. Interest Accrued but not due as on 01.04.2016</i>	-	19.72	-		19.72
Total (i+ii)					
Change in indebtedness during the financial year					
<i>i. Change in Principal during the period {Addition / (reduction)}</i>	-36	-	-1,500		
<i>ii. Change in Interest Accrued during the period {Addition / (reduction)}</i>	43	157	114		
Indebtedness at the end of the financial year					
<i>i. Principal Closing Balance as on 31.03.2017</i>	475	2,000	-		-
<i>ii Interest due but not paid as on 31.03.2017</i>	4	20	-		-
<i>iii. Interest Accrued but not due as on 31.03.2017</i>	-	-	-		15.22
Total (i+ii)	479	2,020	Nil		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole Time Directors and/or Manager

(IN INR)

SN.	Particulars of Remuneration	Whole Time Director	Total Amount
1	Gross Salary	Pawan Kumar	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	26,56,893	26,56,893
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961.	56,700	56,700
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.		
2.	Stock Options	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL
4.	Commission ➤ As % of profit ➤ Others	NIL	NIL
5.	Others	NIL	NIL
	Total A	27,13,593	27,13,593
	Ceiling as per the Act		

B. Remuneration to other directors

(IN INR)				
SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Ms. Kiran Sharma	Mr. Sanjay Khandelwal	NIL
	Fee for attending board committee meetings*	52,500	52,500	1,05,000
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total A = (1)	52,500	52,500	1,05,000
2	Other Non-Executive Directors	NIL	NIL	NIL
	Fee for attending board committee meetings*	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	52,500	52,500	1,05,000
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL

* After Tax Deduction at Source

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD.

(IN INR)

SN.	Particulars of Remuneration	Head Finance	Company Secretary	Total Amount	
1	Gross Salary	Manish Puri	Gurpreet Kaur		
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	8,83,074	1,20,000/-		
	Value of Perquisite u/s 17(2) Income Tax Act, 1961.	Nil	Nil		
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.				
2.	Stock Options	Nil	Nil		-
3.	Sweat Equity Shares	Nil	Nil		-
4.	Commissions As % of profit Others	Nil	Nil		-
5.	Others	-	-		-
	Total A	883,074/-	1,20,000/-		
	Ceiling as per the Act	-	-		-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE – There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year

ANNEXURE – 1A

[illegible]

(1) Institutions									
Foreign Financial Institution	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Preference	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDR & ADR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	24,49,940	4,31,094	28,81,034	100%	24,49,940	4,31,094	28,81,034	100%	

(Shareholding of Promoter) - ANNEXURE –1B

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Max Medical Services Limited	24,50,000	85.04%	26%	24,50,000	85.04%	26%	NIL

(Changes in Promoters' Shareholding) - ANNEXURE – 1C

SN	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Max Medical Services Limited.		24,50,000	85.04%	24,50,000	85.04%

(Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) - ANNEXURE – 1D

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

Shareholding of Directors and Key Managerial Personnel - ANNEXURE – 1E

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Yogesh Kumar Gupta				NIL
	At the beginning of the year	10*		10	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	10		10	NIL

*hold as nominee shareholder.

For and on behalf of the Board of Directors

sd/-
Yogesh Kumar Gupta
Director
DIN 06627814

sd/-
Gaurav Khurana
Whole Time Director
DIN 07890683

INDEPENDENT AUDITOR'S REPORT

To the Members of Alps Hospital Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Alps Hospital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account ;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 23 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in Note 24 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management except for jointly controlled entity in which Rs. 396,000 was directly deposited in bank by its customers, which are other than permitted receipts.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Alps Hospital Limited (“The Company”)

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

months from the date they became payable. The provisions related to duty of excise are not applicable to the Company.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 from debenture holders or Government.
- (ix) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management the term loans were applied for the purpose for which the loans were taken. Further, the Company has not raised any money way of initial public offer / further public offer / debt instruments hence, the relevant reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ALPS HOSPITAL LIMITED

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

To the Members of Alps Hospital Limited

We have audited the internal financial controls over financial reporting of Alps Hospital Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature:

Date: May 20, 2017

Alps Hospital Limited
Balance sheet as at March 31, 2017

		(Rs in Lacs)		
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,329	4,179	4,274
Capital work-in-progress	3	51	-	-
Intangible assets	4	30	15	8
Intangible assets under development	4	-	-	5
Financial assets	5			
(i) Loans		1,100	-	-
(ii) Other financial assets		30	26	29
(iii) Other bank balances		1	1	44
Other non current assets	6	250	855	674
Deferred tax assets (net)	7	118	160	-
		<u>5,909</u>	<u>5,236</u>	<u>5,034</u>
Current assets				
Inventories	8	154	202	142
Financial assets	9			
(i) Loans		41	-	-
(ii) Trade receivables		589	721	431
(iii) Other financial assets		42	33	26
(iv) Cash and cash equivalents		65	65	33
(v) Other bank balances		1	1	7
Other current assets	10	205	42	31
		<u>1,097</u>	<u>1,064</u>	<u>670</u>
TOTAL ASSETS		<u>7,006</u>	<u>6,300</u>	<u>5,704</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	288	288	288
Other equity	11	675	(525)	(1,844)
Total Equity		<u>963</u>	<u>(237)</u>	<u>(1,556)</u>
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	12	4,593	4,874	4,204
Long term provisions	13	11	9	6
		<u>4,604</u>	<u>4,883</u>	<u>4,210</u>
Current liabilities				
Financial Liabilities	14			
(i) Borrowings		286	254	218
(ii) Trade payables		921	1,079	2,627
(iii) Other financial liabilities		106	127	65
Short term provisions	15	29	31	28
Other current liabilities	16	97	163	112
		<u>1,439</u>	<u>1,654</u>	<u>3,050</u>
TOTAL LIABILITIES		<u>6,043</u>	<u>6,537</u>	<u>7,260</u>
TOTAL EQUITY AND LIABILITIES		<u>7,006</u>	<u>6,300</u>	<u>5,704</u>
Summary of significant accounting policies	2			
Contingent liabilities, commitments and litigations	24			
Other notes on accounts	25			

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

**For and on behalf of the Board of Directors of
Alps Hospital Limited**

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Pawan Kumar
(Whole Time Director)
DIN :07506347

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

Sd/-
Umang Jaiswal
(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
Membership Number: A15776

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

Alps Hospital Limited
Statement of profit and loss for the year ended March 31, 2017

		(Rs in Lacs)	
	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	17	11,862	10,511
Other income	18	43	17
Finance income	19	102	3
Total income		12,007	10,531
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		1,972	1,877
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		48	(60)
Employee benefits expense	20	1,471	1,358
Finance costs	21	598	641
Depreciation and amortization expense	22	400	360
Other expenses	23	5,942	5,034
Total expenses		10,431	9,210
Profit before tax		1,576	1,321
Tax expenses			
Current tax (including MAT payable)	7	339	160
Less: MAT credit entitlement	7	(339)	(160)
Deferred tax expenses	7	375	-
Total tax expenses		375	-
Profit after tax		1,201	1,321
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	25.1	(1)	(2)
Income tax effect		-	-
		(1)	(2)
Other comprehensive income for the year, net of tax		(1)	(2)
Total comprehensive income for the year (net of tax attributable to equity shareholder)		1,200	1,319
Earnings per equity share (Nominal Value of share of Rs.10/-) (refer note 25.4)			
Basic & diluted (Rs.)		41.69	45.85
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	24		
Other notes on accounts	25		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Alps Hospital Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

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(Whole Time Director)
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(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
Membership Number: A15776

Place : Gurugram
Date : May 20, 2017

Place : Gurugram
Date : May 20, 2017

Alps Hospital Limited
Statement of changes in equity for the year ended March 31, 2017

a) Equity Share Capital

Particulars	Nos.	(Rs in Lacs)
As at April 1, 2015	2,881,034	288
Add: Equity share issued (note 11)	-	-
As at March 31, 2016	2,881,034	288
Add: Equity share issued (note 11)	-	-
As at March 31, 2017	2,881,034	288

b) Other Equity

Particulars	Reserves and surplus		Total equity
	Securities premium account	Retained earnings	
As at April 1, 2015	1,399	(3,243)	(1,844)
Profit for the year	-	1,321	1,321
Other comprehensive income for the year	-	(2)	(2)
As at March 31, 2016	1,399	(1,924)	(525)
Profit for the year	-	1,201	1,201
Other comprehensive income for the year	-	(1)	(1)
As at March 31, 2017	1,399	(724)	675

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	24
Other notes on accounts	25

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Alps Hospital Limited

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Sd/-
Gurpreet Kaur
(Company Secretary)
Membership Number: A15776

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

Alps Hospital Limited
Statement of cash flows for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flows from operating activities		
Profit before tax	1,576	1,321
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	393	357
Amortization of intangible assets	7	3
Provision for doubtful debts	113	23
Bad debts written off	7	-
Unclaimed Balances & excess provisions written back	(36)	(14)
Loss on disposal of property, plant and equipment	7	9
Finance income (including fair value change in financial instrument)	(102)	(3)
Finance costs (including fair value change in financial instrument)	544	596
Operating profit before working capital changes	2,509	2,292
Movement in working capital:		
Movements in provisions and gratuity	(1)	4
Increase in trade and other receivables and prepayments	(13)	(331)
(Increase)/decrease in inventories	48	(60)
Decrease in trade and other payables	(188)	(1,483)
Cash generated from operations	2,355	422
Income tax paid	(19)	(189)
Net cash flows from operating activities	2,336	233
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	-	24
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(503)	(431)
Proceeds from fixed deposits	-	49
Loan given to other healthcare service provider	(1,100)	-
Interest received	61	3
Net cash flows used in investing activities	(1,542)	(355)
Cash flow from financing activities		
Interest paid	(544)	(596)
Proceeds from long term borrowings (net of repayment)	(282)	714
Proceeds from short term borrowings (net of repayment)	32	36
Net cash flows from/(used in) financing activities	(794)	154
Net increase in cash and cash equivalents	-	32
Cash and cash equivalents at the beginning of the year	65	33
Cash and cash equivalents at year end	65	65

Components of cash and cash equivalents :-

	As at March 31, 2017	As at March 31, 2016
Balances with banks:		
On current accounts	42	43
Cheques/ drafts on hand	16	11
Cash on hand	7	11
	65	65

Summary of significant accounting policies	2
Contingent liabilities , commitments and litigations	24
Other notes on accounts	25

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Alps Hospital Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

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(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
Membership Number: A15776

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

Alps Hospital Limited

Notes forming part of the financial statements

1 Corporate Information

The company is Multi Speciality hospital engaged in the business of providing the medical services in Gurgaon, Haryana and incorporated under provisions of the Companies Act, 2013. Healthcare facilities have long gestation periods from the commencement of its operations and accordingly require significant cash outlay.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 25.9 for information on how the company has adopted Ind AS.

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

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

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

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

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

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

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

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

Assets	Useful lives estimated by the management (years)
Building	5 - 60 Years
Medical Equipment	13 Years
Electrical Installations and Equipments	10 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers & Data Processing Units	3 - 6 Years
Furniture and Fixtures	10 Years
Motor Vehicles	6 - 8 Years

Alps Hospital Limited
Notes forming part of the financial statements

c. Intangible assets

Separately acquired intangible assets

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

Research and development cost

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

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

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

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

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

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

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

d. Impairment of non financial assets

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

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

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

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

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

e. Financial Instruments

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

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Alps Hospital Limited

Notes forming part of the financial statements

Debt instruments at amortized cost

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

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

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

Debt instruments at fair value through OCI

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

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

Reclassification of financial assets

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

Alps Hospital Limited
Notes forming part of the financial statements

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Borrowings

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

f. Revenue recognition

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

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

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

Sale of goods

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

Rendering of services

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

Rental income

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

Interest

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

g. Inventories

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

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

Alps Hospital Limited
Notes forming part of the financial statements

h. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

Deferred tax includes Minimum Alternative Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

i. Borrowing costs

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

j. Leases

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

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

Company as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2 i).

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

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

Company as a lessor

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

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

k. Provisions

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

Contingent liabilities

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

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

Alps Hospital Limited
Notes forming part of the financial statements

l. Employee benefits

Provident fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss account for the year when contributions for the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken a policy with Max Life Insurance Company Limited (MLIC) to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with MLIC is provided for as liability in the books.

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

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

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

Compensated Absences

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

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

Short-term obligations

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

m. Cash and cash equivalents

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

n. Earning per share

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

o. Foreign currencies

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

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

Measurement of foreign currency items at the balance sheet date

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

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

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

p. Fair value measurement

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

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

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

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

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

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

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

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

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

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

Alps Hospital Limited

Notes forming part of the financial statements

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

2.4 Significant accounting judgements, estimates and assumptions

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

Judgements

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

(a) Operating lease commitments - Company as lessee

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

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

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 25.1.

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

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

(e) Impairment of non-Financial assets

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

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Alps Hospital Limited
Notes forming part of the financial statements

3. Property, plant and equipment (PPE)

(Rs in Lacs)

	Building	Medical equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
At cost											
Deemed cost as at April 1, 2015	2,223	1,154	402	22	122	9	12	292	38	4,274	-
Additions	64	150	1	8	5	-	17	5	45	295	-
Disposals	-	44	-	-	-	-	-	-	24	68	-
As at March 31, 2016	2,287	1,260	403	30	127	9	29	297	59	4,501	-
Additions	28	216	1	4	-	-	263	-	37	549	51
Disposals	-	7	-	9	2	-	-	5	33	56	-
As at March 31, 2017	2,315	1,469	404	25	125	9	292	292	63	4,994	51
Depreciation											
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-
Additions	42	150	35	14	19	4	4	48	41	357	-
Disposals	-	11	-	-	-	-	-	-	24	35	-
As at March 31, 2016	42	139	35	14	19	4	4	48	17	322	-
Additions	41	161	39	6	19	4	32	48	42	392	-
Disposals	-	4	-	8	1	-	-	3	33	49	-
As at March 31, 2017	83	296	74	12	37	8	36	93	26	665	-
Net carrying amount											
As at March 31, 2017	2,232	1,173	330	13	88	1	256	199	37	4,329	51
As at March 31, 2016	2,245	1,121	368	16	108	5	25	249	42	4,179	-
As at April 1, 2015	2,223	1,154	402	22	122	9	12	292	38	4,274	-

3.01 The Company has in its favour a sub lease for a plot of land in Gurgaon, for an initial period of 97 years, which can be further renewed for two term of 97 years each. The plot of land measures 1.23 acres, and the designated usage in for healthcare facility.

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

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Gross Block	438	438	438
Depreciation charge for the year	74	74	-
Accumulated Depreciation	148	74	-
Net Book Value	290	364	438

3.03 PPE given as security

PPE are subject to charge to secure the Company's secured long term borrowings as disclosed in note 12.

Alps Hospital Limited
Notes forming part of the financial statements

4. Intangible assets

	(Rs. in lacs)	
	Computer Software	Intangible assets under development
At cost		
Deemed cost as at April 1, 2015	8	5
Additions	10	-
Disposals	-	5
As at March 31, 2016	18	-
Additions	22	-
Disposals	-	-
As at March 31, 2017	40	-
Amortisation		
As at April 1, 2015	-	-
Additions	3	-
Disposals	-	-
As at March 31, 2016	3	-
Additions	7	-
Disposals	-	-
As at March 31, 2017	10	-
Net carrying amount		
As at March 31, 2017	30	-
As at March 31, 2016	15	-
As at April 1, 2015	8	5

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Alps Hospital Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Non-current financial assets			
(i) Loans (value at amortized cost) (unsecured considered good unless otherwise stated)			
Loans and advances to other healthcare service providers	1,100	-	-
	1,100	-	-
(ii) Other financial assets (value at amortized cost)			
Security deposits	30	26	29
	30	26	29
(iii) Other bank balances			
Deposit			
Margin money deposits #	1	1	44
	1	1	44
# Margin money deposits given as security			
Rs. 1 Lacs (March 31,2016: Rs 1 Lacs) (April 1, 2015 : Nil) to secure bank guarantee given to Sales Tax Department, Gurgaon			
Nil (March 31,2016: Nil) (April 1, 2015 : Rs.44 Lacs) to secure bank guarantee given to CGHS/DGHS/ESIC/NDMC			
6. Other non current assets (unsecured considered good)			
Capital advances	9	149	-
Others			
Prepaid expenses	8	9	6
Tax deducted at source recoverable	233	697	668
	250	855	674

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Alps Hospital Limited
Notes forming part of the financial statements

		(Rs in Lacs)	
	As at March 31, 2017	As at March 31, 2016	
7. Income taxes			
Statement of profit and loss:			
(a) Income tax expense in the statement of profit and loss comprises :			
Current income tax charge	339	160	
Deferred Tax			
On account of MAT credit	(339)	(160)	
Relation to other origination/reversal of temporary differences*	375	-	
Income tax expense reported in the statement of profit and loss	375	-	
(b) Other Comprehensive Income			
Re-measurement (gain) / losses on defined benefit plans (refer note 25.1)	-	-	
Income tax related to item recognised in OCI during the year	-	-	
(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :			
Accounting profit before tax	1,576	1,321	
Applicable tax rate	34.608%	34.608%	
Computed tax expense	546	457	
Impact of unrecognised deferred tax asset on previous years unabsorbed losses/depreciation	(272)	(633)	
Impact of provision of interest on preference shares at amortised cost	97	166	
Loss on sales of fixed assets not considered for tax purpose	2	3	
Corporate social responsibilities expnese not cosidered for tax purpose	5	-	
Others	(3)	7	
Income tax reported in the statement of profit and loss	375	-	
(d) Deferred tax relates to the following:			
	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax liabilities comprises			
Accelearted depreciation for Tax purpose	647	605	580
Others	6	9	
Deferred Tax Asset			
Expenses allowed on payment basis	(43)	(27)	(12)
Impairment allowance (allowance for bad and doubful receivable)	(90)	(55)	(144)
Unabsorbed business losses / depreciation	(145)	(803)	(1,329)
Unabsorbed business losses / depreciation (Restricted to Deferred Tax Liability) *		271	905
MAT credit entitlement	(493)	(160)	-
Net deferred tax liabilities/(Asset)	(118)	(160)	-
(e) Reconciliation of deferred tax asset (net)			
Opening balance	160	-	-
Tax (income)/expense during the period recognised in profit or loss	(375)	-	-
MAT credit entitlement	333	160	-
Closing balance	118	160	-

The Company follows Ind AS 12 "Accounting for Income Taxes", as notified by Companies Indian Accounting Standards Rules, 2015. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component for as at March 31, 2016 and April 01, 2015. However, deferred tax asset has been considered as it has been recognized only to the extent of deferred tax liability since there was no convincing evidence which demonstrates probability 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.

Alps Hospital Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
8. Inventories	154	202	142
	<u>154</u>	<u>202</u>	<u>142</u>
9. Current financial assets			
(i) Loans			
Loans and advances to other healthcare service providers	41	-	-
	<u>41</u>	<u>-</u>	<u>-</u>
(ii) Trade receivables			
Unsecured :-			
Trade receivables - considered good	589	721	431
Trade receivables - considered doubtful	259	159	415
Less: Impairment allowance for trade receivable considered doubtful	(259)	(159)	(415)
	<u>589</u>	<u>721</u>	<u>431</u>
(iii) Other financial assets			
Unbilled revenue	39	30	26
Security deposits	3	3	-
	<u>42</u>	<u>33</u>	<u>26</u>
(iv) Cash and cash equivalents			
Balances with banks:			
On current accounts	42	43	8
Cheques/ drafts on hand	16	11	12
Cash on hand	7	11	13
	<u>65</u>	<u>65</u>	<u>33</u>
(v) Other bank balances			
Deposit			
Margin money deposits #	1	1	7
	<u>1</u>	<u>1</u>	<u>7</u>
# Margin money deposits given as security			
Rs.1 Lacs (March 31, 2016: Rs.1 Lacs) (April 1, 2015 : Rs.2 Lacs) to secure bank guarantee given to Sales Tax Department, Gurgaon			
Nil (March 31,2016: Nil) (April 1, 2015 : Rs.5 Lacs) to secure bank guarantee given to CGHS/DGHS/ESIC/NDMC			
10. Other current assets (unsecured considered good unless otherwise stated)			
Tax deducted at source recoverable	152	2	2
Other advances :-			
Unsecured, considered good	20	10	2
Prepaid expenses	33	30	27
	<u>205</u>	<u>42</u>	<u>31</u>

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Alps Hospital Limited
Notes forming part of the financial statements

11. Share capital and other equity

(i) Equity

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Authorized			
20,000,000 (March 31, 2016: 3,000,000) (April 1, 2015: 3,000,000) equity shares of Rs.10/- each	2,000	300	300
	2,000	300	300
Issued, subscribed and fully paid-up			
2,881,034 (March 31, 2016: 2,881,034) (April 1, 2015: 2,881,034) equity shares of Rs.10/- each	288	288	288
Total issued, subscribed and fully paid-up share capital	288	288	288

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016	
Equity shares	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
At the beginning of the year	2,881,034	288	2,881,034	288
Issued during the year				
- Fresh Issue	-	-	-	-
Outstanding at the end of the year	2,881,034	288	2,881,034	288

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

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited/Ultimate holding company	431,034	14.96%	431,034	14.96%	431,034	14.96%
Max Medical Services Limited/holding company	2,449,940	85.04%	2,449,940	85.04%	2,449,940	85.04%

d) Terms/ rights attached to equity shares

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

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

e) Shares held by holding company/Ultimate holding company

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Max Healthcare Institute Limited/Ultimate holding company			
431,034 (March 31, 2016 : 431,034) (April 1, 2015: 431,034) equity shares of Rs.10/- each fully paid up	43	43	43
Max Medical Services Limited/holding company			
2,449,940 (March 31, 2016 : 2,449,940) (April 1, 2015: 2,449,940) equity shares of Rs.10/- each fully paid up	245	245	245
	288	288	288

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

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Alps Hospital Limited
Notes forming part of the financial statements

(ii) Other equity

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security premium account (refer note a below)	1,399	1,399	1,399
Retained earnings (refer note b below)	(724)	(1,924)	(3,243)
	675	(525)	(1,844)

a) Securities premium account

At the beginning of the year	1,399	1,399
	1,399	1,399

b) Retained earnings

At the beginning of the year	(1,924)	(3,243)
Profit for the year	1,201	1,321
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(1)	(2)
	(724)	(1,924)

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Alps Hospital Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
12. Borrowings			
Non-current borrowings :-			
Term loans from bank (secured)	1,483	1,979	-
Finance lease obligation (secured)	351	415	475
Inter corporate deposits (unsecured)	-	-	1,500
Zero percent redeemable preference shares (unsecured)	2,759	2,480	2,229
Current borrowings :-			
Term loans from bank (secured)	15	20	-
Finance lease obligation (secured)	68	64	40
	4,676	4,958	4,244
Less: Amount disclosed under "other current financial liabilities" [refer note 14 (iii)]	83	84	40
	4,593	4,874	4,204
Aggregate secured loans	1,917	2,478	515
Aggregate unsecured loans	2,759	2,480	3,729

Term loan from bank:-

Rs. 1,498 Lacs (March 31, 2016 : Rs. 1,999 Lacs) (April 01, 2015 : Nil) from HDFC Bank Limited repayable in 20 structured quarterly installments from November 2019.
The above Loan is secured by way of :

- First charge on movable PPE including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets.
- First charge on all the book debts, operating cash flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior first pari-passu charge in favour of working capital bankers restricted to the present working capital limits of Rs.500 Lacs).
- First charge on all intangibles assets.
- Corporate guarantee by the holding Company.

Finance lease obligation:-

Finance Lease obligations represents medical equipment obtained on finance lease as per "Equipment pay per use Agreement" with Philips Electronics India Limited effective from February. 27, 2014 for 84 months with compulsory buy back at the end of tenure.

Inter corporate deposits:-

Inter Corporate Deposits represents long term borrowings amounting to Nil (March 31, 2016 : Nil) (April 01, 2015 : 1,500 Lacs) from ultimate holding company i.e. Max Healthcare Institute Limited having maturity on March 31, 2018.

Zero percent redeemable preference shares (unsecured) :-

The Company had allotted 2,000,000 nos., 0% Redeemable Preference Shares of Rs. 100/- each aggregating to Rs, 2,000 lacs on March 25, 2014 to Max Healthcare Institute Limited (the ultimate Holding Company)

These preference shares have been issued on following terms & conditions:

- Nature: zero percent redeemable non-convertible preference shares.
- Dividend: These preference shares shall not carry any dividend.
- 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.
- Premium: Redemption premium providing internal rate of return (IRR) of 11.25% per annum.
- Tenure: Redeemable after 6 years

13. Long term provision

Provision for employee benefits

Provision for gratuity (refer note 25.1)

11	9	6
11	9	6

Alps Hospital Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
14. Current financial liabilities			
(i) Borrowings			
Cash credit from banks	286	254	218
	286	254	218
Cash Credit from bank is secured by way of first charge on current assets, present and future, of the company. The cash credits are repayable on demand.			
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	921	1,079	2,627
	921	1,079	2,627
* Details of dues to micro and small enterprises as per MSMED Act, 2006			
As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.			
# Trade payable includes due to related parties Rs.115 Lacs (March 31, 2016 : Rs.57 Lacs) (April 1, 2015 : Rs.1872 Lacs)			
(iii) Other current financial liabilities			
Current maturity of long term loans (refer note 12)	15	20	-
Current maturity of finance lease obligation (refer note 12)	68	64	40
Capital creditors	23	43	25
	106	127	65
15. Short term provision			
Provision for employee benefits			
Provision for leave encashment	27	28	26
Provision for gratuity (refer note 25.1)	2	3	2
	29	31	28
16. Other current liabilities			
Advance from patients	20	93	46
Statutory dues	77	70	66
	97	163	112

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Alps Hospital Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
17. Revenue from operations		
Sale of products		
Pharmacy and pharmaceuticals supplies	570	626
Revenue from healthcare services (net)	11,253	9,862
Other operating Income		
- Income from ancillary activities	39	23
Total	11,862	10,511
18. Other income		
Unclaimed Balances & excess provisions written back	36	14
Other non-operating income	7	3
	43	17
19. Finance income		
Interest Income on		
Bank deposits	6	3
Loans to other healthcare service providers	45	-
Income tax refund	51	-
	102	3

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Alps Hospital Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
20. Employee benefits expense		
Salaries, wages and bonus	1,319	1,224
Contribution to provident and other funds	56	56
Gratuity expense (refer note 25.1)	9	8
Staff welfare expenses	87	70
	1,471	1,358
21. Finance costs		
Interest on debts and borrowings	544	596
Bank Charges	54	45
	598	641
22. Depreciation and amortization expense		
Depreciation of property, plant and equipment (refer note 3)	393	357
Amortization of intangible assets (refer note 4)	7	3
	400	360
23. Other expenses		
Professional and consultancy fee	3,546	3,170
Outside lab investigation	627	358
Patient catering expenses	123	122
Rent	21	20
Insurance	55	48
Rates and taxes	36	12
Facility maintenance expenses	160	148
Power and fuel	353	357
Repairs and maintenance:		
Building	23	15
Plant and equipments	111	70
Others	46	156
Printing and stationery	60	68
Advertisement and publicity	93	72
Travelling and conveyance	28	24
Communication	13	10
Legal and professional	358	253
IT support expense	79	44
Watch and ward	54	45
Directors' sitting fee	1	-
Recruitment expenses	5	6
Provision for doubtful debts	113	23
Bad debts written off	7	279
Less: Provision written back of earlier years	-	(279)
Corporate social responsibility contribution (refer note 25.11)	15	-
Net loss on sale/disposal of fixed assets	7	9
Miscellaneous expenses	8	4
	5,942	5,034
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	12	9
Reimbursement of expenses	1	1
	13	10

Alps Hospital Limited
Notes forming part of the financial Statements

24. Commitments and contingencies

I) Contingent liabilities (to the extent not provided for)

		(Rs in Lacs)		
S. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
i.	Claims against the Company not acknowledged as debts			
-	Civil Cases (Refer note a)	1,305	1,300	1,296
-	Income Tax cases (Refer note b)	-	-	19

Note:

a) Claims against the Company not acknowledged as debts represent the cases pending with judicial forums/authorities. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgements / decisions pending with various forums/authorities. The Company has not made any provision for the demands in Excise, Service Tax and Customs as the Company believes that they have a good case based on existing judicial pronouncements.

b) Income Tax Cases

(i) Pendency of Assessment matters before the Appellate authorities

		(Rs in Lacs)		
Assessment Year	Appeal pending Before	Disallowances as per Assessment Order - as at March 31, 2017	Disallowances as per Assessment Order - as at March 31, 2016	Disallowances as per Assessment Order - as at April 1, 2015
2011-12	CIT(Appeals)	-	450	450
2012-13	CIT(Appeals)	-	455	455
2013-14	CIT(Appeals)	473	473	-
Total		473	1,378	905

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

(ii) Matters involving withholding tax issues

		(Rs in Lacs)		
Assessment Year	Appeal pending Before	Demand as at March 31, 2017	Demand as at March 31, 2016	Demand as at April 1, 2015
2012-13	CIT(Appeals)	-	-	19
Total		-	-	19

The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

II) Capital commitments

(Rs. in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account	52	234	-
Less: Capital advances	9	149	-
Balance Value of Contracts	43	85	-

III) Lease commitment

Finance lease commitment : company as lessee

The Company has taken a medical equipment on finance lease from Philips Electronics India Limited under Equipment Pay per Use agreement w.e.f. February 27,2014. The lease involves payment in 84 installments starting from April 25, 2014 and payment of salvage value at the end of the tenure for compulsory purchase of equipment.

Future minimum lease payments (MLP) together with present value of the net MLP are as follows:

	March 31, 2017		March 31, 2016		April 01, 2015	
	Minimum payments	Present value of Minimum lease payment	Minimum payments	Present value of Minimum lease payment	Minimum payments	Present value of Minimum lease payment
Within one year	99	65	99	60	79	36
After one year but not more than five years	403	351	502	415	449	332
More than five years	-	-	-	-	151	143

Operating lease commitment : company as lessee

The Company has entered into operating lease agreement for nursing hostel, rent paid is Rs.21 lacs (March 31, 2016 is Rs. 20 lacs). The Company also recover certain portion of rent from the employees.

Future minimum lease payments and the payment profile of operating leases are as follows :

		(Rs. in Lacs)		
		March 31, 2017	March 31, 2016	April 01, 2015
Within one year		30	30	23
After one year but not more than five years		38	68	105
More than five years		-	-	-

25 Other notes to accounts

25.1 Gratuity

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

	(Rs. in Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	33	29
Interest expense	2	2
Current service cost	8	8
Benefit paid	(8)	(8)
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	(2)	(1)
Actuarial changes arising from changes in financial assumptions	3	1
Actuarial changes arising from changes in experience adjustments	2	2
Defined benefit obligation at year end	38	33
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	21	21
Investment income	2	2
Return on plan assets excluding interest income	2	(2)
Fair value of plan assets at year end	25	21
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	25	21
Present value of defined benefit obligation	(38)	(33)
Amount recognized in balance sheet- asset / (liability)	(13)	(12)
d) Net defined benefit expense (recognized in the statement of profit and loss for the year)		
Current service cost	8	8
Net interest cost on benefit obligation	1	-
Net defined benefit expense debited to statement of profit and loss	9	8
e) Other comprehensive income		
Change in demographic assumptions	(2)	(1)
Change in financial assumptions	3	-
Experience variance	2	1
Return on plan assets, excluding amount recognized in net interest expense	(2)	2
Net other comprehensive income	1	2
f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	100%	100%
g) Principal assumptions used in determining defined benefit obligation		
Assumption particulars	As At March 31, 2017	As At March 31, 2016
Discount Rate	6.6%	7.5%
Salary Escalation Rate	8.0%	8.0%
Mortality Rate (% of IALM 06-08)	100.0%	100.0%
h) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 1.00%	(2)	(2)
Decrease by 1.00%	2	2
Salary growth rate		
Increase by 1.00%	2	2
Decrease by 1.00%	(2)	(2)
Attrition rate		
Increase by 0.50%	(3)	(2)
Decrease by 0.50%	7	4
i) Maturity profile of defined benefit obligation (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	7	7
Between 2 and 5 years	22	18
Between 6 and 10 years	14	8
More than 10 years	14	30
Total expected payments	57	63
j) The average duration of the defined benefit plan obligation at the end of the reporting period is 5 Years (March 31, 2016 : 6 years)		
k) The plan assets are maintained with Max Life Insurance Company Limited		
l) The Company expects to contribute Rs. 21 Lacs (March 31, 2016 : Rs.19 lacs) to the planned asset during the next financial year.		
m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.		
n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.		
o) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.		

Alps Hospital Limited
Notes forming part of the financial Statements

25.2A Financial instruments

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

Category	Carrying value			Fair Value		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
1) Financial asset at amortized cost						
Loans	1,141	-	-	1,141	-	-
Other financial assets	72	59	55	72	59	55
Trade receivables	589	721	431	589	721	431
Cash and cash equivalents	65	65	33	65	65	33
Other bank balances	1	1	7	1	1	7
2) Financial liabilities at amortized cost						
Borrowings	4,879	5,128	4,422	4,879	5,128	4,422
Other financial liabilities	106	127	65	106	127	65
Trade payables	921	1,079	2,627	921	1,079	2,627

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

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

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

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

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

25.2B Fair value hierarchy

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

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

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

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

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

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Loans	1,141	-	-	1,141
Other financial assets	72	-	-	72
Trade receivables	589	-	-	589
Cash and cash equivalents	65	-	-	65
Other bank balances	1	-	-	1

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2016

Particulars	Carrying value March 31, 2016	Fair value		
		Level 1	Level 2	Level 3
Loans	-	-	-	-
Other financial assets	59	-	-	59
Trade receivables	721	-	-	721
Cash and cash equivalents	65	-	-	65
Other bank balances	1	-	-	1

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on April 1, 2015

Particulars	Carrying value April 1, 2015	Fair value		
		Level 1	Level 2	Level 3
Loans	-	-	-	-
Other financial assets	55	-	-	55
Trade receivables	431	-	-	431
Cash and cash equivalents	33	-	-	33
Other bank balances	7	-	-	7

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

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Borrowings	4,879	-	-	4,879
Other financial liabilities	106	-	-	106
Trade payables	921	-	-	921

(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2016

Particulars	Carrying value March 31, 2016	Fair value		
		Level 1	Level 2	Level 3
Borrowings	5,128	-	-	5,128
Other financial liabilities	127	-	-	127
Trade payables	1,079	-	-	1,079

(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 1, 2015

Particulars	Carrying value April 1, 2015	Fair value		
		Level 1	Level 2	Level 3
Borrowings	4,422	-	-	4,422
Other financial liabilities	65	-	-	65
Trade payables	2,627	-	-	2,627

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25.3 Financial risk management objectives and policies

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

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

a) Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 12, 14 cash and cash equivalents disclosed in note 8 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalised EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at (20.73) for FY15-16 and 4.78 for FY 2016-17. Similarly, the Net Debt to EBITDA ratio of the Company stood at 2.11 for FY 2015-16 and 1.79 for FY 2016-17.

Note : Working capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity ratio

b) Liquidity Risk

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

The table below represents the maturity profile of Company's financial liabilities at the end of April 1, 2015, March 31, 2016 and March 31, 2017 based on contractual undiscounted payments :-

April 1, 2015	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	1,758	2,561	143	4,462
Trade payable	2,627	-	-	2,627
Other financial liabilities	25	-	-	25
% to Total	62%	36%	2%	100%
March 31, 2016	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	337	3,811	1,085	5,233
Trade payable	1,079	-	-	1,079
Other financial liabilities	28	-	-	28
% to Total	23%	60%	17%	100%
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	369	3,800	810	4,979
Trade payable	921	-	-	921
Other financial liabilities	23	-	-	23
% to Total	22%	64%	14%	100%

c) Credit Risk

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

Alps Hospital Limited
Notes forming part of the financial Statements

(i) Trade receivables

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

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

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	225	286	218
0 to 180 days due past due date	206	375	212
More than 180 days due past due date	158	60	1
Total trade receivables	589	721	431

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

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	159	415	329
Provision during the year	113	23	86
Bad debts written off	7	-	-
Reversal of provisions	(20)	(279)	-
At the end of year	259	159	415

(ii) Financial instruments and cash deposit

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 25.2A and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31 2017. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency Risk

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

Foreign currency risk sensitivity

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

Unhedged foreign currency exposures recognized by the Company are as under:

Currency	(Rs. in Lacs)		
	March 31, 2017 Foreign Currency	March 31, 2017 Indian Rupees	Increase/decrease in rate Impact on profit before tax
Payables in Euro	-	-	1% -

Currency	(Rs. in Lacs)		
	March 31, 2016 Foreign Currency	March 31, 2016 Indian Rupees	Increase/decrease in rate Impact on profit before tax
Payables in Euro	0.10	7	1% 0.07

Currency	(Rs. in Lacs)		
	April 1, 2015 Foreign Currency	April 1, 2015 Indian Rupees	Increase/decrease in rate Impact on profit before tax
Payables in Euro	-	-	1% -

Alps Hospital Limited
Notes forming part of the financial Statements

(ii) Interest Rate Risk

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

Interest rate Sensitivity of Borrowings

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

(Rs. in Lacs)		
Year	Increase/decrease in Interest rate	Effect on profit before tax
March 31,2017	0.50%	8
March 31,2016	0.50%	7
April 1,2015	0.50%	-

25.4 Earnings per share (EPS)

(Rs. in Lacs)		
	For the year end March 31, 2017	For the year end March 31, 2016
a) Basic Earnings per share		
Profit after taxation	1,201	1,321
Weighted number of equity shares	2,881,034	2,881,034
Earnings per share-Basic (one equity share of Re. 10/- each)	41.69	45.85
b) Diluted Earnings per share		
Profit after taxation	1,201	1,321
Weighted number of equity shares	2,881,034	2,881,034
Earnings per share-Basic (one equity share of Re. 10/- each)	41.69	45.85

25.5 Capital Management

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

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

The holding Company by itself or through group subsidiaries influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the requisite capital structure at group level. The Company's policy is to keep the gearing ratio between 20% and 40%. Since the fund management is controlled by the holding Company, the capital gearing ration at Company level will not be meaningful.

	(Rs. in Lacs)		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Borrowings (refer note 12)	4,962	5,212	4,462
Less: cash and cash equivalents (refer note 9)	(65)	(65)	(33)
Net debt	4,897	5,147	4,429
Equity (refer note 11)	963	(237)	(1,556)
Capital	963	(237)	(1,556)
Total capital and net debt	5,860	4,910	2,873
Gearing ratio	84%	105%	154%

25.6 Segment reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 106 on 'Segment Reporting'.

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Alps Hospital Limited
Notes forming part of the financial Statements

25.7 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

A Names of related parties and description of relationship :

(i) Holding Companies (irrespective of whether transactions occurred or not)

- 1 Max Medical Services Limited
- 2 Max healthcare Institute Limited

(ii) Fellow Subsidiaries (with whom transactions have taken place during the year)

- 1 Hometrail Estate Private Limited
- 2 Hometrail Buildtech Private Limited
- 3 Saket City Hospitals Private Ltd. (w.e.f. Dec 1, 2015)
- 4 Crosslay Remedies Limited (w.e.f. July 10, 2015)

(iv) Additional related party as per Companies Act, 2013

- 1 Ms.Gurpreet Kaur, Company Secretary
- 2 Mr.Umang Jaiswal, Head - Finance

(Rs in Lacs)		
B Transaction during the year	For the year ended March 31, 2017	For the year ended March 31, 2016
Loan taken		
Max Healthcare Institute Limited (Holding Company)	-	1,000
Zero percent redeemable preference share	759	480
Max Healthcare Institute Limited (Holding Company)		
Loan repayment		
Max Healthcare Institute Limited (Holding Company)	-	2,500
Sale of fixed assets		
Max Healthcare Institute Limited (Ultimate Holding Company)	-	8
Purchase of fixed assets		
Max Healthcare Institute Limited (Ultimate Holding Company) (excluding of taxes)	0.49	-
Healthcare Services Received		
Max Healthcare Institute Limited (Ultimate Holding Company)	788	523
Purchases of medicines & consumables		
Max Healthcare Institute Limited (Ultimate Holding Company) (excluding of taxes)	1,434	1,423
Interest expense		
Max Healthcare Institute Limited (Holding Company)	-	114
Max Healthcare Institute Limited (Holding Company)		
Finance Arrangement Fee		
Max Healthcare Institute Limited (Ultimate Holding Company) (excluding of taxes)	9	10

(Rs in Lacs)		
C Balance at the year end	As at March 31, 2017	As at March 31, 2016
Compulsory cumulative redeemable preference share (unsecured)		
Max Healthcare Institute Limited (Ultimate Holding Company)	2,759	2480
Trade payables		
Max Healthcare Institute Limited (Ultimate Holding Company)	115	57

Alps Hospital Limited
Notes forming part of the financial Statements

25.8A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

(Rs in Lacs)

(RS in Lacs)

	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	4,274	-	4,274
Intangible assets	1	8	-	8
Intangible assets under development		5	-	5
Financial assets				
Other financial assets	2	34	(5)	29
Other bank balances		44	-	44
Other non current assets	2	669	5	674
		5,034	-	5,034
Current assets				
Inventories		142	-	142
Financial assets				
Trade receivables		431	-	431
Other financial assets		26	-	26
Cash and cash equivalents		33	-	33
Other bank balances		7	-	7
Other current assets		31	-	31
		670	-	670
TOTAL ASSETS				
		5,704	-	5,704
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	2,288	(2,000)	288
Other equity	5,6	(1,844)	-	(1,844)
Total Equity		444	(2,000)	(1,556)
Non-current liabilities				
Financial Liabilities				
Borrowings	3,7	1,975	2,229	4,204
Long term provisions	7	235	(229)	6
		2,210	2,000	4,210
Current liabilities				
Financial Liabilities				
Borrowings		218	-	218
Trade payables		2,627	-	2,627
Other financial liabilities		65	-	65
Short term provisions		28	-	28
Other current liabilities		112	-	112
		3,050	-	3,050
TOTAL LIABILITIES				
		5,260	2,000	7,260
TOTAL EQUITY AND LIABILITIES				
		5,704	-	5,704

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Alps Hospital Limited
Notes forming part of the financial Statements

25.8B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

		(Rs in Lacs)		
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	4,179	-	4,179
Intangible assets	1	15	-	15
Financial assets				
Other financial assets	2	31	(5)	26
Other bank balances		1	-	1
Other non current assets	2	851	4	855
Deferred tax assets (net)		160	-	160
		<u>5,237</u>	<u>(1)</u>	<u>5,236</u>
Current assets				
Inventories		202	-	202
Financial assets				
Trade receivables		721	-	721
Other financial assets		33	-	33
Cash and cash equivalents		65	-	65
Other bank balances		1	-	1
Other current assets		42	-	42
		<u>1,064</u>	<u>-</u>	<u>1,064</u>
TOTAL ASSETS		<u>6,301</u>	<u>(1)</u>	<u>6,300</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	2,288	(2,000)	288
Other equity	5,6	(545)	20	(525)
Total Equity		<u>1,743</u>	<u>(1,980)</u>	<u>(237)</u>
Non-current liabilities				
Financial Liabilities				
Borrowings	3,7	2,415	2,459	4,874
Long term provisions	7	489	(480)	9
		<u>2,904</u>	<u>1,979</u>	<u>4,883</u>
Current liabilities				
Financial Liabilities				
Borrowings		254	-	254
Trade payables		1,079	-	1,079
Other financial liabilities		127	-	127
Short term provisions		31	-	31
Other current liabilities		163	-	163
		<u>1,654</u>	<u>-</u>	<u>1,654</u>
TOTAL LIABILITIES		<u>4,558</u>	<u>1,979</u>	<u>6,537</u>
TOTAL EQUITY AND LIABILITIES		<u>6,301</u>	<u>(1)</u>	<u>6,300</u>

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Alps Hospital Limited
Notes forming part of the financial Statements

25.8C Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS

	Footnotes	(Rs. in Lacs)		
		Year ended March 31, 2016		
		IGAAP	Adjustment	Ind AS
INCOME				
Revenue from operations		10,511	-	10,511
Other income		17	-	17
Finance income		3	-	3
Total income		10,531	-	10,531
EXPENSES				
Purchase of pharmacy, drugs, consumables and implants		1,877	-	1,877
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		(60)	-	(60)
Employee benefits expense	4	1,360	(2)	1,358
Finance costs	3,7	410	231	641
Depreciation and amortization expense	1	360	-	360
Other expenses	2	5,034	-	5,034
Total expense		8,981	229	9,210
Profit before tax		1,550	(229)	1,321
Tax expenses			-	
Current tax (including MAT payable)		(160)	-	(160)
Less: MAT credit entitlement		160	-	160
Profit after tax		1,550	(229)	1,321
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	4,6	-	(2)	(2)
Income tax effect		-	-	-
		-	(2)	(2)
Other comprehensive income for the year, net of tax		-	(2)	(2)
Total comprehensive income for the year, net of tax attributable to Equity shareholder		1,550	(231)	1,319

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25.8D Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

1) Property, plant and equipment

The Company has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

3) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing.

4) Remeasurements of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

5) Retained earnings

Retained earnings as at April 1, 2015 and March 31, 2016 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith.

6) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

7) Redeemable preference shares

The Company had issued redeemable preference shares to its Holding Company. These preference shares will be redeemed after 6 years with a redemption premium that has a guaranteed internal rate of return. Under Indian GAAP, these redeemable preference shares were classified as part of shareholder's funds under equity and interest payable was recognised through securities premium account. Under Ind-AS, this instrument has been classified as part of borrowings and carried at amortized cost with interest payable using effective interest method through statement of profit and loss.

25.9 First-time adoption of Ind AS (Exception and exemption availed)

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

- 25.10 Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

	SBNs	Other denomination notes	(Rs. in Lacs) Total
Closing cash in hand as on 08.11.2016	16	2	18
+ Permitted receipts**	7	63	70
(-) Permitted payments	-	2	2
Amount deposited in banks**	23	55	78
Closing cash in hand as on 30.12.2016	-	8	8

Note** It excludes cash deposited by customers directly in our bank accounts amounting to Rs.3,96,000/-

25.11 Corporate social responsibility

As per the provision of Section 135 of the Companies Act, 2013 the Company has to incur at least 2% of average net profit of the preceding three financial years toward Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activity as per schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 15 Lacs (March 31, 2016 : Rs. Nil) toward this cause and debited the same to the statement of profit and loss.

Details of CSR expenditure:

	(Rs in Lacs)	
	For the year end March 31, 2017	For the year end March 31, 2016
Details of CSR expenditure :		
(a) Gross amount required to be spent by the Company during the year	16	-
(b) Amount spent during the year ended March 31, 2017		

	Paid in cash		Yet to be paid in cash	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(i) Construction/acquisition of any asset	-	-	-	-
(ii) On purpose other than (i) above	15	-	1	-
Total	15	-	1	-

Alps Hospital Limited
Notes forming part of the financial Statements

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

25.13 Notes No.1 to 25 form integral part of the Balance sheet and Statement of profit and loss.

As per our report of even date

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

For and on behalf of the Board of Directors of Alps Hospital Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Pawan Kumar
(Whole Time Director)
DIN :07506347

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

Sd/-
Umang Jaiswal
(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
Membership Number: A15776

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

HOMETRAIL ESTATE PRIVATE LIMITED

CIN No: U45400DL2008PTC176963

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 1100 20

NOTICE TO MEMBERS

NOTICE is hereby given that the 9th **ANNUAL GENERAL MEETING of the members** of Hometrail Estate Private Limited will be held on Friday, **September 29, 2017 at 1000 hrs** at the registered office of the Company at **Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020, India** (*enclosed Route Map*) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statements of the Company for the Financial Year ended March 31, 2017, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Yogesh Kumar Sareen (DIN 00884252), who retires by rotation, being eligible, offered himself for the re-appointment.
3. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E), Chartered Accountants, as the statutory auditors for the Financial Year 2017-18 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 9th Annual General Meeting (“AGM”) of the Company till the conclusion of 10th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

Special Business:

4. **Ratification of remuneration payable to M/s Chandra Wadhwa & Co., Cost Accountants appointed as Cost Auditor of the Company for FY 2017 -18**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Record & Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of Rs. 1,32,000 (Rupees One

Lac Thirty Two Thousand Only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit, to be paid to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 000239), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2018."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary, of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and papers as may be necessary to give effect to the above resolution."

**By order of the Board
For Hometrail Estate Private Limited**

**New Delhi
August 02, 2017**

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

Notes:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020 at any time but not less than 48 hours before the meeting. The prescribed format of proxy form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.

5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice. Unless otherwise provided under this Notice, the term "Act" shall mean Companies Act, 2013.
6. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of directors seeking reappointment of Directors are given as a separate Annexure 1 to this Notice.
8. The members may please note that M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for another term of 5 years until the conclusion of AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS

Item No. 4

The members may please note that, in terms of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), based on the recommendation of the Audit Committee at its meeting held on May 19, 2017, the Board of Directors of the Company have approved the appointment of M/s Chandra Wadhwa & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of INR 1,32,000 per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit and approved by the Board based on recommendation by the Audit Committee..

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the aforesaid remuneration payable to the Cost Auditors for the FY 2017 -18.

As such, the Board of Directors recommends the resolution no. 4 for approval of members of the Company as an ordinary resolution.

The documents referred above are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Directors, Key Managerial Personnel and their relative are concerned or interested, financial or otherwise, in the resolution at Item No. 4 of the Notice.

Annexure -1

Details of directors seeking re-appointment as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

Name of the Director: Mr. Yogesh Kumar Sareen (DIN 00884252)

- Age: 52 years
- Qualification: Member of the Institute of Chartered Accountants of India (ICAI).
- Experience: Mr. Yogesh Sareen, member of the Institute of Chartered Accountants of India, started his career in the industry with Ranbaxy Laboratories in 1988 and had a 30-year long stint across various positions in various countries. He was involved in almost every facet in finance - right from operational finance to corporate finance, treasury, strategy, financial planning and so on.

Mr. Sareen joined Max Healthcare Institute Limited ("MHIL") in January 2012 as the Chief Financial Officer. Before joining MHIL, he was with Fortis Healthcare Limited as CFO, where he built a robust Finance and Accounting Function in his stint of three and a half years. As a member of senior leadership team he has been directly involved in guiding the strategy and execution of the Group's business plans in the healthcare domain.

- Date of appointment & terms & conditions of reappointment along with the remuneration details:

The Board of Directors of the Company had, in its meeting held on April 2, 2012, appointed Mr. Yogesh Kumar Sareen as an additional director and regularized as the director of the company in the AGM held for the FY11-12 and was further reappointed as Director liable to retire by rotation by the shareholders in their AGM held on September 25, 2014. In terms of section 152(6) he is liable to retire by rotation and being eligible, offered himself for re-appointment as a director of the Company.

He is not drawing any remuneration from the Company.

- Shareholding in the Company: Nil
- Relationship with other Directors, Manager & KMP: None
- Number of board meetings attended FY 16-17 : 6 (Six)
- Directorship & Committee position on March 31, 2017.

Directorship in other Companies	Committee Membership in other Companies
1. Crosslay Remedies Limited 2. Hometrail Buildtech Private Limited 3. Hometrail Estate Private Limited 4. Alps Hospital Limited 5. Max Medical Services Limited 6. Saket City Hospitals Private Limited	1. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Estate Private Ltd. 2. Member of Audit Committee & Nomination & Remuneration Committee of Max Medical Services Ltd. 3. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Buildtech Pvt. Ltd. 4. Member of Audit Committee of Alps Hospital Ltd. 5. Member of Audit Committee & Operation Committee of Crosslay Remedies Ltd. 6. Member of Audit Committee & Operational Committee of Saket City Hospitals Pvt. Ltd.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U45400DL2008PTC176963

Name of the Company: Hometrail Estate Private Limited

Registered office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
Email Id: _____
Signature: _____; or failing
him
2. Name: _____
Address: _____
Email Id: _____
Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Friday, the 29th day of September 2017 at 10:00 A.M. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.: 1.

- _____
2. _____
 3. _____
 4. _____

Signed this _____ day of _____, 2017

Signature of Shareholder

Signature of Proxy Holder(s)

Affix Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting

Hometrail Estate Private Limited
(CIN U45400DL2008PTC176963)
Max House, 1, Dr. Jha. Marg, Okhla, New Delhi – 110020

Attendance Slip

Ninth Annual General Meeting of Hometrail Estate Private Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Husband Name	Address as Regd. With the Company
1.			
2.			
3.			

I/ We hereby record my/ our presence at the Ninth Annual General Meeting of the Company being held on Friday, the 29th day of September 2017 at 10:00 a.m. at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020.

Please (✓) in the box

☐

Member

☐

Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route map of the AGM Venue



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 9th Annual Report on the business and operations of Hometrail Estate Private Limited ("Company") together with the Audited Financial Results and the Auditor's Report thereon for the financial year ended March 31, 2017.

Your Company from the very beginning has brought immense focus on Patient Care and Patient Safety resulting in building a strong brand equity and increased number of footfalls. Also, we continued our investment in renovation activities, up gradation of medical and engineering equipments.

The healthcare industry is expected to go through far greater scrutiny as we move forward. Your Company is dedicated to its core of Sevabhav and will ensure it shines through in every aspect of our service delivery.

FINANCIAL PERFORMANCE

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) S Rules, 2015 with effect from April 1, 2016. Previous year figures have been restated and audited by the Statutory Auditor of the Company

The highlights of the Company's financial performance, for the year ended March 31, 2017 is summarized below:

Particulars	(In Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	23,529	21,759
Other Income	75	47
Finance income	89	1
Total Income	23,693	21,807
Total Expenditure	21,456	19,923
Profit BeforeTax	2,237	1,884
Less: Total tax expense	336	-
Profits / (loss)before Tax or (loss)	1,901	1,884
Net Profits after Tax		
Basic & diluted (Rs.)	14.68	14.55

*Nominal value of shares Rs. 10/- per share

Previous year figures have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

OPERATIONAL PERFORMANCE

In pursuance to the concession agreement executed with the Government of Punjab for setting up of a super-specialty hospital in Mohali, your Company is running a hospital with the installed capacity of 224 beds that provides high end medical care to the residents of tri-city of Chandigarh, Mohali and Panchkula. The hospital has been set up as Public Private Partnership with Govt. of Punjab and opened its door to the general public in September, 2011.

Your Company from the very beginning has brought immense focus on Patient Care and Patient Safety resulting in building a strong brand equity and increased number of footfalls. Also, your company continue to make investment in renovation activities, upgradation of medical and engineering equipments.

Care for life

During the year, the revenues grew from Rs. 21759 Lacs in 2015-16 to Rs. 23519 Lacs. Towards the end of the year, 224 beds were operational (91 critical and 133 non-critical) and hospital was running at 67% bed occupancy. Cardiac Sciences and Orthopedics have been the key driver of the revenue ramp up. A highly skilled team of 775 people is involved in providing world class services to our patients day and night at Mohali hospital, which includes 128 physicians and 352 nurses, 131 Paramedics and 164 Support Staff.

This overall achievement was significantly achieved by the eminent team of surgeons. The team of MAMBS and GI, Cardiology, Orthopedics, CTVS, Urology & Renal Transplant and Gynae were the top performers for the financial year under review.

DIVIDEND & TRANSFER TO RESERVES

Your Directors have considered financially prudent in the long term interest of the Company to reinvest the profits into business, no dividend has therefore been recommended for the year ended March 2017. No amount was transferred to the general reserves.

SHARE CAPITAL

As on March 31, 2017, the Authorized Share Capital of the Company was INR 13,00,00,000 (Rupees Thirteen Crores only) divided into 1,30,00,000 (One Crore Thirty Lacs) equity shares of Rs. 10 each.

As on March 31, 2017, the issued, subscribed and paid up equity share capital stands at INR 129,476,340 (Rupees Twelve Crore Ninety Four Lakh Seventy Six Thousand Three Hundred Forty only) divided into 12,947,634 (One Crore Twenty Nine Lakh Forty Seven Thousand Six Hundred Thirty Four) equity shares of Rs. 10 each.

During the year there was no change in the Share Capital of the Company.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:

The Company does not have any Subsidiary /Joint Venture/Associate Company during the year under review.

AMALGAMATION / RESTRUCTURING

In order to create synergies by consolidating ownership, utilize capital more efficiently and creating a stronger capital base for the future growth, during the year under review, your Company had filed joint application together with Hometrail Buildtech Private Limited (HBPL), a fellow subsidiary company with Hon'ble National Company Law Tribunal ("NCLT") for the amalgamation of its into your Company,"

Further, NCLT vide its order dated June 29, 2017, has directed us to either furnish the consent of creditors in the form of an affidavit (As per Sec 230(9) of the Companies Act, 2013) or convene the meetings for every class of creditors. Accordingly, the consent of creditors is being submitted with Hon'ble NCLT.

You will be pleased to note that the said amalgamation will lead to more efficient utilization of capital, bed capacity & other resources and also create a stronger capital base for the future growth

DIRECTORS

As on date, your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent Directors. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

Mr. Sandeep Dogra, Whole Time Director of the Company has completed his tenure as a Whole Time Director on the Board of the Company on May 25, 2017 and due to other commitments he had stepped down from the position of Director and Whole Time Director of the Company with effect from May 25, 2017. The Board of Directors placed on record, its sincere appreciation and deepest gratitude for the valuable contribution made by Mr. Sandeep Dogra during his tenure as a board member of the Company

In accordance with the provisions of the Section 152 of the Act, Yogesh Kumar Sareen (DIN 00884252) is due to retire by rotation, and being eligible, offered himself for re-appointment.

In terms of Section 165 of the Act, none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

A brief profile of above named directors seeking re- appointment at the ensuing AGM of the Company have been provided in the notice of the AGM.

DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from the Independent Directors of the Company (i.e. Mr. Sanjay Khandelwal and Ms. Kiran Sharma) confirming their independence as prescribed under the Act. The terms and conditions of appointment of independent directors are available for inspection at the registered office of the Company by any member during normal business hours.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors to facilitate them to plan their schedule and to ensure meaningful participation. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The detailed Agenda for the Board and Committee meetings on the items to be discussed at the meeting are provided in advance to enable the Directors to take an informed decision. The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 6 times viz., on, April 15, 2016, May 3, 2016, July 25, 2016, October 17, 2016, December 5, 2016 & January 30, 2017. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company had constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board:

Audit Committee

As on date, the Committee comprises Mr. Yogesh Kumar Sareen (Chairman), Mr. Sanjay Khandelwal

Care for life

(Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all the recommendations made by the Audit Committee from time to time.

Nomination & Remuneration Committee ("NRC")

As on date, the Committee comprises Mr. Yogesh Kumar Sareen (Chairman) Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the NRC are in compliance with the Section 178 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

Corporate Social Responsibility Committee

In terms of Section 135 of the Act and Companies (Corporate Social Responsibilities Policy) Rules, 2013, the CSR Committee of Board of Directors was constituted to recommend the CSR Policy of the Company indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, recommending the amount of expenditure to be incurred on such activities once the Company meets the profitability criteria prescribed under the Rules and monitoring the CSR Policy of the Company from time to time. This Committee comprises of Mr. Yogesh Kumar Sareen (Non-Executive Director), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director).

The details of Board / Committee meetings held during the financial year 2016 -17 as required under SS-1 has been provided as **Annexure – 1**.

BOARD EVALUATION

In terms of the Board Evaluation Framework of the Company, the performance of the Board as a whole, Board Committees and Directors was carried out.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Company followed two pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committee. The second part was driven by face to face discussions at NRC & Board Meeting with aim to evaluate the performance of individual director. In addition, a separate meeting of all the Independent Director was convened in terms of schedule IV to the Act.

The Evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as knowledge, contribution and guidance to the Management. The Directors expressed their satisfaction with the overall evaluation process.

KEY MANAGERIAL PERSONNEL – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, during the financial year ended 31st March, 2017, Mr. Sandeep Dogra, Whole Time Director, Mr. Rakesh Dumir, Head of Finance and Mr. Tarun Ailawadhi, Company Secretary were KMPs of the Company.

During the year under review, Mr. Tarun Ailawadhi was appointed as Company Secretary w.e.f. April 15, 2016;

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP") and other employees. The detail of the aforesaid Policy is as follows:

- Appointment criteria and Qualification

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. For the purpose, the NRC shall identify and ascertain the integrity, independence in terms of Section 149 of the Act, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

For the appointment of KMPs [other than MD / Whole time Director (WTD)], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

- Remuneration Policy

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act w.r.t the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

The key components of the Company's Remuneration Policy are - the Compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration of the Managing / Whole - time Director as the case may be, will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Whole Time Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director, if any) and Senior Management, and which shall be decided by the Whole Time Director based on the standard market practice and prevailing HR policies of the Company.

- Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the NRC / Board / Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act, as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief, your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to re-appoint SRBC as the Statutory Auditors of the Company for the FY 2017-18 and fix their remuneration, subject to the ratification by the shareholders of the Company at the ensuing AGM.

The Company has received a certificate from M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, the retiring auditors, confirming that ratification of their appointment for FY 2017 -18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014

The Statutory Auditors in their Report to Board of Directors of the Company for FY 2016 -17, pointed out that the Company has provided requisite disclosures in Note XXX to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management, except for amounts directly deposited in bank by customers amounting to Rs 5,99,500

In this regard, it is clarified that, in view of the sudden developments on November 8, 2016, the patients travelling from far off areas and those with planned admissions exercised the option to deposit cash directly to Company's bank Account (as per RBI Circular no. RBI/2016-17/112DCM (Plg) No.1226/10.27.00/2016-17dated of November 8, 2017), under the cover of an authorization by the concerned hospital. Since the Company as well as the bank has the necessary KYC documents, the Company is of the considered opinion that such deposits of Specified Bank Notes were in line with RBI directions and comply with all regulatory

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation or adverse opinion.

REPORTING OF FRAUD

During the FY 2016 -17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

COST AUDITORS

In terms of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records & Audit) Rules, 2014 ("the Rules"), the Company has appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2016 -17.

As per the aforesaid Rules, the Cost Auditor is required to be appointed within 180 days of commencement of each financial year i.e. on or before September 30 of each year. Further, in terms of Section 148 (3) of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed, shall be recommended by the Audit Committee, approved by the Board of Directors of the Company and subsequently ratified by the Shareholders in the general meeting.

The Company has received a certificate from M/s Chandra Wadhwa & Co., confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for the financial year 2017-18.

It is proposed to re- appoint M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for the Financial Year 2017-18 at a remuneration of Rs. 1,32,000/- per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit . Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed has been proposed for the ratification by the Shareholders of the Company in the ensuing AGM.

The Cost Auditor had conducted audit of Cost Accounting Records of the Company for the financial year 2016-17 and the Cost Audit Report will be filed within the stipulated period of 180 days from the close of the financial year.

The Cost Auditor in their report for FY 2016 -17, pointed out that the Company is incurring losses at some key specialties i.e. ENT, Obs & Gyne and Pediatric Medical and it is incurring losses and suggested that efforts should be made improve profitability for the aforesaid specialties.

In this regard, it is clarified that the Company has already taken steps to improve the cost efficiency, pricing as well as productivity for these specialties.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company outline its CSR focus areas, recommend the amount of CSR expenditure, execution process, review & monitoring mechanism, and reporting process to the Management and the Board of Directors of the Company. The CSR Policy may be accessed on the Company's website.

As per the aforesaid Policy, your company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. , Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company.

The necessary annexures required under Rule 9 of The Companies (Corporate Social Responsibility Policy) Rules, 2014, is enclosed as Annexure – 2.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority are shared with the senior management from time to time, to cascade within their departments. Procedures to ensure conformance with the policies and standards have been put in place covering all activities. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems

RISK MANAGEMENT

The Company has a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The Company follows detailed risk assessment and minimization procedures for identifying, evaluating and managing all significant risks faced by the Company.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has established a vigil mechanism (Whistle Blower Policy), to cater the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

Care for life

A whistle blower can raise his / her concerns with the designated official under the Policy and under exceptional circumstances with the Audit Committee. All concerns reported under this Policy shall be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints. During the year under review, no concern/ complaint was received under this policy.

CONTRACTS AND ARRANGEMENT WITH THE RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the Audit Committee / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the Financial Year 2016-17, with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC - 2. Further, there are no related party transactions made by the Company which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Indian AS 24.

PARTICULAR OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient, if any, are provided in the notes to the financial statement.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of Company is annexed herewith **Annexure 3** to this Report.

DEPOSITS

During the year under review, your Company had not invited or accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees (as amended from time to time), is given separately as **Annexure 4** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to

Care for life

create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended 31 March, 2016, the ICC had not received any complaint.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business or generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

- Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. During the year, your Company has taken following significant energy conservation measures in its hospital:
 - ✓ Replacement of existing fixtures with energy efficient LED lights continues on ongoing basis
 - ✓ Installation of energy efficient florescent lights.
 - ✓ Control on HVAC systems contributed by way of efficient monitoring and regulation of temperature in OTs and use of Winter Chillers.
 - ✓ More than 99% uptime of all major engineering equipments and systems across the hospital.
 - ✓ Recycling of water and optimizing water consumption in OT and other patient areas
- The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

b) Capital Investment on energy conservation equipments

- Nil

c) Impact of measures at (a) & (b):

The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

-

(B). Technology Absorption:

(a) & (b)

Efforts in brief, made towards technology absorption, adaptation & innovation and Benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- Nil

(c)

In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: NA

(d) Research & Development

The expenditure incurred on Research & Development - Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports : Initiatives taken to increase exports; development of new export markets for products and services; and export plans : NIL
- b) Total foreign exchange earned and used

		(In Lacs)
	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Foreign Exchange Earnings	NIL	NIL
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	289	121
- Trading Good	NIL	NIL
Others	3	3

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the shareholders, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

For and on behalf of the Board of Directors

Place: New Delhi

Date: August 2, 2017

**sd/-
Yogesh Sareen
Director
DIN 00884252**

**sd/-
Rohit Kapoor
Director
DIN 06529360**

I. AUDIT COMMITTEE

- **No. of Meetings = 3 i.e. May 2, 2016, July 22, 2016 and 30 January 2017**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	3
Ms. Kiran Sharma	3
Mr. Sanjay Khandelwal	3

II. NOMINATION & REMUNERATION COMMITTEE

- **No. of Meetings = 3 i.e. April 14, 2016, May 2, 2016 and July 22, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	3
Ms. Kiran Sharma	3
Mr. Sanjay Khandelwal	3

III. CORPORATE SOCIAL RESPONSIBILITY MEETING

- No. of Meeting = 1 i.e. April 15, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	1
Ms. Kiran Sharma	1
Mr. Sanjay Khandelwal	1

IV. BOARD MEETINGS

- **No. of Meetings = 6 i.e. April 15, 2016, May 3, 2016, July 25, 2016, October 17, 2016, December 5, 2016 and January 30, 2017**

➤

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	6
Mr. Rohit Kapoor	5
Mr. Sandeep Dogra	6
Ms. Kiran Sharma	6
Mr. Sanjay Khandelwal	6

For and on behalf of the Board of Directors

**sd/-
Yogesh Sareen
Director
DIN 00884252**

**sd/-
Rohit Kapoor
Director
DIN 06529365**

Annual Report on CSR Activities taken up by the Company pursuant to Rule 8 of the Companies (CSR Policy) Rules, 2014**1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken:**

As per the CSR Policy, the Company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz. , Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company.

2. The Composition of the CSR Committee: This Committee comprises of Mr. Yogesh Sareen (Chairman – Non Executive Director), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director).

3. Average net profit of the Company for last three financial years (2013-14 to 2015 -16): Rs. 621.67 Lacs

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2013-14 to 2015 -16) : Rs. 12.43 Lacs

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year: Rs. 12.43 Lacs

(b) Amount unspent, if any: 2.43 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which project is covered	Project or Programs Local Area or other State & district	Amount outlay (budget) project or program wise	Amount spent on the project or programs	Cumulative Expenditure upto the Reporting period	Amount Spent: Direct or through implementing agency
1.	Health Awareness	Health & Hygiene	Delhi	10 Lacs	10 Lacs (Direct)	10 Lacs	Direct

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: The Company's CSR activities are co-ordinated with Max India Foundation who works directly as well as through NGOs towards providing holistic healthcare to underprivileged and work for an eco-friendly environment. This involves setting the foundation of various programs at a small scale and evolve these over a period of time to ensure maximum benefit & impact for the targeted community. In view of this, the actual spend by the Company on CSR was less than 2% of the average net profits for last three Financial Years – a shade lower than 2%. The Company step up the CSR activities and expenses thereon in the coming years as more of CSR projects are launched and existing ones scale up.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

sd/-
Yogesh Sareen
Chairman – CSR Committee
DIN 00884252

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U45400DL2008PTC176963
Registration Date	April 21, 2008
Name of the Company	Hometrail Estate Private Limited
Address of the Registered office and contact details	MAX HOUSE, 1, DR JHA MARG, OKHLA, PHASE III, NEW DELHI – 110020 Phone No. 011-41220600 Email id – secretarial@maxhealthcare.com
Category / Sub-Category of the Company	Public Company (being subsidiary of public company)
Whether listed company	Non-Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	NIL

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S.No.	Name and description of main services/products	NIC Code of the Service/ Product	% of the total turnover of the Company
1.	Name of Services – Healthcare	As Per NIC Code 2008 Division is 86	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shares	Applicable Section
1.	Max Healthcare Institute Limited	U72200DL2001PLC111313	Holding	100%	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding – **As per Annexure 1A**
- (ii) Shareholding of Promoters – **As per Annexure 1B**
- (iii) Change in Promoters' Shareholding – **As per Annexure 1C**
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – **Annexure – 1D**
- (v) Shareholding of Directors and Key Managerial Personnel – **As per Annexure – 1E**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

(In Rs.)

Particulars	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	59,49,68,820	6,02,28,753	-	65,51,97,573
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	59,677	79,79,936	-	80,39,613
Total (i+ii+iii)	59,50,28,497	6,82,08,689	-	66,32,37,186
Change in indebtedness during the financial year	-	-	-	
Addition	64,81,90,297	-	-	64,81,90,297
Reduction	57,82,58,922	6,36,69,189	-	64,19,28,111
Net Change	1,22,64,49,219	6,36,69,189	-	1,29,01,18,408
Indebtedness at the end of the financial year				
i. Principal Amount	66,49,59,873	45,39,500	-	66,94,99,373
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	31,94,553	-	-	31,94,553
Total (i+ii+iii)	66,81,54,426	45,39,500	-	67,26,93,926

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole Time Directors and/or Manager

(IN INR)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1	Gross Salary	Sandeep Dogra		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6270432		6270432
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961.	39600		39600
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2.	Stock Options	NIL	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	➤ As % of profit			
	➤ Others			
5.	Others	NIL	NIL	NIL
	Total A	63,10,032		63,10,032
	Ceiling as per the Act*			

* the limit is well within the Companies Act, 2013 read with rules.

B. Remuneration to other directors

(IN INR)

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Sanjay Khandelwal	Ms. Kiran Sharma	NIL
	Fee for attending board committee meetings	60,000	60,000	1,20,000
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)	60,000	60,000	1,20,000
2	Other Non-Executive Directors	NIL	NIL	NIL
	Fee for attending board committee meetings*	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	60,000	60,000	1,20,000

C. Remuneration to key managerial personnel other than MD/ Manager/WTD.

(IN INR)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1.	Gross Salary	Rakesh Dumir	Tarun Ailawadhi	
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	29,79,303	Nil	29,79,303
	Value of Perquisite u/s 17(2) Income Tax Act, 1961.	79,200		79,200
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2.	Stock Options	-	-	-
3.	Sweat Equity Shares	-	-	-
4.	Commissions As % of profit Others	-	-	-
5.	Others	-	-	-
	Total A	30,58,503		30,58,503
	Ceiling as per the Act			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE – There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year

ANNEXURE – 1A

[illegible]

Foreign Financial Institution	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Preference	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDR & ADR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)		1,29,47,634	1,29,47,634	100%		1,29,47,634	1,29,47,634	100%	NIL

(Shareholding of Promoter) - ANNEXURE – 1B

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Max Healthcare Institute Limited	1,29,47,634	100%	NIL	1,29,47,634	100%	51%	

(Changes in Promoters' Shareholding) - ANNEXURE – 1C

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

(Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) - ANNEXURE – 1D

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

Shareholding of Directors and Key Managerial Personnel - ANNEXURE – 1E

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

sd/-
Yogesh Sareen
Director
DIN 00884252

sd/-
Rohit Kapoor
Director
DIN 06529365

INDEPENDENT AUDITOR'S REPORT

To the Members of Hometrail Estate Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hometrail Estate Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that

are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note XX to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note XXX to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management, except for amounts directly deposited in bank by customers amounting to Rs 5,99,500.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date
Re: Hometrail Estate Private Limited (“The Company”)**

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on the audit procedures performed, for the purpose of reporting the true and fair view of the financial statements and according to information and explanation given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to

directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the sale of goods and services related to healthcare, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to duty of excise are not applicable to the Company.
 - (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 from debenture holders or Government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the

Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

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

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

We have audited the internal financial controls over financial reporting of Hometrail Estate Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

Hometrail Estate Private Limited
Balance sheet as at March 31, 2017

(Rs in Lacs)				
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	10,621	11,198	11,192
Capital work-in-progress	3	57	11	97
Intangible assets	4	35	41	3
Intangible assets under development	4	8	-	11
Financial assets				
-Loans	5	1,485	-	-
-Other financial assets	6	50	48	13
Other Non Current Assets	7	1,181	904	732
Deferred tax asset (net)	8	488	292	-
		13,925	12,494	12,048
Current assets				
Inventories	9	290	278	290
Financial assets				
-Trade receivables	10	2,357	2,222	1,186
-Other financial assets	11	166	215	137
-Cash and cash equivalents	12	1,020	348	428
-Other bank balances	13	6	4	4
Other Current Assets	14	118	82	86
		3,957	3,149	2,131
TOTAL ASSETS				
		17,882	15,643	14,179
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	1,295	1,295	1,295
Other Equity	16	6,771	4,873	2,999
Total Equity		8,066	6,168	4,294
Non-current liabilities				
Financial Liabilities				
-Borrowings	17	6,478	5,417	6,332
Long term provisions	18	178	51	32
		6,656	5,468	6,364
Current liabilities				
Financial Liabilities				
-Borrowings	19	48	420	206
-Trade payables	20A	2,262	2,006	1,939
-Other financial liabilities	20B	577	1,340	1,167
Short term provisions	21	94	75	71
Other current liabilities	22	179	166	138
		3,160	4,007	3,521
TOTAL LIABILITIES				
		9,816	9,475	9,885
TOTAL EQUITY AND LIABILITIES				
		17,882	15,643	14,179
Summary of significant accounting policies				
	1,2			
Contingent liabilities, commitments and litigations				
	30			
Other notes on accounts				
	31			

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 20,2017

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

Sd/-
Sandeep Dogra
(Whole-Time Director)
DIN : 03606846

Sd/-
Rakesh Dumir
(Head - Finance)

Place : Gurugram
Date : May 20,2017

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

Sd/-
Tarun Ailawadhi
(Company Secretary)
M. No. : A23416

Hometrail Estate Private Limited
Statement of profit and loss for the year ended March 31, 2017

			(Rs in Lacs)
INCOME	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations	23	23,529	21,759
Other income	24	75	47
Finance income	25	89	1
Total income		23,693	21,807
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		7,246	7,074
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		(12)	12
Employee benefits expense	26	3,119	2,950
Finance costs	27	885	883
Depreciation and amortization expense	28	893	875
Other expenses	29	9,325	8,129
Total expenses		21,456	19,923
Profit before tax		2,237	1,884
Tax expenses			
Current tax		536	292
Less : MAT credit entitlement		(536)	(292)
Deferred tax		336	-
Total tax expenses		336	-
Profit after tax		1,901	1,884
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	31.2	(3)	(10)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		(3)	(10)
Total comprehensive income for the year (net of tax attributable to Equity shareholder)		1,898	1,874
Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 31.1)			
Basic & diluted (Rs.)		14.68	14.55
Summary of significant accounting policies	1,2		
Contingent liabilities, commitments and litigations	30		
Other notes on accounts	31		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

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

Sd/-
Sandeep Dogra
(Whole-Time Director)
DIN : 03606846

Sd/-
Rakesh Dumir
(Head - Finance)

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

Sd/-
Tarun Ailawadhi
(Company Secretary)
M.No. : A23416

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

Hometrail Estate Private Limited
Statement of Cash Flow for the year ended March 31, 2017

	(Rs in Lacs)	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net profit before tax	2,237	1,884
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	893	875
Provision for doubtful debts	118	97
Bad debts/ sundry balances written off	3	-
Unclaimed Balances & excess provisions written back	(69)	(44)
Foreign exchange fluctuation loss/ (gain)	(3)	11
Finance income (including fair value change in financial instrument)	(89)	-
Finance expense (including fair value change in financial instrument)	801	837
Operating profit before working capital changes	3,891	3,660
Movements in working capital :		
Increase in trade payables, other liabilities and provisions	482	141
Increase/ (decrease) in financial liabilities	81	(6)
(Increase)/ decrease in inventories	(12)	12
(Increase) trade receivables	(256)	(1,133)
(Increase)/ decrease in financials assets	47	(113)
(Increase) in loans and advances	(1,485)	-
(Increase)/decrease in other assets	(42)	23
Cash generated from /(used in) operations	2,706	2,584
Direct taxes paid (net of refunds)	(803)	(483)
Net cash from operating activities (A)	1,904	2,101
B. Cash flows from investing activities		
Purchase of property, plant and equipments, including intangible assets, CWIP and capital advances	(653)	(797)
Investment in fixed deposits with banks (net)	(2)	-
Interest received	89	-
Net cash from/ (used in) investing activities (B)	(566)	(797)
C. Cash flows from financing activities		
Proceeds from long-term borrowings	6,471	20
Repayments of long term borrowings	(5,964)	(781)
Proceeds/ (repayments) of short-term borrowings	(372)	214
Interest paid	(801)	(837)
Net cash from/ (used in) financing activities (C)	(666)	(1,384)
Net increase in cash and cash equivalents (A + B + C)	672	(80)
Total cash and cash equivalents at the beginning of the year	348	428
Cash and cash equivalents at the end of the year	1,020	348

Hometrail Estate Private Limited
Statement of Cash Flow for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended	For the year ended
Particulars	March 31, 2017	March 31, 2016
Components of cash and cash equivalents:		
Cash on hand	4	20
Cheques / draft on hand	28	7
Balances with banks on current accounts	117	41
Balances with banks on escrow accounts	266	280
Balances with banks on deposit accounts	605	-
Total cash and cash equivalents (refer note 12)	1,020	348

Summary of significant accounting policies	1,2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

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

Sd/-
Sandeep Dogra
(Whole-Time Director)
DIN : 03606846

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Rakesh Dumir
(Head - Finance)

Sd/-
Tarun Ailawadhi
(Company Secretary)
M.No. : A23416

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

Hometrail Estate Private Limited

Statement of changes in equity for the year ended March 31, 2017

A) Equity share capital

(Rs in Lacs)		
Particulars	No. of shares	Amount
As at April 01, 2015	12,947,634	1,295
As at March 31, 2016	12,947,634	1,295
As at March 31, 2017	12,947,634	1,295

B) Other equity **(Rs in Lacs)**

Particulars	Reserves & Surplus		Total equity
	Securities Premium	Retained earnings	
As at April 01, 2015	6398	(3,399)	2,999
Profit for the year (refer note 16)	-	1,884	1,884
Other comprehensive income for the year		(10)	(10)
As at March 31, 2016	6,398	(1,525)	4,873
Profit for the year (refer note 16)	-	1,901	1,901
Other comprehensive income for the year		(3)	(3)
As at March 31, 2017	6,398	373	6,771

Summary of significant accounting policies	1,2
Contingent liabilities, commitments and litigations	30
Other notes on accounts	31

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the board of directors of
Hometrail Estate Private Limited

Sd/-
Sandeep Dogra
(Whole-Time Director)
DIN : 03606846

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

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Rakesh Dumir
(Head - Finance)

Sd/-
Tarun Ailawadhi
(Company Secretary)
M.No. : A23416

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

Hometrail Estate Private Limited
Notes forming part of the financial statements

1 Corporate Information

Hometrail Estate Private Limited, ('the Company') is a private limited Company domiciled in India. The Company has a multi-speciality hospital with a state-of-art healthcare services and expertise in city of "Mohali" 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) mode.

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

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 31.11 for information on how the company has adopted Ind AS.

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

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

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

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

Hometrail Estate Private Limited
Notes forming part of the financial statements

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

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

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

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

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

c. Intangible assets

Separately acquired intangible assets

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

Research and development cost

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

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

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

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

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

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

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

d. Impairment of non financial assets

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

Hometrail Estate Private Limited
Notes forming part of the financial statements

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

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

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

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

e. Financial Instruments

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

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortized cost

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

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

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

Debt instruments at fair value through OCI

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

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

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

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

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Debt instruments at FVTPL

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

Equity investments of other entities

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

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

Derecognition

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

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

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

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

Impairment of financial assets

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

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

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

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

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Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

f. Revenue recognition

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

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

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

Sale of goods

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

Rendering of services

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

Rental income

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

Interest

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

Incentive Income

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

g. Inventories

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

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

h. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

i. Borrowing costs

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

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j. Leases

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

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

Company as a lessee

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

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

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

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

Company as a lessor

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

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

k. Provisions

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

Contingent liabilities

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

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

l. Employee benefits

Provident fund

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

Gratuity

Gratuity liability is a 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.

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

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

(ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated Absences

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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit .The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end .Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Long term incentive plan

Employees of the Company receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

o. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

p. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

q. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

(a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 30.1

(c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Hometrail Estate Private Limited
Notes forming part of the financial statements

(d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

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3. Property, Plant and Equipments	(Rs in Lacs)											
	Building	Medical Equipment	Plant and Equipment	Office Equipment	Furniture and Fixture	Motor Vehicles	Computers and Data Processing Units	Electrical Installations and Equipment	Other Surgical Instruments	Total	Capital work in progress	Grand Total
At Deemed Cost as at April 1,2015	6,159	3,206	660	70	383	47	62	381	224	11,192	97	11,289
Additions	104	639	3	10	18	-	6	5	91	876	394	1,270
Disposals	-	-	-	-	1	-	8	-	59	68	480	548
As at March 31, 2016	6,263	3,845	663	80	400	47	60	386	256	12,000	11	12,011
Additions	-	193	1	18	13	-	28	-	54	307	46	353
Disposals	-	-	-	-	-	-	-	-	63	63		63
As at March 31, 2017	6,263	4,038	664	98	413	47	88	386	247	12,244	57	12,301
Depreciation												
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Additions	140	343	58	38	55	9	32	65	130	870	-	870
Disposals	-	-	-	-	1	-	8	-	59	68	-	68
As at March 31, 2016	140	343	58	38	54	9	24	65	71	802	-	802
Additions	145	372	58	26	57	9	29	62	127	885	-	885
Disposals	-	-	-	-	-	-	-	-	64	64	-	64
As at March 31, 2017	285	715	116	64	111	18	53	127	134	1,623	-	1,623
Net carrying amount												-
As at March 31, 2017	5,978	3,323	548	34	302	29	35	259	113	10,621	57	10,678
As at March 31, 2016	6,123	3,502	605	42	346	38	36	321	185	11,198	11	11,209
As at April 1, 2015	6,159	3,206	660	70	383	47	62	381	224	11,192	97	11,289

3.01 Land measuring 3.15 acres has been provided by Punjab Government on long term lease of 50 years without consideration.

3.02 Medical equipments includes a medical equipment taken on finance lease.

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 01, 2015
Gross Block	310	310	310
Depreciation charge for the year	32	32	-
Accumulated Depreciation	64	32	-
Net Book Value	246	278	310

3.03 Property, plant and equipment given as security

Property, plant and equipment are subject to charge to secure the Company's secured long term borrowings as disclosed in note 17.

Hometrail Estate Private Limited
Notes forming part of the financial statements

4. Intangible assets

	(Rs in Lacs)		
	Computer Software	Total	Intangible assets under development
At Deemed Cost As at April 1, 2015	3	3	11
Additions	43	43	-
Disposals	-	-	11
As at March 31, 2016	46	46	-
Additions	2	2	8
Disposals	-	-	-
As at March 31, 2017	48	48	8
Amortization			
As at April 1, 2015	-	-	-
Additions	5	5	-
Disposals	-	-	-
As at March 31, 2016	5	5	-
Additions	8	8	-
Disposals	-	-	-
As at March 31, 2017	13	13	-
Net carrying amount			
At at March 31, 2017	35	35	8
At at March 31, 2016	41	41	-
At at April 01, 2015	3	3	11

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Hometrail Estate Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Loans (valued at amortized cost) (unsecured considered good)			
Loans to related party (refer note 31.8)	1,485	-	-
	<u>1,485</u>	<u>-</u>	<u>-</u>
6. Other financial assets (valued at amortized cost)			
Security deposits	50	48	13
	<u>50</u>	<u>48</u>	<u>13</u>
7. Other non-current assets (unsecured considered good)			
Capital advances	7	-	19
Others			
Tax deducted at source recoverable	1,172	901	710
Prepaid expenses	2	3	3
	<u>1,181</u>	<u>904</u>	<u>732</u>

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9. Inventories

Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	290	278	290
	290	278	290

10. Trade receivables

Unsecured			
Trade receivables-Considered Good	2,357	2,222	1,186
Trade receivable-Consider doubtful	293	230	133
Less: Impairment allowance for Trade receivable, Considered doubtful	(293)	(230)	(133)
	2,357	2,222	1,186

11. Other financial assets

Unbilled revenue	166	215	137
	166	215	137

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Hometrail Estate Private Limited
Notes forming part of the financial statements

8. Income taxes

	As at March 31, 2017	As at March 31, 2016
(a) Income tax expense in the statement of profit and loss comprises :		
Current income tax charge	536	292
Deferred Tax		
On account of MAT credit	(536)	(292)
Relating to origination and reversal of temporary differences	336	-
Income tax expense reported in statement of profit and loss	336	-
(b) Other Comprehensive Income		
Re-measurement (gain) / losses on defined benefit plans (refer note 30.1)	-	-
Income tax related to item recognised in OCI during the year	-	-
(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :		
Accounting profit before tax	2,237	1,884
Applicable tax rate	34.608%	34.608%
Computed tax expense	774	652
Impact of Unrecognised Deferred tax Asset on previous years unabsorbed losses/depreciation	(421)	(662)
Other temporary differences	(17)	10
Income tax reported in the statement of profit and loss	336	-
(d) Deferred tax :		
Deferred tax relates to the following:		
	Balance Sheet	
	As at March 31, 2017	As at March 31, 2016
		As at April 1, 2015
Deferred tax liability :		
Accelearted depreciation for Tax purpose	1,226	1,166
Others	30	11
Deferred tax assets :		
Expenses allowed on payment basis	(149)	(56)
Impairment allowance (allowance for bad and doubtful receivable)	(101)	(79)
Unabsorbed business losses / depreciation	(670)	(1,463)
Unabsorbed business losses / depreciation (Restricted to Deferred Tax Liability) *	-	421
MAT credit entitlement	(824)	(292)
Deferred Tax assets / (Liability)	(488)	(292)
	Profit and loss	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax liability :		
Accelearted depreciation for Tax purpose	60	116
Others	19	(9)
Deferred tax assets :		
Expenses allowed on payment basis	(93)	(20)
Impairment allowance (allowance for bad and doubtful receivable)	(22)	(33)
Unabsorbed business losses / depreciation	793	608
Unabsorbed business losses / depreciation (Restricted to Deferred Tax Liability) *	(421)	(662)
MAT credit entitlement	(532)	(292)
Deferred tax expense/ (income)	(196)	(292)
	As at March 31, 2017	As at March 31, 2016
Reconciliation of deferred tax asset / (liabilities) (net):		
Opening balance	292	-
Tax Income/expense recognised during the period in profit or loss	(336)	-
MAT credit entitlement	532	292
Clsioing balance	488	292

Hometrail Estate Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
12. Cash and cash equivalents			
Balances with banks:			
On current accounts	117	41	104
On escrow accounts	266	280	272
Deposits with original maturity of less than three months	605	-	-
Cheques/ drafts on hand	28	7	8
Cash on hand	4	20	44
	<u>1,020</u>	<u>348</u>	<u>428</u>
13 Other Bank balances			
Margin money deposit #	6	4	4
	<u>6</u>	<u>4</u>	<u>4</u>
# Margin Money deposit given as security			
Rs. 1 Lacs (March 31, 2016 : Rs.1 Lacs) (April 1, 2015 : Rs.1 Lacs) to secure bank gurantee given to sales tax authorities			
Rs. 5 Lacs (March 31, 2016 : Rs.3 Lacs) (April 1, 2015 : Rs.3 Lacs) to secure performance bank guarantee given in favour of Employee State Insurance Corporation			
14. Other current assets (unsecured considered good, unless otherwise stated)			
Other Advances			
unsecured, considered good	49	22	12
Prepaid expenses	69	60	59
Receivable under duty credit scheme	-	-	15
	<u>118</u>	<u>82</u>	<u>86</u>

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15. Equity share capital	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
13,000,000 (March 31, 2016: 13,000,000) (April 1, 2015 : 13,000,000) equity shares of Rs.10/- each	1,300	1,300	1,300
	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>
Issued, subscribed and fully paid-up			
12,947,634 (March 31, 2016: 12,947,634) (April 1, 2015 : 12,947,634)equity shares of Rs.10/- each	1,295	1,295	1,295
Total issued, subscribed and fully paid-up share capital	<u>1,295</u>	<u>1,295</u>	<u>1,295</u>

15.1 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity share capital	(Rs in Lacs)	
	No. of shares	Amount
At 1 April 2015	12,947,634	1,295
Changes during the period		
- Fresh Issue	-	-
At 31 March 2016	12,947,634	1,295
Changes during the period		
- Fresh Issue	-	-
At 31 March 2017	<u>12,947,634</u>	<u>1,295</u>

15.3 Shares held by the holding company

Name of the Shareholder	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited	12,947,628	99.99%	12,947,628	99.99%	12,947,628	99.99%

15.4 Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited	12,947,628	99.99%	12,947,628	99.99%	12,947,628	99.99%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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Hometrail Estate Private Limited
Notes forming part of the financial statements

16. Other equity

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities premium account (refer note a below)	6,398	6,398	6,398
Retained earnings (refer note b below)	373	(1,525)	(3,399)
	<u>6,771</u>	<u>4,873</u>	<u>2,999</u>

Notes:	(Rs in Lacs)
a) Securities premium account	
At April 01, 2015	6,398
At March 31, 2016	6,398
At March 31, 2017	<u>6,398</u>
b) Retained earnings	
At April 01, 2015	(3,399)
Profit for the year	1,884
Items of other comprehensive income recognised directly in retained earnings	
Re-measurement post employment benefit obligation (net of tax) (item of OCI)	(10)
At March 31, 2016	(1,525)
Profit for the year	1,901
Items of other comprehensive income recognised directly in retained earnings	
Re-measurement post employment benefit obligation (net of tax) (item of OCI)	(3)
At March 31, 2017	<u>373</u>

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Hometrail Estate Private Limited
Notes forming part of the financial statements

17. Borrowings

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Borrowings			
Term Loan (secured)			
From Bank	5,055	-	-
Non Banking Finance Company	1,419	4,852	5,422
Finance lease obligation (secured)			
Finance lease obligation	-	4	45
Inter Corporate Deposits (unsecured)	-	552	851
Vehicle loans (secured)	4	9	14
Current maturities of borrowings:			
Term Loan (secured)			
Non Banking Finance Company	70	586	407
Finance lease obligation (secured)			
Finance lease obligation	4	41	66
Deferred payment liability (Unsecured)	45	47	45
Vehicle loans (secured)	5	5	7
	6,602	6,096	6,857
Less: Amount disclosed under "other financial liabilities" (refer note 20B)	124	679	525
	6,478	5,417	6,332
Aggregate Secured loans	6,557	5,497	5,961
Aggregate Unsecured loans	45	599	896

17.1 Term Loan from banks includes

- (i) Rs. 5,055/- Lacs (March 31, 2016: Rs. Nil) (April 01, 2015: Rs. Nil) from IDFC Bank Limited repayable in 52 structured quarterly instalments from June 2018. The above Loan is secured by:
- (a) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
- (b) A Charge on the entire current assets including cash flows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.
- (c) A first charge on entire intangible assets of the Borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;
- (d) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the Borrower under all Insurance Contracts;
- (e) Pledges of Shares held by the Guarantor in demat form in the equity share capital of the Borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/notation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that Guarantor shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that guarantor will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/notation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;

Hometrail Estate Private Limited
Notes forming part of the financial statements

17.2 Term Loan from Non Banking Finance Companies

- (i) Rs. 1,387 Lacs (March 31, 2016 : Rs.Nil) (April 01, 2015: Rs. Nil) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly instalments from June 2018.
The above Loan is secured by:
- (a) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
- (b) A Charge on the entire current assets including cash flows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.
- (c) A first charge on entire intangible assets of the Borrower, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;
- (d) Pledges of Shares held by the Guarantor in demat form in the equity share capital of the Borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/notation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that Guarantor shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that guarantor will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/notation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;
- (e) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the Borrower under all Insurance Contracts;
- (f) an irrevocable and unconditional corporate guarantee of the Guarantor.
- (ii) Rs. Nil (March 31, 2016 : Rs.5,281 lacs) (April 01, 2015: Rs. 5,622 lacs) from L&T Infrastructure Finance Company Limited was repayable in 32 quarterly instalment from January 2015 was prepaid during the year. The above Loan was secured by:
- (a) Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
- (b) 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.
- (c) 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. 1,000 Lacs, previously Rs.1000 lacs).
- (d) First charge on all intangibles & Corporate guarantee by the holding company.
- (iii) Rs. 102 lacs (March 31, 2016: Rs. 157 lacs) (April 01, 2015: Rs. 207 lacs) from Srei Equipment Finance Private Limited is repayable in 28 quarterly instalment from November 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.
- 17.3** Finance lease obligation is secured by hypothecation of medical equipments underlying the leases repayable in 20 quarterly instalments beginning from December 2011.
- 17.4** Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.
- 17.5** Vehicle Loan obtained from a bank is secured by way of hypothecation of underlying vehicles. The loan is repayable in 48 months instalments.
- 17.6** Rs. Nil (March 31, 2016: Rs. 552 lacs) (April 01, 2015: Rs. 851 lacs) from Max Healthcare Institute Limited as Inter Corporate Deposits is unsecured and will mature on March 31, 2020.

18. Long term provisions

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Provision for gratuity(refer note 31.2)	71	51	32
Provision for Rehabilitation under PPP	107	-	-
	178	51	32

Hometrail Estate Private Limited
Notes forming part of the financial statements

8. Income taxes

	As at March 31, 2017	As at March 31, 2016	
(a) Income tax expense in the statement of profit and loss comprises :			
Current income tax charge	536	292	
Deferred Tax			
On account of MAT credit	(536)	(292)	
Relating to origination and reversal of temporary differences	336	-	
Income tax expense reported in statement of profit and loss	336	-	
(b) Other Comprehensive Income			
Re-measurement (gain) / losses on defined benefit plans (refer note 30.1)	-	-	
Income tax related to item recognised in OCI during the year	-	-	
(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :			
Accounting profit before tax	2,237	1,884	
Applicable tax rate	34.608%	34.608%	
Computed tax expense	774	652	
Impact of Unrecognised Deferred tax Asset on previous years unabsorbed losses/depreciation	(421)	(662)	
Other temporary differences	(17)	10	
Income tax reported in the statement of profit and loss	336	-	
(d) Deferred tax :			
Deferred tax relates to the following:			
	Balance Sheet		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax liability :			
Accelearted depreciation for Tax purpose	1,226	1,166	1,049
Others	30	11	20
Deferred tax assets :			
Expenses allowed on payment basis	(149)	(56)	(35)
Impairment allowance (allowance for bad and doubful receivable)	(101)	(79)	(46)
Unabsorbed business losses / depreciation	(670)	(1,463)	(2,071)
Unabsorbed business losses / depreciation (Restricted to Deferred Tax Liability) *	-	421	1,083
MAT credit entitlement	(824)	(292)	-
Deferred Tax assets / (Liability)	(488)	(292)	-
	Profit and loss		
	For the year ended March 31, 2017	For the year ended March 31, 2016	
Deferred tax liability :			
Accelearted depreciation for Tax purpose	60	116	
Others	19	(9)	
Deferred tax assets :			
Expenses allowed on payment basis	(93)	(20)	
Impairment allowance (allowance for bad and doubful receivable)	(22)	(33)	
Unabsorbed business losses / depreciation	793	608	
Unabsorbed business losses / depreciation (Restricted to Deferred Tax Liability) *	(421)	(662)	
MAT credit entitlement	(532)	(292)	
Deferred tax expense/ (income)	(196)	(292)	
	As at March 31, 2017	As at March 31, 2016	
Reconciliation of deferred tax asset / (liabilities) (net):			
Opening balance	292	-	
Tax Income/expense recognised during the period in profit or loss	(336)	-	
MAT credit entitlement	532	292	
Clsioing balance	488	292	

Hometrail Estate Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
19. Financial liabilities - Borrowings			
Cash credit from banks (secured)	48	420	206
	48	420	206
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 Goverment of Punjab			
2) Second charge on entire movable assets (excluding vehicle) both present and future.			
20. Financial liabilities			
A. Trade payables			
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises#	2,262	2,006	1,939
	2,262	2,006	1,939
*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 such suppliers. Based on information available to the Company 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.			
# Trade payables include due to related parties Rs. 15 Lacs (March 31,2016 : Rs.27 Lacs) (April 1, 2015 : Rs. 6 Lacs)			
B. Other financial liabilities			
Current maturities of long term borrowings (refer note 17)	120	638	459
Current maturities of finance lease obligation (refer note 17)	4	41	66
Security deposits	8	6	6
Capital Creditors	44	333	308
Concessional Fee Payable	401	322	328
	577	1,340	1,167
21. Short term provisions			
Provision for employee benefits			
Provision for leave encashment	78	64	70
Provision for gratuity(refer note 31.2)	16	11	1
	94	75	71
22. Other current liabilities			
Advance from patients	56	40	34
Statutory dues	123	126	104
	179	166	138

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Hometrail Estate Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
23. Revenue from operations		
Sale of products		
Pharmacy and pharmaceuticals supplies	929	869
Revenue from healthcare services (net)	22,558	20,868
Other operating revenues		
- Income from ancillary activities	42	22
	<u>23,529</u>	<u>21,759</u>
24. Other income		
Profit on foreign exchange fluctuation	3	-
Unclaimed Balances & excess provisions written back	69	44
Other non-operating income	3	3
	<u>75</u>	<u>47</u>
25. Finance income		
Interest Income on		
Bank deposits	7	-
Security deposits	1	1
Loans to subsidiary companies	76	-
Income tax refund	5	-
	<u>89</u>	<u>1</u>

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Hometrail Estate Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
26. Employee benefits expense		
Salaries, wages and bonus	2,820	2,647
Contribution to provident and other funds	127	129
Gratuity expense (refer note 31.2)	25	22
Staff welfare expenses	147	152
	<u>3,119</u>	<u>2,950</u>
27. Finance costs		
Interest on debts and borrowings	801	837
Bank charges	84	46
	<u>885</u>	<u>883</u>
28. Depreciation and amortization expense		
Depreciation of tangible assets (note 3)	885	870
Amortization of intangible assets (note 4)	8	5
	<u>893</u>	<u>875</u>
29. Other expenses		
Professional and consultancy fee	4,986	4,404
Outside lab investigation	258	143
Concessional Fee*	1,236	1,027
Patient catering expenses	220	222
Rent	190	74
Insurance	87	63
Rates and taxes	28	35
Facility maintenance expenses	290	278
Power and fuel	415	399
Repairs and maintenance:		
Building	16	6
Plant and equipments	277	245
Others	95	123
Printing and stationery	75	83
Travelling and conveyance	80	79
Communication	30	27
Legal and professional	69	258
IT support expense	61	69
Watch and ward	90	85
Directors' sitting fee	1	1
Advertisement and publicity	650	327
Recruitment expenses	7	5
Equipment hiring charges	2	29
Provision for doubtful debts	67	97
Bad debts written off	51	-
Debit balances written off	3	-
Loss on foreign exchange fluctuation	-	11
Contribution towards Corporate social responsibility (refer note 31.9)	12	-
Miscellaneous expenses	29	39
	<u>9,325</u>	<u>8,129</u>
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	10	9
Reimbursement of expenses	2	1
	<u>12</u>	<u>10</u>

*The Company had entered into triplicate long term concessional agreement dated February 20, 2009 along with its holding company, with the Government of Punjab. As per the terms of concessional agreement, the Company is to build and operate a Hospital for initial term of 50 years on public-private-partnership(PPP) mode. The Company is Obligated to pay concessional fee to Government of Punjab as per terms of agreement.

30. Contingent liabilities, commitments and litigations

30.1 Finance lease commitments: company as lessee

i. The Company has finance lease for certain medical equipments for a period of 5 years. Future minimum lease payment (MLP) under the finance lease plan together with the present value of MLP are as follows :

ii. Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
not later than one year	4	4	43	41	73	66
later than one year but not later than five	-	-	4	4	47	45
later than five years	-	-	-	-	-	-
Total minimum lease payments	4	4	47	45	120	111

30.2 Operating lease commitments : company as lessee

The Company has entered into operating lease agreement for nursing hostel, rent paid is Rs. 190 lacs (March 31, 2016 is Rs. 74 lacs). The Company also recover certain portion of rent from the employees.

ii. Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 01, 2015
not later than one year	89	83	80
later than one year but not later than five years	184	213	202
later than five years	-	-	24
Total	274	296	306

30.3 Capitalisation of Expenditure

During the year company has capitalised the following expenses of revenue nature to the cost of fixed asset/capital work-in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening Balances	11	11	29
Add:	-	-	-
Salaries, wages and bonus	-	-	28
Legal & Professional	-	-	21
Power and Fuel	-	-	18
Miscellaneous	-	-	5
Total	11	11	101
Less: Capitalised during the year	-	-	90
Preoperative expenses pending capitalisation	11	11	11

30.4 Capital commitments

a. Capital commitment

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 01, 2015
Estimated amount of contracts remaining to be executed on capital account	31	2	2,099
Less: Capital Advances	7	-	19
Balance Value of Contracts	24	2	2,080

b. Commitments relating to lease arrangements

30.5 Contingent Liabilities (to the extent not provided for)

S. No	Particulars	(Rs in Lacs)		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a.	Claims against the Company not acknowledged as debts			
	-Civil Cases (refer note a)	707	149	8
		707	149	8

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.

Hometrail Estate Private Limited

Notes forming part of the financial statements

31 Other notes :

31.1 Earnings per share (EPS)

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Basic Earnings per share		
Numerator for earnings per share		
Profit after taxation	1,901	1,884
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	12,947,634	12,947,634
Earnings per share-Basic (one equity share of Re. 10/- each)	14.68	14.55
b) Diluted Earnings per share		
Numerator for earnings per share		
Profit after taxation	1,901	1,884
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	12,947,634	12,947,634
Earnings per share-Basic (one equity share of Re. 10/- each)	14.68	14.55

31.2 Gratuity

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. Currently plan is not funded.

	(Rs. in lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	62	33
Interest Expense	5	3
Current Service Cost	20	19
Benefit paid	(3)	(3)
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Actuarial changes arising from changes in demographic assumptions	1	(3)
Actuarial changes arising from changes in financial assumptions	3	1
Actuarial changes arising from changes in experience adjustments	(1)	12
Defined Benefit obligation at year end	87	62
b) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	-	-
Present value of defined benefit obligation	(87)	(62)
Amount recognized in Balance Sheet- Asset / (Liability)	(87)	(62)
c) Net defined benefit expense (Recognized in the Statement of profit and loss for the year)		
Current service cost	20	19
Past service cost	-	-
Interest cost on benefit obligation	5	3
Expected return on plan assets	-	-
Net defined benefit expense debited to statement of profit and loss	25	22
d) Principal assumptions used in determining defined benefit obligation		
Assumption Particulars	As at March 31, 2017	As at March 31, 2016
Discount Rate	6.6%	7.5%
Salary Escalation Rate	8.0%	8.0%
Mortality Rate (% of IALM 06-08)	100.0%	100.0%

Hometrail Estate Private Limited
Notes forming part of the financial statements

e) Quantitative sensitivity analysis for significant assumptions is as below:	(Rs. in lacs)	
	Year ended	Year ended
	March 31, 2017	March 31, 2016
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount Rate</u>		
Increase by 1.00%	(4)	(2)
Decrease by 1.00%	4	3
<u>Salary Growth Rate</u>		
Increase by 1.00%	4	2
Decrease by 1.00%	(3)	(2)
<u>Attrition Rate</u>		
Increase by 0.50%	(9)	(7)
Decrease by 0.50%	14	12

f) Maturity profile of defined benefit obligation (valued on discounted basis)	(Rs. in lacs)	
	Year ended	Year ended
	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	16	11
Between 2 and 5 years	49	39
Between 5 and 10 years	28	20
Beyond 10 years	33	20
Total expected payments	126	90

g) The average duration of the defined benefit plan obligation at the end of the reporting period is 5 Years (March 31, 2016 : 4 years)
The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

i) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

j) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

31.3 Capitalisation of Expenditure

During the year company has capitalised the following expenses of revenue nature to the cost of fixed asset/capital work-in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening Balances	11	11	29
Add:	-		
Salaries, wages and bonus	-	-	28
Legal & Professional	-	-	21
Power and Fuel	-	-	18
Miscellaneous	-	-	5
Total	11	11	101
Less: Capitalised during the year	-	-	90
Preoperative expenses pending capitalisation	11	11	11

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Hometrail Estate Private Limited
Notes forming part of the financial statements

31.4 Financial instruments

- A.** The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

Category	Carrying value			Fair Value		
	March 31,	March 31,	April 1, 2015	March 31,	March 31,	April 1,
	2017	2016		2017	2016	2015
(i) Financial asset at amortized cost						
Loans	1,485	-	-	1,485	-	-
Other financials assets (current / non curren)	216	263	150	216	263	150
Trade receivables	2,357	2,222	1,186	2,357	2,222	1,186
Cash and cash equivalents	1,020	348	428	1,020	348	428
Other bank balances	6	4	4	6	4	4
(ii) Financial liabilities at amortized cost						
Borrowings (current / non current)	6,526	5,837	6,538	6,526	5,837	6,538
Other financial liabilities	577	1,340	1,167	577	1,340	1,167
Trade Payables	2,262	2,006	1,939	2,262	2,006	1,939

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

B Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31,2017

Particulars	Carrying Value March 31, 2017	(Rs. in lacs)		
		Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans	1,485	-	-	1,485
Other financials assets (current / non curren)	216	-	-	216
Trade receivables	2,357	-	-	2,357
Cash and cash equivalents	1,020	-	-	1,020
Other bank balances	6	-	-	6
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	6,526	-	-	6,526
Other financial liabilities	577	-	-	577
Trade Payables	2,262	-	-	2,262

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31,2016

Particulars	Carrying Value March 31, 2016	(Rs. in lacs)		
		Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans	-	-	-	-
Other financials assets (current / non curren)	263	-	-	263
Trade receivables	2,222	-	-	2,222
Cash and cash equivalents	348	-	-	348
Other bank balances	4	-	-	4
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	5,837	-	-	5,837
Other financial liabilities	1,340	-	-	1,340
Trade Payables	2,006	-	-	2,006

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on April 1,2015

		(Rs. in lacs)		
Particulars	Carrying Value April 1, 2015	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans	-	-	-	-
Other financials assets (current / non curren)	150	-	-	150
Trade receivables	1,186	-	-	1,186
Cash and cash equivalents	428	-	-	428
Other bank balances	4	-	-	4
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	6,538	-	-	6,538
Other financial liabilities	1,167	-	-	1,167
Trade Payables	1,939	-	-	1,939

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31.5 Financial risk management objectives and policies

The Company’s has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company’s financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 16, 19 cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBIDTA, Net Debt is divided by the Normalised EBIDTA for 12 months. Net debt is calculated as total interest-bearing borrowings (including “current interest-bearing and non-current interest-bearing borrowings” as shown in the statement of financial position) less net cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at 1.05 for FY15-16 and 0.82 for FY 2016-17. Similarly, the Net Debt to EBIDTA ratio of the Company stood at 1.69 for FY 2015-16 and 1.40 FY 2016-17

The Audit Committee and the Senior management review the status vis a vis approved maximum ratio of Debt : Equity of 2 : 1 and Net Debt to EBIDTA ratio of 6:1.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the Corporate Finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilised borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

Matruity profit of financial liabilities

The amount disclosed in the table are the contratual undiscounted cash flows for the period mentioned below

	March 31, 2017				March 31, 2016				April 01, 2015			
March 31, 2016	0-1 Years	1-5 Years	More than 5 Years	Total	0-1 Years	1-5 Years	More than 5 Years	Total	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	156	430	6,093	6,679	680	3,666	1,783	6,129	689	4,554	1,824	7,067
Trade payable	2,262	-	-	2,262	2,006	-	-	2,006	2,006	-	-	2,006
Other financial liabilities	453	-	-	453	661	-	-	661	642	-	-	642
% to Total	31%	5%	65%	100%	38%	42%	20%	100%	34%	52%	21%	110%

c) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis. Trade receivables comprise a widespread customer base and a large part of these sits in the State and Central Government bodies and institutions owned and managed by the State. A large segment of the Company's customers settle their bill in cash or using major credit cards on discharge date as far as possible. Further, a fairly large proportion of the customers are discharged post confirmation of third party administrator of the insurance companies, with whom the Company has a written contract. Further the Company provides for allowance for deductions based on empirical evidence whereby the receivables from various counterparties is marked down at the time of recognition of revenue. The management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year under review that has not been provided for.

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	964	1,149	559
0 to 180 days due past due date	1,135	883	524
More than 180 days due past	258	190	103
Total trade receivables	2,357	2,222	1,186

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	230	133	62
Provision during the year	114	97	71
Bad debts written off	(51)	-	-
Reversal of provision			
At the end of the year	293	230	133

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 31.4 and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Foreign currency exposures recognized by the Company are as under:

As at March 31, 2017 (Rs. in Lacs)				
Currency	Amount in FC	Amount in INR	Increase/decrease in rate	Impact on profit before tax
USD Payable	0.70	45	1%	0.45
Euro Payable	0.01	1	1%	0.01

As at March 31, 2016 (Rs. in Lacs)				
Currency	Amount in FC	Amount in INR	Increase/decrease in rate	Impact on profit before tax
USD Payable	2.33	157	1%	1.57
Euro Payable	0.01	1	1%	0.01

As at April 01, 2015 (Rs. in Lacs)				
Currency	Amount in FC	Amount in INR	Increase/decrease in rate	Impact on profit before tax
USD Payable	0.70	45	1%	0.45
Euro Payable	0.01	1	1%	0.01

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's policy is to hedge part of its borrowings

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

(Rs. in Lacs)		
Year	Increase/decrease in basis points	Effect on profit before tax
March 31 2017	0.50%	25
March 31,2016	0.50%	-

31.6 Capital management

For the purpose of the Company’s capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company’s capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The holding Company by itself or through group subsidiaries influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the requist capital structure at group level. The Company’s policy is to keep the gearing ratio between 20% and 40%. Since the fund management is controlled by the holding Company, the capital gearing ration at Company level will not be meaningful.

	(Rs. in lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (refer note 17, 19)	6,650	6,516	7,063
Less: cash and cash equivalents (refer note 12)	(1,026)	(352)	(432)
Net debt	5,624	6,164	6,631
Equity	8,066	6,168	4,294
Total capital	8,066	6,168	4,294
Capital and net debt	13,690	12,332	10,925
Gearing ratio	41%	50%	61%

31.7 Disclosure required under Section 186 (4) of the Companies Act, 2013

a) Particulars of loan given:

Name of the Loan	Opening Balance	Loan given	Loan repaid	Outstanding Balance	Purpose
Hometrail Buildtech Private Limited	-	1,417	-	1,417	For business operations, repayment of debts and other general corporate purpose

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Hometrail Estate Private Limited
Notes forming part of the financial statements

31.8.a Related party disclosures

The related parties are as per the term of Ind AS - 24 " Related Party Disclosure" (Specified under section 133 of the Companies Act, 2013 with Rule 7 of Companies (Accounts) Rule, 2015) as disclosed below

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Holding Company	Max Healthcare Institute Limited
Fellow Subsidiaries	Hometrail Buildtech Private Limited Alps Hospital Limited Saket City Hospitals Private Limited (w.e.f. December 01, 2015) Crosslay Remedies Limited (w.e.f. July 01, 2015) Max Medical Services Limited
Key Management Personnel	Mr. Sandeep Dogra (Whole Time Director) Mr. Yogesh Kumar Sareen (Director) Mr. Rakesh Dhumir (Head Finance)

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Hometrail Estate Private Limited
Notes forming part of the financial statements

31.8.b

(Rs in Lacs)		
Transactions with related parties during the year	For the year ended March 31, 2017	For the year ended March 31, 2016
Loans Given		
Hometrail Buildtech Private Limited	1,417	-
Loans Taken		
Max Healthcare Institute Limited (Holding Company)	-	2
Loans Repaid		
Max Healthcare Institute Limited (Holding Company)	552	300
Interest expense		
Max Healthcare Institute Limited (Holding Company)	25	80
Interest Income		
Hometrail Buildtech Private Limited	76	-
Services Received		
Max Life Insurance Company Limited (Fellow Subsidiary till November 10, 2014)		-
Max Healthcare Institute Limited (Holding Company)	213	109
Professional Services Received		
Max Healthcare Institute Limited (Holding Company)	26	-
Purchase of Goods (excluding Taxes)		
Max Healthcare Institute Limited (Holding Company)	30	12
Director's remuneration		
Mr. Sandeep Dogra - Whole Time Director	67	50

31.8.c

Balance Outstanding at the year end	As at March 31, 2017	As at March 31, 2016
Inter-corporate deposits recoverable on demand (unsecured)		
Hometrail Buildtech Private Limited	1,417	-
Inter-corporate deposits repayable on demand (unsecured)		
Max Healthcare Institute Limited (Holding Company)	-	552
Interest Recoverable(Net of TDS)		
Hometrail Buildtech Private Limited	68	-
Trade Payables		
Max Healthcare Institute Limited (Holding Company)	9	21
Mr. Sandeep Dogra	6	6

31.9 Corporate social responsibility

As per the provision of Section 135 of the Companies Act, 2013 the Company has to incur at least 2% of average net profit of the preceding three financial years toward Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activity as per schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 10 Lacs (March 31, 2016 : Rs. Nil) toward this cause and debited the same to the statement of profit and loss.

	As at March 31,	As at March 31, 2016
Details of CSR expenditure :		
(a) Gross amount required to be spent by the Company during the year	12	-
(b) Amount spent during the year ended March 31, 2017		
	Paid in cash	Yet to be paid in cash
	2017	2016
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	10	2
Total	10	2

31.10 Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other	Total
Closing cash in hand as on 08.11.2016	24	1	24
+ Permitted Receipts**	15	378	393
(-) Permitted Payments	0	3	3
Amount Deposited in Banks**	39	365	404
Closing cash in hand as on 30.12.2016	0	10	10
Note** It excludes Cash deposited by Customers directly in our bank accounts amounting to Rs 5,99,500/-			

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Hometrail Estate Private Limited
Notes forming part of the financial statements

31.11 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at April 1, 2015, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognized and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

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31.12A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

				(Rs in Lacs)
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	11,246	(48)	11,198
Capital work-in-progress		11	-	11
Intangible assets		41	-	41
Financial assets			-	
-Other financial assets	2	52	(4)	48
Other non current Assets	2	901	3	904
Deferred tax asset (net)		292	-	292
		12,543	-49	12,494
Current assets				
Inventories		278	-	278
Financial assets				
-Trade receivables		2,222	-	2,222
-Other financials assets		216	-1	215
-Cash and cash equivalents		348	-	348
-Other bank balances		4	-	4
Other current assets	2	79	3	82
		3,147	2	3,149
TOTAL ASSETS				
		15,690	(47)	15,643
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,295	-	1,295
Other equity	5	4,887	(14)	4,873
Total Equity		6,182	(14)	6,168
Non-current liabilities				
Financial Liabilities				
-Borrowings	3	5,450	(33)	5,417
Long term provisions		51	-	51
		5,501	(33)	5,468
Current liabilities				
Financial Liabilities				
-Borrowings		420	-	420
-Trade payables		2,006	-	2,006
-Other financial liabilities		1,340	-	1,340
Short term provisions		75	-	75
Other current liabilities		166	-	166
		4,007	-	4,007
TOTAL LIABILITIES				
		9,508	(33)	9,475
TOTAL EQUITY AND LIABILITIES				
		15,690	(47)	15,643

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31.12B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

				(Rs in Lacs)
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	11,246	(54)	11,192
Capital work-in-progress		97	-	97
Other intangible assets		3	-	3
Financial assets		11	-	11
-Other financial assets	2	17	(4)	13
Other non current Assets	2	729	3	732
		12,103	(55)	12,048
Current assets				
Inventories		290	-	290
Financial assets				
-Trade receivables		1,186	-	1,186
-Other financial asset		137	-	137
-Cash and cash equivalents		428	-	428
-Other bank balances		4	-	4
Other current assets	2	86	-	86
		2,131	-	2,131
TOTAL ASSETS				
		14,234	(55)	14,179
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,295	-	1,295
Other equity	5	3,005	(6)	2,999
Total Equity		4,300	(6)	4,294
Non-current liabilities				
Financial Liabilities				
-Borrowings	3	6,381	(49)	6,332
Long term provisions		32	-	32
		6,413	(49)	6,364
Current liabilities				
Financial Liabilities				
-Borrowings		206	-	206
-Trade payables		1,939	-	1,939
-Other financial liabilities		1,167	-	1,167
Short term provisions		71	-	71
Other current liabilities		138	-	138
		3,521	-	3,521
TOTAL LIABILITIES				
		9,934	(49)	9,885
TOTAL EQUITY AND LIABILITIES				
		14,234	(55)	14,179

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31.12C Reconciliation of Statement of Profit and Loss for the period ended March 31, 2016				(Rs in Lacs)
		IGAAP	Adjustment	Ind AS
	Footnote	for the year ended March 31, 2016	for the year ended March 31, 2016	for the year ended March 31, 2016
Revenue from operations		21,759	-	21,759
Other income		47	-	47
Finance income	2	-	1	1
Total income		21,806	1	21,807
Expenses				
Purchase of pharmacy, drugs, consumables and implants		7,074	-	7,074
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		12	-	12
Employee benefits expense	4	2,960	(10)	2,950
Finance costs	3	868	15	883
Depreciation and amortization expense	1	881	(6)	875
Other expenses		8,129	-	8,129
Total expenses		19,924	(1)	19,923
Profit before tax		1,882	2	1,884
Tax expenses				
Current tax		292	-	292
Less : MAT credit entitlement		(292)	-	(292)
Deferred tax		-	-	-
Total tax expenses		-	-	-
Profit after tax		1,882	2	1,884
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans		-	(10)	(10)
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	(10)	(10)
Total comprehensive income for the year (net of tax attributable to Equity shareholder)		1,882	(8)	1,874

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31.12D Footnotes to the reconciliation of equity as at April 1, 2015, March 31, 2016 and profit or loss for the year ended March 31, 2016

1) Property, plant and equipment

The Company has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and on that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

3) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing.

4) Remeasurement of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

5) Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith

6) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

7) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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Hometrail Estate Private Limited
Notes forming part of the financial statements

31.13 The Board of Directors of the Company had, at their meeting held on January 30, 2017, approved the amalgamation of Hometrail Buildtech Private Limited [“HBPL”] (fellow subsidiary of the company) into the Company. The petition for Scheme of Amalgamation amongst HBPL, the Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal (“NCLT”) on May 08, 2017 and same is list for hearing before NCLT on May 16, 2017.

31.14 Segment Reporting
As the Company’s business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on ‘Operating Segment’.

31.15 The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figures 0.00 wherever stated represents value less than Rs. 50,000/-

31.16 Note No. 1 to 31 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Hometrail Estate Private Limited

Sd/-
Sandeep Dogra
(Whole Time Director)
DIN : 03606846

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Rakesh Dhumir
(Head -Finance)

Sd/-
Tarun Ailawadhi
(Company Secretary)
M. No. : A23416

Place : Gurugram
Date : May 20,2017

Place : Gurugram
Date : May 20,2017

HOMETRAIL BUILDTECH PRIVATE LIMITED

CIN No; U45400DL2008PTC176962

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 1100 20, India

NOTICE TO MEMBERS

NOTICE is hereby given that the **9th ANNUAL GENERAL MEETING** of the members of Hometrail Buildtech Private Limited will be held on **Friday, September 29, 2017** at 0900 hrs at the registered office of the Company at **Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020, India** (enclosed Route Map) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statements of the Company for the Financial Year ended March 31, 2017, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Kumar Sareen (DIN 00884252), who retires by rotation, being eligible, offered himself for the re-appointment.
3. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E) (previously S.R. Batliboi & Co.), Chartered Accountants, as the statutory auditors for the Financial Year 2016-17 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an Ordinarily Resolution:

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 9th Annual General Meeting (“AGM”) of the Company till the conclusion of 10th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

**By order of the Board
For Hometrail Buildtech Private Limited**

**New Delhi
August 2, 2017**

**sd/-
Yogesh Sharma
Company Secretary
(ACS 29186)**

Notes:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020, India at any time but not less than 48 hours before the meeting. The prescribed format of proxy form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
6. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of director seeking reappointment are given as a separate **Annexure 1** to this Notice.
7. The members may please note that M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for a term of 5 years until the conclusion of AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

ANNEXURE – 1

Details of directors seeking re-appointment as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

Name of the Director: Mr. Yogesh Kumar Sareen (DIN 00884252)

- Age: 52 years
- Qualification: Member of the Institute of Chartered Accountants of India (ICAI).
- Experience: Mr. Yogesh Sareen, member of the Institute of Chartered Accountants of India, started his career in the industry with Ranbaxy Laboratories in 1988 and had a 30-year long stint across various positions in various countries. He was involved in almost every facet in finance - right from operational finance to corporate finance, treasury, strategy, financial planning and so on.

Mr. Sareen joined Max Healthcare Institute Limited (“MHIL”) in January 2012 as the Chief Financial Officer. Before joining MHIL, he was with Fortis Healthcare Limited as CFO, where he built a robust Finance and Accounting Function in his stint of three and a half years. As a member of senior leadership team he has been directly involved in guiding the strategy and execution of the Group's business plans in the healthcare domain.

- Date of appointment & terms & conditions of reappointment along with the remuneration details:

The Board of Directors of the Company had, in its meeting held on April 2, 2012, appointed Mr. Yogesh Kumar Sareen as an additional director and regularized as the director of the company in the AGM held for the FY11-12 and was further reappointed as Director liable to retire by rotation by the shareholders in their AGM held on September 25, 2014. In terms of section 152(6) he is liable to retire by rotation and being eligible, offered himself for re-appointment as a director of the Company.

He is not drawing any remuneration from the Company.

- Shareholding in the Company: Nil
- Relationship with other Directors, Manager & KMP: None
- Number of board meetings attended FY 16-17 : 8 (Eight)
- Directorship & Committee position on March 31, 2017.

Directorship in other Companies	Committee Membership in other Companies
1. Crosslay Remedies Limited 2. Hometrail Buildtech Private Limited 3. Hometrail Estate Private Limited 4. Alps Hospital Limited 5. Max Medical Services Limited 6. Saket City Hospitals Private Limited	1. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Estate Private Ltd. 2. Member of Audit Committee & Nomination & Remuneration Committee of Max Medical Services Ltd. 3. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Buildtech Pvt. Ltd. 4. Member of Audit Committee of Alps Hospital Ltd. 5. Member of Audit Committee & Operation Committee of Crosslay Remedies Ltd. 6. Member of Audit Committee & Operational Committee of Saket City Hospitals Pvt. Ltd.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U45400DL2008PTC176962

Name of the Company: Hometrail Buildtech Private Limited

Registered office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020, India

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
Email Id: _____
Signature: _____; or failing him
2. Name: _____
Address: _____
Email Id: _____
Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Friday ,29th day of September 2017 at 0900 hrs at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.;

1. _____.
2. _____
3. _____
4. _____

Signed this _____ day of _____, 2017
Signature of Shareholder

Affix
Revenue
Stamp

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting

Hometrail Buildtech Private Limited
(CIN U45400DL2008PTC176962)
Max House, 1, Dr. Jha. Marg, Okhla, New Delhi – 110020, India

Attendance Slip

Ninth Annual General Meeting of Hometrail Buildtech Private Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Husband Name	Address as Regd. With the Company
1.			
2.			
3.			

I/ We hereby record my/ our presence at the 9th Annual General Meeting of the Company being held on Friday, 29th day of September 2017 at 09.00 a.m. at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020, India.

Please (☒) in the box

☐ Member ☐ Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route map of the AGM Venue



DIRECTORS' REPORT

Your Directors have the pleasure in presenting here the 9th Annual Report of your Hometrail Buildtech Private Limited ("Company") together with the Audited Financial Results and the Auditor's Report thereon for the year ended March 31, 2017.

Your Company from the very beginning has brought immense focus on Patient Care and Patient Safety resulting in building a strong brand equity and increased number of footfalls. Also, we continued our investment in renovation activities, up gradation of medical and engineering equipments.

The healthcare industry is expected to go through far greater scrutiny as we move forward. Your Company is dedicated to its core of Sevabhav and will ensure it shines through in every aspect of our service delivery.

FINANCIAL HIGHLIGHTS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The highlights of the Company's financial performance, for the year ended March 31, 2017 is summarized below:

Particulars	(INR in Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	4966	4263
Other Income	27	10
Finance Income	8	3
Total Income	5001	4276
Total Expenditure	5245	5038
Profit / (loss) Before Interest, Tax &	-244	-762
Less: Financial Cost	1466	1369
Less: Depreciation/Provision for Obsolescence/Impairment	634	641
Profits before Tax or (loss)	-2344	-2772
Net Profits after Tax	-2345	-2774
Earnings per equity share		
Basic* (Rs.)	-14.91	-21.31
Diluted* (Rs.)	-14.91	-21.31

*Nominal value of shares INR 10/- per share

Previous year figures have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

OPERATIONAL PERFORMANCE

In pursuance to the concession agreement executed with the Government of Punjab for setting up of a Super- Specialty hospital in Bhatinda, your Company is running a hospital with the installed capacity of 200 beds in the industrial town of Bathinda, Punjab. The hospital has been set up as Public Private Partnership with Govt. of Punjab, and was commissioned in September, 2011.

During the FY 2016-17, the revenue grew to Rs. 4966 Lacs. In March 2017, 80 beds were operational (31 Critical & 49 non-critical) and hospital was running at 67% bed occupancy. Cardiac & Orthopedics have been the key driver of business. The OPD patients increased from monthly average of 4832 OP Consults in FY 15-16 to 4977 in FY 16-17. Manpower strength is 345 comprising of 54 physicians, 128 nurses, 70 paramedics and 93 Support staff.

During the year, the Company also got empanelled with ECHS for all specialties during the year.

Your Company continued to partner with the Government of Punjab in eradicating cancer from the State. Towards this direction, more than 300 cancer patients were treated under "Mukhya Mantri Punjab Cancer Rahat Kosh Scheme" of the Government of Punjab.

DIVIDEND & TRANSFER TO RESERVES

In view of the Company's carried forward and current losses, your Directors are unable to recommend any dividend for the year under review. Further, in view of the current losses incurred by the Company, no amount was transferred to the general reserves.

SHARE CAPITAL

On May 16, 2016, the Authorized Share Capital of the Company was increased from existing Rs. 35,00,00,000/- (Rupees Thirty Five Crores) divided into (i) 1,50,00,000 (One Crore Fifty Lacs) equity shares having a nominal value of Rs. 10/- each, (ii) 20,00,000 (Twenty Lacs) Zero Percent Redeemable Preference Shares having a nominal value of Rs.100/- each to Rs. 40,00,00,000/- (Rupees Forty Crore) divided into (i) 2,00,00,000 (Two Crore) equity shares having a nominal value of Rs. 10/- each, (ii) 20,00,000 (Twenty Lacs) Zero Percent Redeemable Preference Shares having a nominal value of Rs.100/- each, by creation of additional 50,00,000 (Fifty Lac) Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

On June 21, 2016, the company issued 34,88,372 (Thirty Four Lacs Eighty Eight Thousand Three Hundred Seventy Two) fully paid up equity shares of Rs. 10/- (Rupees Ten only) each, at an issue premium of Rs. 33 (Rupees Thirty Three) per equity share, aggregating up to Rs.15,00,00,000 (Rupees Fifteen Crores only), to its Holding Company i.e. Max Healthcare Institute Limited

As on March 31, 2017, the issued, subscribed and paid up equity share capital stands at INR 36,49,83,720 (Rupees Thirty Six Crore Forty Nine Lacs Eighty Three Thousand Seven Hundred Twenty only) divided into (i) 1,64,98,372 (One Crore Sixty Four Lacs Ninety Eight Thousand Three Hundred Seventy Two only) equity shares having a nominal value of INR 10 each, (ii) 20,00,000 (Twenty Lacs) Zero Percent Redeemable Preference Shares having a nominal value of

INR100/- each.

As on March 31, 2017, the Authorized Share Capital of the Company was INR 40,00,00,000 (Rupees Forty Crores only) divided into (i) 2,00,00,000 (Two Crore) equity shares having a nominal value of INR 10 each, (ii) 20,00,000 (Twenty Lacs) Zero Percent Redeemable Preference Shares having a nominal value of INR100/- each.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

As on March 31, 2017, your Company has no subsidiary/associate/joint venture company.

AMALGAMATION / RESTRUCTURING

In order to create synergies by consolidating ownership, utilize capital more efficiently and creating a stronger capital base for the future growth, during the year under review, your company had filed joint application together with Hometrail Estate Private Limited (HEPL), a fellow subsidiary company with Hon'ble National Company Law Tribunal ("NCLT") for the amalgamation of HEPL into the Company,"

Further, Hon'ble NCLT vide its order dated June 29, 2017, has directed the Company to either furnish the consent of creditors in the form of an affidavit (As per Sec 230(9) of the Companies Act, 2013) or convene the meetings for every class of creditors.

You will be pleased to note that the said merger will lead to more efficient utilization of capital, bed capacity & other resources and also create a stronger capital base for the future growth.

DIRECTORS

As on date, your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent Directors. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

In terms of Section 165 of the Act, none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

In accordance with the provisions of the Section 152(6) of the Act, Mr. Yogesh Kumar Sareen (DIN 00884252), is due to retire by rotation and being eligible, he offered himself for re-appointment.

Also, in terms of Section 149 (7) of the Act, the Company has received declarations from all the Independent Directors of the Company confirming their independence as prescribed under the Act.

A brief profile of above named director seeking re- appointment at the ensuing AGM of the Company have been provided in the notice of the AGM

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors to facilitate them to plan their schedule and to ensure meaningful participation. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

Usually, meetings of the Board are held in New Delhi. The Agenda for the Board and Committee meetings including detailed notes on the items to be discussed at the meeting are provided in advance to enable the Directors to take an informed decision.

The Directors may seek necessary clarification from the management on any information provided to them and also have the right to seek external legal advice as may be required for the performance of their duties.

During the year under review, the Board met 8 times viz., on April 15, 2016, May 3, 2016, June 11, 2016, June 21, 2016, July 25, 2016, October 17, 2016, December 5, 2016 and January 30, 2017. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company had constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board:

Audit Committee

As on date, the Committee comprises Mr. Yogesh Kumar Sareen (Chairman), Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all the recommendations made by the Audit Committee from time to time.

Nomination & Remuneration Committee ("NRC")

As on date, the Committee comprises Mr. Yogesh Kumar Sareen (Chairman) Mr. Sanjay Khandelwal (Independent Director) and Ms. Kiran Sharma (Independent Director). The role and terms of reference of the NRC are in compliance with the Section 178 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

The details of Board / Committee meetings held during the financial year 2016 -17 as required under SS-1 has been provided as **Annexure - 1**

BOARD EVALUATION

In terms of the Board Evaluation Framework of the Company, the performance of the Board as a whole, Board Committees and Directors was carried out.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Company followed two pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committee. The second part was driven by face to face discussions at NRC & Board Meeting with aim to evaluate the performance of individual director. In addition, a separate meeting of all the Independent Director was convened in terms of schedule IV to the Act.

The Evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as knowledge, contribution and guidance to the Management. The Directors expressed satisfaction with the overall evaluation process.

KEY MANAGERIAL PERSONNEL – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Sunil Mehta, currently Whole Time Director and Mr. Pawan Khurana, who is currently in charge of Finance Function of the Company appointed as Key Managerial Personnel of the Company w.e.f. January 31, 2016, and April 15, 2016 respectively.

As on date, Mr. Sunil Mehta, Whole Time Director, Mr. Pawan Khurana, Head of Finance and Mr. Yogesh Sharma, Company Secretary of the Company are the Whole Time Key Managerial Personnel of the Company.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP") and other employees. The detail of the aforesaid Policy is as follows:

- **Appointment criteria and Qualification**

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. For the purpose, the NRC shall identify and ascertain the integrity, independence in terms of Section 149 of the Act, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

For the appointment of KMPs [other than MD / Whole time Director (WTD)], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

- **Remuneration Policy**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act w.r.t the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

The key components of the Company's Remuneration Policy are - the Compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration of the Managing / Whole - time Director as the case may be, will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Whole Time Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director, if any) and Senior Management, and which shall be decided by the Whole Time Director based on the standard market practice and prevailing HR policies of the Company.

- Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the NRC / Board / Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act, as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief, your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for another term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to re-appoint SRBC as the Statutory Auditors of the Company for the FY 2017-18 and fix their remuneration, subject to the ratification by the shareholders of the Company at the ensuing AGM.

The Company has received a certificate from M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, the retiring auditors, confirming that ratification of their appointment for FY 2017-18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014

The Statutory Auditors in their Report to Board of Directors of the Company for FY 2016 -17, pointed out that the Company has provided requisite disclosures in Note XXX to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management, except for amounts directly deposited in bank by customers amounting to Rs 22,12,660.

In this regard, it is clarified that, in view of the sudden developments on November 8, 2016, the patients travelling from far off areas and those with planned admissions exercised the option to deposit cash directly to Company's bank Account (as per RBI Circular no. RBI/2016-17/112DCM (Plg) No.1226/10.27.00/2016-17dated of November 8, 2017), under the cover of an authorization by the concerned hospital. Since the Company as well as the bank has the necessary KYC documents, the Company is of the considered opinion that such deposits of Specified Bank Notes were in line with RBI directions and comply with all regulatory requirements.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation or adverse opinion except as under:

REPORTING OF FRAUD

During the FY 2016 -17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational

information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority are shared with the senior management from time to time, to cascade within their departments. Procedures to ensure conformance with the policies and standards have been put in place covering all activities. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Further, in the design and evaluation of our disclosure controls and procedures, our management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems.

RISK MANAGEMENT

The Company has a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The Company follows detailed risk assessment and minimization procedures for identifying, evaluating and managing all significant risks faced by the Company.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has established a vigil mechanism (Whistle Blower Policy), to cater the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

A whistle blower can raise his / her concerns with the designated official under the Policy and under exceptional circumstances with the Audit Committee. All concerns reported under this Policy shall be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints. During the year under review, no concern/ complaint was received under this policy.

CONTRACTS AND ARRANGEMENT WITH THE RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the Audit Committee / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC -2

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Ind AS - 24.

PARTICULAR OF LOANS GIVEN. INVESTMENT MADE. GUARANTEE GIVEN AND SECURITIES PROVIDED

Your Company hasn't provided any loan, investment, guarantee and security in terms of Section 186 of the Act.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of Company is annexed herewith **Annexure 2** to this Report.

DEPOSITS

During the year under review, your Company had not invited or accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees (as amended from time to time), is given separately as **Annexure 3** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended 31 March, 2017, the ICC had not received any complaint.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business or generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

- Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. During the year, your Company has taken following significant energy conservation measures in its hospital:
 - ✓ Replacement of existing fixtures with energy efficient LED lights continues on ongoing basis
 - ✓ Installation of energy efficient florescent lights.
 - ✓ Control on HVAC systems contributed by way of efficient monitoring and regulation of temperature in OTs and use of Winter Chillers.
 - ✓ More than 99% uptime of all major engineering equipments and systems across the hospital.
 - ✓ Recycling of water and optimizing water consumption in OT and other patient areas
- The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

b) Capital Investment on energy conservation equipments

- Nil

(B). Technology Absorption:

(a) & (b)

Efforts in brief, made towards technology absorption, adaptation & innovation and Benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- Nil

(c)

In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: NA

(d) Research & Development

The expenditure incurred on Research & Development - Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports : Initiatives taken to increase exports; development of new export markets for products and services; and export plans : NIL
- b) Total foreign exchange earned and used

	(In Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Foreign Exchange Earnings	2	NIL
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	NIL	NIL
- Trading Good	3	3
Others	NIL	NIL

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the shareholders, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

Date: August 2, 2017
Place: New Delhi

For and on behalf of the Board of Directors

sd/-
Yogesh Kumar Sareen
Director
DIN 00884252

sd/-
Sunil Mehta
Whole Time Director
DIN 07270445

Hometrail Buildtech Private Limited

I. AUDIT COMMITTEE

- **No. of Meetings = 4 i.e. May 2, 2016, June 10, 2016, July 22, 2016 and 30 January 2017**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	4
Ms. Kiran Sharma	4
Mr. Sanjay Khandelwal	4

II. NOMINATION & REMUNERATION COMMITTEE

- **No. of Meetings = 3 i.e. April 14, 2016, May 2, 2016 and July 22, 2016**

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	3
Ms. Kiran Sharma	3
Mr. Sanjay Khandelwal	3

III. BOARD MEETINGS

- **No. of Meetings = 8 i.e. April 15, 2016, May 3, 2016, June 11, 2016, June 21, 2016, July 25, 2016, October 17, 2016, December 5, 2016 and January 30, 2017**

➤

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Yogesh Kumar Sareen	8
Mr. Anil Vinayak	8
Mr. Rohit Kapoor	7
Mr. Sunil Mehta	8
Ms. Kiran Sharma	8
Mr. Sanjay Khandelwal	8

For and on behalf of the Board of Directors

**sd/-
Yogesh Sareen
Director
DIN 00884252**

**sd/-
Sunil Mehta
Whole Time Director
DIN 07270445**

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U45400DL2008PTC176962
Registration Date	April 21, 2008
Name of the Company	Hometrail Buildtech Private Limited
Address of the Registered office and contact details	MAX HOUSE, 1, DR JHA MARG, OKHLA, PHASE III, NEW DELHI – 110020 Phone No. 011-41220600 Email id – secretarial@maxhealthcare.com
Category / Sub-Category of the Company	Public Company (being subsidiary of public company)
Whether listed company	Non-Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	NIL

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S.No.	Name and description of main services/products	NIC Code of the Service/ Product	% of the total turnover of the Company
1.	Name of Services – Healthcare	As Per NIC Code 2008 Division is 86	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shares	Applicable Section
1.	Max Healthcare Institute Limited	U72200DL2001PLC111313	Holding	100%	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding – **As per Annexure 1A**
- (ii) Shareholding of Promoters – **As per Annexure 1B**
- (iii) Change in Promoters' Shareholding – **As per Annexure 1C**
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – **Annexure – 1D**
- (v) Shareholding of Directors and Key Managerial Personnel – **As per Annexure – 1E**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

Particulars	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount as on 01.04.2016	4888.13	4372.04		9260.17
ii. Interest due but not paid as on 01.04.2016		427.06		427.06
iii. Interest accrued but not due as on 01.04.2016	00.53			0.53
Total (i+ii+iii)	4888.66	4799.10		9687.76
Change in indebtedness during the financial year				
Addition	5806.67	1817.00		7623.67
Reduction	-4790.62	-2590.00		-7380.62
Net Change	1016.05	-773.00		243.05
Indebtedness at the end of the financial year				
i. Principal Amount as on 31.03.2017	5904.18	3594.11		9498.29
ii. Interest due but not paid as on 31.03.2017	28.21	438.97		467.18
iii. Interest accrued but not due as on 31.03.2017				
Total (i+ii+iii)	5932.39	4033.08		9965.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole Time Directors and/or Manager

(IN INR)			
SN.	Particulars of Remuneration	Whole Time Director	Total Amount
1	Gross Salary	Mr. Sunil Mehta	NIL
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. Value of Perquisite u/s 17(2) Income Tax Act, 1961. Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	26,00,032/-	26,00,032/-
2.	Stock Options	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL
4.	Commission As % of profit Others	NIL	NIL
5.	Others	Accidental Insurance Rs. 700000/- Life Insurance Rs.1500000/- Medical Insurance Rs. 450000/-	Accidental Insurance Rs. 700000/- Life Insurance Rs.1500000/- Medical Insurance Rs. 450000/-
	Total A		
	Ceiling as per the Act*		

* The Limit is well within the Companies Act, 2013 read with Rules.

B. Remuneration to other directors

(IN INR)

SN.	Particulars of Remuneration	Name of Directors		Total Amount	
1	Independent Directors	Ms. Kiran Sharma	Mr. Sanjay Khandelwal		NIL
	Fee for attending board committee meetings*	60,375	60,375		1,20,750
	Commission	NIL	NIL		NIL
	Others, please specify	NIL	NIL		NIL
	Total (1)	60,375	60,375		1,20,750
2	Other Non-Executive Directors	NIL	NIL		NIL
	Fee for attending board committee meetings*	NIL	NIL		NIL
	Commission	NIL	NIL		NIL
	Others, please specify	NIL	NIL		NIL
	Total (2)	NIL	NIL		NIL
	Total (B)=(1+2)	60,375	60,375		1,20,750
	Total Managerial Remuneration	NIL	NIL		NIL
	Overall Ceiling as per the Act	NIL	NIL		NIL

* After Tax Deduction at Source

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD.

(IN INR)

SN.	Particulars of Remuneration	Head Finance	Company Secretary	Total Amount
1.	Gross Salary	Sanjeev Kumar Bansal	Yogesh Sharma	
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	8,48,556/-	NIL	8,48,556/-
	Value of Perquisite u/s 17(2) Income Tax Act, 1961.			
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2.	Stock Options	-	-	-
3.	Sweat Equity Shares	-	-	-
4.	Commissions As % of	-	-	-
5.	Others	Accidental Insurance Rs. 400000/- Life Insurance Rs. 700000/-	NIL	Accidental Insurance Rs. 400000/- Life Insurance Rs. 700000/- Medical Insurance Rs. 350000/-
	Total A			
	Ceiling as per the Act	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE – There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year

ANNEXURE – 1A

[illegible]

(1) Institutions									
Foreign Financial Institution	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Preference	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDR & ADR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	Nil	1,30,10,000	1,30,10,000	100%		1,64,98,372	1,64,98,372	100%	

(Shareholding of Promoter) - ANNEXURE – 1B

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Max Healthcare Institute Limited	1,30,10,000	100%	Nil	1,64,98,372	100%	30%	

(Changes in Promoters' Shareholding) - ANNEXURE – 1C

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Max Healthcare Institute Limited	1,30,10,000	100%	1,64,98,372	100%
		On June 21, 2016, the company issued 34,88,372 to Max Healthcare Institute Limited under the Right Issue of the Company			
	At the end of the year	1,64,98,372	100%	1,64,98,372	100%

(Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) - ANNEXURE – 1D

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

Shareholding of Directors and Key Managerial Personnel - ANNEXURE – 1E

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Place: New Delhi

Date : August 2, 2017

sd/-
Yogesh Sareen
Director
DIN 00884252

sd/-
Sunil Mehta
Whole Time Director
DIN 07270445

INDEPENDENT AUDITOR'S REPORT

To the Members of Hometrail Buildtech Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hometrail Buildtech Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind

AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note XX to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note XXX to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management, except for amounts directly deposited in bank by customers amounting to Rs 22,12,660.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date
Re: Hometrail Buildtech Private Limited (“The Company”)

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on the audit procedures performed, for the purpose of reporting the true and fair view of the financial statements and according to information and explanation given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the sale of goods and services related to healthcare, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax ,

service tax, sales-tax, duty of custom, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to duty of excise are not applicable to the Company.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 from debenture holders or Government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer / further public offer /debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and

explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HOMETRAIL BUILDTECH PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hometrail Buildtech Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 20, 2017

Hometrail Buildtech Private Limited
Balance sheet as at March 31, 2017

		(Rs in Lacs)		
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	7,102	7,630	8,212
Capital work-in-progress	3	-	-	13
Intangible assets	4	20	20	2
Financial assets				
-Other financial assets	5	23	45	22
Other non current assets	6	1	6	47
		<u>7,146</u>	<u>7,701</u>	<u>8,296</u>
Current assets				
Inventories	7	149	165	152
Financial assets				
-Trade receivables	8	812	499	515
-Other financial assets	9	66	42	14
-Cash and cash equivalents	10	155	96	131
-Other bank balances	11	2	2	1
Other current assets	12A	205	155	55
		<u>1,389</u>	<u>959</u>	<u>868</u>
Assets classified as held for sale	12B	30	-	-
		<u>1,419</u>	<u>959</u>	<u>868</u>
TOTAL ASSETS		<u>8,565</u>	<u>8,660</u>	<u>9,164</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	1,650	1,301	1,301
Other equity	14	(7,207)	(6,008)	(3,234)
Total Equity		<u>(5,557)</u>	<u>(4,707)</u>	<u>(1,933)</u>
Non-current liabilities				
Financial Liabilities				
-Borrowings	15	12,114	11,118	9,510
Long term provisions	16A	108	18	13
		<u>12,222</u>	<u>11,136</u>	<u>9,523</u>
Current liabilities				
Financial Liabilities				
-Borrowings	17	156	157	164
-Trade payables	18A	943	819	721
-Other financial liabilities	18B	704	1,162	623
Short term provisions	16B	33	29	28
Other current liabilities	19	64	64	38
		<u>1,900</u>	<u>2,231</u>	<u>1,574</u>
TOTAL LIABILITIES		<u>14,122</u>	<u>13,367</u>	<u>11,097</u>
TOTAL EQUITY AND LIABILITIES		<u>8,565</u>	<u>8,660</u>	<u>9,164</u>
Summary of significant accounting policies	1,2			
Contingent liabilities , commitments and litigations	27			
Other notes on accounts	28			

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Hometrail Buildtech Private Limited

Sd/-
Sunil Mehta
 (Whole-Time Director)
 DIN : 07270445

Sd/-
Yogesh Kumar Sareen
 (Director)
 DIN : 00884252

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Pawan Khurana
 (Head -Finance)

Sd/-
Yogesh Sharma
 (Company Secretary)
 M.No. : A29286

Place : Gurugram
 Date : May 20, 2017

Place : Gurugram
 Date : May 20, 2017

Hometrail Buildtech Private Limited
Statement of profit and loss for the year ended March 31, 2017

		(Rs in Lacs)	
	Notes	for the year ended March 31, 2017	for the year ended March 31, 2016
INCOME			
Revenue from operations	20	4,966	4,263
Other income	21	27	10
Finance income	22	8	3
Total income		5,001	4,276
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		1,636	1,435
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		16	(13)
Employee benefits expense	23	1,113	1,114
Finance costs	24	1,466	1,369
Depreciation and amortization expense	25	634	641
Other expenses	26	2,480	2,502
Total expenses		7,345	7,048
Loss before tax		(2,344)	(2,772)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	28.2	(1)	(2)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		(1)	(2)
Total comprehensive income for the year (net of tax attributable to Equity shareholder)		(2,345)	(2,774)
Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 28.1)			
Basic & diluted (Rs.)		(14.91)	(21.31)
Summary of significant accounting policies	1,2		
Contingent liabilities , commitments and litigations	27		
Other notes on accounts	28		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 20, 2017

For and on behalf of the Board of Directors of
Hometrail Buildtech Private Limited

Sd/-
Sunil Mehta
(Whole-Time Director)
DIN : 07270445

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
Pawan Khurana
(Head -Finance)

Sd/-
Yogesh Sharma
(Company Secretary)
M. No. : A29286

Place : Gurugram
Date : May 20, 2017

Hometrail Buildtech Private Limited
Statement of changes in equity for the year ended March 31, 2017

a) Equity share capital

Particulars	Number of shares	(Rs in Lacs)
At April 01, 2015	13,010,000	1,301
Add: Equity share issued	-	-
At March 31, 2016	13,010,000	1,301
Add: Equity share issued	3,488,372	349
At March 31, 2017	16,498,372	1,650

b) Other equity

Particulars	Reserves and surplus		Total equity
	Securities	Retained earnings	
	Premium Account		
As at April 01, 2015	5,193	(8,427)	(3,234)
Loss for the period	-	(2,772)	(2,772)
Other comprehensive income for the year	-	(2)	(2)
Addition on equity shares issued	-	-	-
At March 31, 2016	5,193	(11,201)	(6,008)
Loss for the period	-	(2,344)	(2,344)
Other comprehensive income for the year	-	(1)	(1)
Addition on equity shares issued	1,151	-	1,151
Share issue expenses	(5)	-	(5)
At March 31, 2017	6,339	(13,546)	(7,207)

Summary of significant accounting policies	1,2
Contingent liabilities , commitments and litigations	27
Other notes on accounts	28

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Hometrail Buildtech Private Limited

Sd/-
Sunil Mehta
 (Whole-Time Director)
 DIN : 07270445

Sd/-
Yogesh Kumar Sareen
 (Director)
 DIN : 00884252

Sd/-
per Atul Seksaria
 Partner
 Membership Number: 086370

Sd/-
Pawan Khurana
 (Head -Finance)

Sd/-
Yogesh Sharma
 (Company Secretary)
 M. No. : A29286

Place : Gurugram
 Date : May 20, 2017

Place : Gurugram
 Date : May 20, 2017

Hometrail Buildtech Private Limited
Statement of Cash Flow for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net loss before tax	(2,344)	(2,772)
Adjustments to reconcile profit before tax to net cash flow		
Depreciation and amortization expense	634	641
Provision for doubtful debts	(14)	82
Foreign exchange fluctuation gain / (loss)	(2)	3
Liabilities no longer required written back	(24)	(9)
Finance income	(8)	(3)
Finance expense	1,453	1,356
Operating loss before working capital changes	(305)	(702)
Movements in working capital :		
Increase/ (decrease) in trade payables, other liabilities and provisions	271	122
(Increase)/ decrease in inventories	16	(13)
(Increase)/ decrease trade receivables	(300)	(66)
(Increase)/ decrease in financial assets	(2)	(51)
(Increase)/decrease in other assets	(22)	(4)
Cash (used in) operations	(342)	(714)
Direct taxes paid (net of refund)	(23)	(55)
Net cash (used in) operating activities (A)	(365)	(769)
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(143)	(84)
Interest received	8	3
Net cash from/ (used in) investing activities (B)	(135)	(81)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	1,496	-
Provision for guaranteed internal rate of return on preference shares	-	-
Proceeds from long-term borrowings	7,898	2,590
Repayments of long term borrowings	(7,381)	(412)
Proceeds/ (repayments) of short-term borrowings (net)	(1)	(7)
Interest paid	(1,453)	(1,356)
Net cash from financing activities (C)	559	815
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	59	(35)
Total cash and cash equivalents at the beginning of the year	96	131
Cash and cash equivalents at the end of the year	155	96

Hometrail Buildtech Private Limited
Statement of Cash Flow for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Components of cash and cash equivalents:		
Cash on hand	7	9
Cheques / draft on hand	2	-
Balances with banks on current accounts	89	28
Balances with banks on escrow accounts	57	59
Total cash and cash equivalents (refer note 10)	155	96

Summary of significant accounting policies
Contingent liabilities , commitments and litigations
Other notes on accounts

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 20, 2017

**For and on behalf of the board of directors of
Hometrail Buildtech Private Limited**

Sd/-
Sunil Mehta
(Whole-Time Director)
DIN : 07270445

Sd/-
Pawan Khurana
(Head -Finance)

Place : Gurugram
Date : May 20, 2017

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
Yogesh Sharma
(Company Secretary)
M.No. : A29286

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

1 Corporate Information

Hometrail Buildtech Private Limited, ('the Company') is a private limited Company domiciled in India. The Company has a multi-speciality hospital with a state-of-art healthcare services and expertise in city of "Bhatinda" in State of Punjab.

The Company had entered into a triplicate long term concessional agreement dated February 20, 2009 along with its holding company, 'Max Healthcare Institute Limited' and Government of Punjab. As per the terms of concessional agreement, the company is to build and operate a hospital for a initial term of 50 years on public private partnership (PPP) mode.

The financial statements of the Company includes operation of the hospital. Healthcare facilities have a long gestation period from commencement of its operation and accordingly require significant cash outlay.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 28.8 for information on how the company has adopted Ind AS.

Healthcare is a long gestation business. The company is still in gestation period. The Company has started commercial operations in 2011. The Company has incurred a loss of Rs. 2,345 Lacs (Previous Year Rs. 2,774 Lacs) in the current year, due to which accumulated loss has been posted at Rs. 13,546 Lacs (Previous year Rs. 11,201 Lacs) against share capital of Rs. 1,650 Lacs as of March 31, 2017 (Previous year Rs. 1,301 Lacs). The accumulated losses of the company is envisaged and are owing to the long gestation nature of operation towards development of infrastructure to support the long term growth plan. In the opinion of the management, in view of the commitment of continued financial support by holding Company, and on the basis of the Company's future investment plans, the Company is continuing with a going concern assumption. Further, the Company doesnot anticipate that it will not be able realize its assets and discharge its liabilities in the normal course of business.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- (i) Certain financial assets and financial liabilities
- (ii) Defined benefit plans

Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful lives estimated by the management (years)
Leasehold Improvements	Shorter of the estimated useful life of tangible asset or respective lease term
Building	5 - 60 Years
Medical Equipment	13 Years
Lab Equipment	10 Years
Electrical Installations and Equipment	10 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers & Data Processing Units	3 - 6 Years
Furniture and Fixtures	10 Years
Motor Vehicles	6 - 8 Years

c. Intangible assets

Separately acquired intangible assets

The Company has applied exemptions of Ind AS 101 to continue the carrying value of intangible assets at the date of transition as its deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sale the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the development and to use or sale the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-7 years.

d. Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

-the rights to receive cash flows from the asset have expired, or

-the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred the rights to receive cash flows from the financial assets or

(b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows “simplified approach” for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of goods. The Company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services

Revenue from healthcare services (including drugs, consumables and implants used in delivery of such services) are recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets. Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "finance income" in the statement of profit and loss.

Incentive Income

Benefits under "Served from India Scheme" available for foreign exchange earned under prevalent scheme of Government of India are accrued when the right to receive these benefits as per the terms of the scheme is established and accrued to the extent there is no significant uncertainty about the measurability and ultimate utilization.

g. Inventories

Inventories comprise of pharmacy, drugs, consumable and implants which are valued at lower of cost and net realizable value. Cost includes the cost of purchase, duties, taxes (other than those recoverable from tax authorities) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, if any.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

I. Employee benefits

Provident fund

Retirement benefit in the form of Provident Fund (contributed to the Regional PF Commissioner) is a defined benefit contribution scheme. The Company recognize contribution payable to provident fund scheme as an expenditure, when an employee renders related service. There are no other obligation other than contribution payable.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

(i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

(ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit .The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end .Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Long term incentive plan

Employees of the Company receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

o. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

p. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

q. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

(a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 27.3.

(c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

3. Property, Plant and Equipments

(Rs in Lacs)

	Building	Medical equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
Deemed Cost											
As at April 1, 2015	4,908	1,886	591	44	289	6	49	383	56	8,212	13
Additions	-	20	-	4	3	-	1	-	29	57	
Disposals	-	-	-	-	2	-	-	-	12	14	13
As at March 31, 2016	4,908	1,906	591	48	290	6	50	383	73	8,255	-
Additions	23	55	1	11	4	-	26	-	13	133	-
Disposals	-	100	-	-	-	-	-	-	16	116	-
As at March 31, 2017	4,931	1,861	592	59	294	6	76	383	70	8,272	-
Depreciation											
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-
Additions	115	277	51	21	46	2	21	59	46	638	-
Disposals	-	-	-	-	1	-	-	-	12	13	-
As at March 31, 2016	115	277	51	21	45	2	21	59	34	625	-
Additions	118	273	51	14	45	2	20	59	47	629	-
Disposals	-	70	-	-	-	-	-	-	14	84	-
As at March 31, 2017	233	480	102	35	90	4	41	118	67	1,170	-
Net Block											
As at March 31, 2017	4,698	1,381	490	24	204	2	35	265	3	7,102	-
As at March 31, 2016	4,793	1,629	540	27	245	4	29	324	39	7,630	-
As at April 1, 2015	4,908	1,886	591	44	289	6	49	383	56	8,212	13

3.01 Land measuring 3.15 acres has been provided by Punjab Government on long term lease of 50 years without consideration.

3.02 Medical equipments includes a medical equipment taken on finance lease.

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Gross Block	234	234	234
Depreciation charge for the year	53	24	-
Accumulated Depreciation	77	24	-
Net Book Value	157	210	234

3.03 Property, plant and equipment given as security

Property, plant and equipment are subject to charge to secure the Company's secured long term borrowings as disclosed in note 15.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

4. Intangible assets

		(Rs in Lacs)
	<u>Computer software</u>	<u>Total</u>
Deemed Cost		
As at April 1, 2015	2	2
Additions	21	21
Disposals	-	-
As at March 31, 2016	23	23
Additions	5	5
Disposals	-	-
As at March 31, 2017	<u>28</u>	<u>28</u>
Depreciation		
As at April 1, 2015	-	-
Additions	3	3
Disposals	-	-
As at March 31, 2016	3	3
Additions	5	5
Disposals	-	-
As at March 31, 2017	<u>8</u>	<u>8</u>
Net Block		
At at March 31, 2017	<u>20</u>	<u>20</u>
At at March 31, 2016	<u>20</u>	<u>20</u>
At at April 1, 2015	<u>2</u>	<u>2</u>

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Other financial assets			
(Valued at amortized cost) (unsecured, considered good)			
Security Deposits	23	45	22
	<u>23</u>	<u>45</u>	<u>22</u>
6. Other non current assets (unsecured considered good)			
Capital advances	-	2	2
Others			
Tax deducted at source recoverable	-	-	39
Prepaid expenses	1	4	6
	<u>1</u>	<u>6</u>	<u>47</u>
7. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	149	165	152
	<u>149</u>	<u>165</u>	<u>152</u>
8. Trade receivables			
Unsecured			
Trade receivables - considered good	812	499	515
Trade receivables - considered doubtful	118	129	47
Less: Impairment allowance for Trade receivables considered doubtful	(118)	(129)	(47)
	<u>812</u>	<u>499</u>	<u>515</u>
9. Other current financial assets			
(Valued at amortized cost) (unsecured, considered good)			
Security deposits	24	-	-
Unbilled revenue	42	42	14
	<u>66</u>	<u>42</u>	<u>14</u>

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10. Cash and cash equivalents			
Balances with banks:			
On current accounts	89	28	57
On escrow accounts	57	59	62
Cheques/ drafts on hand	2	-	4
Cash on hand	7	9	8
	<u>155</u>	<u>96</u>	<u>131</u>
11. Other bank balances			
Margin money deposits#	2	2	1
	<u>2</u>	<u>2</u>	<u>1</u>
# Rs. 2 Lacs (March 31, 2016 : Rs. 2 Lacs) (April 01, 2015 : Rs. 1 Lacs) to secure bank guarantee given to sales tax authorities.			
12A Other current assets (unsecured considered good, unless otherwise stated)			
Other Advances			
Unsecured, considered good	52	22	12
Tax deducted at source recoverable	117	94	-
Prepaid expenses	36	39	43
	<u>205</u>	<u>155</u>	<u>55</u>
12B Assets classified as held for sale*			
	30	-	-
	<u>30</u>	<u>-</u>	<u>-</u>

*The Company has classified a plant and machinery which has retired from active use and held for sale recognized and measured in accordance with Ind-AS 105 "Non Current Assets held for Sales and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Company expects to complete the next financial year 2017-18.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

13. Equity share capital

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
20,000,000 (March 31, 2016: 15,000,000) (April 1, 2015 : 15,000,000) equity shares of Rs.10/- each	2,000	1,500	1,500
	2,000	1,500	1,500
Issued, subscribed and fully paid-up			
16,498,372 (March 31, 2016: 13,010,000) (April 1, 2015 : 13,010,000) equity shares of Rs.10/- each	1,650	1,301	1,301
Total issued, subscribed and fully paid-up share capital	1,650	1,301	1,301

13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	Number of shares	(Rs in Lacs)
At 1 April 2015	13,010,000	1,301
- Fresh Issue of equity shares	-	-
At 31 March 2016	13,010,000	1,301
- Fresh Issue of equity shares	3,488,372	349
At 31 March 2017	16,498,372	1,650

13.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.3 Shares held by holding company (Legal Ownership)

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share of Rs.10 each fully paid			
Max Healthcare Institute Limited, the holding company			
16,498,366 (March 31, 2016: 13,009,994), (April 1, 2015: 13,009,994) equity shares of Rs.10/- each fully paid up	1,650	1,301	1,301
	1,650	1,301	1,301

13.4 Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited	16,498,366	99.99%	13,009,994	99.99%	13,009,994	99.99%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

14. Other equity

	(Rs. in Lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Securities premium account (refer note a below)	6,339	5,193	5,193
Retained earnings (refer note b below)	(13,546)	(11,201)	(8,427)
	<u>(7,207)</u>	<u>(6,008)</u>	<u>(3,234)</u>

a) Securities premium account

At April 1, 2015

	5,193
Add: premium on issue of equity shares	-
Less: share issue expenses	-

At March 31, 2016

	5,193
Add: premium on issue of equity shares	1,151
Less: share issue expenses	(5)

At March 31, 2017

6,339

b) Retained earnings

At April 1, 2015

	(8,427)
Loss for the year	(2,772)

Items of other comprehensive income recognised directly in retained earnings

Re-measurement post employment benefit obligation (net of tax) (item of OCI)	(2)

At March 31, 2016

	(11,201)
Loss for the year	(2,344)

Items of other comprehensive income recognised directly in retained earnings

Re-measurement post employment benefit obligation (net of tax) (item of OCI)	(1)

At March 31, 2017

(13,546)

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

15. Borrowings

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Borrowings			
Term Loan (secured)			
From Bank	5,771	-	-
From non-banking financial company	28	4305	4810
Preference Shares (unsecured)			
0% redeemable preference share	2,763	2,484	2,232
Finance lease obligation (secured)			
Finance lease obligation	-	4	36
Inter Corporate Deposits (unsecured)	3,552	4,325	2432
Current maturities of borrowings:			
Term Loan (secured)			
From non-banking financial company	62	520	361
Finance lease obligation (secured)			
Finance lease obligation	3	32	50
Inter Corporate Deposits (unsecured)	439	427	-
Deferred Payment Liability (unsecured)	42	47	45
	12,660	12,144	9,966
Less: Amount clubbed under "other current financial liabilities"(refer note 18)	546	1,026	456
	12,114	11,118	9,510
Aggregate Secured loans	5,318	3,834	4,801
Aggregate Unsecured loans	6,796	7,283	4,709

15.1 Term Loan from bank include :

(a) Term Loan from the Bank represents Rs. 5771 Lacs (March 31, 2016: Rs.Nil) (April 01, 2015 : Rs. Nil) from IDFC Bank Limited is repayable in 52 quarterly structured installments commencing from June 2018. The loan is secured by :

(b) a first charge by way of hypothecation of entire movable properties (Except the movable current assets) of the borrower, both present & future, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable properties financed by specific vehicle /equipment finance loan;

(c) a charge of the entire current assets of whatsoever nature and wherever arising, both present and future;

(d) a first charge on entire intangible assets of the Borrower, including but not limited to, goodwill , uncalled capital, intellectual property, both present and future;

(e) a first charge/mortgage/assignments of all the rights , titles, interest, claims and demands of the borrower in the project documents, duly acknowledged and consented to/by the relevant consented party, subject to applicable laws;

(f) Pledge of shares held by Guarantor in demat form in the equity share capital of Borrowers;

(g) an irrevocable and unconditional corporate guarantee of the Guarantor.

15.2 Term Loan from Non Banking Finance Companies

(a) Term Loan from the non-banking financial company L & T Infrastructure Finance Company Limited has been repaid during the year (March 31, 2016: Rs.4685 lacs) (April 01, 2015 : Rs. 4988 Lacs)

(b) Term Loan from non-banking financial company includes Rs. 90 lacs (March 31, 2016: Rs.140 lacs) (April 01, 2015 : Rs. 183 Lacs) is repayable in 24 quarterly instalment. 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.

15.3 Finance lease obligation from Philips India Limited is secured by hypothecation of medical equipments underlying the leases repayable in 20 quarterly instalments beginning from September 2012.

15.4 Deferred payment liabilities are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.

15.5 Inter Corporate Deposits

(a) Inter Corporate Deposits from Max Healthcare Institute Limited amounting to Rs. 2506 lacs (March 31, 2016: Rs.4752 lacs) (April 01, 2015 : Rs. 2432 Lacs) is unsecured and is repayable by March 31, 2020.

(b) Inter Corporate Deposits from Hometrail Estate Private Limited amounting to Rs. 1485 Lacs (March 31, 2016: Rs.Nil) (April 01, 2015 : Rs. Nil) is unsecured and is repayable by March 31, 2020.

15.6 Terms of redemption of Zero Percent Redeemable Preference Shares

During the financial year 2013-14, the Company had allotted 2,000,000 nos., 6 years 0% Cumulative Preference Shares of Rs. 100/- each aggregating to Rs. 2,000 lacs on March 25, 2014 to Max Healthcare Institute Limited (the Holding Company). These preference shares have been issued on following terms & conditions:

- (i) Nature: zero percent redeemable non-convertible preference shares.
- (ii) Dividend: These preference shares shall not carry any dividend.
- (iii) Voting Rights: These Preference shares shall not carry any voting rights except as provided under section 47 of the Companies Act, 2013 or such other provisions as applicable.
- (iv) Premium: Redemption premium providing internal rate of return (IRR) of 11.25% per annum.
- (v) Tenure: Redeemable after 6 years

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
16. Provisions			
A Long term provisions			
Provision for employee benefit	22	18	13
-Provision for gratuity(note 28.2)	86	-	-
Provision for Rehabilitation under PPP	<u>108</u>	<u>18</u>	<u>13</u>
B Short term provisions			
Provision for employee benefit			
Provision for leave encashment	28	24	28
Provision for gratuity (refer note 28.2)	5	5	-
	<u>33</u>	<u>29</u>	<u>28</u>
17. Financial liabilities - Borrowings			
Cash credit from banks (secured)	156	157	164
	<u>156</u>	<u>157</u>	<u>164</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.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015

18. Financial liabilities

A. Trade payables

Total outstanding dues of micro enterprise and small enterprise*	-	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise#	<u>943</u>	<u>819</u>	<u>721</u>
	<u>943</u>	<u>819</u>	<u>721</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.

Trade payables include due to related parties Rs.401 Lacs (March 31,2016 : Rs.22 Lacs) (April 1, 2015 : Nil)

B. Other financial liabilities

Current maturities of long term loans (refer note 15)	543	994	406
Current maturities of finance lease obligation (refer note 15)	3	32	50
Capital creditors	56	63	83
Concessional fee payable	<u>102</u>	<u>73</u>	<u>84</u>
	<u>704</u>	<u>1,162</u>	<u>623</u>

19. Other Current Liabilities

Advance from patients	33	17	4
Statutory dues	<u>31</u>	<u>47</u>	<u>34</u>
	<u>64</u>	<u>64</u>	<u>38</u>

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
20. Revenue from operations		
Sale of products		
Pharmacy and pharmaceuticals supplies	668	629
Revenue from healthcare services (net)	4,293	3,627
Other operating revenues		
- Income from ancillary activities	5	7
	4,966	4,263
21. Other income		
Profit on foreign exchange fluctuation	2	-
Unclaimed Balances & excess provisions written back	24	9
Other non-operating income	1	1
	27	10
22. Finance income		
Interest Income on		
-Security deposits	2	2
-Income tax refund	6	1
	8	3

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
23. Employee benefits expense		
Salaries, wages and bonus	978	991
Contribution to provident and other funds	49	48
Gratuity expense	8	8
Staff welfare expenses	78	67
	<u>1,113</u>	<u>1,114</u>
24. Finance costs		
Interest on debts and borrowings	1,453	1,356
Bank charges	13	13
	<u>1,466</u>	<u>1,369</u>
25. Depreciation and amortization expense		
Depreciation of tangible assets (note 3)	629	638
Amortization of intangible assets (note 4)	5	3
	<u>634</u>	<u>641</u>
26. Other expenses		
Professional and consultancy fee	1,151	1,132
Outside lab investigation	36	28
Concessional Fee*	250	201
Patient catering expenses	86	85
Rent	103	46
Insurance	41	24
Rates and taxes	22	25
Facility maintenance expenses	168	182
Power and fuel	222	225
Repairs and maintenance:		
Building	8	4
Plant and equipments	91	140
Others	45	45
Printing and stationery	28	34
Travelling and conveyance	40	45
Communication	20	19
Legal and professional	33	41
Watch and ward	45	42
Directors' sitting fee	1	2
Advertisement and publicity	101	90
Recruitment expenses	-	3
Provision for doubtful debts	(14)	82
Bad debts written off	1	-
Loss on foreign exchange fluctuation	-	3
Miscellaneous expenses	2	4
	<u>2,480</u>	<u>2,502</u>
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	6	6
Reimbursement of expenses	3	1
	<u>9</u>	<u>7</u>

*The Company had entered into triplicate long term concessional agreement dated February 20, 2009 along with its holding company, with the Government of Punjab. As per the terms of concessional agreement, the Company is to build and operate a Hospital for initial term of 50 years on public-private-partnership(PPP) mode. The Company is Obligated to pay concessional fee to Government of Punjab as per terms of agreement.

Hometrail Buildtech Private Limited
Notes forming part of the financial statements

27. Contingent liabilities , commitments and litigations

27.1 Finance lease commitments: company as lessee

i. The Company has finance lease for certain medical equipments for a period of 5 years. Future minimum lease payment (MLP) under the finance lease plan together with the present value of MLP are as follows :

ii. Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

Particulars	(Rs in Lacs)					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	3	3	33	32	56	50
After one year but not more than five years	-	-	3	3	37	35
More than five years	-	-	-	-	-	-
Total minimum lease payments	3	3	37	35	93	85

27.2 Operating lease commitments: company as lessee

The Company has entered into operating lease agreement for nursing hostel, rent paid is Rs. 103 lacs (March 31, 2016 is Rs. 46 lacs). The Company also recover certain portion of rent from the employees.

27.3 Capital and other commitments

a. Capital commitment

	(Rs in Lacs)		
	March 31, 2017	March 31, 2015	April 1, 2015
Estimated amount of contracts remaining to be executed on capital	-	2	2
Less: Capital advances	-	(2)	(2)
Balance Value of Contracts	-	-	-

27.4 Contingent Liabilities

S. No.	Particulars	(Rs in Lacs)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(I)	Claims against the Company not acknowledged as debts Civil Cases (Refer note (a))	133	109	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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28 Other Notes

28.1 Earnings per share (EPS)

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Basic Earnings per share		
Numerator for earnings per share		
loss after taxation	(2,344)	(2,772)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	15,724,240	13,010,000
Earnings per share-Basic (one equity share of Re. 10/- each)	(14.91)	(21.31)
b) Diluted Earnings per share		
Numerator for earnings per share		
loss after taxation	(2,344)	(2,772)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	15,724,240	13,010,000
Earnings per share-Basic (one equity share of Re. 10/- each)	(14.91)	(21.31)

28.2 Gratuity

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is not funded.

	(Rs. in lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	23	13
Interest Expense	2	1
Current Service Cost	6	7
Benefit paid	(4)	-
Acquisition adjustment	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Actuarial changes arising from changes in demographic assumptions	-	(1)
Actuarial changes arising from changes in financial assumptions	1	-
Actuarial changes arising from changes in experience adjustments	(1)	3
Defined Benefit obligation at year end	27	23
b) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	-	-
Present value of defined benefit obligation	(27)	(23)
Amount recognized in Balance Sheet- Asset / (Liability)	(27)	(23)
c) Net defined benefit expense (Recognized in the Statement of profit and loss for the year)		
Current service cost	6	7
Past service cost	-	-
Interest cost on benefit obligation	2	1
Expected return on plan assets	-	-
Net defined benefit expense debited to statement of profit and loss	8	8
d) Principal assumptions used in determining defined benefit obligation		
Assumption Particulars	As at March 31, 2017	As at March 31, 2016
Discount Rate	6.6%	7.5%
Salary Escalation Rate	8.0%	8.0%
Mortality Rate (% of IALM 06-08)	100.0%	100.0%

e) Quantitative sensitivity analysis for significant assumptions is as below:	(Rs. in lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount Rate</u>		
Increase by 1.00%	(1.28)	(0.80)
Decrease by 1.00%	1.41	0.88
<u>Salary growth rate</u>		
Increase by 1.00%	1.38	0.78
Decrease by 1.00%	(1.27)	(0.73)
<u>Attrition Rate</u>		
Increase by 0.50%	(2.91)	(2.49)
Decrease by 0.50%	5.04	3.90
f) Maturity profile of defined benefit obligation (valued on undiscounted basis)	(Rs. in lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Within the next 12 months (next annual reporting period)	5	5
Between 2 and 5 years	17	15
Between 5 and 10 years	9	7
More than 10 years	9	6
Total expected payments	40	33
g) The average duration of the defined benefit plan obligation at the end of the reporting period is 5 Years (March 31, 2016 : 4 years)		
h) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.		
i) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.		
j) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.		

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Hometrail Buildtech Private Limited
Notes formig part of financial statements for the year ended 31 March 2017

28.3 Financial instruments

A. The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

(Rs. in lacs)

Category	Carrying value			Fair Value		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
1) Financial asset at amortized cost						
Other financial assets (current / non current)	89	87	36	89	87	36
Trade receivables	812	499	515	812	499	515
Cash and cash equivalents	155	96	131	155	96	131
Other bank balances	2	2	1	2	2	1
2) Financial liabilities at amortized cost						
Borrowings (current / non current)	12,270	11,275	9,674	12,270	11,275	9,674
Other financial liabilities	704	1,162	623	704	1,162	623
Trade payables	943	819	721	943	819	721

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31,2017

Particulars	Carrying Value March 31, 2017	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financial assets (current / non current)	89	-	-	89
Trade receivables	812	-	-	812
Cash and cash equivalents	155	-	-	155
Other bank balances	2	-	-	2
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	12,270	-	-	12,270
Other financial liabilities	704	-	-	704
Trade Payables	943	-	-	943

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on March 31,2016

Particulars	Carrying Value March 31, 2016	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financial assets (current / non current)	87	-	-	87
Trade receivables	499	-	-	499
Cash and cash equivalents	96	-	-	96
Other bank balances	2	-	-	2
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	11,275	-	-	11,275
Other financial liabilities	1,162	-	-	1,162
Trade Payables	819	-	-	819

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets / liabilities as on April 01, 2015

Particulars	Carrying Value April 01, 2015	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financial assets (current / non current)	36	-	-	36
Trade receivables	515	-	-	515
Cash and cash equivalents	131	-	-	131
Other bank balances	1	-	-	1
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	9,674	-	-	9,674
Other financial liabilities	623	-	-	623
Trade Payables	721	-	-	721

28.4 Financial risk management objectives and policies

The Company’s has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 16, 19 cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBIDTA, Net Debt is divided by the Normalised EBIDTA for 12 months. Net debt is calculated as total interest-bearing borrowings (including “current interest-bearing and non-current interest-bearing borrowings” as shown in the statement of financial position) less net cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at (2.61) for FY15-16 and (2.31) for FY 2016-17. Similarly, the Net Debt to EBIDTA ratio of the Company stood at (16.01) for FY 2015-16 and (51.89) FY 2016-17.

The Audit Committee and the Senior management review the status vis a vis approved maximum ratio of Debt : Equity of 2 : 1 and Net Debt to EBIDTA ratio of 6:1.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the Corporate Finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilised borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

Matruity profit of financial liabilities

The amount disclosed in the table are the contratual undiscounted cash flows for the period mentioned below:

	March 31, 2017				March 31, 2016				April 01, 2015			
	0-1 Years	1-5 Years	More than 5 Years	Total	0-1 Years	1-5 Years	More than 5 Years	Total	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	574	6,906	5,248	12,728	1,027	5,535	5,610	12,172	456	7,027	2,525	10,008
Trade payable	943			943	819	-		819	721			721
Other financial liabilities	158			158	136	-		136	167			167
% to Total	12%	50%	38%	100%	15%	42%	43%	100%	10%	54%	19%	83%

c) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis. Trade receivables comprise a widespread customer base and a large part of these sits in the State and Central Government bodies and institutions owned and managed by the State. A large segment of the Company's customers settle their bill in cash or using major credit cards on discharge date as far as possible. Further, a fairly large proportion of the customers are discharged post confirmation of third party administrator of the insurance companies, with whom the Company has a written contract. Further the Company provides for allowance for deductions based on empirical evidence whereby the receivables from various counterparties is marked down at the time of recognition of revenue. The management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year under review that has not been provided for.

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	276	211	119
0 to 180 days due past due date	455	230	299
More than 180 days due past due date	81	58	97
Total trade receivables	812	499	515

Hometrail Buildtech Private Limited
Notes formig part of financial statements for the year ended 31 March 2017

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	129	47	3
Provision during the year	-	82	44
Bad debts written off	-	-	-
Reversal of provision	(11)		
At the end of the year	118	129	47

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 28.3 and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Foreign currency exposures recognized by the Company are as under:

As at March 31, 2017				(Rs. in Lacs)
Currency	Amount in FC	Amount in INR	Increase/decrease in rate	Impact on profit before tax
USD Payable	1	45	1%	0.45

As at March 31, 2016				(Rs. in Lacs)
Currency	Amount in FC	Amount in INR	Increase/decrease in rate	Impact on profit before tax
USD Payable	1	47	1%	0.47

As at April 01, 2015				(Rs. in Lacs)
Currency	Amount in FC	Amount in INR	Increase/decrease in rate	Impact on profit before tax
USD Payable	1	45	1%	0.45

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's policy is to hedge part of its borrowings

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

			(Rs. in Lacs)
Year	Increase/decrease in basis points	Effect on profit before tax	
March 31 2017	0.50%	23	
March 31,2016	0.50%	-	

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28.5 Capital management

For the purpose of the Company’s capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company’s capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The holding Company by itself or through group subsidiaries influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the requist capital structure at group level. The Company’s policy is to keep the gearing ratio between 20% and 40%. Since the fund management is controlled by the holding Company, the capital gearing ration at Company level will not be meaningful.

	(Rs. in lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (refer note 15, 17)	12,816	12,301	10,130
Less: cash and cash equivalents (refer note 10)	(155)	(96)	(131)
Net debt	12,661	12,205	9,999
Equity	1,650	1,301	1,301
Total capital	1,650	1,301	1,301
Capital and net debt	14,311	13,506	11,300
Gearing ratio	88%	90%	88%

28.6 Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	7	1	8
+ Permitted Receipts**	10	143	153
(-) Permitted Payments	0	3	3
Amount Deposited in Banks**	17	136	152
Closing cash in hand as on 30.12.2016	0	6	6
Note** It excludes Cash deposited by Customers directly in our bank accounts amounting to Rs 22,12,660/-			

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

28.7 Related party disclosures

The related parties are as per the term of Ind AS - 24 " Related Party Disclosure" (Specified under section 133 of the Companies Act, 2013 with Rule 7 of Companies (Accounts) Rule, 2015) as disclosed below

Names of related parties and description of relationship	
Holding Company	Max Healthcare Institute Limited
Fellow Subsidiaries	Hometrail Estate Private Limited Alps Hospital Limited Saket City Hospitals Private Limited (w.e.f. December 01, 2015) Crosslay Remedies Limited (w.e.f. July 01, 2015) Max Medical Services Limited
Key Management Personnel	Mr. Sunil Mehta (Whole Time Director) Mr. Yogesh Kumar Sareen (Director) Haresh Dahyalal Trivedi (Whole Time Director, up to Aug 1, 2015) Mr. Pawan Khurana (Head Finance)

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

28.7a Transactions with related parties during the year

(Rs in Lacs)		
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Loans Taken		
Max Healthcare Institute Limited (Holding Company)	400	1,893
Hometrail Estate Private Limited (Fellow subsidiary)	1,417	
Loans Repaid		
Max Healthcare Institute Limited (Holding Company)	2,590	-
Interest expense		
Max Healthcare Institute Limited (Holding Company)	372	435
Hometrail Estate Private Limited (Fellow subsidiary)	76	-
Services Received		
Max Healthcare Institute Limited (Holding Company)	23	-
Max Healthcare Institute Limited (Holding Company)	27	22
Purchase of Goods (excluding Taxes)		
Max Healthcare Institute Limited (Holding Company)	333	2
Max Healthcare Institute Limited (Holding Company)- Property, plant and equipment purchase	10	-
Share Capital Issued		
Equity shares		
Max Healthcare Institute Limited (Holding Company)- Face Value	349	-
Max Healthcare Institute Limited (Holding Company)- Premium Value	1,151	
Director's Remuneration		
Haresh Dahyalal Trivedi (Whole Time Director, up to Aug 1, 2015)	-	20
Sunil Mehta (Whole Time Director, w.e.f. Aug 1, 2015)	27	20

28.7b Balance Outstanding at the year end

Particulars	As at March 31, 2017	As at March 31, 2016
Inter-corporate deposits repayable on demand (unsecured)		
Max Healthcare Institute Limited (Holding Company)	2,135	4,325
Hometrail Estate Private Limited (Fellow subsidiary)	1,417	-
Interest Payable		
Max Healthcare Institute Limited (Holding Company)	371	427
Hometrail Estate Private Limited (Fellow subsidiary)	68	-
Trade Payables		
Max Healthcare Institute Limited (Holding Company)	401	22

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Hometrail Buildtech Private Limited**Notes formig part of financial statements for the year ended 31 March 2017****28.8 First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Ind AS mandatory exceptions**Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognized and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

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28.9A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

				(Rs in Lacs)
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	7,672	(42)	7,630
Capital work-in-progress			-	-
Intangible assets		20	-	20
Financial assets			-	
Other financial assets	2	51	(6)	45
Other non current Assets	2	2	4	6
		7,745	(44)	7,701
Current assets				
Inventories		165	-	165
Financial assets				
Trade receivables		499	-	499
Other financials assets		42	-	42
Cash and cash equivalents		96	-	96
Other bank balance		2	-	2
Other current assets	2	153	2	155
		957	2	959
Assets classified as held for sale		-	-	-
TOTAL ASSETS		8,702	(42)	8,660
EQUITY AND LIABILITIES				
Equity				
Equity share capital	8	3,301	(2,000)	1,301
Other equity	5	(5,995)	(13)	(6,008)
Total Equity		(2,694)	(2,013)	(4,707)
Non-current liabilities				
Financial Liabilities				
Borrowings	3,8	8,661	2,457	11,118
Long term provisions	3,8	502	(484)	18
		9,163	1,973	11,136
Current liabilities				
Financial Liabilities				
Borrowings		157	-	157
Trade payables		819	-	819
Other financial liabilities	3,8	1,164	(2)	1,162
Short term provisions		29	-	29
Other current financial liabilities		64	-	64
		2,233	(2)	2,231
TOTAL LIABILITIES		11,396	1,971	13,367
TOTAL EQUITY AND LIABILITIES		8,702	(42)	8,660

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28.9B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

				(Rs in Lacs)
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	8,257	(45)	8,212
Capital work-in-progress		13	-	13
Intangible assets		2	-	2
Financial assets			-	
Other financial assets	2	30	(8)	22
Other non current Assets	2	41	6	47
		8,343	(47)	8,296
Current assets				
Inventories		152	-	152
Financial assets				
Trade receivables		515	-	515
Other financial asset		14	-	14
Cash and cash equivalents		131	-	131
Other bank balance		1	-	1
Other current assets	2	52	3	55
		865	3	868
Assets classified as held for sale				
TOTAL ASSETS		9,208	(44)	9,164
EQUITY AND LIABILITIES				
Equity				
Equity share capital	8	3,301	(2,000)	1,301
Other equity	5	(3,230)	(4)	(3,234)
Total Equity		71	(2,004)	(1,933)
Non-current liabilities				
Financial Liabilities				
Borrowings	3,8	7,320	2,190	9,510
Long term provisions	3,8	245	(232)	13
		7,565	1,958	9,523
Current liabilities				
Financial Liabilities				
Borrowings		164	-	164
Trade payables		721	-	721
Other financial liabilities	3,8	621	2	623
Short term provisions		28	-	28
Other current financial liabilities		38	-	38
		1,572	2	1,574
TOTAL LIABILITIES		9,137	1,960	11,097
TOTAL EQUITY AND LIABILITIES		9,208	(44)	9,164

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28.9C Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS

		(Rs in Lacs)		
	Footnote	Year ended March 31, 2016		
		IGAAP	Adjustment	Ind AS
Revenue from operations		4,263	-	4,263
Other income		10	-	10
Finance income	2	1	2	3
Total income		4,274	2	4,276
Expenses				
Purchase of pharmacy, drugs, consumables and implants		1,435	-	1,435
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		(13)	-	(13)
Employee benefits expense	4	1,116	(2)	1,114
Finance costs	3,8	1,104	265	1,369
Depreciation and amortization expense	1	645	(4)	641
Other expenses	2	2,500	2	2,502
Total expenses		6,787	261	7,048
Loss before tax		(2,513)	(259)	(2,772)
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans		-	(2)	(2)
Income tax effect		-		-
Other comprehensive income for the year, net of tax			(2)	(2)
Total comprehensive income for the year (net of tax attributable to Equity shareholder)		(2,513)	(261)	(2,774)

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28.9D Footnotes to the reconciliation of equity as at March 31, 20016 and April 1, 2015 and profit or loss for the year ended March 31, 2016

1) Property, plant and equipment

The Company has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and on that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

3) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing.

4) Remeasurement of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

5) Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments

6) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

7) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

8) Redeemable Preference Shares

The Company had issued redeemable preference shares to its Holding Company. These preference shares will be redeemed after 6 years with a redemption premium that has a guaranteed internal rate of return. Under Indian GAAP, these redeemable preference shares were classified as part of shareholder's funds under equity and interest payable was recognised through securities premium account. Under Ind-AS, this instrument has been classified as part of borrowings and carried at amortized cost with interest payable using effective interest method through statement of profit and loss.

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Hometrail Buildtech Private Limited
Notes forming part of the financial statements

28.10 The Board of Directors of the Company had, at their meeting held on January 30, 2017, approved the amalgamation of Hometrail Estate Private Limited [“HEPL”] (fellow subsidiary of the company) into the Company. The petition for Scheme of Amalgamation amongst HEPL, the Company and their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal (“NCLT”) on May 08, 2017 and same is list for hearing before NCLT on May 16, 2017.

28.11 Deferred Tax Asset/ (Liability)
The Company follows Ind AS 12 “Accounting for Income Taxes”, as notified by Companies Indian Accounting Standards Rules, 2015. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

28.12 Segment Reporting
As the Company’s business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on ‘Operating Segment’.

28.13 The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figures 0.00 wherever stated represents value less than Rs. 50,000/-

28.14 Note No. 1 to 28 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the board of directors of
Hometrail Buildtech Private Limited

Sd/-
Sunil Mehta
(Whole-Time Director)
DIN : 07270445

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Pawan Khurana
(Head -Finance)

Sd/-
Yogesh Sharma
(Company Secretary)
M.No. : A29286

Place : Gurugram
Date : May 20, 2017

Place : Gurugram
Date : May 20, 2017

CROSSLAY REMIDIES LIMITED

CIN: U24239DL2002PLC113719

Regd. Office: A 14, Pushpanjali, Vikas Marg Extension New Delhi -110092, India

NOTICE TO MEMBERS

NOTICE is hereby given that the **15th ANNUAL GENERAL MEETING** of the members of Crosslay Remedies Limited will be held on **Thursday, September 28, 2017 at 12:30 P.M.** at the registered office of the Company at **A-14, Pushpanjali, Vikas Marg Extn., Delhi – 110092, India** (route map enclosed) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited statement of profit and loss for the year ended March 31, 2017 and the balance sheet as at that date together with the reports of Board of Directors and the auditors thereon.
2. To appoint a director in place of Mr. Rohit Kapoor (DIN: 06529360), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Yogesh Kumar Sareen (DIN: 00884252), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E) (previously S.R. Batliboi & Co.), Chartered Accountants, as the Statutory Auditors for the financial year 2017 -18 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an

Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 15th Annual General Meeting (“AGM”) of the Company till the conclusion of 16th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

Special Business:

5. **Ratification of remuneration payable to M/s Chandra Wadhawa & co., Cost Accountants appointed as Cost Auditor of the Company for financial year 2017-18.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Record & Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of INR 1,32,000 (Indian Rupees one lakh thirty two thousand only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit, to be paid to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 000239), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2018.”

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary, of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and papers as may be necessary to give effect to the above resolution.”

By Order of the Board of Directors
Crosslay Remedies Limited

Place : Delhi
Date : August 02, 2017

sd/-
Parul Jain
Company Secretary
A33803

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBERS.

2. Proxies in order to be effective must be received at the registered office of the Company at A 14, Pushpanjali, Vikas Marg Extension, New Delhi at any time but not less than 48 hours before the meeting. A format of proxy is enclosed.

3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice. Unless otherwise provided under this Notice, the term “Act” shall mean Companies Act, 2013.
6. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of directors seeking appointment / reappointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors) are given as a separate Annexure 1 to this Notice.
8. The documents, if any, referred to in the proposed resolutions and explanatory statement, are open for inspection at the Registered Office of the Company during working hours between 9.30 a.m. and 1.00 p.m., except on holidays, up to and including the date of Annual General Meeting of the Company.
9. The members may please note that M/s. S.R. Batliboi & Co. LLP (“SRBC”), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting (“AGM”) held on September 28, 2016 for term of 5 years until the conclusion of AGM of the Company to be held in the Year 2021, subject to the ratification by the members of the Company at every AGM.

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

ITEM NO. 5

The members may please note that, in terms of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), based on the recommendation of the Audit Committee at its meeting held on May 17, 2017, the Board of Directors of the Company had approved the appointment of M/s Chandra Wadhwa & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of INR 1,32,000 (Indian Rupees One Lakh Thirty Two Thousand Only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit and approved by the Board based on recommendation by the Audit Committee.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the aforesaid remuneration payable to the Cost Auditors for the FY 2017 -18.

Accordingly, the Board of Directors recommends the item no.5 for approval of members of the Company as an Ordinary resolution.

The documents referred above are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are concerned or interested, financial or otherwise, in the Resolution at item no. 5 of the Notice.

By Order of the Board of Directors
Crosslay Remedies Limited

Place : Delhi
Date : August 02, 2017

sd/-
Parul Jain
Company Secretary
A33803

Annexure 1

Details of directors seeking reappointment of Directors (including Managing Director or Whole time Directors as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

Particulars	Mr. Yogesh Kumar Sareen	Mr. Rohit Kapoor
Age	52 years	41 years
Qualification	Member of the Institute of Chartered Accountants of India (ICAI).	He holds an MBA from Indian School of Business and is a certified Chartered Financial Analyst (CFA Institute, USA).
Experience	Mr. Yogesh Sareen, member of the Institute of Chartered Accountants of India, started his career in the industry with Ranbaxy Laboratories in 1988 and had a 30-years long stint across various positions in various countries. He was involved in almost every facet in finance - right from operational finance to corporate finance, treasury, strategy, financial planning and so on. Mr. Sareen joined Max Healthcare Institute Limited ("MHIL") in January 2012 as the Chief Financial Officer. Before joining MHIL, he was with Fortis Healthcare Limited as CFO, where he built a robust Finance and Accounting Function in his stint of three and a half years. As a member of senior leadership team he has been directly involved in guiding the strategy and execution of the Group's business plans in the healthcare domain.	Mr. Rohit Kapoor is currently the Senior Director and Chief Growth Officer at MHIL with the responsibility of overseeing new growth initiatives, driving long-term strategies, setting up strong performance management & execution functions, building high-end capabilities and lead diagnostics. He has 18 years of diverse experience across management consulting and industry. He worked with Mckinsey & Company for nearly a decade, leading several engagement in Banking & Insurance in India, South East Asia and Canada. He was also the co-leader of Mckinsey India's recruitment team and led learning & development. Mr. Kapoor also had stints with Usha Martin, a leading NBFC and Eli Lilly Ranbaxy. Rohit joined Max India Limited in June 2012 and has made notable contribution towards strengthening & executing the business strategy and performance management functions. He also led Project Uday and is a Governing Council member in Max Bupa Limited.

Date of appointment & terms & conditions of reappointment along with the remuneration details:	The Board of Directors of the Company had, in its meeting held on July 10, 2015, appointed Mr. Yogesh Kumar Sareen as an additional director and regularized as the director of the company in the EGM held on July 10, 2015. In terms of section 152(6) he is liable to retire by rotation and being eligible, offered himself for re-appointment as a director of the Company. He is not drawing any remuneration from the Company.	The Board of Directors of the Company had, in its meeting held on July 10, 2015, appointed Mr. Rohit Kapoor as an additional director and regularized as the director of the company in the EGM held on July 10, 2015. In terms of section 152(6) he is liable to retire by rotation and being eligible, offered himself for re-appointment as a director of the Company. He is not drawing any remuneration from the Company.
Shareholding in the Company	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	None	None
Directorships and Memberships of Committee as on 31 st March, 2017	<u>*Directorship in other Companies</u> 1. Hometrail Buildtech Private Limited 2. Hometrail Estate Private Limited 3. Alps Hospital Limited 4. Max Medical Services Limited 5. Saket City Hospitals Private Limited <u>Committee Membership in other Companies</u> 1. Member of Audit Committee & Nomination & Remuneration Committee of Hometrail Estate Private Ltd. 2. Member of Audit Committee & Nomination & Remuneration Committee of Max Medical Services Ltd. 3. Member of Audit Committee & Nomination & Remuneration	<u>*Directorship in other Companies</u> 1. Crosslay Remedies Limited 2. Hometrail Buildtech Private Limited 3. Hometrail Estate Private Limited 4. Antara Purukul Senior Living Limited 5. Antara Senior Living Limited 6. Antara Gurgaon Senior Living Limited 7. Max One Distribution And Services Limited 8. Saket City Hospitals Pvt. Ltd. <u>Committee Membership in other Companies</u> 1. Member of Audit Committee of Antara Gurgaon Senior Living Ltd. 2. Member of Audit Committee

	Committee of Hometrail Buildtech Pvt. Ltd. 4. Member of Audit Committee of Alps Hospital Ltd. 5. Member of Audit Committee & Operation Committee of Crosslay Remedies Ltd. 6. Member of Audit Committee & Operational Committee of Saket City Hospitals Pvt. Ltd.	of Antara Senior Living Ltd. 3. Member of Operational Committee of Saket City Hospitals Pvt. Ltd.
No. of meeting of Board attended during the year	Five (FY 2016-17)	One (FY 2016-17)

*Companies here means the Company defined under section 2(20) of the Act.

Proxy Form
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

CIN U24239DL2002PLC113719
Name of the Company: CROSSLAY REMEDIES LIMITED
Registered Office: A 14, PUSHPANJALI, VIKAS MARG EXTENSION, NEW DELHI, INDIA

Name of the Member (s):

Registered address:

E-mail Id: _____

Folio No / Client Id: _____

DP ID: _____

I / We, being the member(s) of _____ shares of the above mentioned company, hereby appoint

Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him/her

Name: _____

Address: _____

E-mail Id: _____

Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 15th Annual General Meeting of the Company, to be held on Thursday, September 28, 2017 at 12:30 P.M. at A-14, Pushpanjali, Vikas Marg Extn., Delhi – 110092, India and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolution No

1. _____

2. _____

3. _____

4. _____

5. _____

Signed this _____ day of _____, 2017

Signature of Member

Signature of Proxy Holder (s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CROSSLAY REMEDIES LIMITED
Registered Office: A-14, Pushpanjali, Vikas Marg Extension, Delhi 110 092, India
CIN: U24239DL2002PLC113719

Attendance Slip
15th Annual General Meeting of Crosslay Remedies Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Husband Name	Address as Regd. With the Company
1.			
2.			
3.			

I certify that I am a registered Member/Proxy of the registered Member of the Company. I hereby record my presence at the 15th Annual General Meeting of the Company held on Thursday, the 28th day of September, 2017 at 12.30 P.M. at A-14, Pushpanjali, Vikas Marg Extn., Delhi – 110092, India.

Please (✓) in the box

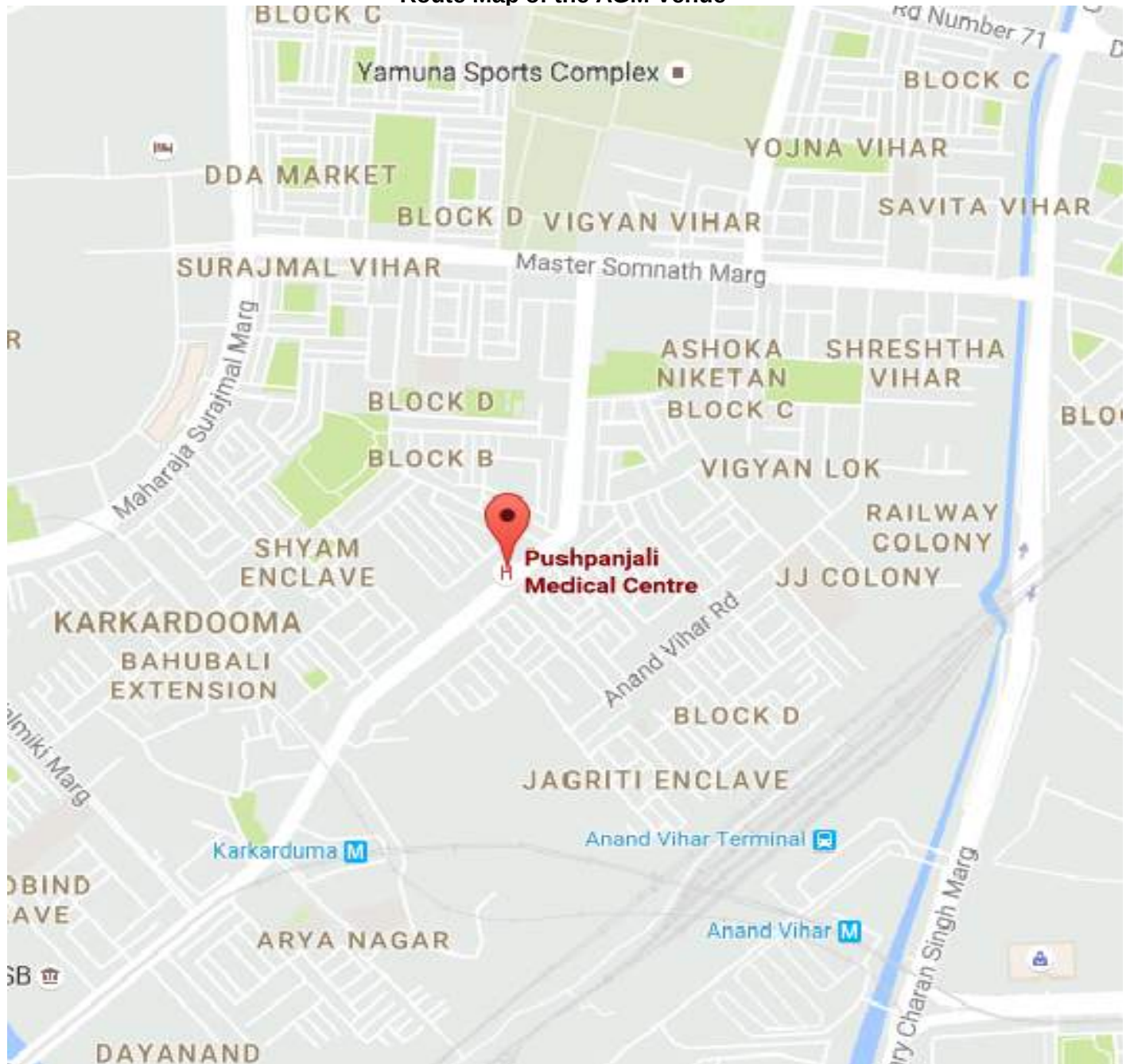
☐ Member ☐ Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route Map of the AGM Venue



DIRECTORS' REPORT

The Members,

Your Directors have the pleasure in presenting the 15th Annual Report on the business and operations of the Crosslay Remedies Limited (the "Company") together with the Audited Financial Statements and the Auditors' Report thereon for the year ended March 31, 2017.

The financial year 2016-17 was a successful year by any measure. All the key performance indicators recorded better than before results.

Your Company's is progressively improving its standing in the Indian healthcare market through a patient centric and distinguished model of care. Your Company is focused on further strengthening its positive brand image in the healthcare space and plans to expand in near future.

Max Healthcare Institute Limited ("MHIL") acquired majority shareholding of your Company in 2015. As part of Max Healthcare group, your Company has implemented all the policies of Max Healthcare and continuously improving its systems. The operating teams continue to identify and implement granular initiatives to achieve sustained revenue growth and contain costs in order to accomplish superior financial results. The dynamics of the healthcare sector is changing fast and going forward our focus is to improve patient outcomes, be more efficient and continue to perfect the business model to meet the expectations of all its stakeholders.

FINANCIAL HIGHLIGHTS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The highlights of the Company's financial performance, for the year ended March 31, 2017 is summarized below:

(INR in Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	21,062	16,147
Other income	121	142
Finance income	72	51
Total income	21,255	16,340
Expenses		
Purchase of pharmacy, drugs, consumables and implants	3,789	3,422
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants	22	233
Employee benefits expense	4,349	3,673

Finance costs	1,698	2,425
Depreciation and amortization expense	1,159	967
Other expenses	9,736	12,982
Total expense	20,753	23,702
Profit / (loss) before tax from continuing operations	502	(7,362)
Deferred tax charge / (credit)	(1,398)	3,347
Tax expense	2	-
Income tax income	(1,396)	3,347
Profit / (Loss) for the year from continuing operations	1,898	(10,709)
*Basic EPS (INR)	1.34	(8.87)
*Diluted EPS (INR)	1.32	(8.71)

Previous year figure have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

*Nominal value of share INR 10/- per share

STATE OF COMPANY'S AFFAIRS /FINANCIAL PERFORMANCE

During the year under review, the overall revenue is increased by 25% and achieved revenue of INR 21,255 Lacs as compared to INR 16,340 lacs in FY 2015 -16.

The operating profit before interest and depreciation grew by 16%, a health growth of 220% over the previous year. The cash profit was INR 1,643 Lacs, a healthy growth of 500% over the previous year. Your Company is in profit this year, net profit after tax stood at INR 1,898 Lacs, as compared to loss of INR 10,707 Lacs in the previous year.

OPERATIONAL PERFORMANCE

Your Company owns and operates a super speciality hospital in the name and style of "Max Super Speciality Hospital, Vaishali" at W-3, Sector -1, Vaishali Ghaziabad, U.P. which provides all the medical facilities under one umbrella including oncology, neurology, orthopedics and joint replacement, general surgery, pediatric, OBS and gynecology, cardiology & cardiothoracic surgery, emergency & critical care, gastroenterology etc. The Hospital is accredited by National Accreditation Board for Hospitals & Healthcare Providers.

Your Company witnessed a significant increase in occupancy level of the hospital from 65% to 69% in FY 2016-17. The AOBDS (Average Occupied Bed Days) has increased by 10% i.e. from 5442 to 5978 in FY 2016-17. ARR (Average Realized Revenue per bed per day) has also increased by 19% from Rs 19,900 to Rs 23,776 in FY 2016-17. IPD Discharges have increased from 1658 to 1782 in FY 2016-17.

Total in patient revenue has increased from INR 141,80 Lacs as compared to INR 17790 Lacs. in FY 2016-17, the OPD revenue has also shown an increase from INR 3500 Lacs as compared to INR 37.8 Cr in FY 2016-17 and OP Pharmacy revenue has also increased from INR 240 Lacs as compared to INR 490 Lacs in FY 2016-17. This growth in revenue is accompanied by 2.5% improvement (reduction) in ALOS (Average Length of Stay) from 3.96 days to 3.86 days due to

constant focus on improved care with faster turnaround. This also led to availability of capacity to serve more patients with existing resources.

DIVIDEND & TRANSFER TO RESERVES

Your Directors have considered financially prudent in the long term interest of the Company to reinvest the profits into business, no dividend has therefore been recommended for the year ended March 2017. No amount was transferred to the general reserves.

SHARE CAPITAL

During the year under review, there was a change in Share Capital due to conversion of 6,74,274 (six lakh seventy four thousand two hundred seventy four) Series 'A' 8% Compulsorily Convertible Preference Shares ("Series 'A'- CCPS") of INR 10 each into 3,37,137 (three lakh thirty seven thousand one hundred thirty seven) Equity Shares of INR 10 each.

As on March 31, 2017, the authorized share capital of the Company stands at INR. 157,00,00,000 (Rupees one hundred fifty seven crores) divided into 14,40,00,000 (fourteen crore forty lacs) Equity Shares having nominal value of INR 10/- each and 1,30,00,000 (One crore thirty lacs) Preference Shares having nominal value of INR 10/- each.

As on March 31, 2017, the issued, subscribed and paid up equity share capital stands at INR 1,439,228,960 (Indian Rupees one forty three crore ninety two lakh twenty eight thousand nine hundred sixty) divided into 1,424,639,830 (Indian Rupees one forty two crores forty six lacs thirty nine thousand eight hundred thirty only) having nominal value of INR 10 each and 14,589,130 (Indian Rupees one core forty five lakh eighty nine thousand one hundred thirty Series 'A'- CCPS having nominal value of INR 10/- each.

There was a change in the Share Capital between the end of financial year and the date of the report due to conversion of 5,59,082 (five lakh fifty nine thousand two hundred eighty two) Series 'A'- CCPS having nominal value of INR 10 each into 2,79,541 (two lakh seventy nine thousand five hundred forty one) Equity Shares having nominal value of INR 10 each.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:

The Company does not have any Subsidiary /Joint Venture/Associate Company during the year under review.

DIRECTORS

The Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of non-executive and independent directors including one woman director. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

There was no changes taken place in the composition of the Board since the last Annual General Meeting.

In terms of Section 165 of the Companies Act, 2013 (the "Act") none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Yogesh Kumar Sareen (DIN 06529360) and Mr. Rohit Kappor (DIN 06529360), Director of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment. Your Directors recommend their re-appointment at the ensuing AGM.

A brief profile and other details of the above named directors seeking re- appointment in terms of Secretarial Standards for General Meetings (SS-2), at the ensuing AGM of the Company has been provided in the notice of the AGM.

DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from all the Independent Directors of the Company (i.e. Mr. Naveent Maini, and Mr. Girish Narang) confirming their independence as prescribed under the Act. The terms and conditions of appointment of independent directors is available for inspection at the registered office of the Company by any member during normal business hours.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. A tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Gurgaon and Delhi. The detailed Agenda for the Board and Committee meetings on the items to be discussed at the meeting are circulated well in advance to enable the Directors to take an informed decision. The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 5 times viz., on April 29 2016, July 07 2016, July 22 2016, October 14 2016 and January 31 2017. The maximum interval between any two meetings did not exceed 120 days. The details of the attendance of directors at the Board Meetings are given hereunder:

S.No.	Name of the Directors	No. of Meetings attended
1.	Dr. Vinay Aggarwal	5
2.	Mr. O.P. Manchanda	5
3.	Mr. Rajit Mehta	4
4.	Mr. Yogesh Kumar Sareen	5
5.	Mr. Rohit Kapoor	1
6.	Dr. Shubnum Singh	4
7.	Dr. Ajit Singh	1
8.	Mr. Navneet Maini	4
9.	Mr. Girish Narang	4

BOARD COMMITTEES

The Board of Directors of your Company had constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board are:

Audit Committee

As on date, the Committee comprises of Mr. Yogesh Kumar Sareen (Chairman & Director), Mr. Navneet Maini (Independent Director) and Mr. Girish Narang (Independent Director). The composition, role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all recommendations made by the Audit Committee from time to time. The composition, role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all recommendations made by the Audit Committee from time to time.

During the year under review, the Audit Committee met 4 times viz., April 29, 2016, July 22, 2016, October 14, 2016 and January 31, 2017. The details of members attending the Audit Committee Meetings are as under:

S. No.	Name of the Directors	No. of Meetings attended
1.	Mr. Yogesh Kumar Sareen	4
2.	Mr. Navneet Maini	4
3.	Mr. Girish Narang	4

Nomination & Remuneration Committee ("NRC")

The Committee comprises of Mr. Rohit Kapoor (Chairman & Non-Executive Director), Mr. Navneet Maini (Independent Director) and Mr. Girish Narang (Independent Director). The composition, role and terms of reference of this Committee are in compliance with the Section 178 of the Act, besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

During the year under review, the NRC met once i.e. on July 22, 2016. The details of members attending the NRC Meetings are as under:

S.No.	Name of the Directors	No. of Meetings attended
1.	Mr. Rohit Kapoor	0
2.	Mr. Navneet Maini	1
3.	Mr. Girish Narang	1

Operational Committee

As on date, the Committee comprises of Mr. Rajit Mehta (Member & Director), Mr. Rohit Kapoor (Member & Director), Dr. Shubnum Singh (Member & Director) and Mr. Yogesh Sareen (Member & Director). During the year under review, the Operational Committee did not meet for considering any business.

BOARD EVALUATION

In terms of the Board Evaluation Framework of the Company, the performance of the Board as a whole, Board Committees and Directors was carried out.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Company followed two pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committee. The second part was driven by face to face discussions at NRC & Board Meeting with aim to evaluate the performance of individual director. In addition, a separate meeting of all the Independent Director was convened in terms of Schedule IV to the Act.

The Evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as knowledge, contribution and guidance to the Management. The Directors expressed their satisfaction with the overall evaluation process.

KEY MANAGERIAL PERSONNEL – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Neeraj Mishra, currently Manager, Mr. Dhiraj Sharma, currently Chief Financial Officer and Ms. Parul Jain, currently Deputy Manager Legal & Company Secretary, are the KMPs of the Company.

During the year under review, the following changes occurred in the Key Managerial Personnel

1. Ms. Surbhi Chaudhary, Company Secretary of the Company resigned w.e.f January 13, 2017.
2. Ms. Parul Jain, Deputy Manager Legal & Company Secretary appointed w.e.f April 10, 2017.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE ACT

The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of the Companies Act, 2013 and other applicable regulations or guidelines. All the Board appointments are based on meritocracy. The potential candidates for appointment to the Board are inter-alia evaluated on the basis of highest level of personal and professional ethics, standing, integrity, values and character, appreciation of the Company's vision, mission, values, professional skill, knowledge and expertise, financial literacy and such other competencies and skills as may be considered necessary. In addition to the above, the candidature of an independent Director is also evaluated in terms of the criteria for determining independence as stipulated under Companies Act, 2013 and other applicable regulations or guidelines. During the year under review, all the appointments of Directors and KMP's has been made as per the policy and evaluating the qualification profile etc. The Nomination & Remuneration Policy is annexed herewith as **Annexure A** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Director's confirm that:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2016 for term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2021, subject to the ratification by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to ratify the appointment of SRBC as the Statutory Auditors of the Company for the FY 2017 -18 and fix their remuneration, at the ensuing AGM.

The Company has received a certificate from M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, the retiring auditors, confirming that ratification of their appointment for FY 2017 - 18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation, adverse opinions or disclaimers except as under:

1. The Company has provided requisite disclosures in Note 30.16 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management except for amounts directly deposited in bank by customers amounting to Rs 7,048,422.

In view of the sudden developments on November 8, 2016, the patients travelling from far off areas and those with planned admissions exercised the option to deposit cash directly in our bank as per para V of RBI Circular of November under the cover of an authorization by the concerned hospital. Since the Company as well as the bank has the necessary KYC documents, the Company is of the considered opinion that such deposits of Specified Bank Notes were in line with RBI directions and comply with all regulatory requirements.

2. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in the Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 29, 2016, and June 9, 2015, respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

In this regard, this clarified that, SRBC were appointed as the Statutory Auditors of the Company at the AGM” held on September 28, 2016. The SRBC had conducted the audit (first year of audit) of financial information of the Company for the year ended March 31, 2017 and the opening balance of year ended March 31, 2016. The numbers of opening balance sheet as at April 01, 2015 were included in the Ind AS financial statements for the year ended March 31, 2017, which are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor. There is no requirement of further comment or reply by the Management on the said disclaimer made by the SRBC regarding the Audit process.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records & Audit) Rules, 2014 (“the Rules”), the Company had appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2016 -17. The Cost Auditor had conducted audit of Cost Accounting Records of the Company for the financial year 2016 -17 and the Cost Audit Report will be filed within the stipulated period of 180 days from the close of the financial year.

Further, the Company has received a certificate from M/s Chandra Wadhwa & Co., confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for the financial year 2017 -18.

It is proposed to re- appoint M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for the Financial Year 2017 -18, at a remuneration of INR 1,32,000 (Indian Rupees one lac thirty two thousand only) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit. Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed has been proposed for the ratification by the Members of the Company in the ensuing AGM.

The Cost Auditors’ Report doesn’t contain any qualification, reservation or adverse opinion but has made observation in its Report for the financial year ended 31st March, 2017 i.e. Company is incurring losses in Cardiac Surgery, ENT and Peadiatrics Surgery.

In this regard it is clarified that Company has taken steps to improve the cost efficiency, pricing as well as productivity for these specialties including appointment of new clinicians in the specialties along with aggressive marketing to increase the revenue in the speciality. Efforts are also being made towards the better allocation of all resources in these specialties, we expect them to become profitable in near future.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 ("the Act") read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Akash Gupta & Associates, Company Secretaries, as the Secretarial Auditor of the Company for FY 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed herewith as **Annexure B** to this Report. The Secretarial Audit Report is self-explanatory and contains no qualifications.

REPORTING OF FRAUD

During the FY 2016 -17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority have been disseminated to senior management to cascade within their departments. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

The Company has an Internal Auditor who functionally reports to the Audit Committee of Board which reviews and approves annual internal audit plan. The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems and internal audit reports and performance of the internal audit function on a periodic basis.

RISK MANAGEMENT

The Company has a Risk Management Framework for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of the Risk Management Framework of the Company through the Audit Committee.

The Company follows detailed risk assessment and minimization procedures, which are reviewed by the Audit Committee. The Company has in place a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management. The Audit Committee provides oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has established a vigil mechanism (Whistle Blower Policy), to cater the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

A whistle blower can raise his / her concerns with the designated official under the Policy and under exceptional circumstances with the Audit Committee. All concerns reported under this Policy shall be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints. During the year under review, no employee was denied access to the Audit Committee.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

All the related parties transactions entered into by the Company are approved by the Audit Committee from time to time, Board of Directors and Members, wherever required.

All contracts / arrangements / transactions entered by the Company during the financial year 2016 -17, with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC -2. Further, there are no related party transactions made by the Company which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Indian AS - 24.

PARTICULAR OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient, if any, are provided in the notes to the financial statement.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return of Company is annexed herewith **Annexure C** to this Report.

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

SERVICE EXCELLENCE

In its endeavor to excel in Sevabhav and provide world class experience to patients, your Company significantly strengthened the patient feedback mechanism by moving the feedback measure to a reputed external agency, IMRB International which is reviewed on regular basis with a daily dash board flash, which helps in continuous monitoring of feedbacks. This ensured completely independent and unbiased feedback from the Patients which helped in developing an actionable priority matrix that can be linked directly to operational processes and practices. The feedback scores are now part of Company's Goals.

To continue our improvement journey, we plan to introduce training modules to raise awareness about Sevabhav and our other core values. As a process improvement exercise, we also plan to undertake significantly higher number of Quality projects in the coming year.

MEDICAL EXCELLENCE

During the year, your Company has successfully launched several initiatives: (i) Successful Implementation of Medical Quality Executive Dashboard and analysis done via Pentaho, business analytical tool. (ii) Medical Policy implemented as per PAN Max Standards (iii) Nursing Quality Flash implemented (iv) Clinical Service Excellency meet being convened regularly (v) Mortality Audit based on IHI toolkit being done learning shared extensively (vi) VTE prophylaxis audit being done on monthly basis (vii) NABH 4th Edition implemented and is being continuously reinforced and (viii) Doctors Council & key committees constituted and mapping of all clinical forms and formats with network hospital done.

TALENT MANAGEMENT

The ever-evolving people practices across healthcare industry have ensured that the Company's Talent Management team keeps pace with the change. The function has continually remained nimble and swift to churn out initiatives to nurture and grow our Human Capital.

Year 2016 saw a profusion of initiatives being rolled out in the unit to support the plinth of the plans formulated in the year 2015 which was focused at aligning new talent with old ones,

building management depth for better synergies and infusion of new talent in the Leadership team.

The start of the year witnessed the launch of New Hire On-Boarding Plan, 0-90 days on – boarding plan, aimed at controlling infancy attrition and improving IMRB scores.

The NHO framework constitutes revamped 2-Day New Hire Induction Program, Delhi Darshan tour, New Joinees Connect with the leadership team over lunch and a Workshop on Evangelize Healthcare with an aim to infuse a sense of belongingness in the employee towards the organization.

Post the launch of Saksham Forum – I and after attaining a coverage of almost 100% in the program, Saksham Forum – II was kicked off in the unit with the primary objective of taking the participants through the journey of “Leading Self to Leading Others” promoting Team Work & Team Management.

Learning & Development – Centre of Excellence meet was set afloat envisioned at aligning all L&D practices being executed in the zone. There was a spectacular increase in number of functional and statutory trainings being imparted in the unit. The L&D initiatives were focused at every employee in the organization including the clinician category, which is how many senior clinicians attended the workshop on “Prevention on Sexual Harassment”. Customized training programs like Customer Centricity & Self Awareness were designed to cater to the need of employees facing customers and to enhance their skills of handling customers.

On Job Observations were conducted to gauge the behavior of employees having a direct customer facing role and then rectifying the highlighted gaps, if any, resulting in increased customer satisfaction. Employee Engagement activities continued with full swing in the unit. To ensure that the leadership team was motivated and infused with positivity, a zonal off-site was planned – Major highlight being the MBTI session.

As the year trickled down towards the end, a cricket tournament was held in the unit level which saw massive participation of employees on and off the field. GEM awards ceremony started attracting of appreciation. Spirit of festivities were being celebrated with undying enthusiasm and ever growing happiness in the unit with all departments coming together for celebrations.

PARTICULARS OF EMPLOYEES

A statement giving particulars of employees as required by the provision of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, forming part of this report is attached as **Annexure - D**.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an

Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended March 31, 2017, the ICC received 1 complaint pertaining to sexual harassment. Detailed investigations were carried out and appropriate actions have been taken by the ICC in the reported incident.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business, in the Company's subsidiaries or in the nature of business carried on by them and generally in the classes of business in which the Company has an interest.

COPORATE INFORMATION IN TERMS OF SECTION 134(3)(M) AND SUB RULE 3 OF RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014, ARE FURNISHED HEREUNDER:

A. Conservation of Energy

Steps taken for energy conservation / utilizing alternate source of energy:

Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. Your Company has taken following significant energy conservation measures in its hospital:

- Running the Chilled water pump on variable speed drive to conserve energy.
- Installed Double skin AHU in place of single skin AHU
- HVAC chillers with good IKW /Tr.
- Capacitors banks provided for improvement of power factor.
- Completely recovering steam condensate and reusing as feed water for steam boiler.
- Installed & continues use of energy efficient LED lights in place of CFL lightings.
- Increased uptake for CNG for electricity generation and consumption by the Hospital
- Using heat recovery of Gas Generator for all its AC Plants.

B. Research & Development (R & D):

i. Specific areas in which R&D activities is carried out by the Company:

Strong research & development capabilities have always been a key fundamental strength of your Company, with its end objectives as scientific discovery, innovation and disease management.

The areas of research being pursued by the Company include:

- Building up of a strong foundation in managing several sponsored global clinical trials and investigator initiated trials/ studies in all major therapeutic areas like Cardiology,

Oncology, Endocrinology, Internal medicine, Nephrology etc. covering the areas of drugs, devices and post marketing surveillance studies.

- Clinical Research program was initiated in 2011.
 - Under the current educational programs, your company various DNB courses in Medicine, Family Medicine, Pediatrics, Anesthesiology, Radiation Oncology and Surgery
- ii. Benefits derived as a result of the above R&D
- Fulfilling unmet therapeutic needs.
 - Collaboration with the external global funding and Government agencies.
 - Innovation in the areas of new technology and clinical procedures thereby improving the treatment process.
- iii. Future Plan of action: The futuristic approach of your Company will continue to concentrate its focus on Research & Development activities.
- Conducting training programmes on various research areas like medical writing, statistics through collaborations with the academic institutions in clinical research and renowned pharmaceutical companies to enhance the research skills of researchers.

C. Technology Absorption & Information Technology Support:

Efforts in brief, made towards technology absorption and benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc. Your Company has taken several initiatives for strengthening the Information Technology (IT) during the FY 2016-17, which includes

- Implementation of HIS Module
- Strengthening the IT infrastructure, both Hardware and Networking
- Initiated E-Prescription and Max Assist
- Implementation of Diet Module
- Implementation of SUN, Finance Module
- The Ambulance Services for emergency centre has been connected to MHIL network hospital
- Updation of systems
- Wifi connective in whole hospital premises

The above initiatives have helped the Company to provide improved medical quality and holistic care to our patients in a more effective manner.

In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: **NA**

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned and used:

- (i) Earnings : INR 332.87 Lacs
- (ii) Expenditure : CIF Value of Imports - INR 212.02 Lacs

Others

- INR 4.67 Lacs

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Issue of Employee Stock Option Scheme to employees of the company
4. Purchase of or subscription for shares in the Company by the employees of the Company.
5. No significant or material adverse orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. The details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken.
7. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act).
8. The details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken (as section 135 read of the Act with rules thereunder is not applicable on the Company for F.Y. 2016-17).

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the members, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

For and on behalf of the Board of the Directors

Sd/-

Dr. Vinay Aggarwal
Chairman and Non-Executive Director
DIN: 00021073
591, Sector 1,
Vaishali, Ghaziabad, U.P.

Place: Delhi
Date: August 02, 2017

ANNEXURE A

NOMINATION AND REMUNERATION POLICY

Introduction

The Nomination and Remuneration Policy is being adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in compliance of Section 178 of the Companies Act, 2013.

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees

Objective

The objectives for adopting the policy are:

- a) To ensure that the level and composition of remuneration payable to Board of Directors, Key Managerial Personnel and others is reasonable and sufficient to attract, retain and motivate persons to join the senior positions of the company so as to provide the company the required strategic direction.
- b) To ensure that remuneration is linked to performance and there exists appropriate benchmarks
- c) To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives synchronizing the same to the working of the company and its goals.
- d) To lay down criteria for identifying persons to be qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
- e) To carry out evaluation of Directors, Key Managerial Personnel and Senior Management.
- f) To ensure that the remuneration is being paid across the organization based on prevailing trends in the industry to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

‘Senior Management Personnel’ for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors shall implement the Policy and shall report the progress of implementation to the Board of Directors at regular intervals.

Role of Nomination and Remuneration Committee

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Appointment of Directors, Key Managerial Personnel and Senior Management

- a) The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management.
- b) The Committee shall ascertain the qualifications, expertise and experience of the persons to be appointed as Directors, Key Managerial Personnel and Senior Management and recommend their appointment to the Board of Directors.
- c) The decision of the Board of Directors based on the recommendation of the Committee shall be final
- d) The appointment including tenure of Directors and KMP shall be subject to the policy of the company, provisions of Companies Act, 2013, and other relevant laws.
- e) The Committee shall evaluate their performance on a yearly basis and recommend their removal to the Board, if required.

Remuneration of Directors, KMP, Senior Management and other employees

- a) The remuneration payable to the Whole Time Directors shall be as per the provisions of the Companies Act, 2013 and other relevant provisions.
- b) The remuneration payable to the Non Executive Directors shall be as per the provisions of the Companies Act, 2013 and other relevant provisions
- b) The remuneration payable to KMP and Senior Management shall be approved by the Committee on case to case basis.
- c) The increments to the existing remuneration structure
 - 1) In relation to Board of Directors based on the evaluation of performance
 - 2) In relation to KMP and Senior Management shall be approved by the Committee based on the recommendation of the Managing Director

Remuneration to Independent Directors

The Independent Director of the company shall be paid sitting fees (as determined by the Board from time to time) for attending Board/ Committee meetings apart from reimbursement of expenses incurred for attending the meetings.

Applicability

This Nomination and Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

This policy can be amended by the Board of Directors on its own or based on their commendation made by the Nomination and Remuneration Committee from time to time.

For and on behalf of the Board of the Directors

Sd/-

Dr. Vinay Aggarwal
Chairman and Non-Executive Director
DIN: 00021073

Annexure B

Secretarial Audit Report

For the financial year ended March 31, 2017

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

**To,
The Members,
Crosslay Remedies Limited
A-14, Pushpanjali Vikas Marg Extension
Delhi 110 092**

I have conducted the secretarial audit of financial year ending on March 31st 2017 for the compliance of applicable statutory provisions and the adherence to good corporate practices by Crosslay Remedies Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ending on March 31st 2017, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;- As the Company is an unlisted Public Company, thus the provision of the Securities Contracts (Regulation) Act, 1956 is not applicable to the Company during financial year 2016-17.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;- As the Company is an unlisted Public Company, thus the relevant provisions of the Depositories Act, 1996 are not applicable to the Company.
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
 - a) Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000-No foreign direct investment has been received by the Company during the financial year 2016-17;

- b) Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 : The Company has not invested any funds outside India in Joint Venture or subsidiary during the financial year 2016-17;
 - c) Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000: The Company has not received any external commercial borrowings from outside India during the financial year 2016-17
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :- Since the Company is an unlisted entity, hence the specific regulations of SEBI Act are not applicable on it;

Further, as informed to us by management of the Company there are some industry specific laws, as mentioned below, which are being compiled by the Company as industry specific laws under the head "other laws as specifically applicable to Company" are as follows:

- a) The Delhi Nursing Home Registration Act, 1953
- b) The Drugs and Cosmetics Act, 1940
- c) The Narcotics Drugs & Psychotropic Substances Act, 1985
- d) The Transplantation of Human Organs Act, 1994
- e) Blood Banks & Blood Transfusion, 2007
- f) Atomic Energy Act, 1962
- g) The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994
- h) The Medical Termination of Pregnancy (Amendment) Act, 2002
- i) The Food Safety and Standards Act, 2006
- j) Water (Prevention and Control of Pollution) Act, 1974
- k) Air (Prevention and Control of Pollution) Act, 1981
- l) The Bio Medical Waste (Management & Handling Rules), 1998
- m) Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008
- n) E-Waste (Management & Handling) Rules, 2011
- o) The Environment (Protection) Act, 1986/Noise Pollution (Regulation and Control) Rules, 2000

The management of Company has represented and confirmed that the Company has generally complied with applicable provisions of industry specific laws as mentioned above and based upon such representation and random test checks, I also state that Company has generally complied with applicable provisions of industry specific laws as mentioned above.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015:- Since the Company is an unlisted entity, hence these regulations are not applicable on Company;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with shorter notice after obtaining requisite consents, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through and views are captured and recorded as part of the minutes while no member of board has dissented to any proposed resolutions in board meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period there was no specific event which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Further, I relied upon the reports given by auditors of the Company and the compliance certificates provided by the internal management of the Company for compliances of various applicable laws on the Company and I hereby state that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as applicable and mentioned above.

This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.

M/s Akash Gupta & Associates

Sd/-

Practising Company Secretary

Membership No. 30099

Certificate of Practice No. 11038

Date: 24th July, 2017

Place: Delhi

Annexure I

**To,
The Members
Crosslay Remedies Limited
A-14, Pushpanjali Vikas Marg Extension
Delhi 110092**

Our report for the financial year ending 31.03.2017 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

S/d-

M/s Akash Gupta & Associates
Practising Company Secretary
Membership No. 30099
Certificate of Practice No. 11038

Date: 24th July, 2017

Place: Delhi

Annexure C

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As at financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U24239DL2002PLC113719
2.	Registration Date	08/01/2002
3.	Name of the Company	Crosslay Remedies Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	A 14, Pushpanjali, Vikas Marg Extension, Delhi-110092
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)



S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Healthcare Business	861	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate	% of shares Held	Applicable Section
1	Max Healthcare Institute Limited	U72200DL2001PLC111313	Holding	78.35%	Sec 2(87)

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

[illegible]

ii) Individual members holding nominal share capital in excess of Rs 1 lakh	10,712,980	7,606,152	18,319,132	12.84%	10,712,980	7,606,152	18,319,132	12.86%	0.2%
c) Others (HUF)	-	-	-	-	-	-	-	-	-
Non Resident Indians									
i) Individual members holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual members holding nominal share capital in excess of Rs 1 lakh	-	8,784,341	8,784,341	6.18%	-	91,214,78	91,214,780	6.40%	.22%
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts	-	463,600	463,600	0.33%	-	463,600	463,600	0.33%	-
Foreign Bodies - D R									
Sub-total (B)(2):-	12,964,728	17,536,821	30,501,549	21.46%	12,964,728	17,873,958	308,386,860	21.65%	.19%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12,964,728	17,536,821	30,501,549	21.46%	12,964,728	17,873,958	308,386,860	21.65%	.19%

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14,495,950	127,630,896	142,126,846	100%	14,495,950	127,968,033	142,463,983 0	100%	-

B) Shareholding of Promoter-

SN	Member's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Max Healthcare Institute Limited	111,625,297	78.54%	-	111,625,297	78.35%	-	(.19%)

C) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in Promoters' Shareholding

D) Shareholding Pattern of top ten Members: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S,No	Name of Members	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Arun Narula				
	At the beginning of the year	3,738,747	2.63%		

	Conversion of CCPS into Equity on 30 th January, 2017	-	-	269,851	
	At the end of the Year	-	-	4,008,597	2.81%
2	MM Healthcare Ltd				
	At the beginning of the year	2,251,748	1.58%		
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	2,251,748	1.58%
3	Dr. Purshottam Das Garg				
	At the beginning of the year	1,864,346	1.31%		
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	1,864,346	1.31%
4	Dr. Ganesh Kumar Mani				
	At the beginning of the year	1,610,000	1.13%	1,610,000	
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	1,610,000	1.13%
5	Mrs. Meenu Bajaj				
	At the beginning of the year	1,214,668	0.85%	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	1,214,668	0.85%
6	Mr. Akhil Jain				
	At the beginning of the year	902674	0.74%	-	-
	Conversion of CCPS into Equity on 30 th January, 2017	-	-	67,287	
	At the end of the Year	-	-	1,119,961	0.79%
7	Mrs. Jaswinder Bawa				
	At the beginning of the year	1,000,000	0.70%	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	1,000,000	0.70%
8	Dr. Suresh Gupta				
	At the beginning of the year	900,000	0.63%	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	900,000	0.63%
9	Mr. Amarjeet Singh Bawa				
	At the beginning of the year	800,000	0.56%		

10	Increase / Decrease in Shareholding during the year	-	-	-	
	At the end of the Year			800,000	0.56%
	Dr. Gaurav Aggarwal				
	At the beginning of the year	706,900	0.50%	706,900	
	Increase / Decrease in Shareholding during the year			-	
	At the end of the Year			706,900	0.50%

E) Shareholding of Directors and Key Managerial Personnel:

SNo	Name of Members	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Vinay Aggarwal				
	At the beginning of the year	6,270,252	4.41%	6,270,252	
	Increase / Decrease in Shareholding during the year	-	-	-	
	At the end of the Year			6,270,252	4.40%
2.	Mr. O P Manchanda				
	At the beginning of the year	2,642,728	1.86%	2,800,000	
	Increase / Decrease in Shareholding during the year				
	At the end of the Year			2,642,728	1.86%
3.	Mr. Yogesh Kumar Sareen				
	At the beginning of the year	NIL	-	NIL	

	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
4.	Mr. Rohit Kapoor				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
5.	Dr. Shubnum Singh				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
6.	Mr. Ajit Singh				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
7.	Mr. Navneet Maini				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
8.	Mr. Girish Narang				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
9.	Mr. Rajit Mehta				

	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
10.	Mr. Neeraj Kumar Mishra				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
11.	Mr. Dhiraj Sharma				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-
12.	*Ms. Surbhi Chaudhary				
	At the beginning of the year	NIL	-	NIL	
	Increase / Decrease in Shareholding during the year	NIL	-	NIL	
	At the end of the Year			NIL	-

* These Key Managerial Personnel has resigned during the year.

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial				

year				
i) Principal Amount	1,06,41,11,694	20,00,00,000	-	1,26,41,11,694
ii) Interest due but not paid	91,21,387	1,56,83,765	-	2,48,05,152
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	1,07,32,33,081	21,56,83,765	-	1,28,89,16,846
Change in Indebtedness during the financial year				
* Addition	32,60,41,694	2,64,66,843	-	35,25,08,537
* Reduction	-	-	-	-
Net Change	32,60,41,694	2,64,66,843	-	35,25,08,537
Indebtedness at the end of the financial year				
i) Principal Amount	1,38,94,04,501	20,00,00,000	-	1,58,94,04,501
ii) Interest due but not paid	98,70,275	4,21,50,608	-	5,20,20,883
iii) Interest accrued but not due				
Total (i+ii+iii)	1,39,92,74,775	24,21,50,608	-	1,64,14,25,384

III. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S No	Particulars of Remuneration	Name of MD/WTD/ Manager				
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

S.No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr Girish Narang	Mr Navneet Maini	

1	Independent Directors			
	Fee for attending board committee meetings	115,000	115,000	230,000
	Commission	-	-	
	Others, please specify	-	-	
	Total (1)	-	-	
2	Other Non-Executive Directors	-	-	
	Fee for attending board committee meetings	-	-	
	Commission	-	-	
	Others, please specify	-	-	
	Total (2)	-	-	
	Total (B)=(1+2)	115,000	115,000	230,000
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	Rs 1lac Per Meeting	Rs 1lac Per Meeting	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

S.No.	Particulars of Remuneration	Key Managerial Person			
		Manager	CS	CFO	Total
		Mr Neeraj Mishra	Ms Surbhi Chaudhary	Mr Dhiraj Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	740,891	1,817,586	2,558,477
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others , specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	740,891	1,817,586	2,558,477
	Ceiling as per the Act	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of the Directors

Sd/-
Dr. Vinay Aggarwal
Chairman and Non-Executive Director

								- Sri Ramachandra University, MBA (Healthcare Administration) - 2013 - University of Delhi		
8	Permanent	Ruby Bansal	28-Apr-72	45	Senior Consultant	1,659,324	1,659,324	M.D (Physician) - 1998 Crimea State Medical University ,Fellowship in HIV/AIDS - 2007 MAMC	14.3	Pushpanjali Medical centre
9	Permanent	Rashmi Chawla	30-Jul-82	35	Senior Manager	1,544,860	1,447,204	MCA - 2006 – IGNOU	11.8	NA
10	Permanent	Gitesh Mongia	8-May-73	44	Assistant General Manager	1,639,404	1,545,168	B. Com - 1995 Osmania University, Diploma in Management – 1995	21.8	NA

Notes:

1. The components of gross remuneration comprises of salary, allowances, monetary value of perquisites, commission to directors and the company's contribution to the PF and contribution to gratuity fund.

2. Net Remuneration is after tax and is exclusive of company's contribution to PF and monetary value of non cash perquisites.

3. The nature of employment in all cases is contractual.

4. None of the employees as mentioned above is a relative of any Director of the Company.

5. The abovementioned employees are paid remuneration as per the policy/rules of the Company.

"6. There was no employee who was employed either throughout the financial year or part thereof, who was holding either by himself or along with the spouse and dependent children, 2% or more of the shares of the company and drawing remuneration in excess of remuneration drawn by Managing Director of the Company."

For and on behalf of the Board of the Directors

Sd/-
Dr. Vinay Aggarwal
Chairman and Non-Executive Director
DIN: 00021073

INDEPENDENT AUDITOR'S REPORT

To the Members of Crosslay Remedies Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Crosslay Remedies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind - AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind - AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 29 to the Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 30.6 to the standalone Ind AS financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

- iv. The Company has provided requisite disclosures in Note 30.16 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management except for amounts directly deposited in bank by customers amounting to Rs 7,048,422.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in the Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 29, 2016, and June 9, 2015, respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 17, 2017

**Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date
Re: Crosslay Remedies Limited (the Company)**

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (b) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits 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 generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-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, service tax, sales-tax, duty of custom, duty of excise, 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 records of the Company, the dues outstanding of income-tax, sales-tax, , service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows.

Name of the statute	Nature of the dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where the dispute is pending
DVAT	Entry Tax	1	AY 2012-13	Commercial Tax Tribunal
DVAT	VAT	9	AY 2015-16	High Court

- (viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer / further public offer /debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 86370

Place: Gurgaon
Date: May 17, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CROSSLAY REMEDIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Crosslay Remedies Limited

We have audited the internal financial controls over financial reporting of Crosslay Remedies Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & CO LLP

ICAI Firm registration number: 301003E / E300005

Chartered Accountants

Sd/-

per Atul Seksaria

Partner

Membership No.: 86370

Place: Gurgaon

Date: May 17, 2017

Crosslay Remedies Limited
Balance Sheet as at March 31, 2017

		(Rs in Lacs)		
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	15,703	15,036	15,299
Capital work-in-progress	3	963	458	594
Intangible assets	4	47	32	54
Financial assets				
-Other financial assets	5	22	-	100
Other non current assets	6	1,418	1,126	1,132
Deferred tax asset (net)	7	1,398	-	3,347
		19,551	16,652	20,526
Current assets				
Inventories	8	339	359	608
Financial assets				
-Other financial assets	9	206	291	190
-Trade receivables	10	3,726	2,647	2,916
-Cash and cash equivalents	11	134	167	241
-Other Bank Balance	12	409	180	140
-Dervative instruments	13	10	-	-
Other current assets	14	188	108	2,748
		5,012	3,752	6,843
TOTAL ASSETS		24,563	20,404	27,369
EQUITY AND LIABILITIES				
Equity				
Share capital	15	14,246	14,213	7,679
Other Equity	16	(9,176)	(11,043)	(6,665)
Share Application money pending for allotment		-	-	62
Total Equity		5,070	3,170	1,076
Non-current liabilities				
Financial Liabilities				
-Borrowings	17	14,446	11,300	14,529
Long term provisions	18	158	196	189
Government Grant		-	18	40
		14,604	11,514	14,758
Current liabilities				
Financial Liabilities				
-Borrowings	19	1,481	1,173	3,576
-Trade payables	20A	2,134	3,198	4,930
-Other financial liabilities	20B	973	843	2,295
Short term provisions	21	110	66	51
Other current liabilities	22	191	440	683
		4,889	5,720	11,535
TOTAL LIABILITIES		19,493	17,234	26,293
TOTAL EQUITY AND LIABILITIES		24,563	20,404	27,369
Summary of signficiant accounting policies	1,2			
Contingent liabilities, committments and litigations	30			
Other notes to accounts	31			

The accompanying notes are integral part of the financial statements
As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 17, 2017

For and on behalf of the Board of Directors of
Crosslay Remedies Limited

Sd/-
Dr. Vinay Aggarwal
(Chairman & Director)
DIN : 00021073

Sd/-
Dhiraj Sharma
(CFO & Head - Finance)

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
Parul Jain
(Company Secretary)
ACS No. : 33803

Place : Gurugram
Date : May 17, 2017

Crosslay Remedies Limited
Statement of profit and loss for the period ended March 31, 2017

		(Rs in Lacs)	
	Notes	for the year ended March 31, 2017	for the year ended March 31, 2016
INCOME			
Revenue from operations	23	21,062	16,147
Other income	24	121	142
Finance income	25	72	51
Total income		21,255	16,340
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		3,789	3,422
Decrease in inventory of pharmacy, drugs consumables and implants		22	233
Employee benefits expense	26	4,349	3,673
Finance costs	27	1,698	2,425
Depreciation and amortization expense	28	1,159	967
Other expenses	29	9,736	12,982
Total expense		20,753	23,702
Profit / (loss) before tax		502	(7,362)
Deferred tax charge / (credit)		(1,398)	3,347
Tax expense		2	-
Income tax income		(1,396)	3,347
Profit / (loss) after tax		1,898	(10,709)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses for the year, net of taxes	31.4	(2)	(2)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		(2)	(2)
Total comprehensive income for the year (net of tax attributable to Equity Shareholders)		1,900	(10,707)
Earnings per equity share (Nominal value of share Rs. 10/-) (refer note 31.3)			
Basic EPS (Rs.)		1.34	(8.87)
Diluted EPS (Rs.)		1.32	(8.71)
Summary of significant accounting policies	1,2		
Contingent liabilities, commitments and litigations	30		
Other notes to accounts	31		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E / E300005

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

**For and on behalf of the Board of Directors of
Crosslay Remedies Limited**

Sd/-

Dr. Vinay Aggarwal

(Chairman & Director)

DIN : 00021073

Sd/-

Yogesh Kumar Sareen

(Director)

DIN : 00884252

Sd/-

Dhiraj Sharma

Head - Finance

Sd/-

Parul Jain

(Company Secretary)

ACS No. : 33803

Place : Gurugram

Date : May 17, 2017

Place : Gurugram

Date : May 17, 2017

Crosslay Remedies Limited
Statement of Changes in Equity for the year ended March 31, 2017

a) Equity share capital

Particulars	Nos.	Rs. in Lacs
As at April 1, 2015	76,791,283	7,679
Add : Issued during the year		
- Conversion of Preference Share into equity shares (refer note 14)	2,977,130	298
- Fresh issue of equity share (refer note 14)	62,358,433	6,236
As at March 31, 2016	142,126,846	14,213
Add : Issued during the year		
- Conversion of Preference Share into equity shares (refer note 14)	337,137	34
As at March 31, 2017	142,126,846	14,246

b) Other equity

Particulars	Reserves and surplus			Total
	Securities Premium	Retained Earnings	Equity component of convertible preference shares	
As at April 1, 2015	243	(7,849)	941	(6,665)
Net profit for the year	-	(10,709)	-	(10,709)
Other comprehensive income for the year	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	2	-	2
Add : Premium on issue of Equity Share (refer note 15)	7,843	-	-	7,843
Less : Share issue expenses (refer note 15)	(786)	-	-	(786)
Less : Share redeemed by conversion during the year (refer note 15)	-	-	(727)	(727)
As At March 31, 2016	7,300	(18,556)	213	(11,043)
Profit for the year	-	1,898	-	1,898
Other comprehensive income for the year	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	2	-	2
Add : Premium on Equity Share (refer note 15)	34	-	-	34
Less : Share redeemed by conversion during the year (refer note 15)	-	-	(67)	(67)
As At March 31, 2017	7,334	(16,656)	146	(9,176)

Summary of significant accounting policies	1,2
Contingent liabilities, commitments and litigations	30
Other notes to accounts	31

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
 Partner
Membership Number: 086370

Place : Gurugram
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For and on behalf of the Board of Directors of
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Sd/-
Dhiraj Sharma
 (Head Finance)

Place : Gurugram
 Date : May 17, 2017

Sd/-
Yogesh Kumar Sareen
 (Director)
 DIN : 00884252

Sd/-
Parul Jain
 (Company Secretary)
 ACS No. : 33803

Crosslay Remedies Limited
Statement of Cash Flow for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net loss before tax	502	(7,362)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	1,159	967
Loss on sale of fixed assets	-	402
Provision for doubtful debts / advances and debt written off	366	3,138
Foreign exchange fluctuation loss	(10)	-
Liabilities no longer required written back	(73)	-
Finance income (including fair value change in financial instrument)	(25)	(13)
Deferred income EPCG	(18)	(22)
Finance expense (including fair value change in financial instrument)	1,646	2,374
Operating profit / (loss) before working capital changes	3,547	(516)
Movements in working capital :		
(Decrease) in trade payables, other liabilities and provisions	(1,254)	(1,998)
(Increase) in inventories	20	249
(Increase) trade receivables	(1,445)	(798)
Decrease in financial assets	63	(1)
(Increase)/decrease in other assets	(227)	558
Cash from / (used in) operations	704	(2,506)
Direct taxes paid (net of refund)	(145)	17
Net cash form / (used in) operating activities (A)	559	(2,489)
B. Cash flows from investing activities		
Purchase of property, plant and equipments, including intangible assets, CWIP and capital advances	(2,257)	(733)
Proceeds from sale of fixed assets	-	(283)
Investment in / Maturity of fixed deposits with banks (having original maturity of more than three months)	(229)	(40)
Interest received	25	13
Net cash from/ (used in) investing activities (B)	(2,461)	(1,043)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	-	12,801
Proceeds from long-term borrowings	3,207	11,639
Repayments of long term borrowings	-	(15,039)
Proceeds/ (repayments) of short-term borrowings (net)	308	(3,569)
Interest paid	(1,646)	(2,374)
Net cash from financing activities (C)	1,869	3,458
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(33)	(74)
Total cash and cash equivalents at the beginning of the year	167	241
Cash and cash equivalents at the end of the year	134	167

Crosslay Remedies Limited**Statement of Cash Flow for the year ended March 31, 2017****Components of cash and cash equivalents:**

Cash on hand	18	16
Cheques on hand	22	17
Balances with banks on current accounts	94	134
Total cash and cash equivalents	11	134
Summary of significant accounting policies	1,2	
Contingent liabilities , commitments & litigations	30	
Other notes on accounts	31	

The accompanying notes are integral part of the financial statements

As per our report of even date attached**For S.R. Batliboi & Co. LLP****Chartered Accountants****ICAI Firm Registration Number: 301003E/E300005**

Sd/-

per Atul Seksaria

Partner

Membership Number: 086370

For and on behalf of the Board of Directors of**Crosslay Remedies Limited**

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(Chairman & Director)

DIN : 00021073

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(Director)

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(Head Finance)

Sd/-

Parul Jain

(Company Secretary)

ACS No. : 33803

Place : Gurugram

Date : May 17, 2017

Place : Gurugram

Date : May 17, 2017

Crosslay Remedies Limited
Notes forming part of the financial statements

1 Corporate Information

Crosslay Remedies Limited ("the Company") is a public limited Company domiciled in India. The Company has a healthcare facilities in the Vaishali, Ghazibad, Uttar Pradesh, comprising of multil super speciality tertiary care facilities.

The financial statements of the Company includes the performance of hospital and medical centre, which are operational and the central support team, which is meant to support the current operations and ongoing expansion.

The Company has also entered into long term service contracts with other healthcare service providers and upstream holding company to provide medical and pathology services to them in their hospital operations.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 31.10 for information on how the company has adopted Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- (i) Derivative financial instruments,
- (ii) Property, plant and equipment
- (iii) Certain financial assets and financial liabilities
- (iv) Defined benefit plans

Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
 - (ii) Held primarily for the purpose of trading
 - (iii) Expected to be realized within twelve months after the reporting period, or
 - (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Crosslay Remedies Limited
Notes forming part of the financial statements

Assets	Useful lives estimated by the management (years)
Leasehold Improvements	Shorter of the estimated useful life of tangible asset or respective lease term
Building	5 - 60 Years
Medical Equipment	13 Years
Lab Equipment	10 Years
Electrical Installations and Equipment	10 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers & Data Processing Units	3 - 6 Years
Furniture and Fixtures	10 Years
Motor Vehicles	6 - 8 Years

c. Intangible assets

Separately acquired intangible assets

The Company has applied exemptions of Ind AS 101 to continue the carrying value of intangible assets at the date of transition as its deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;
- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life of 2-7 years.

d. Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Crosslay Remedies Limited
Notes forming part of the financial statements

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortised cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e, removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of goods. The Company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services

Revenue from healthcare services (including drugs, consumables and implants used in delivery of such services) are recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets. Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Incentive Income

Benefits under "Served from India Scheme" available for foreign exchange earned under prevalent scheme of Government of India are accrued when the right to receive these benefits as per the terms of the scheme is established and accrued to the extent there is no significant uncertainty about the measurability and ultimate utilization.

g. Inventories

Inventories comprise of pharmacy, drugs, consumable and implants which are valued at lower of cost and net realizable value. Cost includes the cost of purchase, duties, taxes (other than those recoverable from tax authorities) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

i. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

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Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, if any.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax include Minimum Alternate Tax (MAT) recognized MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.1.i).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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l. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

m. Employee benefits

Provident fund

Retirement benefit in the form of Provident Fund (contributed to the Regional PF Commissioner) is a defined benefit contribution scheme. The Company recognise contribution payable to provident fund scheme as an expenditure, when an employee renders related service. There are no other obligation other than contribution payable.

Gratuity

Gratuity liability is a 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.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in

(i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

(ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit .The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end .Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Long term incentive plan

Employees of the Company receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

n. Share-based payments

Employees of the Company receive remuneration in the form of share based payment transaction, whereby employees render services as a consideration for equity instruments or cash (equity settled transactions with a cash alternative).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 32. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

**q. Foreign currencies
Transactions and balances**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Company's financial statements are presented in Indian rupee (Rs.) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

r. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognized in finance costs and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

s. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based payment

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The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note __.

(c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

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3. Property, Plant and Equipments

(Rs in Lacs)

	Freehold land	Building	Medical equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Other surgical instruments	Total	Capital work in progress
At Cost											
Deemed cost as at April 1, 2015	1,904	6,949	2,786	2,924	72	648	16	-	-	15,299	594
Additions	-	-	711	42	27	-	18	-	-	798	333
Disposals	-	-	115	28	39	29	-	-	-	211	469
As at March 31, 2016	1,904	6,949	3,382	2,938	60	619	34	-	-	15,886	458
Reclassification	-	548	1,468	1,104	(3)	409	(7)	217	6	3,742	-
As at April 1, 2016(Reclassification)	1,904	7,497	4,850	4,042	57	1,028	27	217	6	19,628	458
Additions	-	681	862	5	46	28	-	109	104	1,835	667
Disposals	-	-	78	1	-	2	-	36	-	117	162
As at March 31, 2017	1,904	8,178	5,634	4,046	103	1,054	27	290	110	21,346	963
Depreciation											
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-
Additions	-	118	355	301	18	147	3	-	-	942	-
Disposals	-	-	38	7	29	18	-	-	-	92	-
As at March 31, 2016	-	118	317	294	(11)	129	3	-	-	850	-
Reclassification	-	561	1,465	1,103	30	390	10	181	2	3,742	-
As at April 1, 2016(Reclassification)	-	679	1,782	1,397	19	519	13	181	2	4,592	-
Additions	-	122	429	381	29	132	8	28	17	1,146	-
Disposals	-	-	58	-	-	1	-	36	-	95	-
As at March 31, 2017	-	801	2,153	1,778	48	650	21	173	19	5,643	-
Net Block											
As at March 31, 2017	1,904	7,377	3,481	2,268	55	404	6	117	91	15,703	963
As at March 31, 2016	1,904	6,831	3,065	2,644	71	490	31	-	-	15,036	458
As at April 1, 2015	1,904	6,949	2,786	2,924	72	648	16	-	-	15,299	594

3.1. Tangible assets given as security

Tangible assets are subject to charge to secure the company's secured long term borrowing as disclosed in note no. 17

Crosslay Remedies Limited
Notes forming part of the financial statements

4. Intangible assets

	Computer software	Total
Deemed Cost as at April 1, 2015	54	54
Additions	3	3
Disposals	31	31
As at March 31, 2016	26	26
Additions	28	28
Disposals	-	-
As at March 31, 2017	54	54
Amortization		
As at April 1, 2015	-	-
Additions	25	25
Disposals	31	31
As at March 31, 2016	(6)	(6)
Additions	13	13
Disposals	-	-
As at March 31, 2017	7	7
Net carrying cost		
At at March 31, 2017	47	47
At at March 31, 2016	32	32
At at April 01, 2015	54	54

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Crosslay Remedies Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Other financial assets			
(Valued at amortized cost) (unsecured considered good)			
Security deposits	22	-	100
	<u>22</u>	<u>-</u>	<u>100</u>
6. Other non current assets (unsecured considered good)			
Capital advances	158	10	-
Others			
-Tax deducted at source recoverable	1,260	1,115	1,132
Prepaid expenses	-	1	-
	<u>1,418</u>	<u>1,126</u>	<u>1,132</u>

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Crosslay Remedies Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
8. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	<u>339</u>	<u>359</u>	<u>608</u>
	<u>339</u>	<u>359</u>	<u>608</u>
9. Other current financial assets			
Security deposits	<u>1</u>	<u>14</u>	<u>7</u>
Unbilled revenue	<u>205</u>	<u>277</u>	<u>183</u>
	<u>206</u>	<u>291</u>	<u>190</u>
10. Trade receivables (unsecured)			
Trade receivables - considered good	<u>3,726</u>	<u>2,647</u>	<u>2,916</u>
Trade receivable considered doubtful	<u>1,117</u>	<u>1,063</u>	<u>-</u>
Less : Impairment allowance for Trade receivable considered doubtful	<u>(1,117)</u>	<u>(1,063)</u>	<u>-</u>
Total Trade receivables	<u>3,726</u>	<u>2,647</u>	<u>2,916</u>

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Crosslay Remedies Limited
Notes forming part of the financial statements

(Rs in Lacs)

	As at March 31, 2017	As at March 31, 2016

7. Income taxes

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

(a) Income tax expense in the statement of profit and loss comprises :

Current income tax charge	-	-
Deferred Tax		
On account of MAT credit	-	-
Relating to origination and reversal of temporary differences*	1,398	3,347
Income tax expense reported in statement of profit and loss	1,398	3,347

(b) Other Comprehensive Income

Re-measurement (gain) / losses on defined benefit plans (refer note 30.1)	-	-
Income tax related to item recognised in OCI during the year	-	-

(c) Other Comprehensive Income

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :

Accounting profit before tax	502	(7,362)
Applicable tax rate	34.608%	34.608%
Computed tax expense	173	(2,548)
Deferred tax assets not created in respect of unabsorbed losses	-	2,548
Provision on account of doubtful debts not considered for deferred tax purpose	387	-
Reversal of Losses lapsed due take over of business	(1,973)	-
Others	15	-
Reversal of Deferred Tax assets created in earlier years	-	3,347
Income tax charged to statement of profit and loss at effective rate 15.02%	(1,398)	3,348

(d) Deferred tax :

Deferred tax relates to the following:

(Rs in Lacs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Tax Liability			
Accelerated depreciation for Tax purpose	2,334	-	1,572
Others	42	-	-
Deferred Tax Asset			
Expenses allowed on payment basis	(99)	-	(74)
Others	(1)	-	-
Unabsorbed business losses / depreciation	(3,674)	-	(4,845)
Net deferred tax liabilities/(Asset)	(1,398)	-	(3,347)

(Rs in Lacs)

	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Accelerated depreciation for Tax purpose	2,334	(1,572)
Others	42	-
Deferred Tax Asset		
Expenses allowed on payment basis	(99)	74
Others	(1)	-
Unabsorbed business losses / depreciation	(3,674)	4,845
Deferred tax expense/ (income)	(1,398)	3,347

Crosslay Remedies Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	As at	As at
	March 31, 2017	March 31, 2016
Reconciliation of Deferred tax liabilities (net)		
Opening Balance	-	3,347
Tax Income/expense recognised during the period in profit or loss	1,398	(3,347)
MAT credit entitlement	-	
Closing balance	1,398	-

*The Company follows Ind AS 12 “Accounting for Income Taxes”, as notified by Companies Indian Accounting Standards Rules, 2015. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component for as at March 31, 2016 and April 01, 2015. However, deferred tax asset has been considered as it has been recognized only to the extent of deferred tax liability since there was no convincing evidence which demonstrates probability 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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Crosslay Remedies Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
11. Cash and cash equivalents			
Balances with banks:			
On current accounts	94	134	64
Cheques/ drafts on hand	22	17	10
Cash on hand	18	16	167
	134	167	241
12. Other bank balances			
Deposits			
Margin money deposit #	409	180	140
	409	180	140
# Margin money deposits given as security			
Rs.390 Lacs (March 31 2016: Rs. 152 Lacs) (April 01, 2015 : Rs. 105 Lacs) to secure bank Guarantee issued / Letter of Credit Issued for EPCG Licenses / Government Authorities			
13. Derivative instruments at fair value through profit or loss			
Foreign exchange forward contract	10	-	-
	10	-	-
14. Other current assets (unsecured considered good, unless otherwise stated)			
Advances recoverable in cash or kind			
Unsecured, considered good	47	11	2,700
Considered good, doubtful	2,071	2,071	-
Less: Provision for doubtful advances	(2,071)	(2,071)	-
	47	11	2,700
Balance with statutory authorities	25	-	-
Prepaid expenses	114	97	48
SFIS receivables	2	-	-
	188	108	2,748

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Crosslay Remedies Limited
Notes forming part of the financial statements

15. Share capital

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
144,000,000 (March 31, 2016 : 144,000,000) (April 1, 2015 : 82,000,000) equity shares of Rs. 10/- each	14,400	14,400	8,200
1,30,00,000 (March 31, 2016 : 1,30,00,000) (April 1, 2015 : 1,30,00,000) preference shares of Rs. 10/- each	1,300	1,300	1,300
	15,700	15,700	9,500
Issued, subscribed and fully paid-up			
142,463,983 (March 31, 2016: 142,126,846) (April 1, 2015 : 76,791,283) equity shares of Rs.10/- each	14,246	14,213	7,679
14,58,913 (March 31, 2016: 21,33,187) (April 1, 2015 : 35,88,482) Series 'A' 8% Compulsorily Convertible Preference Shares of Rs 10/- each fully paid up	146	213	359
Nil (March 31, 2016 : Nil) (April 1, 2015 : 13,20,000) Series 'B' 12% Compulsorily Convertible Preference Shares of Rs 10/- each fully paid up	-	-	132
Nil (March 31, 2016 : Nil) (April 1, 2015 : 44,98,964) Series 'C' 12% Compulsorily Convertible Preference Shares of Rs 10/- each fully paid up	-	-	450
Total issued, subscribed and fully paid-up share capital	14,392	14,426	8,620

Reconciliation of shares outstanding at the beginning and at the end of reporting period

	No. in lacs	Amount
Equity shares of Rs.10/- each issued, subscribed and fully paid		
As at April 1, 2015	76,791,283	7,679
Changes during the year		
- Conversion of Preference Share Serie "A" 8%	2,977,130	298
- Fresh Issue	62,358,433	6,236
As at March 31, 2016	142,126,846	14,213
Changes during the year		
- Conversion of Preference Share Serie "A" 8%	337,137	34
As at March 31, 2017	142,463,983	14,246

Series "A" 8% Compulsorily Convertible Preference Shares

	No. in lacs	Amount
As at April 1, 2015	3,588,482	359
Changes during the year		
- Share redeemed by conversion during the year	(1,455,295)	(146)
- Fresh Issue	-	-
As at March 31, 2016	2,133,187	213
Changes during the year		
- Share redeemed by conversion during the year	(674,274)	(67)
- Fresh Issue	-	-
As at March 31, 2017	1,458,913	146

Series "B" 12% Redeemable cumulative preference shares

	No. in lacs	Amount
As at April 1, 2015	1,320,000	132
Changes during the year		
- Share redeemed by conversion during the year	(1,320,000)	(132)
- Fresh Issue	-	-
As at March 31, 2016	-	-
Changes during the year		
- Conversion of Preference Share	-	-
- Fresh Issue	-	-
As at March 31, 2017	-	-

Series "C" 12% Compulsorily Convertible Preference Shares

	No. in lacs	Amount
As at April 1, 2015	4,498,964	450
Changes during the year		
- Conversion of Preference Share Serie "A" 8%	(4,498,964)	(450)
- Fresh Issue	-	-
As at March 31, 2016	-	-
Changes during the year		
- Conversion of Preference Share	-	-
- Fresh Issue	-	-
As at March 31, 2017	-	-

15.1 Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited	111,625,297	78.35%	111,625,297	78.54%	-	-
Dr Vinay Aggarwal	-	-	-	-	6,967,302	9.07%
M M Healthcare Ltd	-	-	-	-	8,064,110	10.50%
Dr. Arun Narula	-	-	-	-	8,215,650	10.70%
Series 'A' Compulsorily Convertible Preference Share capital of Rs. 10/- each fully paid up						
Dr. Arun Narula	1,458,913	100.00%	1,998,614	93.69%	3,432,094	95.64%
Series 'B' Redeemable Cumulative Preference Share capital of Rs. 10/- each fully paid up						
Mrs. Punita Buch / Mr. Gitanshu	-	-	-	-	1,120,000	84.85%
Dr. Renu Gupta / Anil Kumar Gupta	-	-	-	-	150,000	11.36%
Series 'C' Compulsorily Convertible Preference Share capital of Rs. 10/- each fully paid up						
Dr. Jag Bhawan & Dr. Pratibha Bhawan	-	-	-	-	4,498,964	100.00%

Terms / Rights attached to Share Capital

i) Equity Share Capital

During the year, company has issued 3,37,137 (March 31, 2016 : 6,23,58,433) equity shares of Rs. 10 each upon conversion of Series 'A' Compulsorily Convertible Preference Share of Rs. 10 each fully paid up. The Company has issued one equity shares each for two CCPS held by the preference shareholder.

The Company has issued Nil (March 31, 2016 : 22,49,482) (April 01, 2015 : Nil) equity shares of Rs. 10 each upon conversion of Series 'C' Compulsorily Convertible Preference Share of Rs. 10 each fully paid up and Nil (March 31, 2016 : 7,27,648) (April 01, 2015 : Nil) equity shares of Rs. 10 each upon conversion of Series 'A' Compulsorily Convertible Preference Share of Rs. 10 each fully paid up. The company has issued one equity shares each for two CCPS held by the preference shareholder.

The equity shares of the Company have par value of Rs. 10 per share. Each holder of equity share is entitled to vote in proportion to his share in the paid-up equity share capital of the Company.

Transfer of shares is restricted for 4 years from the date of transaction in terms of the Shareholder's Agreement dated May 28, 2015 and Amended Agreement dated July 10, 2015 without obtaining approval from the Max Healthcare Institute Limited ("holding company") except transfer of share within existing shareholders. After 4 years shares can be transferred as the case may be except to competitors without obtaining approval from Max Healthcare Institute Limited ("holding company").

ii) Preference Shares Capital

- a Series 'A' 8% Compulsorily Convertible Preference Share capital of Rs. 10/- each fully paid up 14,58,913 (March 31, 2016 : 21,33,187) (April 01, 2016 : 35,88,482) Series 'A' 8% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 10 each are fully paid up and have been issued at par. These shares are compulsorily convertible into equity shares at the expiry of 4 years from date of allotment, in the ratio of 2:1 (that is one equity share for every 2 CCPS held), subject to the applicable RBI guidelines.

S No.	As at March, 2017			As at March, 2016		
	Date of Allotment		Shares	Date of Allotment	Shares	Date of Conversion
1				29.01.2013	674,274	30.01.2017
2	30.05.2013		559,082	30.05.2013	559,082	01.06.2017
3	26.11.2013		593,731	26.11.2013	593,731	27.11.2017
4	18.02.2014		306,100	18.02.2014	306,100	19.02.2018
			<u>1,458,913</u>		<u>2,133,187</u>	

- b Series 'C' 12% Compulsorily Convertible Preference Shares capital of Rs. 10/- each fully paid up.
Nil (March 31, 2016 : Nil) (April 01, 2015 : 44,98,964) Series 'C' 12% Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- each are fully paid up and have been issued at par. These shares are compulsorily convertible into equity shares at the expiry of 4 years from date of allotment, in the ratio of 2:1 (that is one equity share for every 2 CCPS held), subject to the applicable RBI guidelines.
- c Terms of Series 'B' 12% Redeemable Cumulative Preference Share capital of Rs. 10/- each fully paid up
Nil (March 31, 2016 : Nil) (April 01, 2015 : 13,20,000) Series 'B' 12% Redeemable Cumulative Preference Share (RCPS) of Rs. 10/- each are fully paid up and have been issued at par. The RCPS holders at the Extra Ordinary General Meeting of RCPS holders held on 27th December, 2013 have accorded their consent for the amendment of the terms of RCPS. Now these shares are redeemable upon completion of 5 years from the date of allotment with an option for early redemption only through conversion into equity shares in the ratio as may be decided by the board at that time. If issued, these equity shares shall rank pari passu to the existing equity shares of the Company. The RCPS holders at the Extra Ordinary General Meeting of RCPS holders held on 15th June, 2015 have accorded their consent for the amendment of the terms of RCPS. Now these shares may be redeemed either in full or partial at any time after completion of three years from the date of allotment of these preference shares with the consent of Board of Directors. Company has redeemed abovementioned preference shares during the year.
- d Voting right of the Preference share holders of each Series are as per Section 47 of the Companies Act, 2013. They have a right to vote on all matters which directly affect their rights; attached to thier class of preference shares .

Note: As the Company has not declared dividend thus the wavier letter is not required.

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Crosslay Remedies Limited
Notes forming part of the financial statements

16. Other equity

	(Rs in Lacs)		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Securities premium account (refer note a below)	7,334	7,300	243
Retained Earning (refer note b below)	(16,656)	(18,556)	(7,849)
Equity component of convertible preference shares (refer note c below)	146	213	941
	<u>(9,176)</u>	<u>(11,043)</u>	<u>(6,665)</u>

Notes:

a) Securities premium account

As at April 1, 2015	243
Add: Premium on issue of equity share	7,843
Less: Share issue expenses	<u>(786)</u>
As at March 31, 2016	7,300
Add: Premium on issue of equity share	34
As at March 31, 2017	<u>7,334</u>

b) Retained Earning

As at April 1, 2015	(7,849)
Loss for the year	(10,709)
Items of other comprehensive income recognised directly in retained earnings	
Re-measurement post employment benefit obligation (net of tax) (item of OCI)	<u>2</u>
As at March 31, 2016	(18,556)
Profit for the year	1,898
Items of other comprehensive income recognised directly in retained earnings	
Re-measurement post employment benefit obligation (net of tax) (item of OCI)	<u>2</u>
As at March 31, 2017	<u>(16,656)</u>

c) Equity component of convertible preference shares

As at April 1, 2015	941
Share redeemed by conversion during the year	<u>(727)</u>
As at March 31, 2016	213
Share redeemed by conversion during the year	<u>(67)</u>
As at March 31, 2017	<u>146</u>

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Crosslay Remedies Limited
Notes forming part of the financial statements

17. Borrowings

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Borrowings			
Term loan (secured)			
From Bank	12,024	9,143	9,459
Inter Corporate Deposits (unsecured)	2,422	2,157	-
Security Deposit (unsecured)	-	-	5,070
Current maturity of long term loan	400	339	1,676
	14,846	11,639	16,205
Less : Amount disclosed under "Other current financial liabilities"	400	339	1,676
	14,446	11,300	14,529
Aggregate Secured loans	12,024	9,143	9,459
Aggregate Unsecured loans	2,422	2,157	5,070

i) Term loan from Axis Bank

Rs. 12,424 Lacs (March 31, 2016 : Rs. 9482 Lacs) (April 01, 2016 : Rs. Nil Lacs) Term Loan from Axis bank are secured by first charge on the entire movable/ immovable property, plant and equipments, of the Company, both present and future, excluding vehicles specifically charged to other lenders, both present and future and first charge on all the current assets of the Company and collaterally secured by way of Corporate Guarantee of Max Healthcare Institute Limited.

The term loan is having a moratorium of 2.25 years repayable quarterly from Dec 31,2017 in 9 year and 6 months.

Term loan carries interest rate of base rate plus 2%.

The amount paid within the year 2017-18 is Rs. 400 Lacs (March 31, 2016 : Rs. Nil) (April 1, 2015 : Nil)

During the previous year the Company approached Corporate Debt Restructuring (CDR) cell through Punjab National Bank for restructuring of its debts availed from Canara Bank and Punjab National Bank. The final restructuring package was approved by CDR Empowered Group in August 2011. The restructuring package includes moratorium of 20 months starting from February 1, 2011 i.e. effective date of CDR for repayment of loans, reduction in rate of interest, funding of interest of moratorium period, waiver of penal interest, liquidated damages on all loans and increase in working capital limit along with additional term loan. However, during the previous year the Company has repaid the entire amount of Term Loans taken from Canara bank and Punjab National Bank covered under the CDR. Now, after the repayments of the above said term loans, the Company is out of CDR Scheme.

ii) Term loan from Canara Bank

Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 1840 Lacs) Term Loan I, Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 1263 Lacs) Term Loan II, Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 698 Lacs) Term Loan III and Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 258 Lacs) Funded Interest Term Loan (FITL), are secured by pari-passu first charge on the entire Fixed Assets and pari-passu second charge of current assets along with Punjab National Bank and collaterally secured by way of unconditional and irrevocable personal guarantee of promoter directors, corporate guarantee of MM Healthcare Ltd and pledge of entire promoter directors shareholding in the company.

The above mentioned Term loan I , II, III are repayable quarterly from October 01, 2012 in 8.5 years ending in 2020-2021 and FITL is repayable quarterly from 1.10.2012 in 2.5 year ending in 2014-15 in accordance with restructuring proposal approved under CDR system. During the previous year the Company has repaid the entire amount of term loan taken from Canara Bank by raising a fresh term loan from Axis Bank.

ii) Term loan from Punjab National Bank

Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 3103 Lacs) Term Loan I, Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 2362 Lacs) Term Loan II, Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 1196 Lacs) Term Loan III and Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs. 415 Lacs) Funded Interest Term Loan (FITL), are secured by pari-passu first charge on the entire Fixed Assets and pari-passu second charge on current assets along with Canara Bank and collaterally secured by way of unconditional and irrevocable personal guarantee of promoter directors, corporate guarantee of MM Healthcare Ltd and pledge of entire promoter directors shareholding in the company.

Crosslay Remedies Limited**Notes forming part of the financial statements**

The above mentioned Term loan I , II, III are repayable quarterly from October 01, 2012 in 8.5 years ending in 2020-2021 and FITL is repayable quarterly from October 01, 2012 in 2.5 year ending in 2014-15 in accordance with restructuring proposal approved under CDR system. During the previous year the Company has repaid the entire amount of term loan taken from Punjab National Bank by raising a fresh term loan from Axis Bank.

The company has accepted interest free unsecured loans from promoters. As per the Banks' stipulation / CDR Sanction letter dated 27.09.2011, all unsecured loans from promoters in the Company are subordinate to bank loan and hence can not be repaid till the currency of bank loan. However, company has repaid it in full during the year; since company has repaid entire term loans of Canara Bank and Punjab National Bank.

i) **ICD From MHIL**

Unsecured Loan from MHIL amounting to Rs. 2,422 Lacs (March 31, 2016 : Rs. 2,157 Lacs) (April 01, 2016 : Nil) is repayable starting 1 April, 2018 and will be repaid over a period of 3 Years , Loan is taken at an interest rate of 13.25 % owing to modification in terms of agreement with MHIL , the loan has been reclassified to long term loan from previously classified as Short Term Borrowings

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
18. Long term provisions			
Provision for employee benefits			
Provision for leave encashment	-	47	54
Provision for gratuity (refer note 31.4)	158	149	135
	158	196	189

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Crosslay Remedies Limited
Notes forming part of the financial statements

19. Current financial liabilities

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings			
Cash credit from banks (secured)	1,481	1,173	2,015
Inter Corporate Deposits (unsecured)	-	-	1,561
	1,481	1,173	3,576

- i Cash credit from bank is secured by way of prior pari passu charge on stock, book debts and other current assets, present and future of the company prior to charge in favour of term lenders of the Company. The cash credit are repayable on demand.
- ii Working capital facilities from Axis bank (Sanctioned Limit Rs 2,000 Lacs) to the extent of Rs. 1,481 Lacs (March 31, 2016 : Rs. 1,173 Lacs) (April 01, 2016 : Rs. 2,015 Lacs) secured by way of first charge on entire movable / immovable fixed assets of the company both present and future, excluding vehicles specially charged to other lenders, both present and future and first charge on all the current assets of the Company and collaterally secured by way of Corporate Guarantee of Max Healthcare Institute Limited.
- iii Inter Corporate Deposits Rs. Nil (March 31, 2016 : Rs. Nil) (April 01, 2015 : Rs.1561 Lacs) are repayable on demand/ within one year and interest is charged at the rate of 10% to 18% p.a.

20. Financial liabilities

A. Trade payables

Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises#	2,134	3,198	4,930
	2,134	3,198	4,930

*** Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with the suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Trade payable include due to related party Rs. 488 Lacs (March 31, 2016 : Rs.325 Lacs) (April 1, 2016 : 147 Lacs)

B. Other financial liabilities

Current maturity of long term loans (refer note 17)	400	339	1,676
Security deposits	25	45	92
Capital Creditors	548	459	527
	973	843	2,295

21. Current provisions

Provision for employee benefits

Provision for leave encashment	59	26	21
Provision for gratuity (refer note 31.4)	51	40	30
	110	66	51

22. Other current liabilities

Advance from patients	40	288	158
Statutory dues	151	152	525
	191	440	683

Crosslay Remedies Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
23. Revenue from operations		
Sale of products		
-Pharmacy and pharmaceuticals supplies	475	1,169
Total sale of products	475	1,169
Revenue from healthcare services (net)	20,533	14,909
Other operating revenues		
- Sponsorship and educational income	14	2
- Income from ancillary activities	40	41
- Income from lease rental	-	26
	21,062	16,147
24. Other income		
Profit on foreign exchange fluctuation	10	-
Deferred income EPCG	18	22
Unclaimed Balances & excess provisions written back	73	-
Other non-operating income	20	120
	121	142
25. Finance income		
Interest Income on		
Bank deposits	25	13
Security deposits	1	-
Income tax refund	46	38
	72	51

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Crosslay Remedies Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
26. Employee benefits expense		
Salaries, wages and bonus	3,934	3,419
Contribution to provident and other funds	191	163
Gratuity expense (refer note 31.4)	61	54
Staff welfare expenses	163	37
	4,349	3,673
27. Finance costs		
Interest on debts and borrowings	1,646	2,374
Bank charges	52	51
	1,698	2,425
28. Depreciation and amortization expense		
Depreciation of tangible assets (note 3)	1,146	942
Amortization of intangible assets (note 4)	13	25
	1,159	967
29. Other expenses		
Professional and consultancy fee	4,978	5,585
Outside lab investigation	810	410
Patient catering expenses	290	244
Rent	21	34
Insurance	46	19
Rates and taxes	45	63
Facility maintenance expenses	404	386
Power and fuel	827	1,022
Repairs and maintenance:		
Building	86	36
Plant and equipments	502	460
Others	124	137
Printing and stationery	80	57
Travelling and conveyance	40	17
Communication	32	16
Legal and professional	413	409
IT support expense	65	15
Watch and ward	105	59
Advertisement and publicity	439	311
Software expenses	3	16
Recruitment expenses	1	-
Equipment hiring charges	43	89
Provision for doubtful debts	366	1,000
Provision for doubtful advances	-	2,071
Bad debts written off	-	67
Net loss on sale/disposal of property, plant and equipments	-	402
Miscellaneous expenses	16	57
	9,736	12,982
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	9	7
Tax audit fee	-	1
Other services (certification fees)	-	5
	9	13

Crosslay Remedies Limited
Notes forming part of the financial statements

30. Contingent liabilities, commitments and litigations

a. Contingent Liabilities

(Rs in Lacs)				
S. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a)	Claims against the Company not acknowledged as debt			
-	Legal cases	1,189	1,005	16
-	UP Vat Cases	1	45	-
-	Income Taxes			2
(b)	Guarantee / Letter of Credit given by Banks (Deposit of Rs 3,89,86,513 (March 31, 2016 : Rs 145,74,415) held by bank as margin shown under the head " Cash and Bank Balances")	1,089	449	367
(c)	Dividend on Preference Shares has waived off their right to received preference dividend	-	-	353
(d)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advances)	7,719	192	1
(e)	Export obligation as on date to be fulfilled, in the succeeding eight years from the date of license issued by EPCG for availing of concessional custom duty on imports under 5% EPCG scheme to the extent of eight times the duty saved.	1,183	1,516	1,516
(f)	Bonus for Financial Year 2015-2016	-	56	-

b. Capital commitment

(Rs in Lacs)			
	March 31, 2017	March 31, 2016	April 01, 2015
Estimated amount of contracts remaining to be executed on capital account	7,876	202	1
Less: Capital advances	157	10	
Balance value of contracts	7,719	192	1

c. Leases

Accounting for leases has been done in accordance with Ind AS - 17 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year:

(i) Finance lease

The company does not have any finance lease arrangement.

(ii) Operating lease

i. The Company leases office space, accommodation for its employees and medical equipments under operating lease agreement. Lease rentals recognized in the Statement of Profit and Loss for the year is Rs. 21 lacs (Rs. 34 lacs).

ii. The Company has entered into operating leases for its offices that are renewable on a periodic basis on mutual consent. The Company has not entered sublease agreements in respect of these leases.

iii. The total of future minimum lease payments under non-cancellable leases are Rs. Nil (Rs. Nil).

Crosslay Remedies Limited
Notes forming part of the financial statements

31. Other Notes :

31.1 Capitalisation of Expenditure

During the year Company has capitalised the following preoperative expenses to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	(Rs in Lacs)		
Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Opening Balances	-	-	-
Add: Expenditure incurred during the year			
Electricity Expenses	17	-	-
Interest Expenses	30		
Total	47	-	-
Less: Capitalised during the year	8		
Preoperative expenses pending capitalisation	39	-	-

31.2 Details of utilisation of Preferential Issue Proceeds

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 01, 2015
Amount Received on preferential Allotment of Equity Shares	-	13,781	620

The proceeds are planned to be utilized for redemption of all or part of Optionally Convertible Preference Shares, repayment of existing debts to Max India Limited and Growth Plans. However in order to optimize the return on available funds and for the reason of prudence the Company has in the interim, used the proceeds as under :

Utilisation of Proceeds:

Repayment of Debt	-	5,074	-
Recompensation Amont	-	505	-
Bank Loan Repayment	-	5,123	-
Redemption of Preference Share Capital	-	132	-
Repayment of Inter Corporate Deposit	-	2,500	-
Repayment of Security Deposit	-	150	-
Payment to Consultatns / working capital	-	297	620
	-	13,781	620

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.3 Earnings per share (EPS)

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Basic Earnings per share		
Numerator for earnings per share		
Profit / (loss) after taxation	1,898	(10,709)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	142,183,189	120,750,936
Earnings per share-Basic (one equity share of Re. 10/- each)	1.34	(8.87)
b) Diluted Earnings per share		
Numerator for earnings per share		
Profit / (loss) after taxation	1,898	(10,709)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year*	142,912,646	120,750,936
Earnings per share-Basic (one equity share of Re. 10/- each)	1.33	(8.87)

*During the previous year the conversion effect of potential preference shares into equity shares is anti-dilutive in nature, hence the effect of potential equity share are ignored in calculation dilutive earning per share.

- 31.4** 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. Currently plan is not funded.

Defined Benefit Plan

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	189	165
Interest Expense	15	13
Current Service Cost	46	41
Benefit paid	(39)	(28)
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	(11)	-
Actuarial changes arising from changes in financial assumptions	10	1
Actuarial changes arising from changes in experience adjustments	(1)	(3)
Defined Benefit obligation at the end of the year	209	189
(ii) Net defined benefit liability recognized in the balance sheet		
Present value of defined benefit obligation	209	189
Amount recognized in Balance Sheet Liability	209	189
(iii) Net defined benefit expense (Recognized in the Statement of profit and loss for the year)		
Current service cost	46	41
Interest cost on benefit obligation	15	13
Net actuarial(gain) / loss recognized in the year	(2)	(2)
Net defined benefit expense debited to statement of profit and loss	59	52
(iv) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	100%	100%
(v) Principal assumptions used in determining defined benefit obligation		
Assumption particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount Rate	6.60%	7.50%
Salary Escalation Rate	8.00%	8.00%
Mortality Rate (% Of IALM 06-08)	100.00%	100.00%
(vi) Quantitative sensitivity analysis for significant assumptions is as below:	Year ended March 31, 2017	Year ended March 31, 2016
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount rate</u>		
Increase by 1.00%	(9)	(7)
Decrease by 1.00%	10	7

Salary growth rate

Increase by 1.00%

9

7

Decrease by 1.00%

(9)

(7)

Attrition rate

Increase by 0.50%

(15)

(11)

Decrease by 0.50%

27

15

(vii) Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)

51

39

Between 2 and 5 years

123

124

Between 5 and 10 years

63

61

More than 10 years

61

39

Total expected payments

298

263

(viii) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2016 : 4 years)

(ix) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

(x) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(xi) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.5 Financial instruments

A. The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

Category	Carrying value			Fair Value		
	March 31,	March 31,	April 1, 2015	March 31,	March 31, 2016	April 1,
	2017	2016		2017		2015
(i) Financial asset at amortized cost						
Other financials assets (current / non current)	228	291	290	228	291	290
Trade receivables	3,726	2,647	2,916	3,726	2,647	2,916
Cash and cash equivalents	134	167	241	134	167	241
Other bank balances	409	180	140	409	180	140
Derivative instruments	10	-	-	10	-	-
(ii) Financial liabilities at amortized cost						
Borrowings (current / non current)	15,927	12,473	18,105	15,927	12,473	18,105
Other financial liabilities	973	843	2,295	973	843	2,295
Trade Payables	2,134	3,198	4,930	2,134	3,198	4,930

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for assets as on March 31, 2017

Particulars	Carrying Value March 31, 2017	Fair Value		
		(Rs. in lacs)		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financials assets (current / non current)	228	-	-	228
Trade receivables	3,726	-	-	3,726
Cash and cash equivalents	134	-	-	134
Other bank balances	409	-	-	409
Derivative instruments	10	10	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	15,927	-	-	15,927
Other financial liabilities	973	-	-	973
Trade Payables	2,134	-	-	2,134

(ii) Quantitative disclosure of fair value measurement hierarchy for assets as on March 31, 2016

Particulars	Carrying Value March 31, 2016	Fair Value		
		(Rs. in lacs)		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financials assets (current / non current)	291	-	-	291
Trade receivables	2,647	-	-	2,647
Cash and cash equivalents	167	-	-	167
Other bank balances	180	-	-	180
Derivative instruments	-	-	-	10
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	12,473	-	-	12,473
Other financial liabilities	843	-	-	843
Trade Payables	3,198	-	-	3,198

Crosslay Remedies Limited
Notes forming part of the financial statements

(iii) Quantitative disclosure of fair value measurement hierarchy for assets as on April 1, 2015

		(Rs. in lacs)		
Particulars	Carrying Value April 1, 2015	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other financials assets (current / non current)	290	-	-	290
Trade receivables	2,916	-	-	2,916
Cash and cash equivalents	241	-	-	241
Other bank balances	140	-	-	140
Dervative instruments	-	-	-	10
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	18,105	-	-	18,105
Other financial liabilities	2,295	-	-	2,295
Trade Payables	4,930	-	-	4,930

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.6 Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

a) Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 16, 19 cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA. Net Debt is divided by the Normalized EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization, adjusted for non-operating items. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at 4.04 for FY15-16 and 3.22 for FY 2016-17. Similarly, the Net Debt to EBITDA ratio of the Company stood at (3.09) for FY 2015-16 and 4.82 FY 2016-17

The Audit Committee and the Senior management review the status vis a vis approved maximum ratio of Debt : Equity of 2 : 1 and Net Debt to EBITDA ratio of 6:1.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the Corporate Finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

Maturity profile of financial liabilities

The amount disclosed in the table are the contractual undiscounted cash flows for the period mentioned below

	March 31, 2017				March 31, 2016				April 01, 2015			
	0-1 Years	1-5 Years	More than 5 Years	Total	0-1 Years	1-5 Years	More than 5 Years	Total	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	921	7,400	6,086	14,407	248	5,800	5,668	11,716	1,676	9,497	-	11,173
Trade payable	2,134	-	-	2,134	3,198	-	-	3,198	4,930	-	-	4,930
Other financial liabilities	573	-	-	573	504	-	-	504	619	-	-	619
% to Total	20%	43%	37%	100%	25%	38%	37%	100%	43%	57%	-	100%

c) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis. Trade receivables comprise a widespread customer base and a large part of these sits in the State and Central Government bodies and institutions owned and managed by the State. A large segment of the Company's customers settle their bill in cash or using major credit cards on discharge date as far as possible. Further, a fairly large proportion of the customers are discharged post confirmation of third party administrator of the insurance companies, with whom the Company has a written contract. Further the Company provides for allowance for deductions based on empirical evidence whereby the receivables from various counterparties is marked down at the time of recognition of revenue. The management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year under review that has not been provided for.

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars	(Rs. in lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Neither past due or impaired	1,318	1,256	856
0 to 180 days due past due date	1,630	1,014	1,292
More than 180 days due past due date	778	377	768
Total trade receivables	3,726	2,647	2,916

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

Particulars	(Rs. in lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At the beginning of the year	1,063	-	-
Provision during the year	366	1,000	-
Bad debts written off	-	67	-
Adjustment of provision and doubtful debts	(312)	(4)	-
At the end of the year	1,117	1,063	-

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 31.5 and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

There is no un hedged foreign currency exposure.

The Company has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial instruments The details of the outstanding foreign exchange forward are as follows:

As at March 31, 2017 (Rs. in Lacs)

Currency	Amount in Foreign Currency	Amount in INR	Amount in Indian Rupee	Increase/decrease in rate	Impact on profit before tax
USD Payable	2.21	45	143	1%	14.33

As at March 31, 2016 (Rs. in Lacs)

Currency	Amount in Foreign Currency	Amount in INR	Amount in Indian Rupee	Increase/decrease in rate	Impact on profit before tax
USD Payable	-	45	-	1%	-

As at April 01, 2015 (Rs. in Lacs)

Currency	Amount in Foreign Currency	Amount in INR	Amount in Indian Rupee	Increase/decrease in rate	Impact on profit before tax
USD Payable	-	45	-	1%	-

(ii) Interest Rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's policy is to hedge part of its borrowings

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

(Rs. in Lacs)

Year	Increase/decrease in basis points	Effect on profit before tax
March 31 2017	0.50%	55
March 31,2016	0.50%	19

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.7 Capital management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The holding Company by itself or through group subsidiaries influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the requisite capital structure at group level. The Company's policy is to keep the gearing ratio between 20% and 40%. Since the fund management is controlled by the holding Company, the capital gearing ratio at Company level will not be meaningful.

	(Rs. in lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings other than convertible preference shares (refer note 17 & 19)	16,327	12,812	19,781
Less: cash and cash equivalents (refer note 11)	(134)	(167)	(241)
Net debt	16,193	12,645	19,540
Convertible preference shares	146	213	941
Equity (refer note 15)	5,070	3,170	1,076
Total capital	5,216	3,383	2,017
Capital and net debt	21,409	16,028	21,557
Gearing ratio	76%	79%	91%

- 31.8** Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	In lacs		
	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 8.11.2016	36	0	36
+ Permitted Receipts**	27	143	170
- Permitted Payments	-	16	16
Amount Deposited in Banks**	62	117	179
Closing Cash in hand as on 30.12.2016	-	10	10

Note** It excludes Cash deposited by Customers directly in our bank accounts amounting to Rs /-70,48,422/-

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31.9 List of Related Parties

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Holding Company	Max Healthcare Institute Limited (after July 10, 2015)
Names of other related parties with whom transactions have taken place during the year	
Investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture	Max India Limited (after November 10, 2014) Life Healthcare International Proprietary Limited (after November 10, 2014)
Fellow Subsidiaries	Max Medical Services Limited (w.e.f. July 10, 2015) Alps Hospital Limited (w.e.f. July 10, 2015) Hometrail Estate Private Limited (w.e.f. July 10, 2015) Hometrail Buildtech Private Limited (w.e.f. July 10, 2015) Saket City Hospitals Private Limited (w.e.f. November 27, 2015)
Key Management Personnel	Dr. Vinay Aggarwal, Managing Director, (upto July 10, 2015) Dr. Vinay Aggarwal, Non Executive Chairmen (W.e.f. July 11, 2015) Mr Rajit Mehta, Director (W.e.f. July 10, 2015) Mr Yogesh Kumar Sareen, Director (W.e.f. July 10, 2015) Mr Rohit Kapoor, Director (W.e.f. July 10, 2015) Dr Shubnum Singh, Director (W.e.f. July 10, 2015) Dr Ajit Singh, Director (W.e.f. August 1, 2015) Dr. Gaurav Aggarwal, Director, (Upto July 10, 2015) Dr. Garima Aggarwal, Director (Upto July 10, 2015) Mr. Sudhir Kumar Singhal, Director Finance and CFO (Upto July 10, 2015) Dr. Purushottam Das Garg, Director Infrastructure (Upto July 10, 2015) Dr. Vijay Aggarwal, Executive Director (Upto July 10, 2015) Dr. G K Mani, Director (Upto July 10, 2015) Mr. O P Manchanda, Director Purchase, (Upto July 10, 2015) , Mr O P Manchanda, Non Executive Director (w.e.f. July 11, 2015) Mr. Akhil Jain, Director (Upto July 10, 2015) Mr. A S Bawa, Director, (Upto July 10, 2015) Dr. Arun Narula, Director (Upto July 10, 2015) Dr. (Mrs) Neelam Narula, Director (Upto July 10, 2015)
Relatives of key management personnel	Dr Ajay Agarwal (Brother of Dr Vinay Aggarwal) , Dr M M Agarwal (Father of Dr Vinay Aggarwal) Dr (Mrs) Sowjanya Aggarwal (Daughter in Law of Dr Vinay Aggarwal & Wife of Dr Gaurav Aggarwal) Ms Saloni Khandelwal & Ms Sonali Singhal (Daughter of Mr Sudhir Kumar Singhal) - upto July 10, 2015 Dr (Mrs) Swaraj Garg (Wife of Dr P D Garg), Dr Shubham Garg (Son of Dr P D Garg), Dr Sheiba Garg (Daughter) , Mr Ashok Kumar Garg (Brother) - upto July 10, 2015 Dr Rekha Agarwal (Wife of Dr Vijay Aggarwal), Mr Siddhartha Aggarwal (Son of Dr Vijay Aggarwal) Mrs Vineeta Manchanda (Wife of Mr O P Manchanda), Mrs Damini Manchanda and Karuna Manchanda (Daughter of Mr O P Manchanda), Mr Puran Manchanda (Brother of Mr O P Manchanda) Mrs Jaswinder Bawa (Wife of Mr A S Bawa), Ms Monisha Bawa (Daughter) Ms Kausar Bawa (Daughter) - upto July 10, 2015 Mr. C S Agarwal (Brother of Dr Vijay Aggarwal) - upto July 10, 2015 Mrs Manju Mani (Wife of Dr G K Mani)
Enterprises owned or significantly influenced by key management personnel or their relatives	M M Healthcare Limited M M Diagnostic Limited (upto July 10, 2015) Singhal Capital Services Ltd (upto August 31, 2015) Singhal Fincap Limited (upto August 31, 2015) OP Manchanda & Associates Crosslay Society for Promotion of Medical Education and Research Engineer Combine (upto July 10, 2015) Acuity Information Systems Pvt Limited (upto July 10, 2015) HMP Associates (upto July 10, 2015) Swaasthya Life Care Pvt Ltd (upto July 10, 2015) Pushpanjali Crosslay Charitable Trust
Additional related parties as per Companies Act, 2013	
Key Management Personnel	Mr. Neeraj Kumar Mishra, Manager (w.e.f. January 5, 2016) Mr. Sudhir Kumar Singhal, CFO (w.e.f. July 11, 2015 to August 31, 2015) Mr. Dhiraj Sharma, Finance Head (w.e.f. October 9, 2015) Mrs. Surbhi Chaudhary, Company Secretary (upto 13th January 2017)

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.9.1 Transactions with related parties during the year

		(Rs in Lacs)	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	
Director Remuneration Paid			
Dr. Vinay Aggarwal	-	13	
Dr Vijay Aggarwal	-	13	
Mr.Sudhir Kumar Singhal	-	10	
Dr.P.D.Garg	-	7	
Dr Ganesh Kumar Mani	-	5	
Mr O P Manchanda	-	5	
Mr A S BAWA	-	3	
Dr Gaurav Aggarwal	-	12	
Dr Garima Aggarwal	-	7	
Salary Paid			
Dr. Gaurav Aggarwal	52	31	
Mr.Sudhir Kumar Singhal	-	5	
Mrs. Surbhi Chaudhary	7	8	
Mr Dhiraj Sharma	18	7	
Interest Paid			
M M Healthcare Limited	-	12	
Singhal Fincap Limited	-	2	
M M Diagnostic Private Limited	-	4	
Max Healthcare Institute Limited	265	169	
Dr Arun Narula	-	1	
Mr C S Agarwal	-	77	
Rent Received			
Crosslay Society for Medical Education and Reseach	4	3	
Pushpanjali Crosslay Charitable Trust	-	1	
Rent / Equipment Hire Charges			
M M Healthcare Limited	-	24	
Mr O P Manchanda	6	5	
Pushpanjali Crosslay Charitable Trust	2	-	
Purchase of Medical Consumable			
Max Healthcare Institute Limited	26	3	
Outsourced Lab Charges			
Max Healthcare Institute Limited	272	123	
M/s MM Diagnostics Private Limited	-	-	
Ambulance Charges Paid			
Max Healthcare Institute Limited	28	-	
Loans Taken from Holding Company			
Max Healthcare Institute Limited	100	-	

Crosslay Remedies Limited		
Notes forming part of the financial statements		
Loans Repaid to Holding Company		
Max Healthcare Institute Limited	100	-
Income from Home Care		-
Max Healthcare Institute Limited	9	-
Legal & Professional Charges Paid		
Dr Vinay Aggarwal	114	82
Acuity Information Systems Private Limited	-	2
Mr Puran Manchanda	-	1
M/s OP Manchanda & Associates	-	4
M/s Engineer Combine	-	3
Mr Arun Narula	-	2
Mrs Neelam Narula	-	2
Mr Akhil Jain	-	2
M M Healthcare Limited	3	-
Payment to Consultants & Professionals		
Dr Sowjanya Agarwal	41	34
Dr Garima Aggarwal	12	-
Dr Rekha Agarwal	-	3
Dr P D Garg	-	3
Dr Swaraj Garg	-	8
Tour & Travel Expenses		
Dr Arun Narula	-	2
Finance Charges		
Max Healthcare Institute Limited	72	36
Security Deposit Repaid		
M M Healthcare Limited	-	85
Pushpanajali Crosslay Charitable Trust	5	-
Equipment Purchased		
M M Healthcare Limited	-	130
Max Healthcare Institute Limited	19	-
Inter Corporate Deposit Received		
M M Healthcare Limited	-	2
Singhal Fincap Limited	-	5
Max Healthcare Institute Limited	-	8,300
Inter Corporate Deposit Refunded		
M M Healthcare Limited	-	214
M M Diagnostic Private Limited	-	98
Singhal Fincap Limited	-	40
M/s. Singhal Capital Services Ltd.	-	5
Max Healthcare Institute Limited	-	8,300

Crosslay Remedies Limited		
Notes forming part of the financial statements		
Share Application Money Refunded / Received		
Dr Arun Narula	-	62
Equity Share Capital Allotted		
Max Health Care Institute Limited	-	13,781
Loans From Promoters (refunded)		
Dr. M M Aggarwal	-	10
Dr Ajay Aggarwal	-	16
Dr Vijay Aggarwal	-	7
Mr. C S Aggarwal	-	1,000
Mr. Siddharth Aggarwal,	-	40
Mrs. Saloni S. Khandelwal	-	13
Ms. Sonali Singhal	-	5
Dr. Swaraj Garg	-	5
Dr. Shubham Garg	-	1
Dr. Tanya seghal	-	1
Dr. Ashok Kumar Garg	-	20
Dr Ganesh Kumar Mani	-	65
Dr. Manju Mani	-	20
O P Manchanda	-	107
Mrs. Vineeta Manchanda	-	30
Ms. Damini Manchanda	-	11
Mr. Puran Manchanda	-	140
Mr A S Bawa	-	59
Mrs Jaswinder Bawa	-	22
Mr Akhil Jain	-	23
Loans From Promoters (received)		
Dr. Swaraj Garg	-	5
Dr Ganesh Kumar Mani	-	25
O P Manchanda	-	65
Mrs. Vineeta Manchanda	-	5
Mr. Puran Manchanda	-	100
Discount Given		
M/s. M.M. Healthcare Ltd.	-	2
Revenue from healthcare Services		
M/s. M.M. Healthcare Ltd.	10	7
Other Non Operating Income		
Crosslay Society for Promotion of Medical Education and Research	-	24

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.9.2 Balance outstanding at the year end

Particulars	(Rs in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Inter Corporate Deposit		
Max Healthcare Institute Limited	2,000	2,000
Security Deposit Payable		
Pushpanjali Crosslay Chartiabale Trust	10	20
Interest accrued on borrowings		
Max Healthcare Institute Limited	422	157
Trade payable		
Dr Vinay Aggarwal	-	17
Dr. Sowjanya Aggarwal	-	4
M/s. Acuity Information Systems Pvt. Ltd.	-	2
Max Healthcare Institute Limited	488	302
Trade Receivables		
M M Diagnostic Private Limited	-	0
M M Healthcare Private Limited	1	3
Crosslay Societies for Promotion of Medical Education and Research	-	7
Pushpanjali Crosslay Charitable Trust	-	1

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31.10 First-time adoption of Ind AS (Exception and exemption availed)

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Impairment of financial assets based on expected credit loss model.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities.

in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments.

which were initially recognized and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.11.1 Reconciliation of Equity as at March 31, 2016

				(Rs in Lacs)
	Footnotes	Balance sheet as at March 31, 2016		
		IGAAP	Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	14,947	89	15,036
Capital work-in-progress		458	-	458
Intangible assets		32	-	32
Financial assets			-	
-Other financial assets			(1)	(1)
Other non current Assets		1126	-	1126
		16,563	88	16,651
Current assets				
Inventories		359	-	359
Financial assets				
-Other financial assets		291	-	291
-Trade receivables		2,647	-	2,647
-Cash and cash equivalents		167	-	167
-Other bank balance		180	-	180
Other current assets	2	61	48	109
		3,705	48	3,753
TOTAL ASSETS				
		20,268	136	20,404
EQUITY AND LIABILITIES				
Equity				
Equity share capital		14,213		14,213
Other Equity		(11,235)	192	(11,043)
Total Equity		2,978	192	3,170
Non-current liabilities				
Financial Liabilities				
-Borrowings	4	11,717	(417)	11,300
Long term provisions		196	-	196
Govt. Grant	1	-	18	18
		11,913	(399)	11,514
Current liabilities				
Financial Liabilities				
-Borrowings		1,173	-	1,173
-Trade payables	3	3,194	4	3,198
-Other financial liabilities	4	504	339	843
Short term provisions		66	-	66
Other current liabilities		440	-	440
		5,377	343	5,720
TOTAL LIABILITIES				
		17,290	(56)	17,234
TOTAL EQUITY AND LIABILITIES				
		20,268	136	20,404

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.11.2 Reconciliation of Equity as at April 1, 2015

				(Rs in Lacs)
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSESTS				
Non-current assets				
Property, plant and equipment	1	15,198	101	15,299
Capital work-in-progress		594	-	594
Intangible assets		54	-	54
Financial assets			-	
-Other financial assets		100	-	100
Other non current Assets		1,132	-	1,132
Deferred tax assets (net)		3347	-	3347
		20,425	101	20,526
Current assets				
Inventories		608		608
Financial assets				
-Other financial assets		190	-	190
-Trade receivables		2,916	-	2,916
-Cash and cash equivalents		241	-	241
-Other bank balance		140	-	140
Other current assets	2	2,746	2	2,748
		6,841	2	6,843
TOTAL ASSETS				
		27,266	103	27,369
EQUITY AND LIABILITIES				
Equity				
Equity share capital		7,679	-	7,679
Other Equity		(6,723)	58	(6,665)
Share Application money pending for allotment		62		62
Total Equity		1,018	58	1,076
Non-current liabilities				
Financial Liabilities				
-Borrowings		15,039	-510	14,529
Long term provisions		189		189
Govt. Grant	2	-	40	40
		15,228	-470	14,758
Current liabilities				
Financial Liabilities				
-Borrowings		3,576	-	3,576
-Trade payables	3	4,925	5	4,930
-Other financial liabilities		1,785	510	2,295
Short term provisions		51	-	51
Other current liabilities		683	-	683
		11,020	515	11,535
TOTAL LIABILITIES				
		26,248	45	26,293
TOTAL EQUITY AND LIABILITIES				
		27,266	103	27,369

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Crosslay Remedies Limited
Notes forming part of the financial statements

31.11.3 Statement of Profit and Loss for the period ended March 31, 2016

	Footnote	(Rs in Lacs)		
		year ended March 31, 2016		
		IGAAP	Adjustment	Ind AS
Revenue from operations	1,2	16,127	20	16,147
Other income	1,2	120	22	142
Finance income		51	-	51
Total income		16,298	42	16,340
Expenses				
Purchase of pharmacy, drugs, consumables and implants		3,422	-	3,422
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		233	-	233
Employee benefits expense	5	3,671	2	3,673
Finance costs	4	2,549	(124)	2,425
Depreciation and amortization expense	1	954	13	967
Other expenses	2	12,963	19	12,982
Total expenses		23,792	(90)	23,702
Profit / (loss) before tax		(7,494)	132	(7,362)
Deferred tax charge / (credit)		3,347	-	3,347
Income tax income		3,347	-	3,347
Profit / (Loss) after tax		(10,841)	132	(10,709)
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses for the year, net of taxes		-	(2)	(2)
Other comprehensive income for the year, net of tax		-	(2)	(2)
Total comprehensive income for the year (net of tax attributable to Equity Shareholders)		(10,841)	134	(10,707)

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31.11.4 Footnotes to the reconciliation of equity as at March 31, 2016 and April 1, 2015 and profit or loss for the year ended March 31, 2016

1) Government Grants

Under the previous GAAP, an assets related government grants were given effect as reduction from the related fixed assets. Ind AS 20 requires an asset related grant to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the profit or loss on a systematic basis over the useful life of the the assets. Option to show such grants as a reduction from the related fixed assets is not available.

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

3) Forward Contracts

Under the Indian GAAP, the company applied the requirements of accounting standard 11 The effects of changes in foreign exchange rates to account for forward contracts, entered for hedging foreign exchange risk related to liabilities. At the inception of forward contracts , the forward premium was recognised and amortised as expense over the tenure of contract. The underlying liabilities were restated at the closing spot exchange rate.

Under Ind AS, forward contracts are fair valued with the resulting changes being recognised in profit or loss.

4) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing.

5) Remeasurement of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

6) Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments

7) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

8) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Crosslay Remedies Limited
Notes forming part of the financial statements

31.12 The Figures have been rounded off to nearest Lacs of rupees. The figures 0.00 wherever stated represents value less than Rs. 50,000/-

31.13 Figures relating to April 1, 2015 (date of transition) & March 31, 2016 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

31.14 Note No. 1 to 31 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 17, 2017

For and on behalf of the Board of Directors of
Crosslay Remedies Limited

Sd/-
Dr. Vinay Aggarwal
(Chairman & Director)
DIN : 00021073

Sd/-
Dhiraj Sharma
(CFO & Head Finance)

Place : Gurugram
Date : May 17, 2017

Sd/-
Yogesh Kumar Sareen
(Director)
DIN : 00884252

Sd/-
Parul Jain
(Company Secretary)
ACS No. : 33803

SAKET CITY HOSPITALS PRIVATE LIMITED

CIN: U85110DL1991PTC042646

Regd. Office: Mandir Marg, Saket New Delhi -110017

NOTICE TO MEMBERS

NOTICE is hereby given that the **26th ANNUAL GENERAL MEETING** of the members of Saket City Hospitals Private Limited will be held on **Friday, September 29, 2017** at **1100 hrs** at the registered office of the Company at **Mandir Marg, Saket, New Delhi - 110017** (*route map enclosed*) to transact the following business:

Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Rajit Mehta (DIN 01604819), who retires by rotation and being eligible, offered himself for re-appointment.
3. To appoint a Director in place of Mr. Rakesh Kumar Prusti (DIN 00050270), who retires by rotation and being eligible, offered himself for re-appointment.
4. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E), Chartered Accountants, as the statutory auditors for the Financial Year 2017-18 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 26th Annual General Meeting ("AGM") of the Company till the conclusion of 27th AGM."

"RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors."

**By order of the Board
For Saket City Hospitals Private Limited**

Place: New Delhi
Date: August 02, 2017

**sd/-
Poonam Makkar
Company Secretary
FCS 7919**

Notes:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Mandir Marg, Saket, New Delhi – 110 017 at any time but not less than 48 hours before the meeting. The prescribed format of proxy form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The Register of Directors & KMPs and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
6. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of directors seeking reappointment are given as a separate Annexure 1 to this Notice. Unless otherwise provided under this Notice, the term “Act” shall mean Companies Act, 2013.
7. The members may please note that M/s. S.R. Batliboi & Co. LLP (“SRBC”), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting (“AGM”) held on September 26, 2014 for a term of 5 years until the conclusion of AGM of the Company to be held in the Year 2019, subject to the ratification by the members of the Company at every AGM.

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

Details of directors seeking re-appointment as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

I. Name of the Director : Mr. Rajit Mehta (DIN 01604819)

- Age: 55 years
- Qualification: Graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France.
- Experience: Mr. Rajit Mehta is currently the CEO and Managing Director of Max Healthcare Institute Limited. He has provided strong leadership to Max Healthcare group in achieving its vision of being most admired healthcare brand in India known for clinical and service excellence.

Mr. Mehta was a founder member of Max Life Insurance Company Limited (“Max Life”), since October 2000 and has been instrumental in helping Max Life become an admired, profitable and well-run Company.

Prior to Max Life, Mr. Rajit Mehta was the Director – Human Resources at Bank of America (January 1992 to September 2000) and has earlier worked with HCL, a leading IT company. His total experience spans 32 years. At Bank of America, he was part of the team which set up the Retail Division and was also involved in managing two large exit programs including sale of the Retail division to ABN Amro Bank. At the bank, he was also involved in several training initiatives across Asia.

- Date of appointment & terms & conditions of reappointment along with the remuneration details:

In terms of the Shareholders’ Agreement executed amongst Smart Health City Pte. Ltd., Max Healthcare Institute Limited (MHIL) and the Company dated November 27, 2015, MHIL has nominated Mr. Rajit Mehta and he was appointed as an additional director and designated as Non-Executive Vice Chairman of the Board w.e.f. November 27, 2015. Further, in the last AGM held on September 29, 2016, the members had approved his appointment as Director of the Company.

As on date, Mr. Rajit Mehta is a Non-Executive Director of the company liable to retire by rotation. He is not drawing any remuneration from the Company.

Mr. Rajit Mehta is also a member of the Nomination & Remuneration Committee and Operational Committee of the Company.

- Shareholding in the Company: Nil
- Relationship with other Directors, Manager & KMP: None
- Number of board meetings attended in FY 16-17 : 2 (Two)

➤ Directorship & Committee position as on March 31, 2017:

Directorship in other Companies	Committee Membership in other Companies
1. Max Life Insurance Company Limited 2. Windows Consultants Private Limited 3. Interstoff Syndicate Private Limited 4. Quantum Institute For Wellbeing Private Limited 5. Max Skill First Limited (Formerly Max Healthstaff International Limited) 6. Crosslay Remedies Limited 7. Max Healthcare Institute Limited	1. Member of Operational Committee of Crosslay Remedies Ltd. 2. Member of Corporate Social Responsibility Committee of Max Life Insurance Company Ltd.

II. Name of the Director : Mr. Rakesh Kumar Prusti (DIN 00050270)

➤ Age: 45 years

➤ Qualification: He is a member of the Institute of Company Secretaries of India (ICSI) and holds a LL.B degree as well.

➤ Experience: Mr. Rakesh Prusti is having more than 20 years of experience in diverse sectors such as trading (wholesale and retail), Information Technology and IT-enabled services, Export and Manufacturing. He is currently the Director – Legal & Regulatory Affairs of Max Healthcare Institute Limited (“MHIL”).

Prior to MHIL, he was working with Carrefour, the second largest Company in France and world's #2 retailer. As a member of the executive committee of Carrefour's India BU, he was responsible for setting up the legal function from scratch, providing strategic legal and commercial support. As a Senior Director, he was overseeing the legal, corporate governance, regulatory, compliance and corporate affairs functions of Carrefour India.

Mr. Prusti started his career in 1995 and until 2002, worked with Cottage Industries Exposition and My Fair Lady wherein addition to his domain responsibilities, he set up several overseas subsidiaries across the globe and also managed their support functions under a single window communication system. In 2002, he joined Global Vantage, a dynamic American business process outsourcing company (currently known as Aegis) as Assistant Vice President and Company Secretary.

From 2005 to 2008, he worked with NIIT Technologies Group as Head - Legal, Company Secretarial and Compliance.

➤ Date of appointment & terms & conditions of reappointment along with the remuneration details:

In terms of the Shareholders' Agreement executed amongst Smart Health City Pte. Ltd., Max Healthcare Institute Limited (MHIL) and the Company dated November 27,

2015, MHIL has nominated Mr. Rakesh Prusti and he was appointed as an additional director w.e.f. November 27, 2015. Further, in the last AGM held on September 29, 2016, the members had approved his appointment as Director of the Company.

As on date Mr. Rakesh Kumar Prusti is a Non-Executive Director of the company liable to retire by rotation. He is not drawing any remuneration from the Company.

Mr. Prusti is also a member of Nomination & Remuneration Committee and Operational Committee of the Company.



Shareholding in the Company: Nil



Relationship with other Directors, Manager & KMP: None



Number of board meetings attended in FY 16-17: 5 (Five)



Directorship & Committee position as on March 31, 2017

Directorship in other Companies	Committee Membership in other Companies
Nil	

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U85110DL1991PTC042646

Name of the Company: SAKET CITY HOSPITALS PRIVATE LIMITED

Registered office: Mandir Marg, Saket, New Delhi - 110017

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
Email Id: _____
Signature: _____; or failing him
2. Name: _____
Address: _____
Email Id: _____
Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Friday, the 29th day of September 2017 at 11:00 A.M. at its registered office at Mandir Marg, Saket, New Delhi- 110017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____
2. _____
3. _____
4. _____

Signed this ____ day of ____, 2017

Signature of Shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting

Affix
Revenue
Stamp

SAKET CITY HOSPITALS PRIVATE LIMITED
(CIN U85110DL1991PTC042646)
Mandir Marg, Saket, New Delhi - 110017

Attendance Slip

Twenty Sixth Annual General Meeting of Saket City Hospitals Private Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Name	Husband	Address as Regd. with the Company
1.				
2.				
3.				

I/ We hereby record my/ our presence at the Twenty Sixth Annual General Meeting of the Company being held on Friday, 29th day of September 2017 at 11:00 a.m. at registered office of the Company at Mandir Marg, Saket, New Delhi - 110017.

Please (✓) in the box

☐

Member

☐

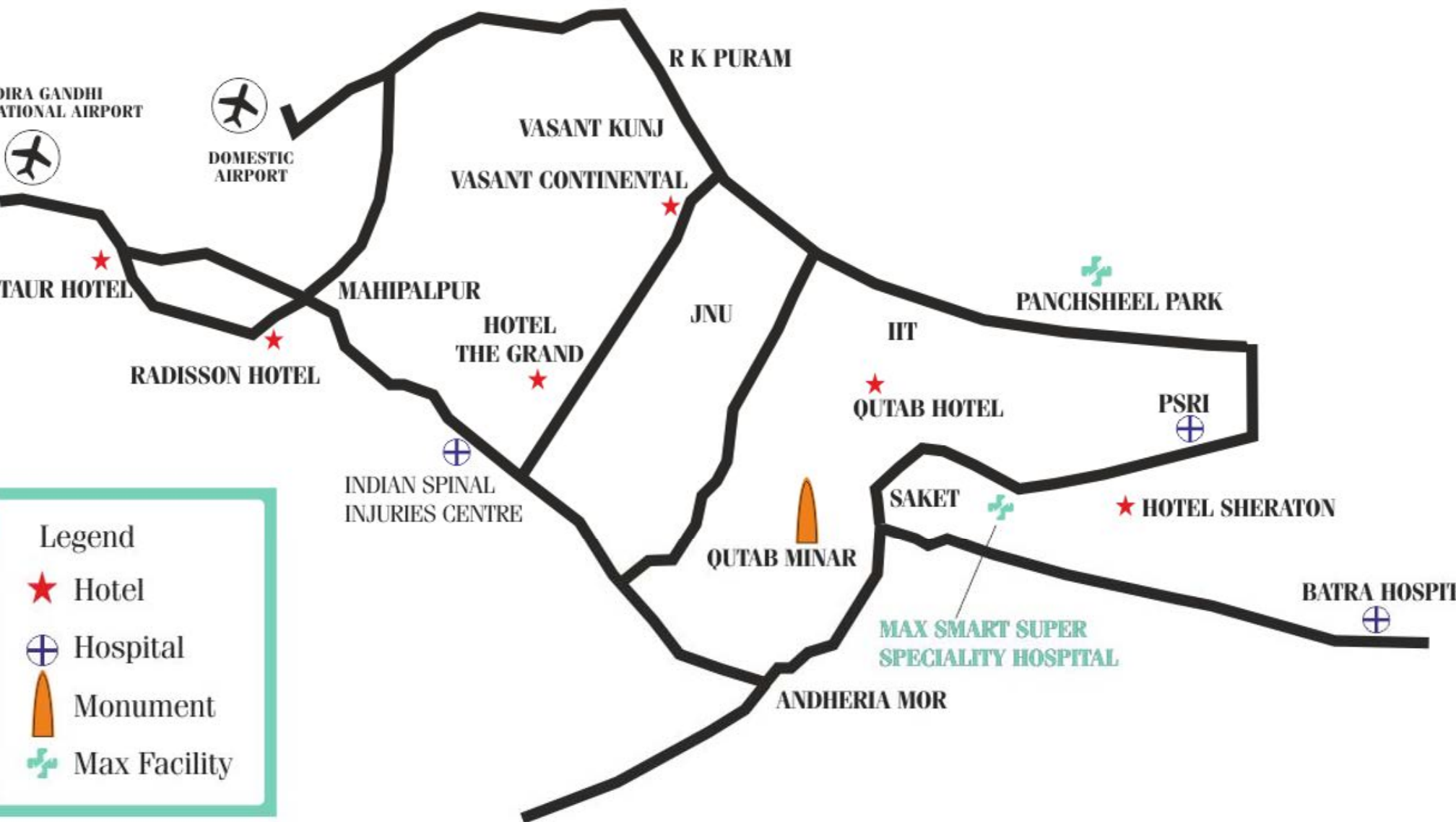
Proxy

Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route Map of the AGM Venue



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 26th Annual Report on the business and operations of Saket City Hospitals Private Limited ("Company") together with the Audited Financial Results and the Auditor's Report thereon for the financial year ended March 31, 2017.

Your Company is focused on strengthening its positive brand image in the healthcare management services space and was able to leverage its operational strengths into financial outcomes during FY 2016-17.

The business will continue to identify and implement granular initiatives to achieve sustained growth. This will involve new clinical programs, an increasing focus on developing new specialities.

FINANCIAL HIGHLIGHTS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The highlights of the Company's financial performance, for the year ended March 31, 2017 is summarized below:

(INR in lacs)

PARTICULARS	Year ended March 31, 2017	Year ended March 31, 2016
Operating Income	2,225	4,952
Other Income	1,771	625
Total Income	3,996	5,577
Total Expenditure	732	4,197
EBIDTA	3,264	1,380
Less: Finance Charges & Depreciation	4,187	3,633
Profit/(Loss) before Tax & Prior Period Items	(923)	(2,253)
Other Comprehensive Income	16	3
Earnings per equity Share:		
(1) Basic* (INR)	(3.17)	(7.73)
(2) Diluted* (INR)	(3.11)	(7.73)

*nominal value of shares INR 10/- per share

Previous year figures have been re-grouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

STATE OF AFFAIRS / OPERATIONAL PERFORMANCE

After integration and alignment of state of affairs of the Company with Max Healthcare Institute Limited, a premiere healthcare provider, during the year your company has focused on the strengthening of processes and systems. The Company strengthened and remodeled clinical services and manpower to strive Services Excellence in Healthcare Delivery System.

Your Company achieved EBIDTA of INR 3,264 Lacs against previous year of INR 1,380 Lacs, there is a growth of 137% in EBIDTA. The EBIDTA growth lead by interest of INR 1,714 Lacs @ 12% per annum on performance security deposits of INR 14,300 Lacs. During the year, the Company has incurred losses before tax of INR 923 Lacs against previous year losses before tax of INR 2,253 Lacs, there is a decrease of 59% in losses. The loss incurred by the Company during the year is due to the finance cost of INR 3,661 Lacs against previous year finance cost of INR 3,075 Lacs.

ADOPTION OF NEW SET OF ARTICLE OF ASSOCIATION OF THE COMPANY

In terms of the Share Purchase Agreement dated 27 November, 2015 and the Shareholders' Agreement dated 27 November, 2015, executed amongst the Company, Smart Health City Pte Ltd and Max Healthcare Institute Limited ("MHIL"), the new set of Articles of the Association were adopted by the shareholders on April 04, 2016.

SHARE CAPITAL

As on March 31, 2016, the Authorized Capital of the Company was INR 70,00,00,000 (Indian Rupees Seventy Crores only) comprising of 7,00,00,000 (Seven Crores) equity shares of INR 10 each and paid up share capital of the Company was INR 29,14,67,000 (Indian Rupees Twenty Nine Crores Fourteen Lacs and Sixty Seven Thousand) comprising of 2,91,46,700 (Two Crores Ninety One Lacs Forty Six Thousand Seven Hundred only) equity shares of INR 10 each.

On August 8, 2016, the Authorised Share Capital of INR 70,00,00,000 (Indian Rupees Seventy Crores only) was reclassified by dividing into 5,00,00,000 (Five Crores) equity shares of INR 10 each and 2,00,00,000 (Two Crores) preference shares of INR 10 each. On August 09, 2016, the Company has issued 5,00,000 (Five Lac) fully paid up Compulsorily Convertible Preference Shares of INR 10 each at a premium of INR 190 to Max Healthcare Institute Ltd on preferential basis.

As on March 31, 2017, the authorized share capital of the Company stands at INR 70,00,00,000 (Indian Rupees Seventy Crores only) comprising of 5,00,00,000 (Five Crores) equity shares of INR 10 each and 2,00,00,000 (Two Crores) preference shares of INR 10 each.

As on March 31, 2017, the issued, subscribed and paid up share capital stands at INR 29,64,67,000 (Indian Rupees Twenty Nine Crores Sixty Four Lacs and Sixty Seven Thousand only) divided into 2,91,46,700 (Two Crores Ninety One Lac Forty Six Thousand Seven Hundred only) equity shares of INR 10 each and 5,00,000 (Five Lacs only) Compulsorily Convertible Preference Shares of INR 10 each.

DIVIDEND & TRANSFER TO RESERVES

In view of the Company's carried forward and current losses, your Directors are unable to recommend any dividend for the year under review and also, no amount was transferred to the general reserves during the FY 2016 -17.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

As on March 31, 2017, your Company has no subsidiary/associate/joint venture company.

DIRECTORS

The Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent Directors. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

The following changes have taken place in the composition of the Board since the last annual general meeting:

In terms of Section 161(2) of the Companies Act, 2013 ("the Act"), Ms. Anamika Sikri was appointed as an alternate director to Dr. Bhupendra Kumar Modi w.e.f. April 29, 2016 and she has resigned from the position of alternate director w.e.f. February 15, 2017. The Board of Directors placed on record, its sincere appreciation and gratitude for the valuable contribution made by Ms. Anamika Sikri during her tenure as Board Member of the Company.

Ms. Preeti Malhotra was appointed as an alternate director to Dr. Bhupendra Kumar Modi (Original Director) w.e.f February 15, 2017 for a period of one year, during the absence of the Original Director for a period of not less than three months from India, to hold the office of alternate director till the Original Director holds the office in the company, provided, however, that the alternate director shall, during the one year period, vacate the office as and when the Original Director returns to India and shall assume the office as and when the Original Director goes out of India.

In terms of the provisions of Section 152 of the Act, 2013, Mr. Rajit Mehta and Mr. Rakesh Kumar Prusti, Non Executive Directors of the Company, are liable to retire by rotation at the ensuing AGM and being eligible, they have offered themselves for re-appointment. Your Directors recommend their re-appointment at the ensuing AGM.

In terms of Section 165 of the Act, none of the Director of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). Also, none of the Directors are related to each other.

A brief profile and other details of the above named directors seeking re- appointment at the ensuing AGM of the Company has been provided in the notice of the AGM.

DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from the Independent Directors of the Company (i.e. Mr. K Narasimha Murthy and Mr. Navneet Maini) confirming their independence as prescribed under the Act. The terms and conditions of appointment of independent directors are available for inspection at the registered office of the Company by any member during normal business hours.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The detailed Agenda for the Board and Committee meetings on the items to be discussed at the meeting are provided in advance to enable the Directors to take an informed decision. The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 5 times viz., on April 29, 2016, July 22, 2016, October 19, 2016, February 15, 2017 and March 7, 2017. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company had constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The various sub- committees constituted by Board:

Audit Committee

As on date, the Committee comprises Mr. K Narasimha Murthy (Independent Director & Chairman of the Audit Committee), Mr. Navneet Maini (Independent Director) and Mr. Yogesh Kumar Sareen (Non Executive Director). The composition, role and terms of reference of the Audit Committee are in compliance with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all the recommendations made by the Audit Committee from time to time.

Nomination & Remuneration Committee ("NRC")

As on date, the Committee comprises of Mr. K Narasimha Murthy (Independent Director & Chairman of the NRC), Mr. Navneet Maini (Independent Director), Mr. Rajit Mehta (Non Executive Director) and Mr. Rakesh Prusti (Non Executive Director). The composition, role and terms of reference of the NRC are in compliance with the Section 178 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

Operational Committee

As on date, the Committee comprises of Mr. Rajit Mehta (Non Executive Director and Chairman of the Operational Committee), Mr. Yogesh Kumar Sareen (Non Executive Director), Mr. Rohit Kapoor (Non Executive Director) and Mr. Rakesh Prusti (Non Executive Director). This Committee was constituted to facilitate the day to day matters of the Company.

The details of the Board / Committee Meetings held during the FY 2016-17 and attendance thereof has been provided as **Annexure – 1** to this Report.

BOARD EVALUATION

In terms of the Board Evaluation Framework of the Company, the performance of the Board as a whole, Board Committees and Directors was carried out.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Company followed two pronged approach with first, an evaluation based on questionnaire with the aim to evaluate the Board's own performance and that of its Committee. The second part was driven by face to face discussions at NRC & Board Meeting with aim to

evaluate the performance of individual director. In addition, a separate meeting of all the Independent Director was convened in terms of schedule IV to the Act.

The Evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as knowledge, contribution and guidance to the Management. The Directors expressed their satisfaction with the overall evaluation process.

KEY MANAGERIAL PERSONNEL (“KMP”) – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as on date Mr. Soubir Ghosh, Head of Finance and Manager and Ms. Poonam Makkar, Company Secretary are KMPs of the Company.

During the year under review, following changes occurred in KMPs:

1. Mr. Soubir Ghosh was appointed as Head of Finance and Manager w.e.f. April 29, 2016;
2. Ms. Poonam Makkar was appointed as Company Secretary w.e.f. September 23, 2016;
3. Mr. Kamalapati Kashyap has resigned from the position of Company Secretary w.e.f. April 04, 2016.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In terms of Section 178 of the Act, the Nomination & Remuneration Committee (“NRC”) has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration for the Directors, Key Managerial Personnel (“KMP”) and other employees.

The detail of the aforesaid Policy is as follows:

- **Appointment criteria and qualification**

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. For the purpose, the NRC shall identify and ascertain the integrity, independence in terms of Section 149 of the Act, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

The potential candidate for appointment to the Board are inter – alia evaluated on the basis of the highest level of personal and professional ethics, standing, integrity, appreciation of the Company's vision, prominence in industry, independence, professional skills, financial literacy and such other competencies and skills as may be required from time to time. The selection and appointments on the Board of the Company are done on the recommendation of NRC.

While evaluating the candidature of an independent director, in addition to the above, the NRC abides by the criteria for determining the independence as stipulated under the Act.

In case of reappointment of the Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their level of engagement.

For the appointment of KMPs [other than MD / Whole time Director (WTD)], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

- Remuneration Policy

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act w.r.t the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

The key components of the Company's Remuneration Policy are - the Compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration of the Managing / Whole - time Director as the case may be, will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior / post approval of the members of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act

and Rules made there under. Subject to the compliance of the Act, the Management is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided based on the standard market practice and prevailing HR policies of the Company.

- **Remuneration to Non-executive / Independent Director**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the NRC / Board / Shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief, your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & THEIR REPORT

M/s S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of 23rd Annual General Meeting (AGM) of the Company held in the year 2014 for a term of 5 years until the conclusion of 28th AGM to be held in the year 2019, subject to ratification of their appointment by the members of the Company at every AGM.

As per the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to ratify the appointment of SRBC as the Statutory Auditors of the Company for the FY 2017-18 and fix their remuneration, at the ensuing AGM.

The Company has received a certificate from SRBC, Chartered Accountants, confirming that the ratification of their appointment for FY 2017-18, if made, at the ensuing Annual General Meeting, as the Statutory Auditors of the Company, would be within the limits prescribed as per the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report doesn't contain any disclaimer, qualification, reservation or adverse opinion.

REPORTING OF FRAUD

During the FY 2016-17, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority are shared with the senior management from time to time, to cascade within their departments. Procedures to ensure conformance with the policies and standards have been put in place covering all activities. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

The Company has an Internal Auditor who functionally reports to the Audit Committee of Board which reviews and approves annual internal audit plan. The Company's Audit Committee, which is a sub-committee of the Board, reviews internal control systems and internal audit reports and performance of the internal audit function on a periodic basis.

RISK MANAGEMENT

The Company has a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The Company follows detailed risk assessment and minimization procedures for identifying, evaluating and managing all significant risks faced by the Company.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management.

In the opinion of the Board, none of the risks faced by the Company threaten its existence, however, keeping in view the areas in which the Company operates, risks with respect to litigation by / against the Company or regulatory directions having impact on various cost lines, may arise or may become material in nature.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has established a vigil mechanism (Whistle Blower Policy), to cater the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

A whistle blower can raise his / her concerns with the designated official under the Policy and under exceptional circumstances with the Audit Committee. All concerns reported under this Policy shall be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

The Audit Committee periodically reviews the complaints received, if any, the action taken and appropriate closure of the complaints. During the year under review, no concern/ complaint was received under this policy.

CONTRACTS AND ARRANGEMENT WITH THE RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the Audit Committee / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the financial year 2016 -17, with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, no disclosure is required in Form AOC -2. Further, there are no related party transactions made by the Company which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Indian AS - 24.

PARTICULAR OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient, if any, are provided in the notes to the financial statement.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of Company is annexed herewith **Annexure 2** to this Report.

DEPOSITS

During the year under review, your Company had not invited or accepted any deposits from the public and, therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees (as amended from time to time), is given separately as **Annexure 3** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the financial year ended March 31, 2017, the ICC had not received any complaint.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

In order to focus Company's efforts and resources towards growth and development of its core business of healthcare services and to provide the requisite fillip to the healthcare services vertical, the Medical Equipment division of the Company has been sold under slump sale to M/s Gujarmal Modi Hospital & Research Centre for Medical Sciences, Mandir Marg, Saket, New Delhi-110017 for INR 3,700 Lacs in June, 2017.

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business or generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

Your company gives priority to energy conservation and takes regular measures for saving in energy. During the year, your Company has taken following significant energy conservation measures

- The equipments, accessories and fitments are under regular preventive maintenance and proactive functionality checks;
- The Company maintained lower Break Downs Time during the year'
- The Company focused on replacement of existing fixtures LED lights for energy efficiency.

b) Capital Investment on energy conservation Equipments : NIL

c) Impact of measures at (a) & (b):

The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.

B. Research & Development (R & D): NA

C. Technology Absorption:

(a) & (b)

Efforts in brief, made towards technology absorption, adaptation & innovation and Benefits derived as a result of these efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- NIL

(c)

In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- NIL

(d) Research & Development

The expenditure incurred on Research & Development –

- NIL

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports : Initiatives taken to increase exports; development of new export markets for products and services; and export plans : NIL

b) Total foreign exchange earned and used :

(INR in lacs)

i. Foreign Exchange Earnings	: NIL
ii. Foreign Exchange Outgo	: NIL

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company.

Your Directors also thank the members, Financial Institutions, Banks/ other lenders Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

For and on behalf of the Board of Directors

Place: New Delhi

Date: August 2, 2017

sd/-
Yogesh Sareen
Director
DIN 00884252

sd/-
Rakesh Kumar Prusti
Director
DIN 00050270

Details of the Board / Committee Meetings held during the FY 2016 -17**I. BOARD OF DIRECTORS' MEETING**

No. of meetings: 5 (Five) i.e. April 29, 2016 , July 22, 2016, October 19, 2016, February 15, 2017, March 07, 2017

NAME OF THE DIRECTOR	NUMBER OF MEETINGS ATTENDED
Dr. Bhupendra Kumar Modi	1
Mr. Rajit Mehta	2
Ms. Anamika Sikri (Alternate director to Dr. Bhupendra Kumar Modi till February 15, 2017)	2
Mr. Kamalapati Kashyap	4
Mr. K Narasimha Murthy	4
Mr. Navneet Maini	4
Ms. Preeti Malhotra (Alternate director to Dr. Bhupendra Kumar Modi wef February 15, 2017)	1
Mr. Rakesh Kumar Prusti	5
Mr. Rohit Kapoor	1
Mr. Yogesh Kumar Sareen	5

II. AUDIT COMMITTEE

No. of meetings: 4 (Four) i.e. April 29, 2016, July 22, 2016, October 19, 2016, February 15, 2017

NAME OF THE COMMITTEE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. K Narasimha Murthy	4
Mr. Navneet Maini	4
Mr. Yogesh Kumar Sareen	4

III. NOMINATION AND REMUNERATION COMMITTEE

No. of meetings: 4 (Four) i.e. April 29, 2016, July 22, 2016, October 19, 2016, February 15, 2017

NAME OF THE COMMITTEE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. K Narasimha Murthy	4
Mr. Navneet Maini	4
Mr. Rajit Mehta	1
Mr. Rakesh Kumar Prusti	4

IV. **OPERATIONAL COMMITTEE**

No. of meetings: 2 (Two) i.e. June 17, 2016, August 09, 2016

NAME OF THE COMMITTEE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Rajit Mehta	2
Mr. Rohit Kapoor	2
Mr. Rakesh Kumar Prusti	2
Mr. Yogesh Kumar Sareen	2

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31,2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U85110DL1991PTC042646
Registration Date	January 08, 1991
Name of the Company	Saket City Hospitals Pvt. Ltd.
Address of the Registered office and contact details	Mandir Marg, Saket, New Delhi -10017; Phone: 91-11-71212121, Fax: 91-11-26963801 Email id:secretarial@maxhealthcare.com
Category / Sub-Category of the Company	Public Company Limited by Shares (Being subsidiary of a Public Company)
Whether listed company	Non-Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, 12/1/15, Manohar Pukar Road, Kolkata – 700026 and Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020; Ph-26387281/82/83; Fax-26387384; Email-info@masserv.com ; website- www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S.No.	Name and description of main services/products	NIC Code of the Service/Product	% of the total turnover of the Company
1.	Name of Services –Healthcare	As Per NIC Code 2008 Division is 86	34%

2.	Leasing Services	As Per NIC Code 2008 Division is 77	22%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/Subsidiary/Associate	% of Shares	Applicable Section
1.	Max Healthcare Institute Limited	U72200DL2001PLC111313	Holding	51%	Clause (ii) of sub- section 87 of Section 2 of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding – **As per Annexure 1A**
- (ii) Shareholding of Promoters – **As per Annexure 1B**
- (iii) Change in Promoters' Shareholding – **As per Annexure 1C**
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – **Annexure –1D**
- (v) Shareholding of Directors and Key Managerial Personnel – **As per Annexure –1E**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

For the FY16-17

(In Rs. lacs)

Particulars	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount as on 01.04.2016	27,064.49	200.00	-	27,264.49
ii. Interest due but not paid as on 01.04.2016	122.26	3.96	-	126.22
iii. Interest accrued but not due as on 01.04.2016	15.50	-	-	15.50
Total (i+ii+iii)	27,202.25	203.96	-	27,406.21
Change in indebtedness during the financial year				
Addition	1,811.97	1,900.00	-	3,711.97
Reduction (Loan repayment and opening Interest acc payment)	(2,253.75)	-	-	(2,253.75)
Net Change	(441.77)	1,900.00	-	1,458.23
Indebtedness at the end of the financial year				
i. Principal Amount as on 31.03.2017	26,760.48	2,100.00	-	28,860.48
ii. Interest due but not paid as on 31.03.2017	-	-	-	-
iii. Interest accrued but not due as on 31.03.2017	123.90	217.63	-	341.53
Total (i+ii+iii)	26,884.38	2,317.63	-	29,202.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole Time Directors and/or Manager

(in Rs. Lac)

S No.	Particulars of Remuneration	Soubir Ghosh* (Manager)	Total Amount
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	19.02	19.02
	b. Value of Perquisite u/s 17(2) Income Tax Act, 1961.	NIL	NIL
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL
2	Stock Options	NIL	NIL
3	Sweat Equity Shares	NIL	NIL
4	Commission - As % of profit - Others	NIL	NIL
5	Others	NIL	NIL
	Total	19.02	19.02
	Ceiling as per the Act		

*appointed as Manager w.e.f. 29th April, 2016

B. Remuneration to other directors

(in Rs.)

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Navneet Maini	Mr. K Narasimha Murthy	
	Fee for attending board/ committee meetings*	138000	138000	276000
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total(1)	138000	138000	276000
2	Other Non-Executive Directors	NIL	NIL	NIL
	Fee for attending board/ committee meetings*	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL
	Total(B)=(1+2)	138000	138000	276000
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	-	-	-

* Including service tax

C. Remuneration to key managerial personnel* other than MD/ Manager/ WTD.

(In Rs Lac.)

SN.	Particulars of Remuneration	Poonam Makkar (Company Secretary)	Total Amount
1.	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	8.89	8.89
	b. Value of Perquisite u/s 17(2) Income Tax Act, 1961.		
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961.		
2.	Stock Options	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL
4.	Commissions - As % of profit - Others	NIL	NIL
5.	Others	NIL	NIL
	Total	8.89	8.89
	Ceiling as per the Act	NA	NA

(Company Secretary was appointed w.e.f. 23/09/2016)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE—There were no penalties/punishment/compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

ANNEXURE – 1A

[illegible]

Foreign Financial Institution	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Preference	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
b) Individuals									
i) Individual shareholders holding nominal share capital upto INR 1 lakh	NIL	10	10	0%	NIL	10	10	0%	NIL
ii) Individual shareholders holding nominal share capital in excess of INR1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others(specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(2):-	NIL	10	10	0%	NIL	10	10	0%	NIL
Total Public Shareholding(B)=(B)(1)+(B)(2)	NIL	10	10	0%	10	10	0%	10	NIL
C. Shares held by Custodian for GDR &ADR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	29146700	29146700	100%	NIL	29146700	29146700	100%	NIL

(Equity Shareholding of Promoter) - ANNEXURE –1B

SN	Shareholder' s Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Smart Health City Pte Ltd., Singapore	14281883*	49%	NIL	14281883*	49%	NIL	NIL
2.	Max Healthcare Institute Ltd.	14864817	51%	25.5%	14864817	51%	51%	NIL

*Include shares held by nominee

(Preference Shareholding of Promoter)

SN	Shareholder' s Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Max Healthcare Institute Ltd.	-	-	-	500000	100%	NIL	100%

(Changes in Promoters' Shareholding) - ANNEXURE –1C

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the company
1.	Smart Health City Pte Ltd.				
	At the Beginning of Year	14281883 (equity)	49%	14281883	49% (equity)
	Changes During the Year				
	Increase	-	-		
	Decrease	-	-		
	At the end of the Year	14281883	49%	14281883	49%
2.	Max Healthcare Institute Ltd.				
	At the Beginning of Year	14864817(Equity)	51% (equity)	14864817 (equity)	51%
	Changes During the Year				
	Increase			500000 (preference)	100% (preference)
	Decrease				
	At the end of the Year	14864817	51%	14864817 (equity) 500000 (preference)	51% (equity) 100% (preference)

(Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) - ANNEXURE –1D)

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

Shareholding of Directors and Key Managerial Personnel - ANNEXURE –1E

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NIL	NIL	NIL	NIL	NIL

INDEPENDENT AUDITOR'S REPORT

To the Members of Saket City Hospitals Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Saket City Hospitals Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note XX in the financial statements which, indicate that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss/net cash loss during the current and previous year(s). These conditions, along with other matters set forth in Note XX, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) 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;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note XX to the Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note XX to the Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. The Company has provided requisite disclosures in Note XXX to the Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S.R. BATLIBOI & CO LLP

ICAI Firm registration number: 301003E / E300005

Chartered Accountants

Sd/-

per Atul Seksaria

Partner

Membership No.: 86370

Place: Gurgaon

Date: May 17, 2017

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Saket City Hospitals Private Limited (the Company)

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (b) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii)(a) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits 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 generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-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, service tax, sales-tax, duty of custom, duty of excise, 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, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer / further public offer /debt instruments.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 86370

Place: Gurgaon
Date: May 17, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAKET CITY HOSPITALS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Saket City Hospitals Private Limited

We have audited the internal financial controls over financial reporting of Saket City Hospitals Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & CO LLP

ICAI Firm registration number: 301003E / E300005

Chartered Accountants

Sd/-

per Atul Seksaria

Partner

Membership No.: 86370

Place: Gurgaon

Date: May 17, 2017

Saket City Hospitals Private Limited
Balance sheet as at March 31, 2017

		(Rs in Lacs)		
	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,489	4,892	5,515
Capital work-in-progress	3	547	-	-
Intangible assets	4	28	41	54
Financial assets	5	-	-	6,612
(i) Loans		-	-	7,993
(ii) Trade receivables		-	-	-
(iii) Other financial assets		14,286	14,286	-
Other non current assets	6	7,341	7,036	-
		26,691	26,255	20,174
Current assets				
Inventories	7	-	3	7
Financial assets	8	-	-	348
(i) Loans		1,318	-	4,075
(ii) Trade receivables		195	1,277	39
(iii) Other financial assets		-	14	31
(iv) Cash and cash equivalents		15	27	3
(v) Other bank balances		-	3	521
Other current assets	9	285	663	521
		1,813	1,987	5,024
TOTAL ASSETS		28,504	28,242	25,198
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	2,965	2,915	2,915
Other equity	10	(4,570)	(4,613)	(2,363)
Total Equity		(1,605)	(1,698)	552
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	11	28,860	26,812	20,216
Long term provisions	12	14	23	20
		28,874	26,835	20,236
Current liabilities				
Financial Liabilities	13			
(i) Borrowings		310	1,349	-
(ii) Trade payables		356	1,064	755
(iii) Other financial liabilities		515	598	3,528
Short term provisions	14	15	27	24
Other current liabilities	15	39	67	103
		1,235	3,105	4,410
TOTAL LIABILITIES		30,109	29,940	24,646
TOTAL EQUITY AND LIABILITIES		28,504	28,242	25,198

Summary of significant accounting policies 2
Contingent liabilities, commitments and litigations 23
Other notes on accounts 24

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Saket City Hospitals Private Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Yogesh Kumar Sareen
(Director)
DIN:00884252

Sd/-
Kamalpati Kashyap
(Director)
DIN:02359002

Sd/-
Soubir Ghosh
(Head of Finance)

Sd/-
Poonam Makkar
(Company Secretary)
Membership No. FCS-7919

Place : Gurgaon
Date : May 17, 2017

Place : Gurgaon
Date : May 17, 2017

Saket City Hospitals Private Limited
Statement of profit and loss for the year ended March 31, 2017

		(Rs in Lacs)	
	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	16	2,225	4,952
Other income	17	43	3
Finance income	18	1,728	622
Total income		3,996	5,577
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		-	73
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		3	4
Employee benefits expense	19	387	630
Finance costs	20	3,661	3,075
Depreciation and amortization expense	21	526	558
Other expenses	22	342	3,490
Total expenses		4,919	7,830
Loss before tax		(923)	(2,253)
Tax expense		-	-
Loss after tax		(923)	(2,253)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		16	3
Income tax effect		-	-
		16	3
Other comprehensive income for the year, net of tax		16	3
Total comprehensive income for the year, net of tax attributable to equity shareholder		(907)	(2,250)
Earnings per equity share (Nominal Value of share Rs. 10/-) (refer note 24.3)			
Basic		(3.17)	(7.73)
Diluted		(3.11)	(7.73)
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	23		
Other notes on accounts	24		

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As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

For and on behalf of the Board of Directors of
Saket City Hospitals Private Limited

Sd/-
Yogesh Kumar Sareen
(Director)
DIN:00884252

Sd/-
Kamalpati Kashyap
(Director)
DIN:02359002

Sd/-
Soubir Ghosh
(Head of Finance)

Sd/-
Poonam Makkar
(Company Secretary)
Membership No. FCS-7919

Place : Gurgaon
Date : May 17, 2017

Place : Gurgaon
Date : May 17, 2017

Saket City Hospitals Private Limited
Statement of changes in equity for the year ended March 31, 2017

a) Equity share capital

Particulars	Nos.	(Rs in Lacs)
As at April 1, 2015	29,146,700	2,915
Add: Equity share issued (refer note 10)	-	-
As at March 31, 2016	29,146,700	2,915
Add: Equity share issued (refer note 10)	-	-
As at March 31, 2017	29,146,700	2,915

b) Compulsory convertible preference shares

Particulars	No.	(Rs in Lacs)
As at April 1, 2015	-	-
Add: Compulsory convertible preference shares issued (refer note 10)	-	-
As at March 31, 2016	-	-
Add: Compulsory convertible preference shares issued (refer note 10)	500,000	50
As at March 31, 2017	500,000	50

c) Other Equity

Particulars	Reserve and surplus		Total equity
	Security premium account	Retained earnings	
As at April 1, 2015	-	(2,363)	(2,363)
Loss for the year	-	(2,253)	(2,253)
Other comprehensive income for the year	-	3	3
Addition on equity shares issued (refer note 10)	-	-	-
As at March 31, 2016	-	(4,613)	(4,613)
Loss for the year	-	(923)	(923)
Other comprehensive income for the year	-	16	16
Addition on Compulsory convertible preference shares issued (refer note 10)	950	-	950
As at March 31, 2017	950	(5,520)	(4,570)

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	23
Other notes on accounts	24

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Saket City Hospitals Private Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Yogesh Kumar Sareen
(Director)
DIN:00884252

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Soubir Ghosh
(Head of Finance)

Sd/-
Poonam Makkar
(Company Secretary)
Membership No. FCS-7919

Place : Gurgaon
Date : May 17, 2017

Place : Gurgaon
Date : May 17, 2017

Saket City Hospitals Private Limited
Statement of cash flows for the year ended March 31, 2017

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities		
Loss before tax	(923)	(2,253)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	513	545
Amortization of intangible assets	13	13
Profit on foreign exchange fluctuation	(2)	-
Unclaimed Balances & excess provisions written back	(39)	(3)
Loss on disposal of property, plant and equipment	-	80
Finance income (including fair value change in financial instruments)	(1,728)	(622)
Finance costs (including fair value change in financial instruments)	3,661	3,075
Operating profit before working capital changes	1,495	835
Working capital adjustments:		
Movements in provisions and gratuity	(5)	9
(Increase)/decrease in trade and other receivables and prepayments	1,361	(10,637)
Increase/(decrease) in trade and other payables	(695)	276
Decrease in inventories	3	4
Cash generated from/(used in) operations	2,159	(9,513)
Income tax paid	(192)	(11)
Net cash flows from/(used in) operating activities	1,967	(9,524)
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	-	19
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(488)	(64)
Proceeds from fixed deposits under lien	3	-
Loan repaid by other healthcare service provider	-	6,960
Interest received	410	625
Net cash flows from/(used in) investing activities	(75)	7,540
Cash flow from financing activities		
Proceeds from issuance of Compulsory convertible preference shares capital including security premium, net of expenses incurred for shares issued	1,000	-
Interest paid	(3,461)	(3,196)
Proceeds from long term borrowings	1,596	3,827
Proceeds from short term borrowings (net of payment)	(1,039)	1,349
Net cash flows from/(used in) financing activities	(1,904)	1,980
Net (decrease) in cash and cash equivalents	(12)	(4)
Cash and cash equivalents at the beginning of the year	27	31
Cash and cash equivalents at year end	15	27

Components of cash and cash equivalents :-

	As at March 31, 2017	As at March 31, 2016
Balances with banks:		
On current accounts	15	27
	15	27

Summary of significant accounting policies 2
Contingent liabilities, commitments and litigations 23
Other notes on accounts 24

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Saket City Hospitals Private Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Yogesh Kumar Sareen
(Director)
DIN:00884252

Sd/-
Kamalpati Kashyap
(Director)
DIN:02359002

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Soubir Ghosh
(Head of Finance)

Sd/-
Poonam Makkar
(Company Secretary)
Membership No. FCS-7919

Place : Gurgaon
Date : May 17, 2017

Place : Gurgaon
Date : May 17, 2017

Saket City Hospitals Private Limited
Notes forming part of the financial statements

1 Corporate Information

Saket City Hospitals Private Limited ("the Company") (Formerly known as G.M. Modi Hospitals Corporation Pvt. Ltd.) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is in the business of providing healthcare services, construction services, supply, erection and installation of equipments and other related services, and leasing of medical and other equipments on operating lease to Gujarmal Modi Hospital and Research Centre for Medical Sciences ("the Society").

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 27.15 for information on how the company has adopted Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- (i) Derivative financial instruments,
- (ii) Certain financial assets and financial liabilities
- (iii) Defined benefit plans - plan assets

Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful lives estimated by the management (years)
Medical Equipment	13 Years
Electrical Installations and Equipments	10 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers & Data Processing Units	3 - 6 Years
Furniture and Fixtures	10 Years
Motor Vehicles	6 - 8 Years

Saket City Hospitals Private Limited
Notes forming part of the financial statements

c. Intangible assets

Separately acquired intangible assets

The Company has applied exemptions of Ind AS 101 to continue the carrying value of intangible assets at the date of transition as its deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;
- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-7 years.

d. Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Saket City Hospitals Private Limited
Notes forming part of the financial statements

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of goods. The Company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services

Revenue from healthcare services (including drugs, consumables and implants used in delivery of such services) are recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets. Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

g. Inventories

Inventories comprise of pharmacy, drugs, consumable and implants which are valued at lower of cost and net realizable value. Cost includes the cost of purchase, duties, taxes (other than those recoverable from tax authorities) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, if any.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (see note 2.2 i).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

l. Employee benefits

Provident Fund and Family Pension Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company operates a defined benefit plans for its employees for gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. However, the Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

o. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Company's financial statements are presented in Indian rupee ('Rs.') which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

p. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

(a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 24.1.

(c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

3. Property, plant and equipments (PPE)

(Rs in Lacs)

	Freehold land	Medical equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Total	Capital work in progress
At cost									
Deemed cost as at April 1, 2015	-	5,310	78	15	52	52	8	5,515	-
Additions	-	-	-	-	21	-	-	21	-
Disposals	-	174	6	-	24	3	-	207	-
As at March 31, 2016	-	5,136	72	15	49	49	8	5,329	-
Additions	6	104	-	-	-	-	-	110	547
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	6	5,240	72	15	49	49	8	5,439	547
Depreciation									
As at April 1, 2015	-	-	-	-	-	-	-	-	-
Additions	-	468	24	2	11	39	1	545	-
Disposals	-	100	1	-	5	2	-	108	-
As at March 31, 2016	-	368	23	2	6	37	1	437	-
Additions	-	466	23	2	9	11	2	513	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	834	46	4	15	48	3	950	-
Net carrying amount									
As at March 31, 2017	6	4,406	26	11	34	1	5	4,489	547
As at March 31, 2016	-	4,768	49	13	43	12	7	4,892	-
As at April 1, 2015	-	5,310	78	15	52	52	8	5,515	-

3.01 Land is freehold and mortgaged to bank.

3.02 Medical equipment & Other fixed assets are given on operating lease to Gujarmal Modi Hospital & Research centre for Medical Sciences.

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Gross block	3,759	3,196	3,250
Depreciation charge for the year	357	333	-
Accumulated depreciation	690	333	-
Net book value	3,069	2,863	3,250

3.03 PPE given as security

PPE are subject to charge to secure the Company's secured long term borrowings as disclosed in note 11.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

4. Intangible assets

	(Rs in Lacs)
	<u>Computer software</u>
At cost	
Deemed cost as at April 1, 2015	54
Additions	-
Disposals	1
As at March 31, 2016	53
Additions	-
Disposals	-
As at March 31, 2017	<u>53</u>
Amortization	
As at April 1, 2015	-
Additions	13
Disposals	1
As at March 31, 2016	12
Additions	13
Disposals	-
As at March 31, 2017	<u>25</u>
Net carrying amount	
As at March 31, 2017	<u>28</u>
As at March 31, 2016	<u>41</u>
As at April 1, 2015	<u>54</u>

4.01 Computer software are given on operating lease to Gujarmal Modi Hospital & Research centre for Medical Sciences.

	(Rs in Lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Gross block	53	53	53
Depreciation charge for the year	13	13	-
Accumulated	26	13	-
Net book value	<u>27</u>	<u>40</u>	<u>53</u>

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Non-current financial assets			
(i) Loans (Valued at amortized cost) (Unsecured considered good)			
Loans and advances to other healthcare service providers	-	-	6,612
	<u>-</u>	<u>-</u>	<u>6,612</u>
(ii) Trade receivables			
Trade receivables - considered good	-	-	7,993
	<u>-</u>	<u>-</u>	<u>7,993</u>
(iii) Other financial assets (Value at amortized cost)			
Security deposits	14,286	14,286	-
	<u>14,286</u>	<u>14,286</u>	<u>-</u>
6. Other non current assets (Unsecured considered good)			
Prepaid expenses	6,957	7,036	-
Tax deducted at source recoverable	384	-	-
	<u>7,341</u>	<u>7,036</u>	<u>-</u>
7. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	-	3	7
	<u>-</u>	<u>3</u>	<u>7</u>

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
8. Current financial assets			
(i) Loans			
Loans and advances to other healthcare service providers	1,318	-	348
	1,318	-	348
(ii) Trade receivables			
Unsecured :-			
Trade receivables - considered good	195	1,277	4,075
	195	1,277	4,075
(iii) Other financial assets			
Unbilled revenue	-	14	35
Interest accrued on income tax refund	-	-	4
	-	14	39
(iv) Cash and cash equivalents			
Balances with banks:			
On current accounts	15	27	30
Cash on hand	-	-	1
	15	27	31
(v) Other bank balances			
Deposit :			
Fixed deposits under lien #	-	3	3
	-	3	3
# Fixed deposits Nil (March 31, 2016 : Rs.3 Lacs) (April 1, 2015 : Rs.3 Lacs) are in the nature of margin money kept with bank guarantee issued by the bank and are deposited against sales tax registration.			
9. Other current assets (Unsecured considered good, unless otherwise stated)			
Tax deducted at source recoverable	151	343	332
MAT credit entitlement	2	2	2
Balance with statutory authorities	-	164	176
Other advances :-			
Unsecured, considered good	4	3	5
Unsecured, considered doubtful	11	11	11
Less: Provision for doubtful advances	(11)	(11)	(11)
Prepaid expenses	128	151	6
	285	663	521

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

10. Share capital and other equity

(i) Equity

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
5,00,00,000 (Previous Year 7,00,00,000) Equity Shares of Rs. 10/- each	5,000	7,000	7,000
2,00,00,000 (Previous year Nil) Preference Shares of Rs. 10/- each	2,000	-	-
	7,000	7,000	7,000

Issued, subscribed and fully paid-up

2,91,46,700 (March 31, 2016: 2,91,46,700) (April 1, 2015: 2,91,46,700) equity shares of Rs.10/- each	2,915	2,915	2,915
5,00,000 (March 31, 2016 : Nil) (April 1, 2015 : Nil) compulsory convertible preference shares of Rs.10/- each	50	-	-
Total issued, subscribed and fully paid-up share capital	2,965	2,915	2,915

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016	
Equity shares	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
At the beginning of the year	29,146,700	2,915	29,146,700	2,915
Issued during the year	-	-	-	-
- Fresh Issue	-	-	-	-
	29,146,700	2,915	29,146,700	2,915

Reconciliation of compulsory convertible preference shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016	
Equity shares	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
At the beginning of the year	-	-	-	-
Issued during the year	500,000	50	-	-
- Fresh Issue	500,000	50	-	-

Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited, the holding company*	14,864,817	51%	14,864,817	51%	-	-
Smart Health City Pte Ltd., Singapore**	14,281,883	49%	14,281,883	49%	29,146,700	100%

**Out of above, equity shares held by Smart Health City Pte Limited, 10 shares are held by Mr. G S Negi as nominee of Smart Health City Pte Limited.

* Out of the equity shares held by Smart Health City Pte Limited as on 31st March 2015, Max Healthcare Institute Limited has acquired 14,864,817 equity shares on 27th November 2015, representing 51% holding.

Details of compulsory convertible preference shareholders more than 5% shares in the Company

Name of the Shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Compulsory convertible preference shares of Rs. 10 each fully paid						
Max Healthcare Institute Limited, the holding company	500,000	100%	-	-	-	-

Terms/ rights attached to equity shares :-

(i) Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Max Healthcare Institute Limited has a call option right to require Smart Health City Pte Limited to sell all its holding in the equity shares of the Company at an aggregate amount of Rs. 37,500 Lacs with 12% return per annum compounded annually calculated for the period between the completion date and the date of such payment to Smart Health City Pte Limited in accordance with the share holding agreement dated November 27, 2015.

(iv) Smart Health City Pte Limited has the right to nominate two Directors to the Board who would be non-executive directors. Max Healthcare Institute Limited has the right to nominate all the other Directors who shall be in Majority.

(v) Director nominated by Smart Health City Pte Limited shall be the Non-executive Chairman of the Board for the initial period. after the initial period or in the event the Chairman resigns or is unable to act as a director of a Company under the Act, One of the directors nominated by Max Healthcare Institute Limited shall be appointed as the Chairman.

(vi) One of the directors nominated by Max Healthcare Institute Limited shall be appointed as the Vice Chairman of the board.

(vii) Out of above equity shares held by Max Healthcare Institute Limited, 25.5% of the equity shares are pledged with Yes Bank Limited and another 25.5% of the equity shares are pledged with Axis Bank Limited as a security for term loan granted to the Company. Further, Axis Bank Limited has negative lien for 21% equity shares of the Company.

Terms/ rights attached to compulsory convertible preference shares (CCPS):-

(i) The conversion period is earlier of the date on which Smart Health City Pte Limited cease to hold equity share of the company, in terms of shareholders' agreement dated 27th November, 2015 executed amongst the company, Max Healthcare Institute Limited and Smart Health City Pte Limited or 15(Fifteen) years from date of such subscription.

(ii) Each CCPS will be Compulsory converted into equity share of Rs. 10/- each at the higher of Fair market value as on the date of conversion subject to cap of Rs. 350/- per equity share or Rs. 10/- per equity share.

(iii) Coupon rate is 0%.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

(ii) Other equity

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities premium account (refer note a below)	950	-	-
Retained earnings (refer note b below)	(5,520)	(4,613)	(2,363)
	(4,570)	(4,613)	(2,363)
a) Securities premium account			
Balance at the beginning of the year	-	-	
Add: premium on issue of compulsory convertible preference shares	950	-	
Balance at the end of the year	950	-	
b) Retained earnings			
Balance at the beginning of the year	(4,613)	(2,363)	
Loss for the year	(923)	(2,253)	
Items of other comprehensive income recognised directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	16	3	
Balance at the end of the year	(5,520)	(4,613)	

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

11. Borrowings

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current borrowings:-			
Term loans (secured)			
From bank	26,760	24,949	-
Finance lease obligation (secured)			
Long term maturities of finance lease obligation	-	1,651	2,094
Vehicle loans (secured)	-	12	7
Inter corporate deposits (unsecured)	2,100	200	15,305
Inter corporate deposits (secured)	-	-	2,810
Current borrowings :-			
Term loans (secured)			
From bank	124	122	-
Finance lease obligation (secured)			
Current maturities of finance lease obligation	-	459	402
Vehicle loans (secured)	-	9	3
Inter corporate deposits (unsecured)	218	4	2,863
Inter corporate deposits (secured)	-	-	216
	<u>29,202</u>	<u>27,406</u>	<u>23,700</u>
Less: Amount clubbed under "other current financial liabilities" [refer note 13 (iii)]	<u>342</u>	<u>594</u>	<u>3,484</u>
	<u>28,860</u>	<u>26,812</u>	<u>20,216</u>
Aggregate secured loans	26,884	27,202	5,532
Aggregate unsecured loans	2,318	204	18,168

Term loan from bank include :-

(i) Rs.12,473 Lacs (March 31, 2016: Rs.12,463 Lacs) (April 01, 2015 : Nil) from Axis Bank Limited repayable in 52 quarterly installment from January, 2019. The loan is secured by way of:

- A first pari passu charge on all borrowers movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixture, and all other movable assets, intangible, goodwill, uncalled capital, both present and future.
- A first pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in all documents executed by the borrower with SHRC including but not limited to the Hospital Service Agreement, both present and future.
- First pari passu charge on all receivables, current assets, present and future, of the borrower.
- Pledge of 25.50% share capital (on a fully diluted basis) of the borrower (in Compliance with BR Act) and option to increase it to 51% subject to inclusion of new lenders; and
- Negative lien for the remaining 21% shareholding of the borrower total aggregate percentage of pledge and negative lien not to exceed 51% of share capital at any time.
- Corporate guarantee by Max Healthcare Institute Limited.

(ii) Rs.14,410 Lacs (March 31, 2016: Rs.12,608 Lacs) (April 01, 2015 : Nil) from Yes Bank Limited repayable in 48 quarterly instalment from November, 2018. The loan is secured by way of:

- First pari passu charge over all movable fixed assets (both present and future) and immovable (if any acquired in future) of the borrower.
- First pari passu charge over all current assets (both present and future) of the borrower.
- First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
- Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited to remain valid during entire tenor of facilities.
- assignment of all borrowers rights under the service agreement and any other such agreement for providing any other services to Saket City Hospitals Private Limited, letter of credit, guarantee, or performance bond provided by any party for any contract related to the Hospital project in favor of the borrower.
- Assignment of all the contracts, documents, insurance policies, rights, titles, permits/approvals, clearances and interest of the borrower pertaining to the Hospital project on first pari passu basis.
- Pledge of 25.5% equity shares of the borrower held by Max Healthcare Institute Limited.

Finance lease obligation include :-

Nil (March 31, 2016: 2,110 Lacs) (April 1, 2015: Rs.2,496 Lacs) The amount is secured by first charge on medical equipments purchased under this arrangement. The loan is further secured by way of corporate guarantee issued in favour of Philips India Limited by Smart Value Ventures Private Limited.

Vehicle loan :-

Vehicle loans of Nil (March 31, 2016: Rs.21 Lacs) (April 1, 2015: Rs.10 Lacs) are secured by way of hypothecation of respective vehicles.

Inter corporate deposit (secured) :-

Inter corporate deposits loan of Nil (March 31, 2016: Nil) (April 1, 2015 : Rs.3,026 Lacs) The loan is secured by mortgaging the equipments.

Inter corporate deposit (unsecured) :-

- Inter corporate deposits of Nil (March 31, 2016: Nil) (April 01, 2015: Rs.1,165 Lacs) from Avon Mercantile Limited repayable on the expiry of the term of the loan.
- Inter corporate deposits of Nil (March 31, 2016: Nil) (April 01, 2015: Rs.17,003 Lacs) from Smart Value Ventures Private Limited Avon Mercantile Limited repayable on the expiry of the term of the loan.
- Loan of Rs.2,318 Lacs (March 31, 2016: Rs. 204 Lacs) (April 01, 2015: Nil) from Max Healthcare Institute Limited repayable after fifteen years from the date of first installment.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
12. Long term provision			
Provision for employee benefits			
Provision for gratuity (refer note 24.1)	14	23	20
	<u>14</u>	<u>23</u>	<u>20</u>
13. Current financial liabilities			
(i) Borrowings			
Cash credit from banks	310	1,349	-
	<u>310</u>	<u>1,349</u>	<u>-</u>
Cash credit loan of Rs.310 Lacs (March 31, 2016: Rs.604 Lacs) (April 1, 2015 : Nil) from Yes Bank Limited bearing interest @ yes bank base rate plus 1.15% i.e presently @ 10.25% per annum payable monthly and is secured by way of : a) A first pari passu charge over Company's all present and future, moveable and immoveable, tangible and intangible fixed assets excluding fixed assets pledged to other lenders and current assets. b) Pledge of 25.5% equity shares of the company held by Max Healthcare Institute Limited, the holding company. c) Unconditional and irrevocable corporate guarantee of the holding Company, Max Healthcare Institute Limited, to remain valid during entire tenor of facilities. Cash credit loan of Rs. Nil (March 31, 2016: Rs.745 Lacs) (April 1, 2015 : Nil) from Axis Bank Limited base rate plus 1.95% i.e presently @ 11.20% payable monthly and is secured by way of : a) A first pari passu charge over Company's all present and future, moveable and immoveable, tangible and intangible fixed assets excluding fixed assets pledged to other lenders and current assets. b) Pledge of 25.5% equity shares of the company held by Max Healthcare Institute Limited, the holding company. c) Unconditional and irrevocable corporate guarantee of the holding Company, Max Healthcare Institute Limited, to remain valid during entire tenor of facilities. d) Further, there is negative lien for 21% shareholding of the Company.			
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	356	1,064	755
	<u>356</u>	<u>1,064</u>	<u>755</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 beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements. # Trade payable includes due to related parties Rs.200 Lacs (March 31, 2016 : Rs.46 Lacs) (April 1, 2015 : Nil)			
(iii) Other current financial liabilities			
Current maturity of long term borrowings (refer note 11)	124	131	3
Current maturity of finance lease obligation (refer note 11)	-	459	402
Current maturity of inter corporate deposit (refer note 11)	218	4	3,079
Capital Creditors	173	4	44
	<u>515</u>	<u>598</u>	<u>3,528</u>
14. Short term provision			
Provision for employee benefits			
Provision for leave encashment	13	26	24
Provision for gratuity (refer note 24.1)	2	1	-
	<u>15</u>	<u>27</u>	<u>24</u>
15. Other current liabilities			
Statutory dues	39	67	103
	<u>39</u>	<u>67</u>	<u>103</u>

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
16. Revenue from operations		
Revenue from healthcare services (net)	1,348	4,161
Other operating Income		
- Sponsorship and educational income	-	45
- Income from leasing activities	877	746
Total	2,225	4,952
17. Other income		
Profit on foreign exchange fluctuation	2	-
Unclaimed Balances & excess provisions written back	39	3
Other non-operating income	2	-
	43	3
18. Finance income		
Interest Income on		
Bank deposits	-	3
Loans to other healthcare service providers	1,714	594
Income tax refund	14	25
	1,728	622

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
19. Employee benefits expense		
Salaries, wages and bonus	363	608
Contribution to provident and other funds	15	12
Gratuity expense (refer note 24.1)	9	7
Staff welfare expenses	-	3
	387	630
20. Finance costs		
Interest on debts and borrowings	3,661	3,075
	3,661	3,075
21. Depreciation and amortization expense		
Depreciation of property, plant and equipment (note 3)	513	545
Amortization of intangible assets (note 4)	13	13
	526	558
22. Other expenses		
Professional and consultancy fee	292	2,420
Outside lab investigations	-	590
Rent	-	11
Insurance	8	9
Rates and taxes	2	1
Facility maintenance expenses	-	12
Power and fuel	-	48
Repairs and maintenance:		
Plant and equipments	-	109
Others	1	1
Printing and stationery	-	7
Travelling and conveyance	3	62
Communication	-	4
Legal and professional	32	96
Directors' sitting fee	3	-
Net loss on sale/disposal of fixed assets	-	80
Miscellaneous expenses	1	40
	342	3,490
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	10	18
Reimbursement of expenses	-	3
	10	21

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

23. Commitments and contingencies

Leases commitment

Operating lease commitments - Company as lessee

a) Vehicles are obtained on Operating lease. The lease terms are for 1 (one) year and renewable by mutual agreement of both the parties.

b) Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	(Rs in Lacs)		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(i) not later than one year	-	11	15
(ii) later than one year and not later than five years	-	-	-
(iii) later than five years	-	-	-

Operating lease commitments - Company as lessor

Medical & other equipments are given on operating lease. The lease term is for initial period of 5 (five) years and renewable by mutual consent of both the parties.

	(Rs in Lacs)		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Lease rent received	877	746	742

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

24. Other Notes to Accounts

24.1 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The scheme is unfunded.

	(Rs. in Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	24	24
Interest Expense	2	1
Current Service Cost	7	2
Benefit paid	(1)	-
Acquisition adjustment (Employees transferred from holding company)		
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	(5)	-
Actuarial changes arising from changes in financial assumptions	3	-
Actuarial changes arising from changes in experience adjustments	(14)	(3)
Defined Benefit obligation at year end	16	24
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Return on plan assets excluding interest income	-	-
Benefits paid		
Fair value of plan assets at year end	-	-
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	-	-
Present value of defined benefit obligation	(16)	(24)
Amount recognized in Balance Sheet- Asset / (Liability)	(16)	(24)
d) Net defined benefit expense (Recognized in the Statement of profit and loss for the year)		
Current service cost	7	6
Past service cost	-	-
Interest cost on benefit obligation	2	1
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the year	-	-
Net defined benefit expense debited to statement of profit and loss	9	7

e) Principal assumption used in determining defined benefit obligation

Assumption Particulars	As at March 31, 2017	As at March 31, 2016
Discount Rate	6.60%	7.90%
Salary Escalation Rate	10%	10%
Mortality Rate (% of IALM 06-08)	100%	100%

f) Quantitative sensitivity analysis for significant assumptions is as below:

Increase / (decrease) on present value of defined benefits obligations at the end of the year

Discount rate

Increase by 1.00%

Decrease by 1.00%

Salary growth rate

Increase by 1.00%

Decrease by 1.00%

Attrition rate

Increase by 0.50%

Decrease by 0.50%

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Increase by 1.00%	(1)	(2)
Decrease by 1.00%	1	3
Increase by 1.00%	1	3
Decrease by 1.00%	(1)	(2)
Increase by 0.50%	(2)	(1)
Decrease by 0.50%	3	2

g) Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)

Between 2 and 5 years

Between 6 and 10 years

More than 10 years

Total expected payments

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Within the next 12 months (next annual reporting period)	2	1
Between 2 and 5 years	6	4
Between 6 and 10 years	5	9
More than 10 years	16	56
Total expected payments	30	71

h) The average duration of the defined benefit plan obligation at the end of the reporting period is 8 Years (March 31, 2016 : 12 years)

i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

k) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

24.2A Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value			Fair Value		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Financial assets at amortized cost						
Loans	1,318	-	6,960	1,318	-	6,960
Trade receivables	195	1,277	12,068	195	1,277	12,068
Other financial assets	14,286	14,300	39	14,286	14,300	39
Cash and cash equivalents	15	27	31	15	27	31
Other bank balances	-	3	3	-	3	3
	15,814	15,607	19,101	15,814	15,607	19,101
Financial Liabilities at amortized cost						
Borrowings	29,170	28,161	20,216	29,170	28,161	20,216
Trade payable	356	1,064	755	356	1,064	755
Other financial liabilities	515	598	3,528	515	598	3,528
	30,041	29,823	24,499	30,041	29,823	24,499

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

24.2B Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Loans	1,318	-	-	1,318
Trade receivables	195	-	-	195
Other financial assets	14,286	-	-	14,286
Cash and cash equivalents	15	-	-	15

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2016

Particulars	Carrying value March 31, 2016	Fair value		
		Level 1	Level 2	Level 3
Trade receivables	1,277	-	-	1,277
Other financial assets	14,300	-	-	14,300
Cash and cash equivalents	27	-	-	27
Other bank balances	3	-	-	3

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on April 1, 2015

Particulars	Carrying value April 1, 2015	Fair value		
		Level 1	Level 2	Level 3
Loans	6,960	-	-	6,960
Trade receivables	12,068	-	-	12,068
Other financial assets	39	-	-	39
Cash and cash equivalents	31	-	-	31
Other bank balances	3	-	-	3

Saket City Hospitals Private Limited
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(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017

Particulars	Carrying value March 31, 2017	(Rs. in Lacs)		
		Fair value		
		Level 1	Level 2	Level 3
Borrowings	29,170	-	-	29,170
Trade payable	356	-	-	356
Other financial liabilities)	515	-	-	515

(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2016

Particulars	Carrying value March 31, 2016	(Rs. in Lacs)		
		Fair value		
		Level 1	Level 2	Level 3
Borrowings	28,161	-	-	28,161
Trade payable	1,064	-	-	1,064
Other financial liabilities)	598	-	-	598

(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 1, 2015

Particulars	Carrying value April 1, 2015	(Rs. in Lacs)		
		Fair value		
		Level 1	Level 2	Level 3
Borrowings	20,216	-	-	20,216
Trade payable	755	-	-	755
Other financial liabilities)	3,528	-	-	3,528

24.3 Earnings per share (EPS)

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
A) Basic Earnings per share		
Numerator for earnings per share :-		
Loss after taxation	(923)	(2,253)
Denominator for earnings per share :-		
Weighted number of equity shares outstanding during the year	29,146,700	29,146,700
Earnings per share-Basic (one equity share of Re. 10/- each)	(3.17)	(7.73)
B) Diluted Earnings per share		
Numerator for earnings per share :-		
Loss after taxation	(923)	(2,253)
Denominator for earnings per share :-		
Weighted number of equity shares outstanding during the year	29,646,700	29,146,700
Earnings per share- Diluted (one equity share of Re. 10/- each)*	(3.11)	(7.73)

* The conversion effect of potential preference shares into equity shares is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

24.4 Capital Management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Particulars	(Rs. in Lacs)		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Borrowings (refer note 11)	29,512	28,755	23,700
Less: cash and cash equivalents (refer note 8)	(15)	(27)	(31)
Net debt	29,497	28,728	23,669
Equity (refer note 10)	(1,605)	(1,698)	552
Total capital	(1,605)	(1,698)	552
Total capital and Net debt	27,892	27,030	24,221
Gearing Ratio	106%	106%	98%

24.5 Deferred Tax Asset/ (Liability)

The Company follows Ind AS 12 "Accounting for Income Taxes", as notified by Companies Indian Accounting Standards Rules, 2015. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

24.6 Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

a) Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 11 and 13, cash and cash equivalents disclosed in note 8 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as Net debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalized EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization, adjusted for non-operating items, one offs and for any mid of the year merger and acquisition activity. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company stood at (16.12) for FY15-16 and (18.19) for FY 2016-17. Similarly, the Net Debt to EBITDA ratio of the Company stood at 19.84 for FY 2015-16 and 8.94 FY 2016-17.

Note : Working capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity ratio

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time.

The table below represents the maturity profile of Company's financial liabilities at the end of April 1, 2015, March 31, 2016 and March 31, 2017 based on contractual undiscounted payments :-

(Rs. in Lacs)				
April 1, 2015	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	21,194	2,506	-	23,700
Trade payable	755	-	-	755
Other financial liabilities	44	-	-	44
% to Total	90%	10%	0%	100%
March 31, 2016				
Interest bearing borrowings	2,257	4,813	20,620	27,690
Trade payable	1,064	-	-	1,064
Other financial liabilities	4	-	-	4
% to Total	12%	17%	72%	100%
March 31, 2017				
Interest bearing borrowings	342	4,031	25,108	29,481
Trade payable	356	-	-	356
Other financial liabilities	173	-	-	173
% to Total	3%	13%	84%	100%

c) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Trade receivables is mainly from Gujarmal Modi Hospital & Research centre for Medical Sciences.

(Rs. in Lacs)			
Trade receivables	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Particulars			
Neither past due or impaired	195	774	10,051
0 to 180 days due past due date		503	1,710
More than 180 days due past due date			307
Total trade receivables	195	1,277	12,068

Saket City Hospitals Private Limited
Notes forming part of the financial statements

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 24.2 A and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2017.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Unhedged foreign currency exposures recognized by the Company are as under:

(Rs. in Lacs)					
Currency	As at	Amount in Foreign Currency	Amount in India Rupee	Increase/decrease in rate	Impact on profit before tax
In USD	March 31, 2017	1	39	1%	0.39
In USD	March 31, 2016	-	-	1%	-
In USD	April 1, 2015	-	-	1%	-

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's policy is to hedge part of its borrowings.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

(Rs. in Lacs)		
Year	Increase/decrease in Interest rate	Effect on profit before tax
March 31,2017	0.50%	121
March 31,2016	0.50%	42
April 1,2015	0.50%	-

24.7 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

(A) Names of related parties and description of relationship :

Related party where control exists

(i) Holding Companies

- 1) Max Healthcare Institute Limited (w.e.f December 1, 2015)
- 2) Smart Health City Pte. Ltd., Singapore (till November 30, 2015)

(ii) Fellow Subsidiaries

- 1) Hometrail Estate Private Limited (w.e.f December 1, 2015)
- 2) Hometrail Buildtech Private Limited (w.e.f December 1, 2015)
- 3) Max Medical Services Limited (w.e.f December 1, 2015)
- 4) Alps Hospital Limited (w.e.f December 1, 2015)
- 5) Crosslay Remedies Limited (w.e.f December 1, 2015)

(iii) Key Management Personnel

- 1) Dr. Bhupendra Kumar Modi (Chairman)
- 2) Mr. Rajit Mehta (Vice Chairman)
- 3) Mr. Soubir Ghosh (Head of finance - Manager) (As per Companies Act, 2013)
- 4) Ms. Poonam Makkar (Company Secretary) (As per Companies Act, 2013)

(iv) Enterprises owned or significantly influenced by key management personnel

- 1) Gujarmal Modi Hospital & Research Centre for Medical Sciences (till November 27, 2015)
- 2) Smart Value Ventures Private Limited (till November 27, 2015)

Saket City Hospitals Private Limited
Notes forming part of the financial statements

(Rs. in Lacs)

(B) Transaction during the year	For the year ended March 31, 2017	For the year ended March 31, 2016
Unsecured Borrowings :- Max Healthcare Institute Limited (Holding Company)	1,900	200
Unsecured borrowings repaid Smart Value Ventures Pvt. Ltd.	-	17,003
Revenue from Operating Lease Gujarmal Modi Hospital & Research Centre For Medical Sciences	-	746
Income from Healthcare Services Gujarmal Modi Hospital & Research Centre For Medical Sciences	-	4,188
Interest Income Gujarmal Modi Hospital & Research Centre For Medical Sciences	-	594
Interest on Loans :- Max Healthcare Institute Limited (Holding Company) Smart Value Ventures Pvt. Ltd.	214	4 1,370
Loan refund recived:- Gujarmal Modi Hospital & Research Centre For Medical Sciences		8,159
Sale of fixed assets:- Gujarmal Modi Hospital & Research Centre For Medical Sciences		20
Loan given:- Gujarmal Modi Hospital & Research Centre For Medical Sciences		1,199
Security deposit paid :- Gujarmal Modi Hospital & Research Centre For Medical Sciences		21,429
Finance Cost :- Max Healthcare Institute Limited (Holding Company)	134	44
Preference Shares :- Max Healthcare Institute Limited (Holding Company)	1,000	-
Salary:- Ms. Anamika Sikri Mr. Kamalapati Kashyap Dr. Ashok Vardhan Chordiya Mr Soubir Ghosh Ms Poonam Makkar	- - - 19 9	48 8 87 - -

(Rs. in Lacs)

(C) Balance outstanding at the year end	As at March 31, 2017	As at March 31, 2016
Unsecured Borrowings :- Max Healthcare Institute Limited (Holding Company)	2,318	204
Equity share capital :- Max Healthcare Institute Limited (Holding Company)	32,500	32,500
Preference shares :- Max Healthcare Institute Limited (Holding Company)	1,000	-
Trade receivable :- Gujarmal Modi Hospital & Research Centre For Medical Sciences	-	1,277
Security deposit :- Gujarmal Modi Hospital & Research Centre For Medical Sciences	-	21,429
Accrued income :- Gujarmal Modi Hospital & Research Centre For Medical Sciences	-	14
Other Payable Max Healthcare Institute Limited (Holding Company)	200	46

24.8 Segment reporting

The Company operates into two major segments: leasing and other than leasing. Information by each reportable segment is as follows:

S. No.	Particulars	Segment		Total
		Leasing	Other than Leasing	
1	External Sales	-	-	-
2	Revenue from operation	877	1,348	2,225
		(746)	(4,206)	(4,952)
3	Segment Expenses	369	542	911
		(399)	(3,468)	(3,867)
4	Segment Result	508	806	1,314
		(347)	(738)	(1,085)
5	Unallocated Expenses			190
				(729)
6	Unallocated Incomes			43
				(3)
7	Interest Incomes			1,728
				(622)
8	Operating profit			2,895
				(981)
9	Depreciation and Amortisation			157
				(159)
10	Operating Profit after depreciation			2,738
				(822)
11	Financial Expenses			3,661
				(3,075)
12	Loss before tax			(923)
				((2253))
13	Tax Expense			-
				-
14	Loss after Tax			(923)
				((2253))
	Other Informations :-			
15	Segment Assets	3,291	1,386	4,677
		(3,137)	(3,212)	(6,349)
16	Unallocated Assets			23,827
				(21,893)
17	Total Assets			28,504
				(28,242)
18	Segment Liabilities	10	92	102
		(13)	(893)	(906)
19	Unallocated Liabilities			30,007
				(29,034)
	Total Liabilities			30,109
				(29,940)

(figures in bracket represents previous year) / (figures in double bracket represents loss of previous year)

The Company operates in single geographical Segment.

Saket City Hospitals Private Limited
Notes forming part of the financial statements

24.9A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

(Rs in Lacs)			
	Footnotes	Balance sheet as at April 1, 2015	
		IGAAP	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment		5,515	5,515
Intangible assets		54	54
Financial assets			
Loans		6,612	6,612
Trade receivables		7,993	7,993
		20,174	20,174
Current assets			
Inventories		7	7
Financial assets			
Loans		348	348
Trade receivables		4,075	4,075
Other financial assets		39	39
Cash and cash equivalents		31	31
Other bank balances		3	3
Other current assets		521	521
		5,024	5,024
TOTAL ASSETS		25,198	25,198
EQUITY AND LIABILITIES			
Equity			
Equity share capital		2,915	2,915
Other equity		(2,363)	(2,363)
Total Equity		552	552
Non-current liabilities			
Financial Liabilities			
Borrowings		20,216	20,216
Long term provisions		20	20
		20,236	20,236
Current liabilities			
Financial Liabilities			
Trade payables		755	755
Other financial liabilities		3,528	3,528
Short term provisions		24	24
Other current liabilities		103	103
		4,410	4,410
TOTAL LIABILITIES		24,646	24,646
TOTAL EQUITY AND LIABILITIES		25,198	25,198

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

24.9B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

				(Rs in Lacs)
	Footnotes	Balance sheet as at March 31,2016		
		IGAAP	Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	4,892	-	4,892
Intangible assets	1	41	-	41
Financial assets				
Other financial assets	2	21,428	(7,142)	14,286
Other non current assets	2	-	7,036	7,036
		26,361	(106)	26,255
Current assets				
Inventories		3	-	3
Financial assets				
Trade receivables		1,277	-	1,277
Other financial assets		14	-	14
Cash and cash equivalents		27	-	27
Other bank balances		3	-	3
Other current assets	2	518	145	663
		1,842	145	1,987
		28,203	39	28,242
TOTAL ASSETS				
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,915	-	2,915
Other equity	5	(4,935)	322	(4,613)
Total Equity		(2,020)	322	(1,698)
Non-current liabilities				
Financial Liabilities				
Borrowings	3	27,095	(283)	26,812
Long term provisions		23	-	23
		27,118	(283)	26,835
Current liabilities				
Financial Liabilities				
Borrowings		1,349	-	1,349
Trade payables		1,064	-	1,064
Other financial liabilities		598	-	598
Short term provisions		27	-	27
Other current liabilities		67	-	67
		3,105	-	3,105
		30,223	(283)	29,940
		28,203	39	28,242

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Saket City Hospitals Private Limited
Notes forming part of the financial statements

24.9C Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS

		(Rs. in Lacs)		
	Footnotes	Year ended March 31, 2016		
		IGAAP	Adjustment	Ind AS
INCOME				
Revenue from operations	2	4,979	(27)	4,952
Other income		3	-	3
Finance income		622	-	622
Total income		5,604	(27)	5,577
Expenses				
Purchase of pharmacy, drugs, consumables and implants		77	-	77
(Increase)/decrease in inventory of pharmacy, drugs and consumables and implants		-	-	-
Employee benefits expense	4,6	627	3	630
Finance costs	3	3,424	(349)	3,075
Depreciation and amortization expense		558	-	558
Other expenses		3,490	-	3,490
Total expense		8,176	(346)	7,830
		-	-	-
Loss before tax		(2,572)	319	(2,253)
Tax expenses		-	-	-
Loss for the year		(2,572)	319	(2,253)
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	4,6	-	3	3
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	3	3
Total comprehensive income for the year, net of tax attributable to Equity shareholder		(2,572)	322	(2,250)

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24.9D Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

1) Property, plant and equipment

The Company has elected to apply the exemption available under Ind AS -101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognized in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015). However, to restate the carrying amount of borrowings in accordance in the paragraph 10 of Ind AS-101, carrying amount of fixed assets as at the date of transition has been reduced by the amount of processing cost and impact of fair valuation of loan (net of cumulative depreciation impact).

2) Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been adjusted against revenue from healthcare services which is partially set off with notional interest income in statement of profit & loss.

3) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of borrowing as part of the interest expense applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, finance cost for the year ending have been increased with a corresponding adjustment to borrowing.

4) Remeasurements of post-employment benefit obligations

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

5) Retained earnings

Retained earnings as at April 1, 2015 and March 31, 2016 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith.

6) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

7) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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24.10 First-time adoption of Ind AS (Exception and exemption availed)

These financial statements, for the year ended March 31, 2017, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

24.11 Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

(In absolute Rupees)			
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	4,000	346	4,346
+ Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
Amount Deposited in Banks	4,000	-	4,000
Closing cash in hand as on 30.12.2016	-	346	346

Saket City Hospitals Private Limited
Notes forming part of the financial statements

24.12 The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

24.13 Note No.1 to 24 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Saket City Hospitals Private Limited

Sd/-
per Atul Seksaria
Partner
Membership Number: 086370

Sd/-
Yogesh Kumar Sareen
(Director)
DIN:00884252

Sd/-
Kamalpati Kashyap
(Director)
DIN:02359002

Sd/-
Soubir Ghosh
(Head of Finance)

Sd/-
Poonam Makkar
(Company Secretary)
Membership No. FCS-7919

Place : Gurgaon
Date : May 17, 2017

Place : Gurgaon
Date : May 17, 2017