



MAX HEALTHCARE INSTITUTE LIMITED

Max Healthcare Institute Limited was formerly known as 'Infinitum Technologies Private Limited'. Pursuant to a fresh certificate of incorporation dated June 28, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, this name was changed to Max Healthcare Institute Private Limited. Thereafter, pursuant to a special resolution dated May 16, 2002 and a fresh certificate of incorporation dated October 18, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, our Company was converted to a public company, and its name was changed to 'Max Healthcare Institute Limited'. Further, the registered office of our Company was shifted from the state of Delhi to Maharashtra with effect from March 8, 2019 and a certificate of registration of the Regional Director's order was issued by the RoC dated March 20, 2019. For details, see "History and Certain Corporate Matters" on page 81.

Corporate Identity Number: U72200MH2001PLC322854

Registered Office: 167, Floor 1, Plot-167 A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400 018, India

Corporate Office: 5th and 6th Floor, Tower – A, DLF Center Court, DLF City, Phase – V, Sector – 42, Golf Course Road, Gurugram, Haryana 122 002, India

Contact Person: Ruchi Mahajan, Company Secretary and Compliance Officer; **Tel:** +91 124 620 7777

E-mail: investors@maxhealthcare.com **Website:** www.maxhealthcare.in

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

PROMOTERS OF OUR COMPANY ARE ABHAY SOI, ANALJIT SINGH, NEELU ANALJIT SINGH, PIYA SINGH, VEER SINGH, TARA SINGH VACHANI, KAYAK INVESTMENTS HOLDING PTE. LTD. AND MAX VENTURES INVESTMENT HOLDING PRIVATE LIMITED	
Information Memorandum for listing of the Equity Shares of our Company	
GENERAL RISKS	
Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") or National Stock Exchange of India Limited ("NSE") and collectively with BSE, "Stock Exchanges", and neither does SEBI nor either of the Stock Exchanges guarantee the accuracy or adequacy of this Information Memorandum.	
OUR COMPANY'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company, which is material in the context of the listing and that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
LISTING	
The Equity Shares are proposed to be listed on the Stock Exchanges. For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. Our Company has received in-principle approvals for listing from BSE and NSE on August 4, 2020 and August 6, 2020, respectively.	
Our Company has submitted the Draft Information Memorandum and this Information Memorandum to BSE and NSE, and the Information Memorandum shall be made available on our Company's website at www.maxhealthcare.in. The Information Memorandum will also be made available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.	
REGISTRAR AND SHARE TRANSFER AGENT TO THE COMPANY	
	Link Intime India Private Limited
	Noble Heights, 1 st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi 110 058
	Telephone No.: +91 11 4941 1000; Extn.: 7106
	Facsimile No.: +91 11 4141 0591
	Investor grievance e-mail: swapann@linkintime.co.in
	Website: www.linkintime.co.in
	Contact person: Swapan Kumar Naskar (AVP- North India Operation)
SEBI registration number: INR000004058	

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will, unless the context otherwise indicates, include any amendments or re-enactments thereto, from time to time.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Risk Factors”, “Financial Statements”, “Outstanding Litigation and Other Material Developments” and “Scheme of Arrangement”, shall have the meaning ascribed to such terms in those respective sections.

Company and Scheme Related Terms

Term	Description
“the Company”, “our Company” and “MHIL”	Max Healthcare Institute Limited, a company incorporated in India under the Companies Act, 1956, with its Registered Office situated at 167, Floor 1, Plot-167 A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400 018, India
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries on a consolidated basis
“2006 ESOP Scheme”	The employee stock option plan of our Company known as “Employee Stock Option Plan, 2006”
“2017 MHIL PS”	The phantom stock option plan of our Company known as “Max Healthcare Institute Limited Employee Phantom Stock Plan 2017”
“AHL”	Alps Hospital Limited
“AoA”, “Articles of Association” or “Articles”	The articles of association of our Company, as amended from time to time
“Appointed Date 1”	February 1, 2019
“Appointed Day 2”	June 1, 2020
“Audited Consolidated IND AS Financial Statements”	The audited financial statements, audited in accordance with IND AS, of our Company on a consolidated basis, before the effectiveness of the Scheme, as at, and for, the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020, along with the auditor’s reports, notes and schedules thereto
“Audit and Risk Committee”	The audit and risk management committee of our Board, constituted in accordance with the SEBI Listing Regulations and the Companies Act, 2013, as described in “Our Management” on page 100
“Auditor” or “Statutory Auditor”	The statutory auditor of our Company, being M/s. S.R. Batliboi & Co. LLP
“BLK” or “BLK Hospital”	Dr. B. L. Kapur Memorial Hospital, New Delhi (a unit of LHS)
“BMDRC”	Balaji Medical and Diagnostic Research Centre
“BNH” or “BNH Hospital”	Dr. Balabhai Nanavati Hospital, Mumbai
“Board” or “Board of Directors”	The board of directors of our Company, or a duly constituted committee thereof
“Chairman and Managing Director”	Chairman and managing director of our Company, namely, Abhay Soi
“Chief Financial Officer”	Chief financial officer of our Company, namely, Yogesh Kumar Sareen
“CMD Employment Agreement”	Employment agreement entered into between our Company and Abhay Soi dated July 13, 2020 with effect from June 19, 2020
“Company Secretary and Compliance Officer”	Company secretary and compliance officer of our Company, appointed in terms of Regulation 6(1) of the SEBI Listing Regulations, namely, Ruchi Mahajan
“Corporate Office”	5 th and 6 th Floor, Tower – A, DLF Center Court, DLF City, Phase – V, Sector – 42, Golf Course Road, Gurugram, Haryana 122 002, India
“Corporate Social Responsibility Committee”	The corporate social responsibility committee of our Board, constituted in accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in “Our Management” on page 100
“CRL”	Crosslay Remedies Limited
“DDF”	Devki Devi Foundation

Term	Description
“Demerged Undertaking 1”	Demerged undertaking 1 shall comprise the whole of the healthcare and allied business of Erstwhile Max India being transferred to Max India, on the Effective Date
“Demerged Undertaking 2”	Demerged undertaking 2 shall comprise the whole of the healthcare business of Radiant being transferred to our Company, on the Effective Date
“Draft Information Memorandum”	The draft information memorandum dated June 19, 2020, filed with the Stock Exchanges
“Director(s)”	The director(s) of our Board
“Effective Date”	June 1, 2020
“Eligible Shareholder(s)”	Shall mean eligible holder(s) of the Equity Shares of our Company as on the Record Date
“Equity Shares”	The equity shares of our Company of face value of ₹10 each
“Erstwhile Max India”	Erstwhile Max India Limited (Max India Limited was a public limited company listed on BSE and NSE, incorporated under the provisions of the Companies Act, 2013, having its registered office at 167, Floor 1, Plot - 167, Ready Money Terrace, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra and CIN L85100MH2015PLC330122. Pursuant to the Scheme, Max India Limited was dissolved, without being wound-up, on the Effective Date)
“Fugitive Economic Offender”	An individual, who is/has been declared a fugitive economic offender under the Fugitive Economic Offenders Act, 2018
“GMHRC”	Gujarmal Modi Hospital & Research Centre for Medical Sciences
“GNIDA”	Greater Noida Development Authority
“Group Companies”	The companies (other than Promoter(s) and Subsidiaries) with whom our Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards and such companies as considered material by the Board of Directors. For further details on our Group Companies, see “Our Group Companies” on page 130
“HBPL”	Hometrail Buildtech Private Limited
“HEPL”	Hometrail Estate Private Limited
“Independent Director(s)”	A non-executive, independent director of the Company as per the Companies Act and the SEBI Listing Regulations
“Information Memorandum”	This Information memorandum dated August 15, 2020 filed by the Company with the Stock Exchanges
“Kayak”	Kayak Investments Holding Pte. Ltd.
“Key Managerial Personnel” or “KMP”	The key managerial personnel of our Company, as described in “Our Management” on page 100
“LHS”	Lahore Hospital Society
“Life Healthcare”	Life Healthcare International Proprietary Limited
“Listing Committee”	Listing committee of our Company constituted on June 19, 2020 comprising of Abhay Soi, Sanjay Nayar, Upendra K Sinha and K Narasimha Murthy
“Material Subsidiaries”	The material subsidiaries of our Company determined in terms of Regulation 16(1)(c) of the SEBI Listing Regulations namely CRL and HBPL
“Max India”	Max India Limited (formerly known as Advaita Allied Health Services Limited)
“MGHL”	MHC Global Healthcare (Nigeria) Limited
“MHIL SHA”	Shareholders’ agreement dated December 24, 2018, entered into between Kayak and Abhay Soi, read with the deed of accession and adherence dated June 1, 2020 executed by our Company
“MoA” or “Memorandum of Association”	The memorandum of association of our Company, as amended from time to time
“MMSL”	Max Medical Services Limited
“MVIL”	Max Ventures and Industries Limited
“Managed Healthcare Facilities”	Managed Healthcare Facilities shall mean the hospitals operated by our Company and the Subsidiaries under operations and management agreements. As of the date of this Information Memorandum, these include (i) Dr. Balabhai Nanavati Hospital, Mumbai; and (ii) Dr. B. L. Kapur Memorial Hospital, New Delhi (a unit of LHS)
“NCLT”	The National Company Law Tribunal, Mumbai Bench

Term	Description
“Network Healthcare Facilities”	Network healthcare facilities include all the hospitals and medical centres owned and operated by our Company and the Subsidiaries, Managed Healthcare Facilities and Partner Healthcare Facilities.
“Nomination and Remuneration Committee” or “NRC”	The nomination and remuneration committee of our Board, constituted in accordance with the SEBI Listing Regulations and the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 100
“Non-Executive Director(s)”	A non-executive director of our Company
“Partner Healthcare Facilities”	Partner Healthcare Facilities shall mean the hospitals and medical centres wherein our Company and the Subsidiaries provide healthcare services in key specialities for a fee and/or for a share of revenue. As of the date of this Information Memorandum, these include: (i) Max Super Speciality Hospital, Saket (a unit of DDF); (ii) Max Institute of Cancer Care, Lajpat Nagar (a unit of DDF) (iii) Max Super Speciality Hospital, Patparganj (a unit of BMDRC); and (iv) Max Smart Super Speciality Hospital, Saket (a unit of GMHRC)
“Promoters”	The promoters of our Company, as more particularly described in “ <i>Our Promoters and Promoter Group</i> ” on page 118
“Promoter Group”	Persons and entities constituting the promoter group of our Company, in accordance with the SEBI ICDR Regulations
“Radiant” or “Radiant Life”	Radiant Life Care Private Limited (previously known as Halcyon Finance & Capital Advisors Private Limited)
“Registered Office”	The registered office of our Company situated at 167, Floor 1, Plot-167 A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400 018, India
“Registrar of Companies” or “RoC”	The Registrar of Companies, Maharashtra situated at Mumbai
“Registrar and Transfer Agent” or “Registrar to the Company” or “Registrar”	Link Intime India Private Limited
“RLCM” or “Radiant Mumbai”	Radiant Life Care Mumbai Private Limited
“Scheme” or “Composite Scheme of Arrangement” or “Scheme of Arrangement”	Composite scheme of amalgamation and arrangement under Sections 230 to 232, and other applicable provisions, of the Companies Act, 2013 amongst Erstwhile Max India, our Company, Radiant Life, Max India (<i>formerly known as Advaita Allied Health Services Limited</i>) and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Mumbai bench on January 17, 2020
“SCHPL”	Saket City Hospitals Private Limited (formerly known as G. M. Modi Hospitals Corporation Private Limited)
“Shareholders”	Shareholders holding Equity Shares of our Company, from time to time
“Stakeholders Relationship Committee”	The stakeholders relationship committee of our Board, constituted in accordance with the SEBI Listing Regulations and the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 100
“Subsidiaries”	AHL, CRL, HBPL, SCHPL and RLCM, being the subsidiaries of our Company. For the details of our subsidiaries, please refer to “ <i>History and Certain Corporate Matters - Subsidiaries</i> ” on page 86

Conventional and General Terms and Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
“AGM”	Annual general meeting
“AS” or “Accounting Standards”	Accounting Standards issued by the Institute of Chartered Accountants of India
“BSE”	BSE Limited
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited
“CIN”	Corporate Identity Number
“CGST Act, 2017”	Central Goods and Services Tax Act, 2017
“CPC” or “Code of Civil Procedure”	Code of Civil Procedure, 1908, as amended

Term	Description
“CrPC”	The Code of Criminal Procedure, 1973
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
“Competition Act”	Competition Act, 2002
“Demat”	Dematerialised
“DEP”	Depreciation & Amortisation Expense
“Depository”	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
“Depositories Act”	The Depositories Act, 1996
“Designated Stock Exchange”	BSE
“DIPP”	Department of Industrial Policy and Promotion (now known as Department for Promotion of Industry and Internal Trade)
“DP ID”	Depository Participant’s identity number
“EBITDA”	Earnings before Interest, Tax, Depreciation and Amortisation
“EGM”	Extra-ordinary general meeting
“EPCG”	Export Promotion Capital Goods
“EPS”	Earnings per share
“FCNR Account”	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
“FDI”	Foreign direct investment
“FDI Policy”	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
“FEMA”	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder
“FEMA Rules”	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
“Financial Year” or “Fiscal” or “Fiscal Year”	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
“FIR”	First information report
“FPIs”	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations
“FVCI”	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
“GAAR”	General Anti-Avoidance Rules
“GDP”	Gross Domestic Product
“GoI” or “Central Government” or “Government”	The Government of India
“GST”	Goods and services tax
“HUF(s)”	Hindu undivided family(ies)
“ICAI”	Institute of Chartered Accountants of India
“IGST Act, 2017”	Integrated Goods and Services Tax Act, 2017
“Income Tax Act”	Income Tax Act, 1961, read with the rules made thereunder
“Ind AS”	Indian Accounting Standards prescribed under the Companies Act, 2013 and as notified under the Companies (Indian Accounting Standard) Rules, 2015
“Indian GAAP” or “IGAAP”	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014
“IT”	Information technology
“LLP”	Limited Liability Partnership
“M&A”	Mergers and acquisitions
“MCA”	Ministry of Corporate Affairs, GoI
“Mutual Funds”	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“NCI”	Non-controlling Interest
“N.C.T.”	National Capital Territory
“NR/Non-resident”	A person resident outside India, as defined under FEMA and includes an NRI

Term	Description
“NRI”	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“P/E Ratio”	Price/earnings ratio
“PAN”	Permanent account number
“PAT”	Profit after tax
“PSUs”	Public sector undertakings
“RBI”	Reserve Bank of India
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	Securities and Exchange Board of India constituted under the SEBI Act
“SEBI Act”	Securities and Exchange Board of India Act, 1992
“SEBI Circular”	Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by SEBI
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“SEBI Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“SEBI VCF Regulations”	<i>Erstwhile</i> Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
“SGST Act, 2017”	State Goods and Services Tax Act, 2017, as enacted by various state governments
“STT”	Securities transaction tax
“Stock Exchanges”	BSE and NSE
“U.S.” or “USA” or “United States”	United States of America
“U.S. GAAP”	Generally accepted accounting principles in the United States
“USD” or “US\$”	United States Dollars
“U.S. Securities Act”	U.S. Securities Act of 1933
“VAT”	Value added tax
“VCFs”	Venture capital funds as defined in, and registered with the SEBI, under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term	Description
“AI”	Artificial intelligence
“ALOS”	Average Length of Stay
“CAGR”	Compound Annual Growth Rate
“CBHI”	Central Bureau of Health Intelligence
“CT scan”	Computed tomography scan
“DGHS”	Directorate General of Health Services
“eICU”	Electronic Intensive Care Unit
“EHR”	Electronic Health Record
“ENT”	Ears, Nose and Throat
“ERP”	Enterprise Resource Planning
“EY”	Ernst and Young LLP
“FICCI”	Federation of Indian Chambers of Commerce and Industry
“GDP”	Gross Domestic Product

Term	Description
“HEPA”	High-efficiency particulate air
“HWC”	Health and Wellness Centre
“ICU”	Intensive Care Unit
“IMRI”	Intraoperative MRI
“IVF”	In-vitro fertilization
“JCI”	Joint Commission International
“LAMA”	Leave against Medical Advice
“LINAC”	Electron Linear Accelerators
“MoHFW”	Ministry of Health and Family Welfare
“MRI”	Magnetic Resonance Imaging
“NABH”	National Accreditation Board for Hospitals & Healthcare Providers
“NABL”	National Accreditation Board for Testing and Calibration Laboratories
“NCR”	National Capital Region
“NFHS”	National Family Health Survey
“NHSRC”	National Health Systems Resource Centre
“NSS”	National Sample Survey
“NSSO”	National Sample Survey Office
“OPD”	Out Patient Department
“PHC”	Primary Healthcare Centres
“PIB”	Press Information Bureau
“R&D”	Research and Development
“SBU”	Strategic Business Unit
“SHCs”	Secondary Healthcare Centres
“QAI”	Quality & Accreditation Institute

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY PRESENTATION

Certain Conventions

All references in this Information Memorandum to “India” are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

Financial Data

Our Company publishes its financial statements in Indian Rupees. Unless stated otherwise, the financial data in this Information Memorandum is derived from our Audited Consolidated IND AS Financial Statements prepared before the Scheme becoming effective and therefore does not reflect the financial position of our Company post the effectiveness of the Scheme. For details, see the section ‘*Risk Factors – The financial information included in this Information Memorandum should not be viewed as being indicative of our financial performance post effectiveness of the Scheme. Accordingly, limited reliance should be placed on the financial information included in this Information Memorandum.*’ on page 23. Further, the financial information included in this Information Memorandum does not include the financial information for the demerged business of Radiant since the demerged business of Radiant is merged with our Company, pursuant to the Scheme with effect from June 1, 2020.

The financial and operational data / numbers included herein for our Partner Healthcare Facilities have not been independently verified by us. Accordingly, limited reliance should be placed on such financial and operational data / numbers of our Partner Healthcare Facilities.

Our Audited Consolidated IND AS Financial Statements, including the reports issued by the Statutory Auditor included in this Information Memorandum, have been prepared in accordance with Ind AS and the Companies Act, 2013. Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that calendar year, so all references to a Financial Year or Fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that calendar year. Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Fiscal/ Fiscal Year are to the year ended on March 31, of that calendar year.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Information Memorandum has been obtained or derived from publicly available information as well as industry publications and sources.

Information has also been included in this Information Memorandum based on the reports titled “*Re – engineering Indian Healthcare 2.0*” and “*Demystifying Healthcare Costs: A Scientific Approach, Healthcare at Crossroad*” issued by FICCI (the “**FICCI Reports**”). For details of risks in relation to the FICCI Reports and the publicly available information, see “*Risk Factor – This Information Memorandum contains information from industry sources including the industry reports from FICCI*” on page 29.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe that the industry and market data used in this Information Memorandum is reliable, it has not been independently verified by us and our affiliates or advisors.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of

our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

In this Information Memorandum, our Company has presented certain numerical information. Where any figures that may have been sourced from third-party industry sources are expressed in denominations, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

Time

All references to time in this Information Memorandum are to Indian Standard Time.

Exchange Rates

This Information Memorandum contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(in ₹)			
Currency	March 31, 2020	March 31, 2019*	March 31, 2018**
1 US\$	75.67	69.16	65.18
1 Euro	82.77	77.67	80.81
1 Kenyan Shilling (closing rate of the financial year taken for all assets/liabilities)	0.7175	0.6880	0.6442
1 Kenyan Shilling (average rate of the financial year taken for all expenditure considered in profit & loss account)	0.6935	0.6920	0.6268

Source: FEDAI Reference Rate, <https://fedai.org.in>.

*Exchange rate as on March 29, 2019, as FEDAI Reference Rate is not available for March 30, 2019 and March 31, 2019 being Saturday and Sunday, respectively.

**Exchange rate as on March 28, 2018, as FEDAI Reference Rate is not available for March 29, 2018 to March 31, 2018 being public holidays.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities, accidents including fire, riots, strikes and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Failure to maintain and/or improve our hospital occupancy rate may have a negative impact on our profitability and results of operations;
- High medical and legal risks typically associated with the operation of Network Healthcare Facilities including negative publicity, which, if materialized, may impact our reputation and business;
- Our Network Healthcare Facilities are susceptible to risks arising on account of fire, riots and strikes. Accordingly, our business and results of operations may be adversely affected in case of fire outbreak, riots and strikes or any other accident of a similar nature at any of our Network Healthcare Facilities;
- CoVID-19 has significantly impacted our revenue and we are currently unable to accurately predict the near-term or long-term impact of the CoVID-19 pandemic on our businesses. Similarly, political, economic or any other factors beyond our control may have an adverse impact on our business and results of operations;
- Various proceedings pending against our Company, certain Subsidiaries, our Directors, our Promoters and one of our Group Companies, which if determined against them, may have an adverse effect on our business;
- Concentration of our operations in northern India and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition;
- Inability to attract or retain, our doctors, nurses and other healthcare professionals, as well as other key personnel could adversely affect our business, cash flows and results of operations;
- Any inability to identify expansion opportunities or if we experience delays or other problems in implementing such projects, our growth, financial condition, cash flows and results of operations may be adversely affected;
- Termination of contracts with third party payers or insurers may affect our results of operations and profitability;
- Our business and operations are subject to risks associated with the agreements entered by us with the societies and trusts that own the Partner Healthcare Facilities and Managed Healthcare Facilities; and
- The financial information included in this Information Memorandum should not be viewed as being indicative of our financial performance post effectiveness of the Scheme. Accordingly, limited reliance should be placed on the financial information included in this Information Memorandum.

We may acquire or divest certain businesses, which may materially affect our financial condition, cash flows and results of operations. For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 62 and 368, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Information Memorandum and are not a guarantee of future performance. These statements are based on the management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION II: INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all relevant disclosures or details. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Audited Consolidated IND AS Financial Statements.

Summary of our Business

We are one of the leading hospital chains in India with major concentration in north India consisting of a network of 17 Network Healthcare Facilities, which includes BLK Hospital (operated and managed by our Company pursuant to the Scheme) and BNH Hospital (operated and managed by our Company through Radiant Mumbai pursuant to the Scheme). Out of the total Network Healthcare Facilities, eight hospitals and five medical centres are located in Delhi and the NCR and the others are located in the cities of Mumbai, Mohali, Bathinda and Dehradun. We provide diagnostic, pathology, radiology, radiation oncology and clinical services in select specialties / departments through deployment of our doctors and other medical staff in four Partner Healthcare Facilities. We commenced operations in 2000 with our first hospital, Max Medcentre in Panchsheel Park, and expanded our operations by opening various multi-speciality hospitals and entering into arrangements with societies and trusts. We provide healthcare services across secondary and tertiary care specialties with key focus on centres of excellence i.e. oncology, neurosciences, cardiac sciences, orthopaedics, renal sciences, liver and biliary sciences and minimal access metabolic and bariatric surgery (“MAMBS”). In addition to the core hospital business, we have two SBUs, namely, Max@Home and MaxLab. Max@Home is a platform that provides health and wellness services at home and MaxLab offers pathology services to patients outside of our hospitals through a variety of channels including third party hospital laboratory management.

Summary of the Industry

India is one of the fastest growing economies in the world and the second most populous country. (Source: Budget Highlights (Key Features), Union Budget 2019-20, Ministry of Finance, GoI and Annual Report 2018-19, Department of Health and Family Welfare, Ministry of Health and Family Welfare, GoI) Though the last couple of decades witnessed rapid development in other fields, the performance of the healthcare sector has left lot to be desired. Healthcare delivery in India is largely underdeveloped. The overall bed density in India is in the range of 1.3-1.4 beds per thousand persons. Additionally, India also lags behind in availability of medical personnel, with only 0.6 doctors per thousand persons. Going forward, given the significant gap between ‘required’ and ‘actual’ healthcare infrastructure, the industry is expected to grow at a CAGR of 16% to reach a value of USD 372 billion by 2022. (Source: Demystifying Healthcare Costs: A Scientific Approach, Healthcare at Crossroad, FICCI, 2018). Increasing population, shift to lifestyle diseases, growing awareness and affordability, increased insurance penetration and medical tourism are some of the factors that will drive this growth.

Our Promoters

Individual Promoters

1. Abhay Soi,
2. Analjit Singh,
3. Neelu Analjit Singh,
4. Piya Singh,
5. Veer Singh, and
6. Tara Singh Vachani

Corporate Promoters

1. Kayak Investments Holding Pte. Ltd, and
2. Max Ventures Investment Holdings Private Limited.

In terms of the Scheme, Analjit Singh, Neelu Analjit Singh, Piya Singh, Veer Singh, Tara Singh Vachani and Max Ventures Investment Holdings Private Limited will be de – promoterised subject to the provisions of the

SEBI Listing Regulations. Post such de – promoterisation and consequent reclassification as public shareholders, Abhay Soi and Kayak shall be the promoters of our Company.

Shareholding of our Promoters and members of our Promoter Group

The shareholding of the Promoters as on the date of this Information Memorandum is detailed below. Further, as on the date of this Information Memorandum, the members of the Promoter Group do not hold any Equity Shares in our Company.

Name of shareholder	Particulars	
	Number of Equity Shares	Percentage of Equity Share capital (%)
Abhay Soi	21,03,65,264	23.26
Analjit Singh	58,18,021	0.64
Neelu Analjit Singh	99,000	0.01
Piya Singh	1,09,229	0.01
Veer Singh	99,000	0.01
Tara Singh Vachani	99,000	0.01
Kayak Investments Holding Pte. Ltd	42,46,76,811	46.95
Max Ventures Investment Holdings Private Limited	10,26,31,287	11.35
Total	74,38,97,612	82.24

Summary of Audited Consolidated IND AS Financial Statements

(in ₹ lakh other than share data)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018*
Share capital	53,724	53,724	53,724
Net worth	98,741	96,319	1,03,117
Revenue (including other income and finance income)	1,95,685	1,74,807	1,79,750
Profit after tax (after OCI)	9,140	(53)	(2,510)
Earnings per share (basic / diluted)	1.77	(0.06)	(0.53)
Net asset value per Equity Share	18.38	17.93	19.19
Total borrowings^ (excluding short – term borrowings and shareholder’s loan)	79,672	92,907	87,616

*Numbers for discontinued business operations are included for Fiscal 2018.

^Finance lease liabilities are included in the total borrowings for all the fiscal years except for March 2020 because of adoption of new Indian accounting standard 116 “Lease Accounting” with effect from April 1, 2019 which led to separate disclosure of lease liabilities.

Qualifications of the Auditors

There have been no qualifications or adverse remarks by our Auditors in the Audited Consolidated IND AS Financial Statements.

Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Promoters, Directors, Subsidiaries and our Group Companies, as on the date of this Information Memorandum as disclosed in the section “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of proceedings	Number of cases	Amount (in ₹ lakh)*
Cases against our Company		
Criminal proceedings	2	23.00
Actions taken by statutory or regulatory authorities	2	Nil
Claims related to direct and indirect taxes	43	114.59
Other pending proceedings	1	2,200.00
Total	48	2,337.59
Cases by our Company		
Criminal proceedings	13	95.64
Other pending proceedings	1	-
Total	14	95.64
Cases against our Directors		
Criminal proceedings	1	Nil

Type of proceedings	Number of cases	Amount (in ₹ lakh)*
Actions taken by statutory or regulatory authorities	1	Nil
Direct and indirect taxes	Nil	Nil
Other pending proceedings	Nil	Nil
Total	2	Nil
Cases by our Directors		
Criminal proceedings	Nil	Nil
Other pending proceedings	Nil	Nil
Total	Nil	Nil
Cases against our Promoters		
Criminal proceedings	1	Nil
Actions taken by statutory or regulatory authorities	1	Nil
Claims related to direct and indirect taxes	13	42,462.00
Other pending proceedings	1	4,000.00
Total	16	46,462.00
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending proceedings	1	Nil
Total	1	Nil
Cases against our Subsidiaries		
Criminal proceedings	5	0.37
Actions taken by statutory or regulatory authorities	1	Nil
Claims related to direct and indirect taxes	16	559.78
Other pending proceedings	2	11,500
Total	24	12,060.15
Cases by our Subsidiaries		
Criminal proceedings	11	381.60
Other pending proceedings	Nil	Nil
Total	11	381.60
Cases against our Group Companies which have a material impact on our Company		
Actions taken by statutory or regulatory authorities	2	Nil
Total	2	Nil
Cases by our Group Companies which have a material impact on our Company		
Other pending proceedings	2	Nil
Total	2	Nil

*To the extent quantifiable

For further details of the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” on page 386.

Risk Factors

For details of the risks associated with our Company and Subsidiaries, see “Risk Factors” on page 17.

Our Contingent Liabilities

(₹ in lakh)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by the other healthcare service providers.	21,199	22,884	82,875
Claims against the Company not acknowledged as debts			
- Civil cases	25,178	10,898	12,969
- VAT cases	621	39	374
- Income Tax cases	25	25	25
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 eight times the duty saved.	-	1,125	685
Guarantee/letter of credit given by banks (deposit of ₹ 180 lakh (March 3, 2017 ₹ 390 lakh) held by bank as margin shown under the head "other bank balances")	-	-	968

For further details, see “Financial Statements” on page 141.

Related party transactions

For further details of such related party transactions, see section “*Financial Statements*” on page 141.

Split or consolidation of equity shares of our Company in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the one year preceding the date of this Information Memorandum.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Promoters, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Information Memorandum.

Issue of Equity Shares for consideration other than cash in the last one year

Except pursuant to the Scheme and as disclosed in the section “*Capital Structure*” on page 41, our Company has not issued any Equity Shares in the one year preceding the date of this Information Memorandum for consideration other than cash.

SECTION III: RISK FACTORS

The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. To obtain a more detailed understanding of our Company and the industry in which we operate, please read this section in conjunction with the sections “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Industry Overview” on pages 62, 368 and 55 respectively, as well as the other financial and statistical information contained in this Information Memorandum.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. For details, see “Forward-Looking Statements” on page 11. Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Audited Consolidated IND AS Financial Statements prepared before the Scheme becoming effective and therefore does not reflect our financial position or potential impact on the financials post the effectiveness of the Scheme.

Internal Risk Factors

1. Any failure to maintain and / or improve our hospital occupancy rate may have a negative impact on our profitability and results of operations.

We intend to invest significant amount of capital expenditure in expanding our bed capacity by adding additional beds in the existing hospitals owned by us and our Managed Healthcare Facilities. Further, a large part of our business revenue is dependent on IPD admissions and bed occupancy rates. Our occupancy rate stood at 72.2% in Fiscal 2020 and we incurred capital expenditure of ₹8,093 lakh during Fiscal 2019 towards such expansion. Additionally, we spent approximately ₹4,240 lakh, ₹1,940 lakh and ₹ 2,880 lakh in Fiscals 2018, 2019 and 2020, respectively, in investing and upgrading the technology at the hospitals owned by us and at our Managed Healthcare Facilities. While we have entered into long term contracts and are empanelled with various insurance companies and institutions, we do not have assured revenues. Improving occupancy rates at the hospitals owned by us and at our Managed Healthcare Facilities is highly dependent on brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain known and respected doctors, our ability to develop various clinical practices and our ability to compete effectively with other hospitals and clinics. In addition, some of the procedures performed in our Managed Healthcare Facilities are elective in nature and patients may choose not to undergo these, more so during financial difficulties.

Any failure by us to maintain and /or improve our occupancy rates, despite incurring such capital expenditure could adversely affect our operating efficiencies and our profitability.

2. We are subjected to high medical and legal risks typically associated with the operation of our Network Healthcare Facilities including negative publicity, which, if materialized, may impact our reputation and business.

We are associated with the risks typically arising out of the operation of the Network Healthcare Facilities. Our operations involve treatment of patients with a variety of infectious diseases. Despite the exercise of abundant caution by us, certain people may contract serious communicable diseases due to their stay at our facilities. This could result in significant claims for damages against us and subsequent loss of reputation. In addition to claims for damages, any of these events may limit the activities of our hospitals as a result of quarantines, closing of certain parts of the hospitals at times for sterilization, regulatory restrictions on, or the withdrawal of, permits and authorizations, which may indirectly result, through a loss of reputation, in reduced utilization of our hospitals. Any of these factors could have a material adverse effect on our reputation and business.

Further, we are exposed to the risk of legal claims and regulatory actions arising out of the healthcare services provided by us and any non-compliance with the provision with various laws and regulations. Our medical professionals, employees, directors, promoters and others may be subject to criminal proceedings, including relating to allegations of medical negligence. The existence of such claims may harm our professional standing

and market reputation and/or that of the doctors and medical professionals involved. Regardless of their validity, negative publicity arising from such claims may adversely impact the number of patients visiting our healthcare facilities and the revenue therefrom. Moreover, if any such claims succeed, we may become liable for the damages and other financial consequences in excess of the insurance coverage or the indemnity and this may adversely affect our business, financial condition, results of operations, cash flows and prospects.

For instance, our hospital at Shalimar Bagh, was allowed to increase its bed capacity by 10% to 20% subject to the condition that such increased beds were to be offered only to the patients with chikungunya and fever cases. However, from news paper reporting of a medical negligence case registered against the Shalimar Bagh hospital and its doctors, it was alleged that the increased beds were offered to gynaecological patients as well, which was in violation of the circular issued by DGHS and subsequently our license to run the said hospital was cancelled and the hospital could not admit new patients for certain days. This resulted in the negative publicity thereby affecting our reputation and our business.

3. *Our Network Healthcare Facilities are susceptible to risks arising on account of fire, riots and strikes. Accordingly, our business and results of operations may be adversely affected in case of a fire outbreak, riots and strikes or any other accident of a similar nature at our Network Healthcare Facilities.*

Our Network Healthcare Facilities are specifically susceptible to risks arising on account of fire, riots and strikes. We store, handle and use certain chemicals, such as alcohol, sanitizers, gases, fuels *etc.*, and other inflammable materials at several of our Network Healthcare Facilities. Further, any short circuit of power supply for our equipment and machines including airconditioning plants, power supplies, *etc.* could result in accidents and fires that could result in injury or death to our employees, our patients, and other persons present at our Network Healthcare Facilities. While, as of the date of this Information Memorandum, our operations have not yet suffered any incident of fire, we cannot assure you that any such incident may not occur. For instance, in 2011, there was a major fire outbreak at the AMRI hospital in Kolkata, which claimed the lives of many people and led to severe damage of the property. Similarly, in 2018, a fire outbreak in a hospital in Mumbai caused similar injuries and destruction. Although we believe that we maintain appropriate levels of safeguards for prevention, detection and control of fire and also insurance against damage due to fire with respect to our assets, such processes and insurance may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. Accordingly, our business and results of operations may be adversely affected in case of a fire outbreak, riots and strikes or any other accident of a similar nature at any of our Network Healthcare Facilities.

4. *Our business may be materially adversely affected due to any pandemic. CoVID-19 has significantly impacted our revenue and we are currently unable to accurately predict the near-term or long-term impact of the CoVID-19 pandemic on our business.*

Our business may be materially adversely affected due to any pandemic. Recently the World Health Organization declared the CoVID-19 disease (commonly known as “coronavirus”) outbreak a “Public Health Emergency of International Concern”, and it was, thereafter, declared as a pandemic. Between January 2020 and the date of this Information Memorandum, CoVID-19 has spread from China to many other countries, with a number of reported cases and related deaths increasing daily and, in many countries including India, exponentially. Several countries’ governments and numerous companies have imposed increasingly stringent restrictions to help avoid, or slow down, the spread of CoVID-19, including restrictions on international and local travel, public gatherings, physical participation in meetings, as well as closure of universities, schools, stores and restaurants. Certain countries, including India have also imposed strict curfews and lockdowns.

The global health and economic implications of this pandemic has had, and could continue to have, a significant impact on our business, operations and financial performance. Although, the healthcare sector is at the forefront, our business has been substantially impacted due to the reduction in footfalls at our Network Healthcare Facilities and consequent, reduction of revenue. The other impacts of this pandemic on our business, operations and future financial performance include, but are not limited to:

- Decrease in revenues and increase in our cost of operations due to various directives issued by certain government bodies / local regulatory agencies and/or courts to, amongst other things, regulate prices, mandatory bed allocation for CoVID – 19 patients and provision of healthcare to such patients;
- Delay in renewal or obtaining the necessary registrations, approvals, licenses and permits from statutory/regulatory in a timely manner;

- Restrictions on movement of people and necessary materials required for running our operations;
- Reduction in footfalls in out-patient department and admissions in in – patient department, due to the patients deferring the elective and non – urgent visits/surgeries/ procedures. Further, certain Network Healthcare Facilities are being solely dedicated to the treatment of CoVID – 19 patients and in certain other facilities significant bed capacity has been dedicated to the CoVID – 19 patients;
- Reduction in the revenues from international travellers on account of complete shut down of international air traffic;
- Delay or postponement in projects or engaging in new projects, if any, to be implemented or executed by us in the near future, which can adversely impact our ability comply with the financial covenants with respect to our borrowings which may in the short or medium term lead to event of defaults under our Company's arrangements;
- Limited access to funds or shortages of cash due to volatility in the financial markets and measures adopted by various governments;
- Risk of contracting CoVID – 19 by doctors, nurses and other healthcare professionals working at our Network Healthcare Facilities leading to shortage of manpower and extra costs; and
- Increased costs to ensure the safety of our workforce and continuity of operations while conforming to the measures implemented by various governments. These include higher costs for procuring, amongst others, disinfectants, handrubs, PPE kits and other such short supply items.

Further, we have formed a Central Co-ordination Committee (“**Committee**”) to oversee and co – ordinate the functioning of our Network Healthcare Facilities during the CoVID – 19 pandemic and specific roles have been assigned to members. The Committee has helped in formulating medical protocols and standard operating procedure for the training of the doctors and other medical staff and the treatment of the CoVID – 19 patients. We have also revised certain policies such as the attendant policy, visiting hours policy for the existing and new patients in order to curb the CoVID – 19 infection. Additionally, we have developed sources for procuring PPE kits and other required supplies and materials for carrying on the operations smoothly and have promoted on-line audio and video consultation by the doctors. In order to reduce the impact of CoVID – 19 on our Network Healthcare Facilities, we have realigned the infrastructure, patient outflows and the protocol.

The impact of the CoVID-19 pandemic on our business will depend on a range of factors, which we are not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India and globally, and the nature and severity of measures adopted by central and state governments. As of the date of this Information Memorandum there is significant uncertainty, and the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Given the uncertainty relating to the severity of the near and long-term adverse impact of the CoVID-19 pandemic on the global and national economy and financial markets, we are unable to accurately predict the near-term or long-term impact of the CoVID-19 pandemic on our businesses.

5. *There are various proceedings pending against our Company, certain Subsidiaries, our Directors, our Promoters and one of our Group Companies, which if determined against them, may have an adverse effect on our business.*

There are outstanding legal proceedings involving our Company, certain Subsidiaries, our Directors, our Promoters and one of our Group Companies which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. For details, see “*Outstanding Litigation and Material Developments*” on page 386.

We cannot assure you that any of these matters will be settled in our favour or in favour of our Directors, Promoters or Group Companies or that no additional liability will arise out of these proceedings. An adverse

outcome in any of these proceedings could have an adverse effect on our business, results of operations and reputation.

6. *Our operations are majorly concentrated in northern India and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition.*

As of the date of this Information Memorandum, out of the 17 Network Healthcare Facilities, eight hospitals and five medical centers are located in Delhi and NCR, one hospital is located in Mumbai and three hospitals are located in Mohali, Bathinda and Dehradun. Accordingly, a significant portion of our network operations are concentrated in north India. We derived 77%, 76% and 76% of our revenue from operations from Delhi and NCR for the financial years 2018, 2019 and 2020, respectively. In the event of a regional slowdown in the economic activity in the NCR region, or any other developments including political or civil unrest, disruption or sustained economic downturn that reduce the demand for our services in these regions, our business, financial condition and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these regions may get affected.

7. *Our high fixed costs adversely impact our profitability, which has an adverse impact on our results of operations.*

We operate in an industry with typically high fixed costs. Our fixed costs contributed to about 56%, 61% and 61% of our total expenses for Fiscal 2018, Fiscal 2019 and Fiscal 2020, respectively. Our fixed costs typically include employee benefits expenses, other expenses towards professional and consultancy fees (including those paid to the doctors), rent, insurance, rates and taxes, facility maintenance expenses, power and fuel, repairs and maintenance, expenses for medical treatment of weaker sections, interest, depreciation etc.. These fixed costs are regardless of our revenue generated, and we cannot assure you that the levels of our fixed costs will decrease in the future. Higher fixed costs would mean that our profitability would be severely impacted during slow down or in the event of a reduction in our revenues. Our fixed costs have had, and will continue to have, an adverse impact on our results of operations.

8. *Inability to attract or retain, our doctors, nurses and other healthcare professionals, as well as other key personnel could adversely affect our business, cash flows and results of operations.*

Our performance and the execution of our growth strategy depend substantially on our ability to attract and retain senior clinicians and other healthcare professionals. As on June 30, 2020, we had approximately 4,400 senior and competent clinicians (which include visiting clinicians), 4,295 nurses and 2,125 paramedical staff. These clinicians are in high demand and this makes it difficult to hire and retain senior doctors. Further there are significant numbers of doctors and clinical teams who are not our employees but are engaged under a medical services agreement. In addition, some of our doctors work only part time and are engaged in private practice in other hospitals/clinics. We may not compare favourably with other healthcare providers on certain factors such as level of compensation, the reputation of the healthcare facility and its owner, the quality of the infrastructure, research opportunities and community relations. It may be difficult to negotiate favourable terms and arrangements with such doctors. Any significant change in the number or quality of doctors could have significant impact on our revenues and profitability.

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses, resident doctors, to support the multi-speciality and super-speciality practices at our healthcare facilities. There is no guarantee that we will be able to attract and retain sufficient qualified nurses and other support staff. If we are unable to attract or retain doctors or other medical personnel as required, we may not be able to maintain the quality of our services and we could be forced to admit fewer patients. We are also highly dependent on the members of our senior management team, to manage our current operations and meet future business challenges. In particular, the services of our senior management and our senior doctors have been and are integral to growth and sustenance of and the business. The loss of the services of our senior management or key personnel, including our senior doctors, could seriously impair our ability to continue to manage and expand our business.

9. *If we are unable to identify expansion opportunities or if we experience delays or other problems in implementing such projects, our growth, financial condition, cash flows and results of operations may be adversely affected.*

Our growth depends on our ability to develop, acquire and manage additional healthcare facilities. We are

continuously evaluating other projects including acquisition opportunities, some of which may be material. We may not be able to identify suitable sites for new healthcare facilities or negotiate attractive terms for such projects. The number of attractive expansion opportunities may be limited, and may command high valuations. We may be unable to secure the necessary financing to implement expansion projects.

In addition, our plans are subject to a number of variables that may involve delays or problems, including the failure to receive or renew regulatory approvals, constraints on human and capital resources, the unavailability of equipment or supplies or other unforeseen events or circumstances, and changes in the management's views of the desirability of current plans. Our projects may incur significant cost overruns and may not be completed on time or at all. In addition, the businesses that we acquire may have contingent liabilities which may not be provided for, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past activities of such businesses. We may not achieve the operating levels that we expect from future projects and we may not be able to achieve our targeted return on investment on, or intended benefits or operating synergies from, these projects, including as a result of our failure to successfully integrate them with our current operations or an inability to manage such enterprises. Any uncertainty with respect to the title of the lands on which our healthcare facilities and potential acquisition targets are or may be located, including related litigation, may also cause delays in, and may otherwise curtail, the acquisition of other healthcare facilities, the building of new healthcare facilities and other expansion opportunities.

In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our proposed project expenditures. Any unanticipated increase in the cost of expansion could adversely affect our financing plans and our ability to implement the projects as proposed. A failure to identify suitable expansion projects, obtain adequate financing, implement these projects in an efficient and timely manner or delays in the execution of such projects may adversely affect our business, financial condition, results of operations, cash flows and prospects.

10. Termination of contracts with third party payers and insurers may affect our results of operations and profitability.

We enter into various contracts with third parties such as healthcare providers, contracts with third party payers and consumers on an ongoing basis for carrying on our present business activities. We also have tie – ups with various ministries and government departments of various countries for providing healthcare services. Accordingly, we have significant exposure and derive a significant part of our revenue and operating profits from these contracts with third party payers and insurers who sponsor patients for treatment in our Network Healthcare Facilities. While we have entered into binding contracts with these providers, in the event these contracts are terminated by such parties, our revenues and profitability would be affected due to significant loss incurred by us. For instance, in August 2017, over the course of protracted negotiations with public sector insurance companies, the regional committees of such insurance companies held up the cashless facility for retail and corporate clients which led to a reduction in footfalls from insured patients till such time the contract was renewed.

Any commercial disputes with such parties or any inability to renew these contracts on favourable terms or at all, could lead to significant loss in our revenue and profitability.

11. Our business and operations are subject to risks associated with the agreements entered by us with the societies and trusts that own the Partner Healthcare Facilities and Managed Healthcare Facilities.

We do not own the Partner Healthcare Facilities and the Managed Healthcare Facilities. The Partner Healthcare Facilities contributed, ₹34,984 lakh, ₹26,069 lakh and ₹22,865 lakh respectively for Fiscals 2018, 2019 and 2020 in terms of the revenue for supply of goods and services to them by our Company and Subsidiaries. The Partner Healthcare Facilities contribute to our revenues by way of fees for healthcare services provided by us pursuant to various arrangements. Out of the total contribution, ₹18,756 lakh, ₹20,070 lakh and ₹17,955 lakh for Fiscals 2018, 2019 and 2020, respectively, was contributed in terms of the revenue for the healthcare services including patient treatment and diagnostic. The total contribution also included contribution of ₹8,568 lakh, ₹1,263 lakh and ₹169 lakh for Fiscals 2018, 2019 and 2020, respectively, for the sale of pharmacy and pharmaceutical supplies. These Partner Healthcare Facilities, to whom we provide healthcare services pursuant to such agreements, may also be a source of significant financial exposure for us including for trade receivables, loans and corporate guarantees etc. We may not achieve the operating levels that are expected from these Partner Healthcare Facilities and we may not be able to achieve its targeted return on investment or intended

benefits from such facilities. Further, there could be an adverse impact on the Partner Healthcare Facilities owing to the operations of the respective societies, which may affect our results of operations and financial condition.

These Partner Healthcare Facilities are owned by their respective societies, which are charitable institutions registered under the Societies Registration Act, 1860 and hold perpetual leases of land allotted at nominal rentals by the local authorities for the specific purpose of constructing and developing healthcare facilities on such land. These leases may be revoked by the local authorities in the event the usage of such land is not in accordance with the terms of such leases and the society loses its status or in the event of any proposed transfer or assignment of these plots without the prior written consent of the local authorities. Any termination of these leases will adversely affect our ability to operate these hospitals or provide medical services therein, which will materially and adversely affect results of our operations and financial conditions.

Further, in terms of the agreements entered into by us with the societies, we have provided, certain indemnities against any losses that may be incurred by such societies on account of any act or omission by us in providing medical services at the hospitals. Therefore, in the event we are required to pay any sums as indemnification to any of the societies, for any losses suffered by them or there is any litigation which impairs the ability of these societies to discharge their obligations towards us, or such litigations result in modification / termination of these agreements, it may have an adverse impact on the profitability of our business and the concerned Partner Healthcare Facilities which in – turn would affect the ability of such societies to pay us for the services rendered, thereby adversely impacting our profitability. Further, these agreements provide for unilateral termination by the counterparties and any such unilateral termination by any counterparty may, materially impact our revenues, profitability and financial position.

We have, in some cases, issued corporate guarantees against the amounts borrowed by such societies from certain banks and financial institutions. We have also placed certain performance deposits with these societies and have financial exposure for the amount billed but unpaid by these societies towards goods and services supplied to them. Any adverse event or action against the societies by the lenders, regulatory authorities, vendors, patients or third parties will curtail the level of activity in these hospitals. This may impact the financial condition of such societies which may, in turn, impact our ability to earn revenues from these hospitals by rendering medical services and also recover the various amounts due from them.

12. We may acquire or divest certain businesses, which may materially affect our financial condition, cash flows and results of operations.

We have pursued and may continue to pursue acquisitions and strategic investments in businesses and companies that operate in the healthcare industry and whose resources, capabilities and strategies are complementary to and likely to enhance our business operations. In addition, from time to time we pursue sale opportunities or receive offers from third parties to acquire all or part of certain of our businesses. We continue to evaluate such sale opportunities and, in the event that we are able to agree on commercially acceptable terms, we may choose to divest certain businesses in order to realise value for such businesses to reduce our overall indebtedness levels or generate cash for future expansion opportunities.

It is possible that we may not be able to identify suitable investment opportunities, or if we do identify suitable opportunities, we may not be able to complete those transactions on terms acceptable to us. Any inability to identify suitable investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects. Further, there can be no assurance that we will be able to successfully sell any of our businesses on terms favourable to us, or at all.

13. Our expansion strategy is dependent on our ability to maintain relationships with our partners following strategic acquisitions and to continue to operate our existing hospitals including the businesses which we acquire.

Our business growth has been driven by establishing new hospitals through expansion and acquisitions and we expect these to continue to be the key drivers for our future growth. See “Our Business” and “History and Certain Corporate Matters” on pages 62 and 81, respectively. The success of our business is dependent on our ability to maintain cordial relationships with our partners, and identify suitable acquisition targets and to undertake new acquisitions. We may be unable to continue to operate our hospitals if there are any conflicts or disputes with our partners, or if our partnership arrangements are not renewed at the end of their terms. As a result of any operations which are discontinued in the future, we may have to significantly write – off our

amounts spent on these hospitals. We cannot assure you that any of our existing or future hospitals will not be closed temporarily or permanently in the future due to any business or other reasons. If any of our existing or future hospitals is closed, whether temporarily or permanently, we may not derive returns on the amounts invested in such hospitals, and our business, financial condition and cash flows could be materially and adversely affected.

14. *We are subject to risks associated with expansion into new geographic regions.*

We are subjected to various challenges such as lack of familiarity with the regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions while expanding into new geographic regions, including different states in India. For instance, we established a 200 bedded super speciality hospital in Bhatinda, being the first hospital from an organised healthcare chain in the city. However, we incurred substantial cash losses in the hospital due to our inability to attract competent doctors in all specialties and the prevailing nursing home culture in the city and inclination of the local people to travel to Ludhiana and/or Chandigarh for their healthcare needs. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations and exposed to significant liability, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

Accordingly, we could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

15. *The financial information included in this Information Memorandum should not be viewed as being indicative of our financial performance post effectiveness of the Scheme. Accordingly, limited reliance should be placed on the financial information included in this Information Memorandum.*

The financial information included in this Information Memorandum is derived from the Audited Consolidated IND AS Financial Statements of our Company, which includes the financial performance of our Company and our Subsidiaries (excluding Radiant Mumbai) prior to the effectiveness of the Scheme. Accordingly, the Audited Consolidated IND AS Financial Statements are not reflective or indicative of our performance post effectiveness of the Scheme. Further, information for certain financial parameters of our Partner Healthcare Facilities and Radiant Life are included in this Information Memorandum which do not form a part of our Audited Consolidated IND AS Financial Statements. Accordingly, we cannot assure you that the comparative descriptions included in this Information Memorandum provide a true representation of the changes to our underlying business as on the date of this Information Memorandum. Accordingly, limited reliance should be placed on the Audited Consolidated IND AS Financial Statements. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 368.

16. *Our Company relies substantially on the Subsidiaries to generate revenue and any decline in the earnings of the Subsidiaries or their ability to pay dividends to our Company could materially and adversely affect our earnings.*

Currently, our Company, through the Subsidiaries, operates and manages the Partner Healthcare Facilities and the Managed Healthcare Facilities. Our Company derives significant revenue from such hospitals and substantial part of our earnings and cash flows are attributable to the Subsidiaries. If the earnings from the Subsidiaries were to decline, our Company’s consolidated earnings and cash flow would be materially affected. We cannot assure you that the Subsidiaries will generate sufficient earnings and cash flow to pay dividends or otherwise distribute sufficient funds to enable our Company to meet its obligations, pay interest and expenses or declare dividends.

17. *We require certain approvals, licenses, registrations and permits for conducting our business including accreditation of some of our hospitals to maintain empanelments and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.*

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our facilities. We also maintain certain accreditations such as NABH for hospitals, nursing excellence, blood banks, NABL, Green OT certification and JCI. For details, see “*Government and Other Approvals*” on page 394. The regulatory licenses that we require are typically granted for a limited term and are subject to renewal at the end of such terms. We cannot assure that we will be able to obtain or renew all necessary licenses and registrations as and when required, within a reasonable time, or at all.

Our licenses, accreditations and approvals are subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to incur substantial expenditure. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to significant compliance costs or liabilities or could affect our ability to continue our operations. Further, in the event certain accreditations are made compulsory, either by law or as a condition for empanelment, our business and operations may be adversely affected until such time we receive such accreditations. If we fail to obtain or renew any applicable approvals, accreditations, licenses, registrations or consents in a timely manner, we may not be able to undertake certain operations of our business, or at all, or treat patients from certain payor segment, which may affect our business or results of operations. Any failure to renew the approvals and accreditations that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations, accreditations or consents that have been or may be issued to us, may adversely affect our business, results of operations and financial condition. For details of material approvals not obtained by our Company, see “*Government and Other Approvals*” on page 394.

18. *Failure or malfunction of our equipment could adversely affect our ability to conduct our operations.*

Our operations are subject to risks inherent in the use of complex medical equipment some of which deal with radioactive substances. We may experience failures or there could be an injury caused to our employees or patients or others either because of the failure, accident, defects, faulty maintenance or repair, or improper use or lack of timely servicing of our equipment. Any significant malfunction or breakdown of our equipment may entail significant repair and maintenance costs and cause disruptions in our operations. Any injury caused by our medical equipment in our Network Healthcare Facilities including release of radiation or leakage of substances due to equipment defects, accident, improper maintenance or inadequate operation could subject us to significant liability claims. We cannot assure you that we would be able to effectively respond to any such events, in a timely manner and at an acceptable cost, which could lead to an inability to effectively provide our services and, therefore, affect our business and reputation.

19. *The Partner Healthcare Facilities and Managed Healthcare Facilities may not be fully compliant with the laws applicable to them and any adverse action taken by regulatory authorities against them may adversely impact our revenues and financial results.*

The Partner Healthcare Facilities and Managed Healthcare Facilities are operated and managed by us pursuant to the arrangements we have with various societies and trusts. In terms of such agreements and arrangements, the societies and trusts have to comply with the regulations governing the establishment and operations of such Partner Healthcare Facilities and Managed Healthcare Facilities. We do not exercise any oversight over the compliance management and operation of such societies or trusts who own these Partner Healthcare Facilities and Managed Healthcare Facilities. In the event of any failure by any of these societies or trusts to obtain and renew regulatory approvals and licences in a timely manner, may adversely affect our revenues and profitability.

Further two of our facilities located in Bhatinda and Mohali operate under public private partnership with the Government of Punjab. Such types of arrangements are prone to changes in laws, rules and regulations laid down by the government and may be called off at any given time. Should such events materialise, it may adversely impact our business, operations and financial conditions.

- 20. One of our hospitals and four hospitals owned by the societies are required to provide free medical services, to the extent of 25% of OPD consults and 10% of IPD beds, to the patients belonging to economically weaker sections of the society. In addition, we are required to discharge charitable obligations at BNH Hospital. The regulations governing the provision of free services and charitable obligation are subject to change and can be extended to other hospitals leading to impairment of profitability and financial position and thereby affecting to reach or maintain the desired free patient ratio due to variety of reasons.**

We are required to reserve 10% of the available capacity as free beds for treatment of patient from EWS category free of costs, in one of our hospitals i.e. Max Super Speciality Hospital, Shalimar Bagh and in certain of our Partner Healthcare Facilities and Managed Healthcare Facilities. Similarly, for BNH Hospital in Mumbai, we are required to discharge the charitable obligations under the Bombay Public Trusts Act, 1950. Further, the regulations governing the provision of free services and charitable obligations are subject to change from time to time at the discretion of the relevant regulatory authority. In the event we expand our capacity of the available beds in such hospitals, which will entail higher costs towards treatment of patients from economically weaker sections, our operating margins will be adversely impacted. Additionally, in the event such hospitals are unable to maintain the ratio of free patients, it can lead to regulatory action and claims by regulatory authorities on the grounds of unwarranted profit made by such hospitals.

- 21. Our Promoters are involved in a number of businesses, in their personal capacities, which are independent of our Company and we may not be aware of events or circumstances related to the Promoters that could have a negative impact on our businesses.**

Our Promoters are involved in various other businesses which are independent of our Company and its Subsidiaries. We are not privy to any information in relation to these independent business interests and we have not independently verified the interests. To the extent there is any negative publicity or events regarding any Promoter in their personal capacity or on any of the independent activities and/or businesses conducted by them, we cannot assure that such negative publicity or events will not have an adverse effect on our businesses, prospects or on the market price of our Equity Shares.

- 22. We have in the past ceased operations at certain facilities and may do so in future. Any such action by us may adversely impact our revenue and results of operations.**

The operations and profitability of our Network Healthcare Facilities are impacted by economic and social factors in each of the locations. We continuously review the performance parameters of each facility and compare these with earlier projections and our expectations. This may lead to change in strategies over a period of time whereby we may fully or partially shut down the operations at a given facility and/or exit certain markets. For instance, our Company ceased IPD operations at Max Multi Speciality Centre, Noida and Max Multi Speciality Centre, Pitampura in April 2018 and December 2016 respectively. We also completely shut down the operations at Max Eye and Dental Care at Panchsheel Park (south) in 2015 and at Max Speciality Hospital at Greater Noida in November 2019. Further, we intend to completely shut our operations at Max Multi Speciality Centre, Pitampura and our Board on June 27, 2020 has approved the same. Accordingly our Company has initiated the process of discontinuing its operations at Max Multi Speciality Centre, Pitampura.

We continue to review performance of each facility and re – deploy our resources wherever we foresee the investment, risk and rewards misaligned. Such actions will adversely impact our revenue, which may lead to write offs of large investments thereby impacting financial results.

- 23. We have entered into certain contractual arrangements with some of our doctors which may give rise to conflicts of interest and time allocation constraints and which could adversely affect our operations.**

We have entered into contracts and arrangements with certain doctors, who provide services to our Network Healthcare Facilities on a part – time basis and which permits them to maintain their own private practices as well as positions in a limited number of hospitals and clinics or affiliations with teaching institutes. These arrangements may give rise to conflicts of interest including but not limited to allocation of time and other resources between our hospitals and other clinics and hospitals where they work and where such doctors refer their patients. Such conflicts may prevent our Company from providing a high quality of service at its hospitals and adversely affect the level of intake of the patients.

24. Any delay in payment of outstanding dues by third parties may affect our financial condition and results of operations

Our patients pay for their medical expenses typically either by themselves or through third party payers which includes central, state and local government bodies, private and public insurers and corporate entities. The revenue received through such third party payers constitutes a key component of the total revenue from operations of our Company. Further, any revision in the prices set under the Central Government Health Scheme, Ex-Servicemen Contributory Health Scheme or by the third party administrator may affect the ability of our patients to pay the outstanding dues. Any delay by such third party payers of outstanding dues may affect our cash flows, which may, in turn, materially and adversely affect our financial condition and results of operations.

25. We are significantly dependent on financing from the banks or financial institutions to carry on our business operations. Any inability to obtain additional financing at all or on terms favourable to us could have an adverse effect on our results of operations and financial condition.

As on March 31, 2020, our total borrowings stood at ₹1,30,124 lakh. Further, our cash inflow / (cash outflow) for Fiscal 2018, Fiscal 2019 and March 31, 2020 were ₹ (612) lakh, ₹(153) lakh and ₹26,719 lakh, respectively. Historically, our cash flows have not been sufficient for funding our operations, and we have relied, and continue to rely, significantly on our borrowings for sustaining our levels of operations. If we decide to raise additional funds through the incurrence of further debt, our interest and debt repayment obligations will increase, which could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

Further, there can be no assurance that we will be able to continue to access funds, including by way of short term borrowings, whether on acceptable terms or at all, to expand or upgrade any of our existing hospitals and medical centres. Any failure to obtain the requisite funds to meet our requirements or expansion or modernisation of existing capabilities may result in our inability to effectively compete with other players in the healthcare industry. Any such failure may have an adverse impact on our profitability, cash flows and results of operations.

26. We may be unable to keep up to date with technological changes, frequent new equipment and product introductions, changes in patients' needs and evolving industry standards.

The market for the healthcare equipment and products is characterised by rapid technological changes, frequent new healthcare equipment and product introductions and technology enhancements, changes in patients' needs and evolving industry standards. New equipment and products based on new or improved technologies or new industry standards can render existing equipment and products obsolete. To effectively provide services at our Network Healthcare Facilities, we have to continually enhance and develop our equipment and facilities and provide sufficient training to our professional staff on a timely basis to satisfy the increasingly sophisticated requirements of the medical professionals providing healthcare services at our hospitals.

Further, as industry standards evolve, we may be required to enhance and develop our internal processes, procedures and training, as well as equipment, in order to comply with such standards and maintain the accreditations that our healthcare facilities have received. There can be no assurance that we or our Network Healthcare Facilities will have sufficient funds to continually invest in such equipment and facilities or access to the latest technology on a timely basis, or at all, or that our prevailing systems may not be sufficiently robust to capture or adapt to the latest changes and updates. In the event that we or our Network Healthcare Facilities are unable to keep up to date with the current trends and needs of the healthcare industry, or that we or our Network Healthcare Facilities lose any of our accreditations, our Network Healthcare Facilities may lose their competitiveness and market share, which may adversely affect the amount of the revenue received by us and adversely affect our business, financial condition, results of operations, cash flows and prospects.

27. Our operations could be impaired by failure of our information technology or cooling systems.

We are significantly dependent on our IT systems for all our clinical, administrative and procurement needs across locations. We have automated workflow and electronic health records to capture and provide treatment to the patients in OPD, IPD and ER. These systems are maintained and operated by our IT team and third party technology service providers. We are therefore dependent heavily on our IT systems to be able to undertake day-to-day operations including provision of medical care to our patients, billing, inventory, management,

ordering and procurement. We have invested significantly in these resources, and our ability to continue to use these facilities will depend on ongoing license fees payable and capital expenditure which we may be required to incur from time to time. Our business will be significantly impacted if there are failures in our IT systems or we are unable to negotiate favorable terms with our technology service providers going forward.

Any technical failure that causes an interruption in service or availability of our systems could adversely affect operations or delay the collection of revenue or cause interruptions in our ability to provide services to our patients. Corruption of certain information / data could also lead to delayed or inaccurate diagnoses in the treatment of patients and could result in damage to the health of our patients. In addition, we may be subject to liability as a result of any theft or misuse of personal information stored on our systems. Although we have implemented network security measures, our servers are vulnerable to computer viruses, hacking, break-ins and similar disruptions from unauthorised tampering.

28. Our Promoters may enter into ventures that may lead to real or potential conflicts of interest with our business. For instance, one of our Group Companies and Promoter Group, Radiant Life, is in the same line of business as that of our Company.

One of our Group Companies and Promoter Group, Radiant Life, is in the same line of business as that of our Company. Similarly, our Promoters may become involved in ventures that may potentially compete with our Company. The interests of any of our Promoters may conflict with the interests of our other Promoters and / or shareholders, and any of our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other shareholders and/or Promoters, which may be harmful to our Company's interests or the interests of our other shareholders, and which may consequently impact our business, financial condition and results of operations.

29. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

The following table sets forth our cash flows for the years indicated:

(₹ in lakh)

Particulars	Financial Year		
	2020	2019	2018
Cash and cash equivalents at the beginning of the year	760	913	1,525
A) Net cash flows from/(used in) operating activities	24,982	8,581	16,571
B) Cash flows from/(used in) investing activities	(12,668)	(1,339)	(12,413)
C) Cash flows from/(used in) financing activities	14,405	(7,395)	(4,770)
(A+B+C) Net increase/(decrease) in cash and cash equivalents	26,719	(153)	(612)
Cash and cash equivalents at year end	27,479	760	913

For further details, see "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 140 and 368, respectively. We cannot assure you that our net cash flows will be positive in the future.

30. We are dependent on third-party suppliers and sub-contractors.

We source majority of our medical supplies, pharmaceuticals and equipment for our operations from third-party suppliers and sub – contractors. We also outsource various activities, such as cleaning and maintenance services, security services, to sub – contractors. The use of third-party suppliers and sub-contractors exposes us to supply chain bottlenecks, quality problems and other potential liabilities or disruptions that may arise in cases where such third-party suppliers and sub-contractors fail to meet their commitments. To the extent that we are unable to rely on these third-party suppliers and sub-contractors, either due to an adverse change in relationships with them, increases in the cost of their goods and services that we are unable to pass through to our patients or their insurers, or a supplier's or subcontractor's inability to provide us with the requisite quantity and quality of supplies or services in a timely manner, our business, financial condition and results of operations could be materially adversely affected.

31. *We may be subject to significant liability should the consumption or use of any of our products cause injury, illness or death.*

Products that we sell or use could become subject to contamination, tampering, mislabelling or other damage. In addition, errors in the dispensing and packaging of pharmaceuticals could lead to serious injury or death. Product liability claims may be asserted against us with respect to any of the products or pharmaceuticals we sell. A product liability judgment against us could have a material, adverse effect on our business, financial condition or results of operations.

32. *We may be subject to labour unrest, slowdowns and work stoppages.*

Healthcare is a manpower intensive sector and we employ a large number of doctors, staff and other people for providing care to our patients. Further, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Presently, except for certain employees of the BNH Hospital who are unionized, none of the employees of our other Managed Healthcare Facilities and the hospitals and medical centres owned by us are unionized. In the event that the employees at our Managed Healthcare Facilities and the hospitals and medical centres owned by us seek to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. The disruption in services due to any potential strikes (including those by the contract labour employed through third party contractors), may affect our reputation, business, financial condition and results of operations.

33. *We have entered into, and will continue to enter into, related party transactions.*

In the ordinary course of our business, we entered into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms, had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. For further details regarding our related party transactions, see "Financial Information – Related Party Transactions" on page 138.

34. *Our Company is a party to several shareholders' agreements, in relation to itself as well as in relation to certain of our Subsidiaries. Any non-compliance with the provisions of these agreements could have a material adverse effect on our Company.*

Our Company has entered into several shareholders' agreements in relation to itself and several of its Subsidiaries. These agreements, amongst other things, impose various obligations on our Company and certain of our Promoters. For further details, see "History and Certain Corporate Matters – Shareholders' Agreements" on page 92. Our Company has, in the past, defaulted in complying with certain provisions of certain shareholders' agreements. Further, we cannot assure you that, going forward, similar instances of defaults will not arise, whether on account of our Company or on account of any of our Promoters. Any default or non-compliance with the provisions of the shareholders' agreements could result in a variety of adverse consequences, including an event of default, thereby having a material adverse effect on our Company.

35. *There are certain restrictive conditions on us pursuant to financing agreements entered into by the Company. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.*

We and the hospitals and medical centres owned by us and the Managed Healthcare Facilities have availed certain borrowings and have entered into financing agreements with the lenders. The financing agreements include, amongst others, various conditions and restrictive covenants, including the requirement that we obtain consent from/intimate the lenders prior to carrying out certain activities and entering into certain transactions including (a) the amendment of our memorandum and articles of association; (b) incurrence of financial indebtedness; (c) issuance of new securities; (d) undertaking certain corporate actions like issue of bonus shares or sub-division of shares; (e) undertake any revocation, consolidation, combination or merger; and (f) change in

line of business. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. A breach of any of these covenants by us or the hospitals and medical centres owned by us and the Managed Healthcare Facilities could result in a variety of adverse consequences, including increase in the interest rate, the termination of the credit facilities in part or full, enforcement of any security provided and acceleration of all amounts outstanding.

36. *If we are unable to raise additional capital, our business, results of operations, financial condition and cash flows could be adversely affected*

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

37. *This Information Memorandum contains information from industry sources including the industry report from FICCI.*

Certain information in the section entitled “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 55, 62 and 368, respectively, has been derived from the various industry sources and the reports titled ‘Re – engineering Indian Healthcare 2.0’ and ‘Demystifying Healthcare Costs: A Scientific Approach, Healthcare at Crossroad, FICCI, 2018,’ issued by FICCI (“**FICCI Reports**”). Neither we nor any other person connected with the Information Memorandum has verified the information in the FICCI Reports or the other industry sources. Further, these reports are prepared based on information as of specific dates, which may no longer be current or reflect current trends. The FICCI Reports may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect.

38. *Our Promoters will continue to exert substantial voting control over our Company after the equity shares of our Company are listed, which may limit the ability of the shareholders to influence the outcome of matters submitted for approval of our shareholders.*

As on the date of this Information Memorandum, our Promoters hold 82.24% of our equity share capital. For further details, see “Capital Structure” on page 41. Following the completion of the listing of our equity shares, on the stock exchanges, our Promoters, may continue to hold a majority of our Company’s equity share capital. This concentration of ownership could limit the ability of the other shareholders to influence corporate matters requiring shareholders’ approval. Our Promoters will have the ability to significantly influence matters requiring shareholders’ approval, including the ability to appoint directors on our Board and the right to approve significant actions at Board and at shareholders’ meetings, including the issuance of equity shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. In addition, if our shareholders do not act together, such matters requiring shareholders’ approval may be delayed or may not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

39. *Our Promoters, Analjit Singh and Max Ventures Investment Holdings Private Limited, have availed certain borrowings which may impact their shareholding in the Company*

Our Promoters, Analjit Singh and Max Ventures Investment Holdings Private Limited, have availed certain borrowings in their personal capacity, in the ordinary course of their business. Some of these borrowings are secured by pledges over the shares of our Company and in certain cases, non-disposal undertakings over their assets have been issued by these Promoters in favour of their lenders, which will include their shares in our Company as well. For details, see “*Our Promoters and Promoter Group - Guarantees*” on page 123.

40. Certain of our Promoters, Directors and Key Managerial Personnel have interests in our Company in addition to their normal remuneration or benefits and reimbursement of expenses incurred.

Certain of our Promoters, Directors and Key Managerial Personnel such as Abhay Soi, Kummamuri Narasimha Murthy (on account of his shareholding in Erstwhile Max India which was subsequently transferred to our Company post the effectiveness of the Scheme), Analjit Singh and Max Ventures Investments Holding Private Limited have interests in our Company that are in addition to reimbursement of expenses and normal remuneration payable to them. These Promoters, Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that these Promoters, Directors and our Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

41. We have certain contingent liabilities in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.

The following table sets forth certain information relating to our contingent liabilities, as of March 31, 2020:

(₹ in lakh)	
Particulars	March 31, 2020
Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by other healthcare service providers.	21,199
Claims against the Company not acknowledged as debts	
- Civil cases	25,178
- VAT cases	621
- Income Tax cases	25

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further details, see “*Financial Information*” on page 140.

42. Certain of our Group Companies have incurred losses in the preceding fiscal and may incur losses in the future.

Certain of our Group Companies have incurred losses in Fiscal 2019 as follows:

(₹ in lakh)	
Name of the Group Company	Fiscal 2019
Medecube Healthcare India Private Limited*	(661.06)
Max Ventures Private Limited	(5,480.2)
Core Diagnostics Private Limited*	(2,065.67)

*Our erstwhile director, Dr. Ajit Singh, who ceased to be a director of our Company with effect from March 31, 2019 is also a director of these entities. Accordingly, these entities are identified as Group Companies since they form part of the related party transactions of the Company for the period for which the financial information is disclosed in the Information Memorandum.

Further, Radiant Life has incurred a loss of ₹ (520) lakh in Fiscal 2020.

For further details of our loss making Group Companies, see “*Our Group Companies*” on page 130. There can be no assurance that our Group Companies will not incur losses in the future.

43. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of

financing arrangements that we may enter into. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will be able to pay dividends in the future. For further details, see “Dividend Policy” on page 139.

44. *We conduct certain business operations on leased premises and our inability to renew such leases may adversely affect our business, results of operations and financial condition.*

Some of our hospitals and medical centres are on leasehold or leave and license basis. In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. We may be unable to relocate our offices in a timely manner or at acceptable terms, which may adversely affect our business, results of operations and financial condition.

Further, a few of our lease agreements, such as parts of the premises leased for the Max Super Speciality Hospital, Pitampura is not registered and our Company is continuing its operations in the premises on the basis of monthly tenancy. Additionally, some of our non material agreements/ instruments may not have been duly stamped as per applicable law or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court or may even attract a penalty as prescribed under applicable law, which could adversely affect our business, results of operations and financial condition.

45. *Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business.*

We consider our brand and intellectual property to be most valuable asset and we have certain trademarks registered in India. We also rely on unpatented proprietary know-how, continuing technological innovation and other trade secrets to develop and maintain our competitive position.

Further, we have made applications for registration of certain trademarks which are currently pending. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive position. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations and financial condition.

Further, our tests and business processes may infringe on the intellectual property rights of others. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised in the future, these claims could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Infringement and other intellectual property claims, regardless of their merit, can be expensive and time-consuming to litigate.

46. *We may not have sufficient insurance coverage to cover all possible economic losses. If we incur an uninsured loss or a loss that significantly exceeds the limits of our insurance policies, the resulting costs may have a material adverse effect on our business, financial condition and results of operations.*

Our operations carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and machinery and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain robust insurance coverage, in amounts we believe are commercially appropriate, including insurance against damage, loss of profit and business interruption, marine inland transit and third party liability insurance with respect to our assets. However, such insurance may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. Even where we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. If our losses significantly

exceed our insurance coverage or cannot be recovered through insurance, our business, financial condition and results of operations could be materially and adversely affected.

Furthermore, the occurrence of an event for which we are not adequately or sufficiently insured or for which insurance is not available in the market, or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies, could have a material adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have a material adverse effect on our business, financial condition and results of operations. For further details, see “Our Business – Insurance” on page 75.

External Risk Factors

47. Significant differences exist between Indian Accounting Standards (“IndAS”) and other accounting principles, such as the generally accepted accounting principles in the US (“US GAAP”) and International Financial Reporting Standards (“IFRS”), which may be material for an assessment of our financial condition.

The financial statements included in this Information Memorandum have been prepared in accordance with IndAS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Information Memorandum, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from IndAS. Accordingly, the degree to which the IndAS financial statements, included in this Information Memorandum, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Information Memorandum should be limited accordingly.

48. Various challenges currently faced by the healthcare industry in India may also adversely affect our business, results of operations and financial condition.

Our business is affected by the various challenges currently faced by the Indian healthcare industry, including the provision of quality patient care in a competitive environment and managing costs at the same time. We face competition from government-owned hospitals, other private hospitals, clinics, hospitals operated by non-profit organizations. Further, healthcare costs in India have increased significantly over the past decade, and there have been and may continue to be proposals by legislators and regulators to limit the rate of increase, cap the margins, fix the price of procedures and diagnostics, or lower, healthcare costs in India. Certain proposals by the Government of India, if passed, could impose, among other things, limitations on the prices we will be able to charge for our services.

In addition, our business, results of operations and cash flows may be adversely affected by other factors that affect the broader Indian healthcare industry, such as:

- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services;
- temporary requisitioning of the healthcare facilities due to any pandemic such as CoVID 19;
- demographic changes, such as the increase in the percentage of elderly patients, which could result in increased government expenditures for healthcare services, in turn resulting in proposals to limit the rate of increase of healthcare costs or introduction of price caps on various elements of healthcare services in India;
- the rate of expansion of health insurance coverage in India, as well as the number of and healthcare costs associates with uninsured and underinsured patients;
- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks; and

- recruitment and retention of qualified healthcare professionals including pay scale of such healthcare professionals such as nurses. *For details, please refer to “Outstanding Litigation and Other Material Developments – Litigation initiated by our Company – Other pending proceedings – Point 2”.*

Any failure by us to effectively address these and other factors could have an adverse effect on our business, results of operations and financial condition.

49. *Political, economic or any other factors beyond our control may have an adverse impact on our business and results of operations.*

Our businesses are materially affected by conditions in the domestic and global financial markets, as well as economic and political conditions in India, should any of them materialize. These external risks include:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war;
- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years’ instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- decline in India’s foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India’s sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

If such events should impact the national or any regional economies, our business and results of operations would be adversely affected.

50. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. However, given that there is ambiguity regarding the implementation of GST, our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented.

The Government has enacted the GAAR which have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse

tax impact on us. In addition, the implementation of Ind AS is recent and new pronouncements may have a material impact on our profitability going forward and our revenue may fluctuate significantly period over period.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

51. Our business may be adversely affected by competition laws in India.

The Competition Act, 2002, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the “**Combination Regulation Provisions**”) with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the Competition Commission of India (“**CCI**”). In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, results of operations and financial condition.

52. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

53. Financial instability in other countries may cause increased volatility in Indian financial markets and may have a material adverse effect on our business and the trading price of the Equity Shares.

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, materially and adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could materially and adversely affect our business, prospects, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, as China is one of India's major trading partners, there are rising concerns regarding the United States limiting trade and/or imposing a tariff on imports from China and of a possible slowdown in the Chinese economy. Such factors might also result in a slowdown in India's export growth momentum and could materially and adversely affect our operating results and financial performance.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have a material adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares. Adverse economic developments overseas in countries where we have operations could have a material adverse effect on our business and the trading price of the Equity Shares.

54. A slowdown in economic growth in India or political instability or changes in the Government in India could adversely affect our business

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns and economic volatility and uncertainty could have a significant negative impact on our results of operations.

55. Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

56. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have a material adverse effect on the trading price of, and returns on, our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend foreign investors receive. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have a material adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

57. Any future issuance of equity shares may dilute the shareholding of our Promoter and major shareholders which may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any future issuances of equity shares (including under any employee benefit scheme) or the disposal of equity shares by any of our Promoters or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further equity shares or that shareholders will not dispose of equity shares.

SECTION IV: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as ‘*Infinitum Technologies Private Limited*’ at New Delhi, India as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated June 18, 2001, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana. Pursuant to a fresh certificate of incorporation dated June 28, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, the name of ‘*Infinitum Technologies Private Limited*’ was changed to ‘*Max Healthcare Institute Private Limited*’. Thereafter, pursuant to a special resolution dated May 16, 2002 and a fresh certificate of incorporation dated October 18, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, our Company was converted to a public company, and its name was changed to ‘*Max Healthcare Institute Limited*’.

Registered and Corporate Office of our Company

Registered Office: 167, Floor 1, Plot-167, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400 018, India.

Further, the registered office of our Company was shifted from the state of Delhi to Maharashtra with effect from March 8, 2019 and a certificate of registration of the Regional Director’s order was issued by the RoC dated March 20, 2019. For further details, see “*History and Certain Corporate Matters*” at page 81.

Corporate Office: 5th and 6th Floor, Tower – A, DLF Center Court, DLF City, Phase – V, Sector – 42, Golf Course Road, Gurugram, Haryana 122 002, India.

Corporate Identity Number

The corporate identity number of our Company is U72200MH2001PLC322854.

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, situated at Everest, 100, Marine Drive, Mumbai 400 002, Maharashtra, India.

Board of Directors

The following table sets out the brief details of our Board as on the date of this Information Memorandum:

Name	Designation	DIN	Address
Abhay Soi	Chairman and Managing Director	00203597	Apartment 4 West, 4th Floor, Haribhavan CHS, 64 Peddar Road, Mumbai, Maharashtra – 400026
Ananya Tripathi	Non – Executive Director	08102039	Flat No. 2C, Orchard Green Apartments, Domlur, Amar Jyoti Layout, Bangalore – 560071, Karnataka
Kummamuri Narasimha Murthy	Independent Director	00023046	1-2-593/29, Gaganmahal Colony, Domalguda, Hyderabad, Telangana - 500029
Mahendra Gumanmalji Lodha	Independent Director	00012920	85, Sunrise Park Opp. Drive-in Road, Thaltej Ahmedabad, Gujarat - 380054
Michael Thomas Neeb	Independent Director	08522685	1800 North Shore Dr NE, St Petersburg, Florida – 33704
Sanjay Omprakash Nayar	Non-Executive Director	00002615	Flat No. 9, 17/C, The Rushilla Co.Op Housing Society Ltd., Carmichael Road, Mumbai, Maharashtra – 400026
Upendra Kumar Sinha	Independent Director	00010336	K 94, 2nd Floor, Hauz Khas Enclave, Hauz Khas, South Delhi, New Delhi – 110016

For further details of our Board of Directors, see “*Our Management*” on page 100.

Company Secretary and Compliance Officer

Ruchi Mahajan is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Address: 6th Floor, Tower – A, DLF Center Court, DLF City, Phase – V, Sector – 42, Golf Course Road, Gurugram, Haryana 122 002, India

Tel: +91 12 4620 7777

E-mail: investors@maxhealthcare.com.

Registrar and Share Transfer Agent to the Company

Link Intime India Private Limited

Noble Heights,

1st Floor, Plot No. NH 2, LSC,

C-1 Block, Near Savitri Market,

Janakpuri, New Delhi 110 058

Tel: +91 11 4941 1000; **Extn.:** 7106

Facsimile No: +91 11 4141 0591

E-mail: swapann@linkintime.co.in

Website: www.linkintime.co.in

Contact person: Swapan Kumar Naskar (AVP- North India Operation)

SEBI registration number: INR000004058

Bankers to our Company

Axis Bank Limited

Axis House, 4th Floor, Tower 1,

Plot No: I-40, Sector 128

Noida 201 304

Tel: +91 120 6210807

Contact person: Aditi Malik

Website: <https://www.axisbank.com>

E-mail: aditi.malik@axisbank.com

HDFC Bank Limited

Vatika Atrium, A Block,

Golf Course Road, Sector 53,

Gurugram 122 002

Tel: +91 124 466 4326

Contact person: Raveesh Bhatia

Website: <https://www.hdfcbank.com>

E-mail: cmsservice.hdfcbank.com

ICICI Bank Limited

ICICI Tower, NBCC Place,

Pragati Vihar, Bhishma Pitamah Marg,

New Delhi 110 003

Tel: +91 11 4221 8187

Contact person: Rishi Rajgarhia

Website: <https://www.icicibank.com>

E-mail: rishi.rajgarhia@icicibank.com

IDFC First Bank Limited

2nd Floor, Express Building,

Bhadur Shah Zafar Marg

ITO New Delhi 110 002

Tel: +91 965 0747 778

Contact person: Agam Jain

Website: <https://www.idfcfirstbank.com>

E-mail: agam.jain@idfcfirstbank.com

Indusind Bank Limited

7th Floor, Block A,

Hyatt Regency, Bhikaji Cama Place,

New Delhi 110066

Tel: +91 11 4250 5544

Contact person: Nishu Malhotra

Website: <https://www.indusind.com>

E-mail: nishu.malhotra@indusind.com

Punjab National Bank

Tolstoy House, Tolstoy Marg,

New Delhi 110 001

Tel: +91 11 2331 1654/+91 11 2331 4730

Contact person: Vinod Kumar Singhal

Website: <https://www.pnbindia.in>

E-mail: bo2164@pnb.co.in

RBL Bank Limited

Upper Ground Floor, Hansalaya Building,

15, Barakhamba Road, Connaught Place,

Delhi 110 001

Tel: +91 11 4936 5515/+91 11 4936 5448

Contact person: Suneet Singh Bhatia/ Pushpak Aggarwal

YES Bank Limited

48, Nyaya Marg, Chanakyapuri,

New Delhi 110 021

Tel: +91 931 0002 335

Contact person: Garima Kothari

Website: <https://www.yesbank.in>

E-mail: garima.kothari@yesbank.in

Website: <https://www.rblbank.com>
E-mail: suneet.bhatia@rblbank.com/
pushpak.aggarwal@rblbank.com

NIIF Infrastructure Finance Limited

UTI Tower, GN Block, 3rd Floor,
Bandra Kurla Complex,
Mumbai 400 051
Tel: +91 22 6859 1300
Contact person: Kislaya Sharma
Website: <https://www.niifil.in>
E-mail: kislaya.sharma@niifil.in

Standard Chartered Bank Kenya Limited

Chiromo No 48, Off Westlands Road,
5/F, Standard Chartered @Chiromo P. O. Box 30003
Tel: +254 20 329 1113/0124 4876289
Contact person: Carol Karungi/Sanjay Sharma
Website: <https://www.sc.com/ke/>
E-mail: peninah.kimutai@sc.com/
sanjay.sharma@sc.com/
carol.karungi@sc.com

Auditors of our Company

M/s. S.R. Batliboi & Co. LLP

2nd and 3rd Floor, Golf View Corporate Tower B,
Sector 42, Sector Road,
Gurugram 122 002,
E-mail: tanvi1.gupta@srb.in
ICAI Firm Registration No.: 301003E / E300005
Peer review certificate No.: 011170

Legal Counsel to our Company

AZB & Partners

AZB House, Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013
Tel: +91 22 6639 6880

Authority for Listing

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme, shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing is not automatic and will be subject to fulfilment of the respective listing criteria of BSE and NSE by our Company and also subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application made by our Company to the Stock Exchanges for seeking approval for listing.

Our Company has nominated BSE as the Designated Stock Exchange.

Change in auditors

There has been no change in the Statutory Auditor of our Company in the last three years. However, the term of the current Statutory Auditor of our Company, M/s. S. R. Batliboi & Co. LLP, will expire on the day the forthcoming AGM is held.

Eligibility Criteria

This not being an initial public offering or a rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations is not applicable. Our Company has submitted the Draft Information Memorandum and this Information Memorandum, containing information about our Company, and including disclosures in line with the disclosure requirements for public issues, as applicable, to BSE and NSE. This Information Memorandum is made publicly available through the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com through the website of our Company at www.maxhealthcare.in. Our Company will also publish an advertisement on or before August 18, 2020, in the newspapers containing the details in terms of Annexure I Part III (A) para 5 of the SEBI Circular.

General Disclaimer from our Company

Our Company and our Directors do not accept any responsibility for statements made otherwise than in this Information Memorandum, or otherwise than in the advertisement which will be published by the Company on or before August 18, 2020 in terms of Annexure I Part III (A) para 5 of the SEBI Circular. Anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Information Memorandum is set forth below:

		Aggregate nominal value (in ₹)
A	AUTHORIZED SHARE CAPITAL	
	1,08,50,00,000 comprising 96,00,00,000 equity shares of ₹10 each and 12,50,00,000 cumulative preference shares of ₹10 each	1085,00,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
	90,45,32,524 Equity Shares	904,53,25,240

Notes to the Capital Structure

1. Equity share capital history of our Company

The history of the equity share capital of our Company is set forth in the table below.

Date of Allotment	No. of equity shares allotted	Face Value (₹)	Offer Price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
June 12, 2001	10,000	10	10	Initial subscription to the MoA ⁽¹⁾	Cash	10,000	1,00,000
July 1, 2002	10,37,79,127	10	10	Preferential allotment ⁽²⁾	Consideration other than cash	10,37,89,127	1,03,78,91,270
November 28, 2003	1,42,85,715	10	14	Preferential allotment ⁽³⁾	Cash	11,80,74,842	118,07,48,420
January 15, 2005	1,88,67,924	10	13.25	Preferential allotment ⁽⁴⁾	Cash	13,69,42,766	136,94,27,660
June 6, 2005	2,87,50,000	10	40	Preferential allotment ⁽⁵⁾	Cash	16,56,92,766	165,69,27,660
June 6, 2005	4,07,00,000	10	10	Preferential allotment ⁽⁶⁾	Cash	20,63,92,766	2,06,39,27,660
March 30, 2007	2,16,10,873	10	10	Preferential allotment ⁽⁷⁾	Cash	22,80,03,639	2,28,00,36,390
July 20, 2007	90,90,909	10	55	Preferential allotment ⁽⁸⁾	Cash	23,70,94,548	2,37,09,45,480
January 2, 2009	50,000	10	10	Allotment pursuant to ESOP 2006 ⁽⁹⁾	Cash	23,71,44,548	2,37,14,45,480
October 26, 2010	5,33,89,127	10	10	Preferential allotment ⁽¹⁰⁾	Cash	29,05,33,675	2,90,53,36,750
February 8, 2011	3,00,000	10	10	Allotment pursuant to ESOP 2006 ⁽¹¹⁾	Cash	29,08,33,675	2,90,83,36,750
October 11, 2011	10,00,000	10	10	Allotment pursuant to ESOP 2006 ⁽¹²⁾	Cash	29,18,33,675	2,91,83,36,750
December 13, 2011	2,50,000	10	10	Allotment pursuant to ESOP 2006 ⁽¹³⁾	Cash	29,20,83,675	2,92,08,36,750
December 29, 2011	5,00,000	10	10	Allotment pursuant to ESOP 2006 ⁽¹⁴⁾	Cash	29,25,83,675	2,92,58,36,750
January 25, 2012	10,27,99,670	10	50.24	Preferential allotment ⁽¹⁵⁾	Cash	39,53,83,345	3,95,38,33,450
August 29, 2013	1,50,000	10	30	Allotment pursuant to ESOP 2006 ⁽¹⁶⁾	Cash	39,55,33,345	3,95,53,33,450
August 29, 2013	5,00,000	10	10	Allotment pursuant to ESOP 2006 ⁽¹⁷⁾	Cash	39,60,33,345	3,96,03,33,450
October 1, 2013	2,29,55,268	10	50.24	Allotment on account of conversion of CPCPS ⁽¹⁸⁾	Cash	41,89,88,613	4,18,98,86,130
October 3, 2013	82,93,742	10	50.24	Preferential allotment ⁽¹⁹⁾	Cash	42,72,82,355	4,27,28,23,550
November 10, 2014	5,67,66,452	10	67.50	Preferential allotment ⁽²⁰⁾	Cash	48,40,48,807	4,84,04,88,070

Date of Allotment	No. of equity shares allotted	Face Value (₹)	Offer Price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
November 27, 2014	1,50,000	10	30	Allotment pursuant to ESOP 2006 ⁽²¹⁾	Cash	48,41,98,807	4,84,19,88,070
January 29, 2015	46,14,847	10	67.50	Preferential allotment ⁽²²⁾	Cash	48,88,13,654	4,88,81,36,540
September 7, 2015	1,50,000	10	30	Allotment pursuant to ESOP 2006 ⁽²³⁾	Cash	48,89,63,654	4,88,96,36,540
November 27, 2015	4,44,44,444	10	67.50	Rights issue ⁽²⁴⁾	Cash	53,34,08,098	5,33,40,80,980
May 31, 2016	38,36,230	10	67.50	Rights issue ⁽²⁵⁾	Cash	53,72,44,328	5,37,24,43,280
June 19, 2020	90,12,84,070	10	10	Allotment pursuant to Scheme ⁽²⁶⁾	Consideration other than cash	1,43,85,28,398	14,38,52,83,980
June 19, 2020	(53,39,95,874)	10	-	Cancellation of the equity shares held by Erstwhile Max India and Radiant pursuant to the Scheme	-	90,45,32,524	9,04,53,25,240

⁽¹⁾ Allotment of 5,000 equity shares each to Smruti Ranjan Patnaik and Anup Kumar Samal pursuant to the subscription to the Memorandum of Association.

⁽²⁾ Allotment of 10,37,79,127 equity shares to Erstwhile Max India for acquisition of healthcare business pursuant to the business transfer agreement dated June 27, 2002.

⁽³⁾ Allotment of 71,42,857 equity shares to S & G Investments Limited and 71,42,858 equity shares to Hamlet Investments Limited.

⁽⁴⁾ Allotment of 94,33,962 equity shares each to Madison Holding Ltd. and Melany Holdings Limited.

⁽⁵⁾ Allotment of 55,00,000 equity shares each to Madison Holding Ltd. and Melany Holdings Limited and 1,77,50,000 to Parkville Holdings Ltd.

⁽⁶⁾ Allotment of 4,07,00,000 equity shares to Erstwhile Max India.

⁽⁷⁾ Allotment of 2,16,10,873 equity shares to Erstwhile Max India.

⁽⁸⁾ Allotment of 90,90,909 equity shares to International Finance Corporation.

⁽⁹⁾ Allotment of 50,000 equity shares to Dr. Sanjiv Kumar Singh Marya.

⁽¹⁰⁾ Allotment of 5,33,89,127 equity shares to Erstwhile Max India.

⁽¹¹⁾ Allotment of 3,00,000 equity shares to Dr. Sanjiv Kumar Singh Marya.

⁽¹²⁾ Allotment of 10,00,000 equity shares to Dr. Pradeep Kumar Chowbey.

⁽¹³⁾ Allotment of 2,50,000 equity shares to Dr. Sanjiv Kumar Singh Marya.

⁽¹⁴⁾ Allotment of 5,00,000 equity shares to Dr. Pradeep Kumar Chowbey.

⁽¹⁵⁾ Allotment of 10,27,99,670 equity shares to Tedo Beleggings 163 Proprietary Limited.

⁽¹⁶⁾ Allotment of 1,50,000 equity shares to Dr. Sanjiv Kumar Singh Marya.

⁽¹⁷⁾ Allotment of 5,00,000 equity shares to Dr. Pradeep Kumar Chowbey.

⁽¹⁸⁾ Allotment of 2,29,55,268 equity shares to International Finance Corporation.

⁽¹⁹⁾ Allotment of 82,93,742 equity shares to Life Healthcare International (Proprietary) Limited.

⁽²⁰⁾ Allotment of 5,67,66,452 equity shares to Life Healthcare International (Proprietary) Limited.

⁽²¹⁾ Allotment of 1,50,000 equity shares to Dr. Sanjiv Kumar Singh Marya.

⁽²²⁾ Allotment of 46,14,847 equity shares to International Finance Corporation.

⁽²³⁾ Allotment of 1,50,000 equity shares to Dr. Sanjiv Kumar Singh Marya.

⁽²⁴⁾ Allotment of 2,22,22,222 equity shares each to Erstwhile Max India and Life Healthcare International (Proprietary) Limited.

⁽²⁵⁾ Allotment of 36,37,775 equity shares to International Finance Corporation and 1,98,455 equity shares to Dr. Pradeep Kumar Chowbey.

⁽²⁶⁾ Allotment of 90,12,84,070 equity shares to Abhay Soi, Kayak and shareholders of Erstwhile Max India.

2. Equity Shares issued for consideration other than cash

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	Name of Allottees	Number of equity shares	Face value (₹)	Issue price (₹)	Reason for allotment	Benefits accrued to our Company
July 1, 2002	Erstwhile Max India	10,37,79,127	10	NA	Acquisition of healthcare business pursuant to the business transfer agreement dated June 27, 2002.	Our Company acquired the healthcare business.
June 19, 2020	Shareholders of Erstwhile Max India and Radiant Life, i.e. Abhay Soi and Kayak	90,12,84,070	10	NA	Scheme of Arrangement*	Consolidation of the healthcare business activities carried on by Radiant, Erstwhile Max India and our Company, into a

Date of allotment	Name of Allottees	Number of equity shares	Face value (₹)	Issue price (₹)	Reason for allotment	Benefits accrued to our Company
						standalone listed entity, which will exclusively be engaged in healthcare activities, i.e., our Company.
TOTAL					100,50,63,197	

**For further details regarding the Scheme, see "Scheme of Arrangement" on page 97.*

3. Our Company does not have any outstanding preference shares as on the date of filing of this Information Memorandum.
4. Except as disclosed above, our Company has not issued any Equity Shares or preference shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.
5. Except as disclosed above, our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 230 – 234 of the Companies Act, 2013.
6. Except for the allotment of Equity Shares pursuant to the Scheme, our Company has not issued any Equity Shares or preference shares during a period of one year preceding the date of filing this Information Memorandum.

7. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Information Memorandum:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Total	Total as a % of (A+B+C)							
(A)	Promoter and Promoter Group	8	743,897,612	0	0	743,897,612	82.24	743,897,612	743,897,612	82.24	0	82.24	0		89,146,776	11.98	743,897,612
(B)	Public	30,184	160,634,912	0	0	160,634,912	17.76	160,634,912	160,634,912	17.76	0	17.76	3,248,454*	2.02	275,650	0.1716	160,634,912
(C)	Non Promoter-Non Public	0	0	0	0	0	NA	0	0	0.00	0	NA	0		0	0	0
(C1)	Shares underlying depository receipts	0	0	0	0	0	NA	0	0	0.00	0	0.00	0		0	0	0
(C2)	Shares held by employee trusts	0	0	0	0	0	0.00	0	0	0.00	0	0.00	0		0	0	0
	Total (A+B+C)	30,192	904,532,524	0	0	904,532,524	100.00	904,532,524	904,532,524	100.00	0	100.00	3,248,454	0.36	89,422,426	9.88	904,532,524

*The Equity Shares will be locked-in for a period of one year from the date of listing of the Equity Shares of our Company.

8. Other details of Shareholding of our Company

- (a) As on the date of the filing of this Information Memorandum, our Company has 30,192 shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as on the date of filing of this Information Memorandum.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share Capital (%)
1.	Kayak Investments Holding Pte. Ltd.	42,46,76,811	46.95
2.	Abhay Soi	21,03,65,264	23.26
3.	WF Asian Reconnaissance Fund Limited	2,58,47,042	2.86
4.	Max Ventures Investment Holdings Private Limited	10,26,31,287	11.35
5.	Ashish Dhawan	1,61,38,267	1.78
6.	Briarwood Capital Master Fund, Ltd	1,26,20,097	1.40
7.	Ellipsis Partners LLC	1,14,84,000	1.27
8.	Kotak Mahindra (International) Limited	1,01,69,904	1.12
	Total	81,39,32,672	89.99

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Information Memorandum.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share Capital (%)
1.	Kayak Investments Holding Pte. Ltd.	42,46,76,811	46.95
2.	Abhay Soi	21,03,65,264	23.26
3.	WF Asian Reconnaissance Fund Limited	2,58,47,042	2.86
4.	Max Ventures Investment Holdings Private Limited	10,26,31,287	11.35
5.	Ashish Dhawan	1,61,38,267	1.78
6.	Briarwood Capital Master Fund, Ltd	1,26,20,097	1.40
7.	Ellipsis Partners LLC	1,14,84,000	1.27
8.	Kotak Mahindra (International) Limited	1,01,69,904	1.12
	Total	81,39,32,672	89.99

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date one year prior to the date of filing of this Information Memorandum:

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹10 each	Percentage of Equity Share Capital (%)
1.	Erstwhile Max India	26,69,97,937	49.70
2.	Life Healthcare International Proprietary Limited	26,69,97,937	49.70
	Total	53,39,95,874	99.40

- (e) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date two years prior to the date of filing of this Information Memorandum:

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹10 each	Percentage of Equity Share Capital (%)
1.	Erstwhile Max India	26,69,97,937	49.70
2.	Life Healthcare International Proprietary Limited	26,69,97,937	49.70
	Total	53,39,95,874	99.40

9. Our Company reserves the right, subject to applicable law and requisite approvals, to alter its capital structure at any time, including after the date of this Information Memorandum. Such alteration may be in any permissible manner, including by way of split or consolidation of the denomination of Equity Shares, or by way of any mode of further issue of securities (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares).

10. Details of shareholding of our Promoters, members of the Promoter Group and directors of corporate Promoters in our Company

As on the date of this Information Memorandum, our Promoters hold 74,38,97,612 Equity Shares, equivalent to 82.24% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of total Shareholding
1.	Abhay Soi	21,03,65,264	23.26
2.	Analjit Singh	58,18,021	0.64
3.	Neelu Analjit Singh	99,000	0.01
4.	Piya Singh	1,09,229	0.01
5.	Veer Singh	99,000	0.01
6.	Tara Singh Vachani	99,000	0.01
7.	Kayak Investments Holding Pte. Ltd	42,46,76,811	46.95
8.	Max Ventures Investment Holdings Private Limited	10,26,31,287	11.35
	Total	74,38,97,612	82.24

- *Build-up of the Promoters' shareholding in our Company*

The build-up of the Equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Name of Promoter	Nature of transaction	Date of Allotment	No. of equity shares	Face value per equity share (₹)	Issue Price/ Transfer Price per equity share (₹)
Abhay Soi	Pursuant to Scheme	June 19, 2020	21,03,65,264	10	10
Analjit Singh	Pursuant to Scheme	June 19, 2020	58,18,021	10	10
Neelu Analjit Singh	Pursuant to Scheme	June 19, 2020	99,000	10	10
Piya Singh	Pursuant to Scheme	June 19, 2020	1,09,229	10	10
Veer Singh	Pursuant to Scheme	June 19, 2020	99,000	10	10
Tara Singh Vachani	Pursuant to Scheme	June 19, 2020	99,000	10	10
Kayak Investments Holding Pte. Ltd	Pursuant to Scheme	June 19, 2020	42,46,76,811	10	10
Max Ventures Investment Holdings Private Limited	Pursuant to Scheme	June 19, 2020	10,26,31,287	10	10
Total shareholding			74,38,97,612		

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

11. As on the date of this Information Memorandum, the members of the Promoter Group (other than our Promoters) and the directors of corporate Promoters (other than Analjit Singh and Piya Singh) do not hold any Equity Shares in our Company. For details of their shareholding in our Company, refer to 'Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group and directors of

corporate Promoters in our Company - Build-up of the Promoters' shareholding in our Company' on page 46.

12. Details of lock-in

- i) The Equity Shares which will be locked-in in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 are as follows:

Name of the shareholders	No. of Equity Shares	Lock-in period*	Face value (₹)	Percentage of	
				Pre-Scheme paid up capital	Post-Scheme paid up capital
Dr. S.K.S. Maurya	10,50,000	1 year	10	0.19	0.11
Dr. Pradeep Kumar Chowbey	21,98,454	1 year	10	0.41	0.24

*The lock – in will be effective from the date of listing of the Equity Shares of our Company.

- ii) As on the date of this Information Memorandum, except for 8,91,46,776 Equity Shares held by Max Ventures Investment Holdings Private Limited and 2,75,650 Equity Shares held by certain public shareholders, none of the Equity Shares of our Company are pledged. For details, refer to 'Capital Structure – Shareholding Pattern of our Company' on page 44.
- iii) Except for Abhay Soi and Kummamuri Narasimha Murthy (on account of his shareholding in Erstwhile Max India which was subsequently transferred to our Company pursuant to the effectiveness of the Scheme) none of the Directors or Key Managerial Personnel hold any Equity Shares as on the date of this Information Memorandum. For details, please refer to 'Our Management – Shareholding of our Directors and/or Key Managerial Personnel in our Company' on page 106.
- iv) Except for the allotment of Equity Shares pursuant to the Scheme, none of the members of the Promoter Group, the Promoters, the directors of our corporate Promoters, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.
- v) There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our corporate Promoters and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Information Memorandum.

13. Employee Stock Options Schemes

Except as stated below, as on the date of this Information Memorandum, our Company does not have any employee stock option scheme:

2006 ESOP Scheme:

Pursuant to a resolution dated July 31, 2006 passed by our Board of Directors and resolution dated August 10, 2006 passed by our shareholders, approval was accorded to the Employee Stock Option Plan, 2006 ("2006 ESOP Scheme") to offer, issue and allot equity shares to the eligible employees of our Company. The 2006 ESOP Scheme was subsequently amended by a resolution dated March 1, 2016 passed by the shareholders of our Company. Whilst the 2006 ESOP Scheme is valid till August 10, 2026, all the options vested up to March 31, 2018 were exercised and no new options were granted under the 2006 ESOP Scheme. Accordingly, there are no outstanding stock options under the 2006 ESOP Scheme as on the date of this Information Memorandum.

2017 MHIL PS:

Pursuant to a resolution dated August 4, 2017 passed by our Board of Directors, approval was accorded to Max Healthcare Institute Limited Employee Phantom Stock Plan, 2017 (“**2017 MHIL PS**”) to offer, issue and allot options to the eligible employees of our Company. 2017 MHIL PS includes cash settled rights wherein the employees of our Company are entitled to cash compensation based on the Company’s fair value. The fair value of amount payable to the employees in respect of such options, which are settled in cash, is recognized as an expense with corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. Further details in relation to the 2017 MHIL PS are as follows:

Particulars	Details				
Options granted*	Options granted in Fiscal year 2017 – 18 [#] - 40,82,490 Options granted in Fiscal year 2018 -19 - 18,51,808				
Exercise price of options*	For FY 2017 – 18 (i) 5,93,000 options : ₹ 64.60 per option [#] (ii) 19,57,984 options: ₹ 54.40 per option [#] (iii) 15,31,506 options : ₹ 84.00 per option For FY 2018 – 19 18,51,808 options: ₹ 80.00 per option				
Vesting period	As per the 2017 MHIL PS, vesting period is for three years wherein 30% of the options can be vested for the first two years and 40% options can be vested for the third year subject to the fulfilment of minimum performance criteria, by such employees.				
Options vested	21,33,170				
Options lapsed before vesting	12,47,836				
Options exercised	18,80,244				
Total no. of Equity Shares arising as a result of exercise of options	NA				
Options forfeited/lapsed /cancelled	17,17,257				
Variation in terms of options	Please refer to the note below**				
Money realised by exercise of options	NA				
Total no. of options in force as on March 31, 2020	23,36,797				
Employee wise details of options granted to					
(i) Key Managerial Personnel	Name of Key Managerial Personnel		Total no. of options granted		
	Yogesh Kumar Sareen		9,80,907		
	Anas Abdul Wajid		5,24,427		
	Sandeep Budhiraja		6,17,481		
	Atulya Sharma		2,71,437		
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Name of employee		Total no. of options granted	% of Options granted	Fiscal Year
	Dr. Harit Kumar Chaturvedi		4,67,290	23%	2018
	Dr. Subhash Gupta		3,10,655	16%	2018
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Bank at the time of grant	Name of employee		Total no. of options granted		
	Nil				
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of	NA				

Particulars	Details																														
this difference on profits and EPS of our Company for the last three fiscals																															
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black Scholes Option Pricing Model has been used. The Black Scholes Option pricing Model is as under: $C = S_0 e^{-qt} N(d_1) - X e^{-rt} N(d_2)$ Where, $(d_1) = \frac{\ln(S_0/X) + t(r-q + \sigma^2/2)}{\sigma \sqrt{t}}$ $(d_2) = d_1 - \sigma \sqrt{t}$ q = Dividend yield C = Call option price S₀ = Spot Price of the underling option X e^{-rt} = Present value of exercise price R = Risk free rate of return σ = Standard deviation of returns on the underlying asset, i.e. volatility measure N(d) = Cumulative standard normal distribution E = Exponential function ln = Natural logarithm t = Time to maturity in years Inputs used are as follows: - Spot Price, i.e. share price as ₹ 81 - Annual Volatility <table border="1"> <thead> <tr> <th>Years</th><th></th></tr> </thead> <tbody> <tr> <td>1.00</td><td>43.95%</td></tr> <tr> <td>2.00</td><td>38.56%</td></tr> <tr> <td>3.00</td><td>34.87%</td></tr> <tr> <td>3.84</td><td>32.66%</td></tr> </tbody> </table> Risk Free Rate <table border="1"> <thead> <tr> <th>Years</th><th></th></tr> </thead> <tbody> <tr> <td>1.00</td><td>4.88%</td></tr> <tr> <td>2.00</td><td>5.22%</td></tr> <tr> <td>3.00</td><td>5.48%</td></tr> <tr> <td>3.84</td><td>5.74%</td></tr> </tbody> </table> Exercise Price – three exercises prices are used i.e. ₹ 80/-, ₹ 84/-, ₹54.4/- Maturity, different maturities as per the vesting schedule. <table border="1"> <thead> <tr> <th>Years</th><th></th></tr> </thead> <tbody> <tr> <td>1.00</td><td></td></tr> <tr> <td>2.00</td><td></td></tr> <tr> <td>3.00</td><td></td></tr> <tr> <td>3.84</td><td></td></tr> </tbody> </table> Dividend yield is considered NIL	Years		1.00	43.95%	2.00	38.56%	3.00	34.87%	3.84	32.66%	Years		1.00	4.88%	2.00	5.22%	3.00	5.48%	3.84	5.74%	Years		1.00		2.00		3.00		3.84	
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Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations in respect of options granted in the last three years	NA																														
Intention of the Key Managerial Personnel and whole time directors who are holders of Equity Shares allotted on	NA																														

Particulars	Details
exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	
Intention to sell Equity Shares arising out of the 2017 MHIL PS within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of 2017 MHIL PS amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA, since presently the 2017 MHIL PS has encashment option only.

** Till March 31, 2020 from the date of start of 2017 MHIL PS.*

*** The vesting schedule is graded for 4 year. After 2 years – 30%, 3rd year – 30% and 4th year – 40% stocks are vested.*

****Exercise period of first two tranches of 2017 MHIL PS granted by NRC on May 23, 2018 by 12 months each for all option holders. The impact of several market changes during the last financial year impacting the market value of the grants in order to provide a fair opportunity to the concerned individuals to participate.*

#Including 25,50,984 options granted under 2006 ESOP Scheme where the grantees irrevocably opted for deferred compensation plan for the unvested part of employee stock options issued earlier.

- vi) All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Information Memorandum.
- vii) Our Company and the Directors have not entered into any buyback arrangements and or any other similar arrangements for the purchase of Equity Shares of our Company.
- viii) There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Information Memorandum.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

Max Healthcare Institute Limited
167, Floor 1, Plot-167A,
Ready Money Mansion,
Dr. Annie Besant Road,
Worli, Mumbai – 400018
Maharashtra

Dear Sirs,

Sub: Statement of possible Special tax benefit (“the Statement”) available to Max Healthcare Institute Limited (“Company”), the shareholders and material subsidiaries of the Company prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”).

We hereby report that the enclosed Statement prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company, to its shareholders and its material subsidiaries as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020 as applicable for the financial year 2019-20 relevant to the assessment year 2020-21, presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company, its shareholders and its material subsidiaries are neither exhaustive nor conclusive. Further, the preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ (the ‘**Guidance Note**’) issued by the Institute of Chartered Accountants of India (‘**ICAI**’). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders or its material subsidiaries will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of this statement, either in part or full, in the draft information memorandum and information memorandum, and submission of this statement to the stock exchanges where the Equity Shares of the Company are proposed to be listed, or any other statutory or regulatory authority, as the case may be.

DINESH KUMAR BACHCHAS

Membership No. 097820

Partner

For and on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

FRN -106009W

CERT/DEL/2020-21/06

UDIN: 20097820AAAAEZ5802

New Delhi, dated the 6th April, 2020

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MAX HEALTHCARE INSTITUTE LIMITED (THE 'COMPANY'), MATERIAL SUBSIDIARIES (TOGETHER REFERRED TO AS 'GROUP') AND ITS SHAREHOLDERS.

A. DIRECT TAXATION

1. Special tax benefits available to the Company/material subsidiaries namely Crosslay Remedies Limited and Hometrail Buildtech Private Limited under the Income Tax Regulations

i. Deductions from Gross Total Income

- Deduction in respect of employment of new employees

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA.

- Deduction in respect of donation to certain funds, charitable institution, etc.

Donations made by the company towards certain specified funds and charitable institution as prescribed under section 80G of the Act shall be eligible for 100%/50% deduction subject to the condition as prescribed.

2. Special tax benefits available to the Shareholders of the Company

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders.

NOTES:

- a. The above benefits are as per the current tax law as amended by the Finance Act, 2019, Finance (No. 2) Act, 2019 and Taxation Laws (Amendment) Act, 2019.
- b. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
- c. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.

If the Company opts for concessional income tax rate under section 115BAA, surcharge shall be levied at the rate of 10%.

- d. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.
- e. If the Company opts for concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:
 - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
 - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)

- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA;
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause

Further, it was also clarified by CBDT vide circular NO. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

- f. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

B. INDIRECT TAXATION

1. Special tax benefits available to the Company/material subsidiaries namely Crosslay Remedies Limited and Hometrail Buildtech Private Limited

- In view of Para 3.08 of the Foreign Trade Policy 2015-2020 ("FTP"), service providers of notified services listed in Appendix 3D, located in India are entitled for benefits under the Service Exports from India Scheme ("SEIS") provided the said services are rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy.

The Company is eligible for benefits under SEIS, being engaged in the provision of hospital services which is one of the notified services listed in Appendix 3D and is availing the said benefits.

2. Special tax benefits available to Shareholders

There are no indirect tax benefits applicable in the hands of the shareholders for investing in the shares of the Company.

SECTION V: ABOUT US

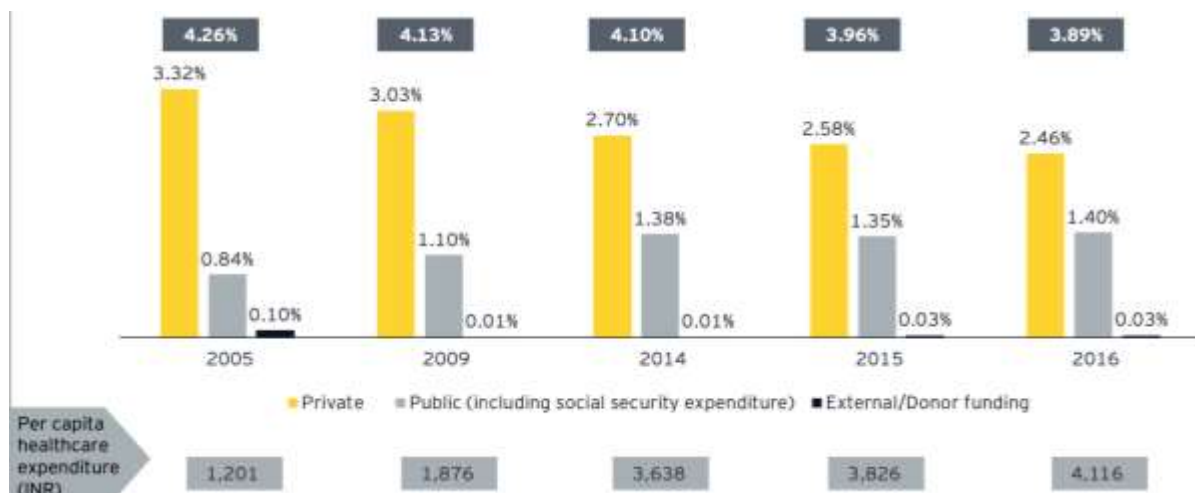
INDUSTRY OVERVIEW

The information presented in this section has been extracted from industry reports and publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries. Neither we, nor any other person connected with the listing of Equity Shares has independently verified this information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Such industry publications contain information in summary form and are therefore intended for general guidance only. You should read the following summary together with the “Risk Factors” on page 17 and the more detailed information about us and our financial results included elsewhere in this Information Memorandum.

Healthcare Industry overview

India is one of the fastest growing economies in the world and the second most populous country. (Source: Budget Highlights (Key Features), Union Budget 2019-20, Ministry of Finance, GoI and Annual Report 2018-19, Department of Health and Family Welfare, Ministry of Health and Family Welfare, GoI) Though the last couple of decades witnessed rapid development in other fields, the performance of the healthcare sector has left lot to be desired. Healthcare delivery in India is largely underdeveloped. The overall bed density in India is in the range of 1.3-1.4 beds per thousand persons. Additionally, India also lags behind in availability of medical personnel, with only 0.6 doctors per thousand persons. Additionally, India has one of the lowest per capita total healthcare spend when compared to the developed world. (Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018) India’s total healthcare expenditure was 3.8% as a percentage of GDP in FY 2016-17. (Source: National Health Systems Resource Centre (2019). National Health Accounts Estimates for India (2016-17). New Delhi: Ministry of Health and Family Welfare, GoI)

The following chart sets forth the trend in India’s total health expenditure as a percentage of GDP and per capita:

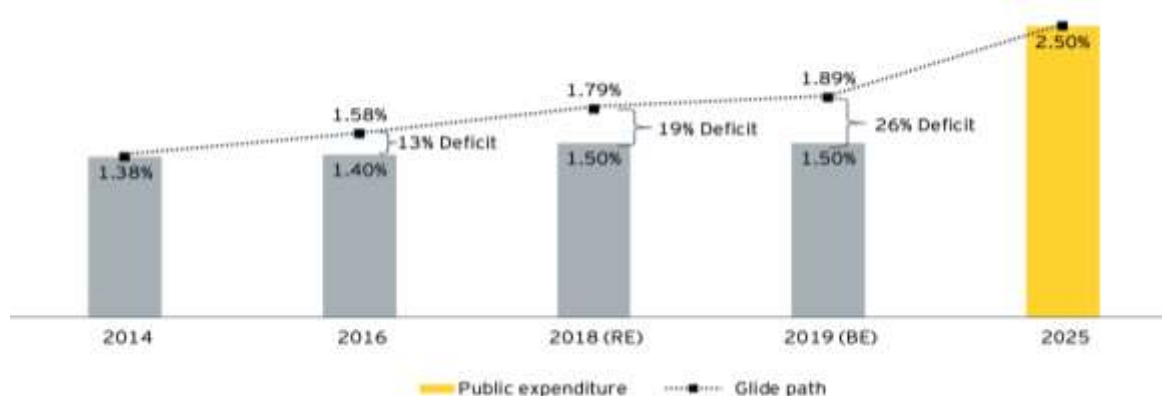


Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018

According to the chart above, public health expenditure has remained between 1.1% - 1.4% (as % of GDP) for the period 2009 and 2016. Public health spending accounts for only about 32.4% of total health expenditure. (Source: National Health Systems Resource Centre (2019). National Health Accounts Estimates for India (2016-17). New Delhi: Ministry of Health and Family Welfare, GoI)

Going forward, the Central Government in its National Health Policy 2017, has planned to increase public health expenditure to 2.5% of the GDP by the year 2025 in a time bound manner. (Source: Re – engineering Indian

Healthcare 2.0 report by FICCI and EY, 2018) The following chart sets forth the historical and estimated trend in India's public expenditure as a percentage of GDP:



Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018

Since public healthcare facilities do not cover the country extensively, there is a significant gap in supply of healthcare services as compared to demand. The large unmet opportunity has led to the emergence of private healthcare service providers giving a thrust to the country's healthcare system. Private sector, though largely unorganized, caters to about 70% of all healthcare service demands in the country. The Private sector has been actively investing with 70% bed capacity expansion over the last 10 years, and by providing around 60% of the country's inpatient care. (Source: *Demystifying Healthcare Costs: A Scientific Approach, Healthcare at Crossroad, FICCI, 2018*) Also, given the significant gap between 'required' and 'actual' healthcare infrastructure, the industry has seen impressive growth in past few years not only in terms of hospitals, but also other facilities such as pharmacy diagnostics, equipment etc. Today private healthcare service providers offer world class facilities with, highly skilled and globally recognized professionals and advanced technology largely in the tier I urban areas of the country.

However, there is still a long way to go to achieve the required infrastructure as well as improve the overall healthcare reach and accessibility. In view of the same, industry growth is expected to continue in the coming years at an expected CAGR of 16% to reach USD 372 billion by 2022. (Source: *Demystifying Healthcare Costs: A Scientific Approach, Healthcare at Crossroad, FICCI, 2018*)

Factors driving growth of healthcare industry

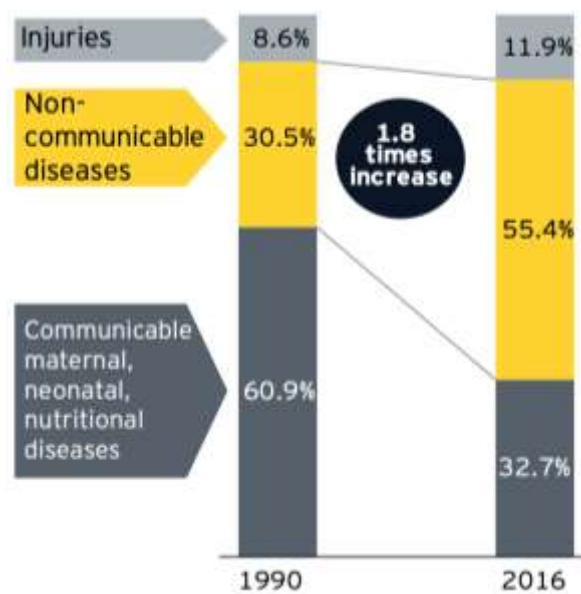
1. Increasing population and change in demographic trends

India has the second largest elderly population (above the age of 60), which is growing faster than the overall population growth and is expected to move from 8% of the total population in 2015 to 19% by 2050. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*). Since the segment is vulnerable to various health problems, Indian healthcare system needs to equip itself to cater to the needs of this growing segment.

2. Shift from communicable to lifestyle diseases

India is currently undergoing a major epidemiological transition in addition to rapid social and economic development. The non-communicable disease ("NCD") burden, measured in disability adjusted life years ("DALYs"), has increased to 55% of the total disease burden in 2016, up from 30% in 1990. A study of hospitalizations for reported ailments as per the NSSO survey between 2004 to 2014 highlights that the proportion of hospitalized cases because of NCD which can be predominantly classified as tertiary care procedures have increased to 37% from 28%. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*)

The chart below sets forth the contribution of major disease groups to total DALYs in India:



Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*

Increasing life expectancy, urbanisation and changing lifestyle are the major drivers of the rising NCD burden. With the rise in diabetes, hypertension, obesity, population ageing and climate change, around 60% of deaths and ~40% of hospital stays are due to NCDs, and the same is on the rise. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*) The pace of change combined with a vast population makes the problem particularly acute for India.

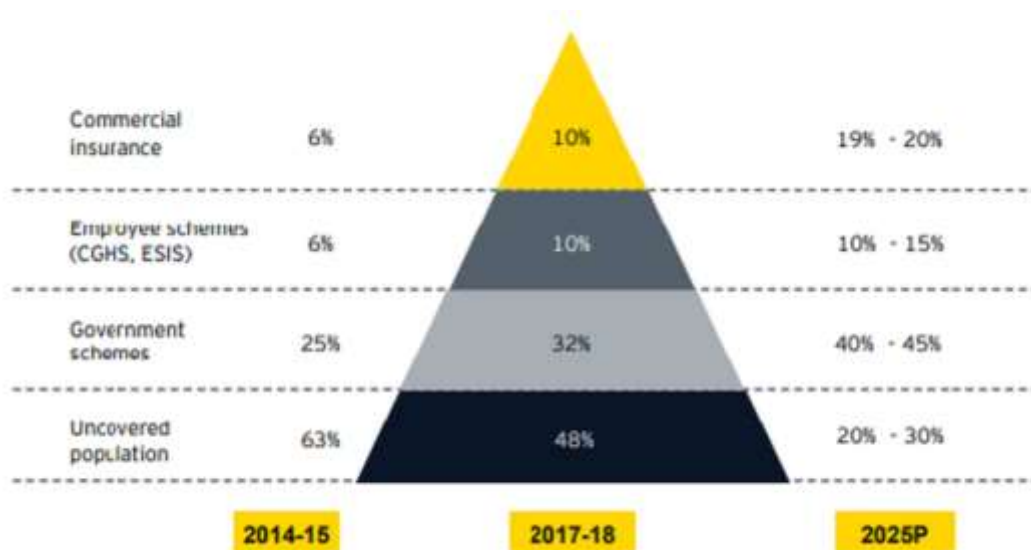
3. *Rising affordability and awareness*

A majority of the population availing healthcare services in India still relies heavily on out of pocket expenditure without any financial protection. With rising affordability and increased awareness, an informed patient nowadays demand for quality healthcare services has increased. Further, there is a growing proportion of wealthy patients whose demand for superior services has prompted many large private providers to invest in offering luxury five-star experiences as a key service differentiator, thereby ushering in a realm of opulence by combining healthcare and hospitality services. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*)

4. *Rising insurance penetration*

The ambitious Ayushman Bharat Yojana – a National Health Protection scheme aims to provide coverage up to Rs 5 lakh per family for secondary and tertiary care hospitalizations. This scheme will cover close to 11-12 crore most deprived families economically translating to 60 crore beneficiaries – approximately 45% of the population. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*) This initiative coupled with the improvement in penetration of private health insurance has increased the proportion of the insured population to 52% in 2017-18, from 37% in 2014-15. Health insurance coverage is projected to grow close to 70-75% by 2025. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*) .The increase in coverage of the population will definitely be a boost the healthcare industry in India.

The diagram below shows changing population coverage as per category of payor:



Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*

5. Rise in medical tourism

India's medical tourism industry is estimated to be at USD 6 billion and is expected to grow at 22-25% going forward. Further, the GoI aims to develop India as a global healthcare hub. (*India Surging Ahead 2019, Ministry of external Affairs, GoI*). This rise in medical tourism will definitely add to the growth of healthcare industry in India.

Recent trends in the Indian Healthcare Industry

1. Leveraging technology for improving efficiency and accessibility to healthcare services

Historically, digital uptake in healthcare has been extremely slow. However, with the proliferation of data and increased availability and use of technologies, health systems are rapidly moving to digitization of transactions, tasks and processes (translational) and gradually to fully integrated and personalized solutions (transformative). The new generation of customers will drive the adoption of digital technologies as healthcare moves away from the confines of a hospital. Remote care and telemedicine is an ever-evolving approach of diagnosis and treatment done remotely using telecommunication technologies. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*) The recent spread of coronavirus has necessitated remote consultations and could pave way for widespread adoption of telemedicine not only during this crisis but also in the future.

Further, AI applications in healthcare are rapidly changing medical specialties such as radiology, pathology, ophthalmology, oncology etc. Primarily used for screening, monitoring, and diagnostic assistance, AI applications include algorithms that analyse chest X-rays and other radiology images, read ECGs and spot abnormal patterns, automatically scan pathology slides and even assess fundus images for signs of retinopathy. Data-based decisions help improve quality of care, clinician productivity and address the challenges in scaling healthcare delivery to rural areas.

In the coming years, it is expected that robotics will play a key role in the global as well as Indian healthcare market. There has been an increase in robots being used for certain surgical procedures and this use is expected to increase further.

3D printing is another technology that has limited utilization at present, but has potential to revolutionize healthcare in the future years. Medical uses for 3D printing, both actual and potential, can be organised into several broad categories, including tissue and organ fabrication, creation of customised prosthetics, implants, and anatomical models etc. 3D printing is a compelling new technology that has the potential to revolutionize cardiac

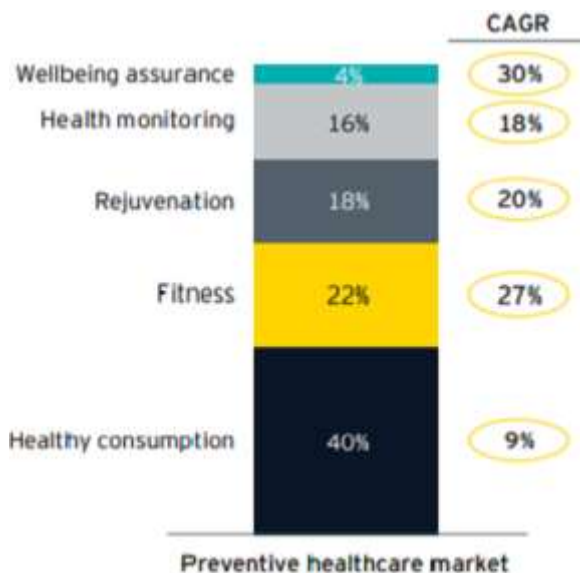
interventions. For instance, size of a heart valve varies from person to person, and with the availability of 3D printing, it will be easier to plan the sizing with precision.

2. Adoption of preventive healthcare versus curative healthcare

Preventive healthcare is becoming an area of focus of the healthcare industry. Today, in urban India healthcare tends to take a backseat for many due to hectic schedules and a fast-paced lifestyle. This can result in the development of lifestyle diseases such as, diabetes, thyroid, hypertension, heart disease, which can be debilitating if not monitored in a timely manner. Increase in awareness, rise in disposable income and access to pre-emptive healthcare information over the internet or via alternate mediums, have provided an unprecedented opportunity to the preventive healthcare segment. According to the chart below, the preventive healthcare segment today is on a rising curve. The preventive sector revolves around five key segments of healthy consumption, fitness, health monitoring, rejuvenation and wellbeing assurance. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*)

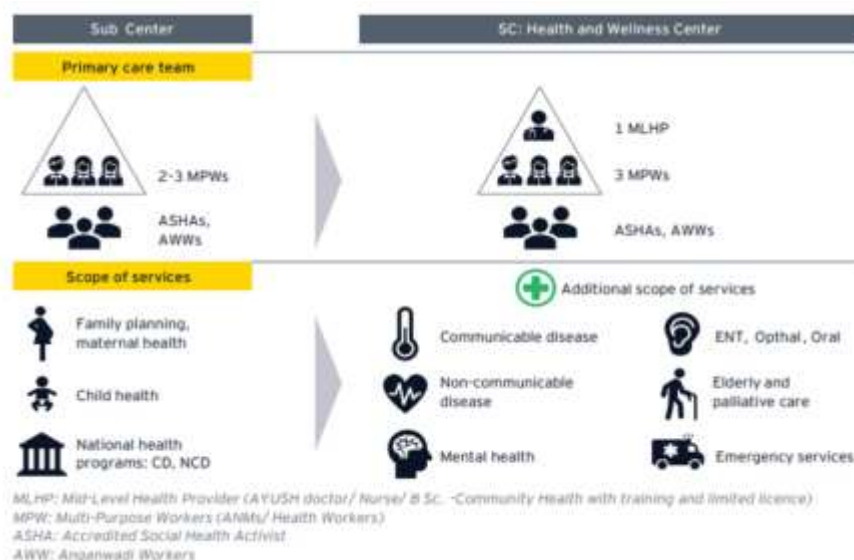
According to the chart below, currently healthy consumption and fitness constitute the largest segments in the preventive sector. Fitness segment is growing at a high CAGR of ~ 27%. Other segments such as re-juvenation, health monitoring and wellbeing assurance is expected to grow at double digit growth rates of 20%, 18% and 30%, respectively. Re-juvenation segment includes alternate medicine, therapies, yoga, spa/sauna services, wellness programs etc.

The following chart shows the percentage market share and CAGR expected for in the future years for the various segments of the preventive healthcare market:



Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*

The Central Government is also focusing on the preventive healthcare segment through various schemes such as the Ayushman Bharat and Pradhan Mantri Jan Arogya Yojana, wherein 150,000 existing Sub Centers and Primary Health Centers are to be upgraded into Health and Wellness Centers by 2022. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*)



Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018

3. Adoption of home care

The adoption of home healthcare solutions in India is still at an early stage. Despite being in its nascent stages, the growth trajectory of the home healthcare sector has been very strong. Scarcity of hospital beds, ageing population, rising incidence of chronic diseases, need for rehabilitation, post-operative care and technology enablement are some of the key factors driving the growth of the home healthcare market in India. The Indian home healthcare market is expected to grow to around US\$6 billion by 2020. (Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018) Home healthcare encompasses service lines such as home sample collection, pharmacy delivery, physiotherapy, home consultation, critical care nursing, general duty nursing and attendants, therapeutic and monitoring equipment on rent etc.

From a consumer point of view, the in-home healthcare business model is a boon especially as the rising education and employment levels have left urban dwellers with limited time to cope with geriatric and paediatric care needs in their households. This service is also a great saviour for non-resident individuals who have ageing parents living at home in India. Home based care offers significant savings in terms of cost and effort. Homecare works on a model that has low operating costs compared to hospital expenses for similar treatment, by saving on real estate and infrastructure. For example, a patient admitted to the ICU in a hospital setting typically pays between Rs. 35,000 to Rs. 50,000 per day. A similar set up at home ranges from merely Rs. 7,500 to Rs. 10,000 per day. (Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018)

However, there is a need for the government to proactively create policies and set standards to regulate the industry. The government currently does not have any regulatory norms to improve and maintain the standards for home healthcare. Absence of a governing body, to define the norms and regulations on quality, may lead to incorrect diagnosis and loss in faith from patients and low participation from specialists. (Source: Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018)

4. Growth of Precision Medicine in India

Precision medicine is an emerging approach of medicine, which looks at the root cause of an illness, rather than addressing the symptoms alone. It takes into account individual variability in genes, environment and lifestyle for each person. Precision Medicine in the country is considered to be at an early adoption stage.

In order to build the knowhow, baseline data and indigenous capacity in the emerging area of precision medicine, the Council of Scientific & Industrial Research has conducted ‘whole genome sequencing’ of 1,008 Indians from different populations across the country under the IndiGen Genome Project (“IndiGen”). The outcomes of IndiGen

will be utilized towards understanding the genetic diversity on a population scale, make available genetic variant frequencies for clinical applications and enable genetic epidemiology of diseases. The whole genome data and knowhow for the analysis of largescale genomic data is expected to enable evidence and aid in the development of technologies for clinical and biomedical applications in India. (Source: *PIB Ministry of Science & Technology, GoI dated October 25, 2019*) These projects will help the Indian healthcare industry to strengthen its ground on precision treatment and improved patient care.

5. Increase in incidence of mental healthcare

There has been a steady rise in mental illness in the country. According to a recent publication, one in every four women and 10% men suffer from depression in India. (Source: *Situation Analyses, Backdrop to the National Health Policy – 2017, Ministry of Health and Family Welfare, GoI*) It is estimated that approximately 40-50% of private sector employees in India suffer from general anxiety, depression and extreme stress. Several key initiatives that mobilize community workers to improve mental well-being in rural areas have been implemented, namely, ATMIYATA, project COMPASS, project MANAS etc. Many campaigns have been launched on various mental health problems such as MPower of the Aditya Birla Education Trust and #dobarapoochho campaign by The Live Laugh Life Foundation. Further, the Central Government, with the implementation of Ayushman Bharat, is also placing emphasis on mental health. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*)

6. Increase in Public-private partnerships (“PPP”)

To rapidly expand healthcare services, it is necessary to supplement public investment by private participation in the form of PPPs aimed at delivering quality health at affordable costs. It is indicated that a number of states are opting for various initiatives with private sector participation. There are myriad services currently being delivered through PPP across the country, including dialysis, telemedicine and operationalization of mobile medical units. There is potential to extend PPP to various services such as diagnostic, imaging, cancer care, cardiology and maternal care etc. (Source: *Re – engineering Indian Healthcare 2.0 report by FICCI and EY, 2018*) If utilized well, the Government could, through the PPP model, successfully standardize healthcare, while maintaining high quality of services.

7. Rising Investments in the Indian Healthcare space

For the International Finance Corporation, the Indian private healthcare industry is the second highest destination for its global investments in health. (Source: *Situation Analyses, Backdrop to the National Health Policy – 2017, Ministry of Health and Family Welfare, GoI*) This indicates rising investor confidence in the Indian healthcare space and the perception of India as an attractive healthcare investment destination. Healthcare as a sector appeals to investors for its resilience even in economic downturns. Multinational players have consistently been focusing on the Indian health care market and trying to enlarge their presence through partnerships and investments.

The Central Government has also supported by building a conducive environment for the investments in the healthcare industry. Amongst these measures are lower direct taxes, high depreciation in medical equipment, income-tax exemptions for five years for rural hospitals and custom duty exemptions for lifesaving equipment. Other forms of assistance are – preferential and subsidized allocation of land, subsidized professional education in government institutions, and provisions for 100% FDI. (Source: *Situation Analyses, Backdrop to the National Health Policy – 2017, Ministry of Health and Family Welfare, GoI*)

In summary, given the huge demand and limited public health infrastructure, private healthcare providers will continue to see sustained growth. However, changing patient’s needs and increasing penetration of technological innovations will push Indian private healthcare providers to relook their business models and operations. Support from the Central Government through schemes such as Ayushman Bharat will provide further impetus to this sector.

OUR BUSINESS

Some of the information contained in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 11, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” on page 17, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included various operational and financial performance indicators in this Information Memorandum, some of which may not be derived from our Audited Consolidated IND AS Financial Statements or otherwise subjected to an examination, audit or review by our Statutory Auditors or any other expert. Our fiscal year ends on March 31 of every year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Information Memorandum, including the information contained in “Risk Factors”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 17, 55, 368, and 141, respectively.

Overview

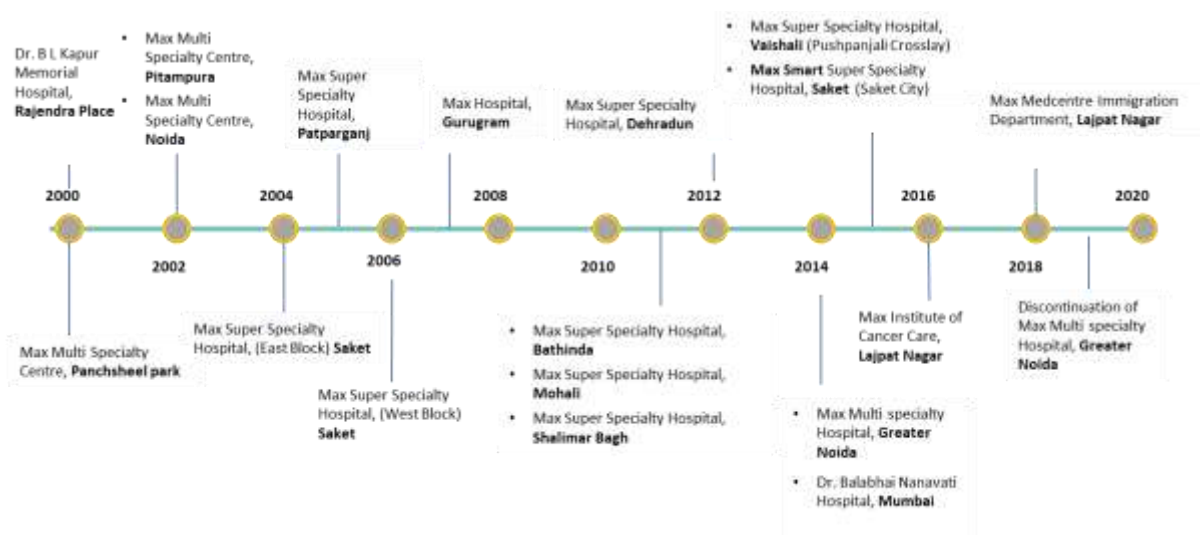
We are one of the leading hospital chains in India with major concentration in north India consisting of a network of 17 Network Healthcare Facilities, which includes BLK Hospital (currently operated and managed by our Company pursuant to the Scheme) and BNH Hospital (operated by our Company through Radiant Mumbai pursuant to the Scheme). We provide healthcare services across the secondary and tertiary care specialties with key focus on our centres of excellence i.e. oncology, neurosciences, cardiac sciences, orthopaedics, renal sciences, liver and biliary sciences and minimal access metabolic and bariatric surgery (“**MAMBS**”).

In addition to the core hospital business, we have two SBUs, namely, Max@Home and MaxLab. Max@Home is a platform that provides health and wellness services at home. It has 12 service lines, including pathology, pharmacy delivery, physiotherapy and critical care nursing. MaxLab offers pathology services to patients outside of our hospitals through a variety of channels including third party hospital laboratory management.

As of the date of this Information Memorandum, out of the Network Healthcare Facilities, eight hospitals and five medical centres are located in Delhi and the NCR, and the others are located in the cities of Mumbai, Mohali, Bathinda and Dehradun. We provide diagnostic, pathology, radiology, radiation oncology and clinical services in select specialties / departments through deployment of our doctors and other medical staff in four Partner Healthcare Facilities. We also provide operation and management services to our Partner Healthcare Facilities and Managed Healthcare Facilities in terms of the medical services agreements or the operations and management agreements entered into with the societies and trusts. The super speciality hospitals in Mohali and Bathinda are operated under a public private partnership arrangement with the Government of Punjab. Additionally, we have established a representative office in Nairobi, Kenya under the name ‘True Max Healthcare’ which helps us in partnering with local hospitals, conducting OPDs, assisting the potential patients with medical visas and pre – travel preparation and participating in local events to build our brand internationally.

We commenced operations in 2000, with our first hospital, Max Medcentre in Panchsheel Park, and have expanded our operations by opening more multi-speciality hospitals and entering into arrangements with societies and trusts.

Set out below is a chart* outlining our network growth since incorporation:



*Radiant Life Care Private Limited entered into an operations and management agreement with LHS in 2000 and Radiant Life Care Mumbai Private Limited entered into an operations and management agreement with Dr. Balabhai Nanavati Hospital in 2014. Pursuant to the Scheme of Arrangement, BLK Hospital and BNH Hospital are now under the purview of our Company and our Subsidiaries.

*The IPD operations at Max Multi Speciality, Noida were discontinued in 2018 and then it was converted into a medical centre in 2019.

*The operations at Max Multi Speciality Centre, Pitampura were discontinued in 2016 and resumed operations in 2018. For details refer to Max Multi Speciality Centre, Pitampura on page 68.

Note: The chart includes the Partner Healthcare Facilities and Managed Healthcare Facilities which are not owned by the Company or Subsidiaries.

We believe that our long standing operations, quality of medical care and track record of building long-term relationships with our doctors and other medical professionals has enabled us to build a strong brand. We also believe that our brands, reputation, strong and stable management team, investment in medical technology and commitment to medical training and education will help us ride the next wave of growth.

The quality of medical care we provide is evidenced by the number of quality certifications and various rewards and recognition that have been conferred upon our Network Healthcare Facilities locally and internationally. We have received accreditations such as JCI, NABH, NABL and Green OT certifications and are recipient of DL Shah National Award on 'Economics of Quality', 'FICCI Excellence Awards - Operational Excellence' and 'Business World Healthcare Award in Patient Experience & Safety' to name a few.

Our total revenues from operations was ₹1,73,677 lakh, ₹1,69,102 lakh and ₹ 1,88,446 lakh for Fiscal 2018*, 2019 and 2020, respectively. Of our total revenues from operations for Fiscals 2018, 2019 and 2020, sale of pharmacy and pharmaceuticals supplies accounted for 8.8%, 4.8%, and 4.3% respectively. Our operations in India, which primarily consist of hospitals and medical centres, accounted for 100% of our total revenues from operations for the period ended March 31, 2020. Further, our revenue for Fiscal 2020 included an income of ₹ 22,865 lakh derived from the Partner Healthcare Facilities.

*Numbers for discontinued business operations are included for Fiscal 2018

Competitive strengths

Long standing presence in northern India with strong brand equity

We commenced operations with our first hospital, Max Medcentre in Panchsheel Park in 2000, and expanded our operations by opening various multi-speciality healthcare facilities primarily in NCR and other cities of north India. We believe that our long standing operations, quality of medical care and track record of building long-term relationships with our doctors and patients has enabled us to build a strong brand name. Further, our long-standing presence in northern India has helped us gain an understanding of the market and the regulatory environment in

which we operate and has contributed towards the success of our operations. This, we believe, should place us well to capitalise on the expected growth in the healthcare sector.

State of the art equipment with latest technology

Our healthcare facilities are equipped with state of the art machines and devices with the latest technology, including new generation surgical devices such as the Da Vinci System to perform robotic surgery in various specialties, HIPEC for chemotherapy treatment and O – arm and Intra – Operative CT for neuro surgeries. We also engage and work closely with large companies and start-ups in the medical technology space to expose our staff and keep them abreast of the latest technological innovations.

Robust quality framework

We have been focused on providing high quality healthcare service since incorporation. We adhere to high standards of clinical protocol in patient handling, surgical work, intensive care unit management and emergency care. Several of our Network Healthcare Facilities have received accreditations from JCI, NABH and NABL. On the non-clinical side, we have processes laid down to provide one of the best possible experiences to our patients. There is a regular feedback mechanism which helps us improve our patient experience on an on-going basis.

Strong governance model that helps bring alignment and improves accountability

We have a well defined governance structure with clear roles and responsibilities within the organization. Our Board consists of a combination of executive, non – executive and independent directors who provide leadership and strategic direction to our business. All the committees of our Board as required under statutory regulations and guidelines have been constituted to review the business and to ensure effective flow of the decision – making process. Additionally, there are various forums at the management level such as monthly business reviews, weekly management committee meetings to oversee day to day operations, maintain checks and balances and improve accountability. Our governance standards are robust and stringent and we continue to adhere to the highest ethical standards as we continue to grow and expand.

Further, our Company strives to attain high standards of corporate governance while interacting with the shareholders. We believe that timely disclosures, transparent accounting policies and a strong independent Board help in maintaining good corporate governance, preserving shareholders trust and maximizing long term corporate value. In pursuit of corporate goals, our Company accords high importance to transparency, accountability and integrity in its dealings. We have also devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Experienced core management team

We benefit from one of the most experienced management teams in the healthcare services industry, which we believe will be an asset in executing our growth strategy. Our management team is composed of directors and senior officers with considerable experience in the healthcare services industry, as well as doctors with both clinical and administrative experience. For details, see ‘Our Management’ on page 100. Given our extensive presence and operations, we also have a second line of management with managerial, healthcare and regulatory experience

Business Strategies

Attract, engage and retain prominent, skilled doctors and other healthcare professionals with established reputations for clinical excellence

Our endeavor is to attract and retain prominent, skilled doctors and other healthcare professionals with established reputations of clinical excellence. We believe that hiring surgeons and other physicians who have established a reputation for clinical excellence in their respective field is crucial for the successful implementation of our strategy to acquire, develop and operate our owned hospitals and medical centres and the Managed Healthcare Facilities. We seek to attract and retain such talent through the quality and comprehensive capabilities of our owned hospitals and medical centres and the Managed Healthcare Facilities, the reputation of other doctors at these owned hospitals and medical centres and the Managed Healthcare Facilities, our extensive continuing education program, our community

outreach initiatives and the research opportunities available at our owned hospitals and medical centres and the Managed Healthcare Facilities. Further, we invest in new technology, infrastructure and brand building to support these clinicians when they join us. Apart from monetary compensation, significant growth opportunities in the respective fields are provided to promote employee productivity and morale. We believe that this, along with our strong brand proposition, conducive working conditions and the potential opportunities for career growth, will allow us to attract and successfully retain medical talent at our owned hospitals and medical centres and the Managed Healthcare Facilities.

Enhance clinical capabilities expand bed capacity and launch new programs

We continually strive to increase the share of high end tertiary and quaternary care in our Network Healthcare Facilities by enhancing our clinical capabilities. Apart from human capital, we invest in medical technology and infrastructure. In Fiscals 2018, 2019 and 2020, we spent an approximate amount of ₹ 14,703 lakh, ₹ 7,271 lakh and ₹16,113 lakh, respectively towards upgrading the medical facilities.

On the bed capacity- in July 2019, we added 80 additional beds at Max Super Speciality Hospital, Vaishali. Further, we have the requisite FSI available for undertaking expansion at Max Super Speciality Hospital, Shalimar Bagh and Max Super Speciality Hospital, Mohali, which we are currently evaluating. In addition, our Company has been allotted certain greenfield pieces of land at Greater Noida and Mullunpur to set up new hospitals. Further, our Partner Healthcare Facilities also have the potential to expand their bed capacity in view of the availability of additional FSI.

We will also continue to launch new programs and introduce new services and business formats in line with the changing industry dynamics in association with our Network Healthcare Facilities. For instance, we recently added capabilities to carry out lung transplants. We had launched the liver transplant program in February 2017 and the standalone oncology daycare centre in July 2016 to provide chemotherapy in a setting which was more convenient and comfortable for the patient.

Invest and grow pathology and home care business, and leverage technology to provide health services outside the Network Healthcare Facilities

With a rise in demand for healthcare services outside hospitals, we introduced two new service lines in 2016, namely, Max@Home and MaxLab. Max@Home is a platform that provides health and wellness services at home. It commenced with nine patient services in the first phase and gradually extended to 12 services covering the whole spectrum of healthcare services from wellness to curative including pathology, pharmacy delivery, physiotherapy and critical care nursing.

MaxLab offers diagnostic services to patients outside our hospitals. It offers pathology services to patients directly and through a network of partners such as clinicians, hospitals and nursing homes. MaxLab operates through collection centres (company and partner owned) and also undertakes hospital laboratory management, apart from collecting samples from clinics and nursing homes. Presently we have operations in NCR, Chandigarh, Panchkula and Mohali and key cities in Punjab and Uttarakhand.

Pursue inorganic growth opportunistically in the Indian market

In addition to our greenfield and brownfield expansions, we plan to opportunistically look at mergers and acquisitions (similar to the acquisitions undertaken by us in the past), operations and management arrangements, etc. in the Indian market in line with our existing expansion strategy. This will help us in expanding our customer base in existing markets and reducing our time to market in new cities. For this, our focus would be primarily the metros and tier 1 cities.

Strengthen our presence in the upcountry and international medical tourism market

Apart from the cities where we have our Network Healthcare Facilities, we get a fair share of business from other cities in the region (“**Upcountry**”). Currently a sizeable share of admissions in our in – patient department is from Lucknow, Agra, Srinagar, Ambala, Muradabad, Meerut, Ranchi, Patna, Guwahati. Similarly, we get international

patients from Iraq, Afghanistan, Kenya, Nigeria, Myanmar etc. We believe we can leverage our strong brand recognition, direct and indirect presence in these upcountry and overseas clusters through our / partner sales offices, clinicians visiting for OPD consultations, health camps and large existing patient base to tap into both the Upcountry and international markets.

Our Businesses

The Network Healthcare Facilities operated by us under the brand ‘*Max Healthcare*’ are either owned and managed by us or our Subsidiaries, or comprise of Managed Healthcare Facilities and Partner Healthcare Facilities.

We, through our Network Healthcare Facilities, provide a broad range of services, including advanced cardiac care, orthopaedics, oncology, renal sciences, neuro – sciences, minimal access metabolic and bariatric surgery and other services including obstetrics and gynaecology, paediatrics, nephrology and general surgery as well as diagnostic and emergency services. We also provide outpatient services, including consultation for a range of ailments, preventive health screening and laboratory services as well as radiology, imaging and emergency services.

In addition to the above, we have entered into arrangements with certain medical institutes and universities, internationally, to conduct certain diploma and post graduate programmes in medicine and carryout research addressing the major unmet clinical needs common to India.

The table below provides certain information about our network of hospitals and medical centres:

S. No.	Hospital	Location	Operations	Nature of land holding	Existing Bed Capacity*
1.	Max Super Speciality Hospital, (West Block) Saket	Delhi	Owned and operated by our Company	The hospital is constructed on leased land.	201
2.	Max Hospital, Gurugram	Gurugram	Owned and operated by our subsidiary Alps Hospital Limited.	The hospital is constructed on leased land.	72
3.	Max Multi Speciality Centre, Noida	Noida	Owned and operated by our subsidiary Crosslay Remedies Limited.	The medical centre is established on leased premises.	0
4.	Max Multi Speciality Centre, Pitampura*	Delhi	Owned and operated by our Company.	The medical centre is established on leased premises.	0
5.	Max Multi Speciality Centre, Panchsheel Park	Delhi	Owned and operated by our Company.	The medical centre is established on leased premises.	0
6.	Max Super Speciality Hospital, Mohali	Punjab	Operated pursuant to a public private partnership with the Government of Punjab through our subsidiary Hometrail Buildtech Private Limited.	The hospital is constructed on land leased under the concessionaire agreement.	220
7.	Max Super Speciality Hospital, Shalimar Bagh	Delhi	Owned and operated by our Company	The hospital is constructed on leased land.	280
8.	Max Super Speciality Hospital, Dehradun	Dehradun	Owned and operated by our Company.	The hospital is established on the leased building land.	182
9.	Max Super Speciality Hospital, Bhatinda	Punjab	Operated pursuant to a public private partnership with the Government of Punjab through our subsidiary Hometrail Buildtech Private Limited	The hospital is constructed on land leased under the concessionaire agreement.	200
10.	Max Super Speciality Hospital, Vaishali	East Delhi – Ghaziabad – Noida corridor	Owned and operated by our subsidiary Crosslay Remedies Limited	The hospital is constructed on owned land.	378
11.	Max Super Speciality Hospital, (East Block) Saket	Delhi	Part of our Partner Healthcare Facilities pursuant to a medical services and diagnostic	The hospital is constructed on land leased to DDF.	320

S. No.	Hospital	Location	Operations	Nature of land holding	Existing Bed Capacity*
			services agreement entered into with DDF.		
12.	Max Super Speciality Hospital, Patparganj	Delhi	Part of our Partner Healthcare Facilities pursuant to a medical services and pathology services agreement entered into with BMDRC	The hospital is constructed on land leased to BMDRC.	402
13.	Max Smart Super Speciality Hospital, Saket	Delhi	Part of our Partner Healthcare Facilities pursuant to a medical services and diagnostic services agreement entered into with GMHRC	The hospital is constructed on land leased to GMHRC.	250
14.	Dr. Balabhai Nanavati Hospital	Mumbai	Operated and managed by our subsidiary Radiant Mumbai pursuant to an operation and management agreement entered into with Dr. Balabhai Nanavati Hospital Trust	The hospital is constructed on land owned by Dr. Balabhai Nanavati Hospital Trust.	328
15.	Dr. B L Kapur Memorial Hospital	Delhi	Operated and managed by our Company pursuant to an operation and management agreement entered into with LHS.	The hospital is constructed on land owned by LHS.	538
16.	Max Institute of Cancer Care, Lajpat Nagar	Delhi	Part of our Partner Healthcare Facilities pursuant to the medical services and diagnostic services agreement entered into with DDF Company	The medical centre is established on leased premises.	0
17.	Max MedCentre, Lajpat Nagar - Immigration Department	Delhi	Owned and operated by our Company.		0

*Census beds

**For details refer to Max Multi Speciality Centre, Pitampura on page 68.

We have also established centres of excellence which provide the following services:

Cardiology: We (including BLK Hospital and BNH Hospital) provide a comprehensive range of cardiology services ranging from preventive measures to complicated surgeries and a range of diagnostic and therapeutic services as well as interventional cardiac procedures. We also have a department of thoracic and cardiovascular surgery to perform surgeries. New technology such as 64 slice CT angio scan and a modern nuclear medicine department enables early detection and management of cardiac disorders for the patients.

Orthopaedics: We (including BLK Hospital and BNH Hospital) offer orthopaedic treatments including complicated joint replacement, micro surgeries, spine surgeries and deformity correction in most of our hospitals. Our doctors are trained in minimal invasive surgical procedures. We provide pre – operative care and rehabilitation programs as well. We also have ‘Max Institute of Orthopaedics and Joint Replacement’ which provides joint replacement surgery, knee and hip replacement surgery, high flex knee procedures, particular surface replacement hip surgery as well as spine surgery, arthroscopic surgery and orthopaedic trauma management.

Neurosciences: ‘Max Institute of Neuro Sciences’ was established in Max Super Speciality Hospital, Saket to service the increasing demand for neuroscience related healthcare services. This includes neurosurgery related procedures such as brain surgery, spine surgery, paediatric neurosurgery, interventional neuro – radiology and endovascular neuro surgery. Max Super Speciality Hospital, Saket also includes state-of-art intra – operative CT, an advanced platform for brain tumor and spinal tumor surgeries. Further, BLK Hospital operates a minimally invasive neuro – spine surgery programme and minimal invasive treatment for neuro disorders.

Oncology: We offer oncology treatments, including medical oncology (both conventional and aggressive chemotherapy), surgical oncology (tumor removal), radiotherapy and bone marrow transplantation. Its centre of excellence is located at Saket, Max Super Speciality Hospital, Vaishali, BLK Hospital and BNH Hospital.

Liver and Biliary Sciences: We (including BLK Hospital and BNH Hospital) offer liver transplant surgeries to those patients who have exhausted other forms of treatment or have developed a liver cancer wherein, a patient's old liver is removed completely and a new one from a liver donor is put in the same place after joining the blood vessels and the bile duct.

Renal Sciences: The centre of excellence for renal science is located at Saket, BLK Hospital and BNH Hospital and comprises departments of urology, nephrology and kidney transplant. The department of urology offers diagnostic and treatment services for adult and paediatric urological conditions. The nephrology and dialysis services department integrates advanced equipment and medical expertise to provide care and treatments pertaining to general nephrology, dialysis and kidney transplants. We have 'Max Department of Kidney Transplant' which specializes in ABO incompatible kidney transplant, which is an advanced procedure that allows transplant of kidney even from a donor whose blood type does not match that of the patient. The department also specializes in online hemodiafiltration, a dialytic therapy which combines conventional haemodialysis with advanced diafiltration for better blood purification.

MAMBS: MAMBS is the centre of excellence in endo – surgery. It is the first of its kind globally and has been accredited as 'International Centre of Excellence for Bariatric Surgery' by the Surgical Review Corporation, USA and 'Centre of Excellence in Endo – hernia Surgery' by Asia Pacific Hernia Society. This institute is dedicated to performing surgical procedures with a special emphasis on utilization of minimal access techniques (laparoscopy surgery) and focusses on metabolic and bariatric surgery performed by minimal access techniques. It offers laparoscopic surgeries for gall bladder, hernia, appendix, ano – rectal conditions, obesity and diabetes, reflux, thyroid and parathyroid, liver and pancreas and video assisted thoraco – scopic surgeries.

Our Network Healthcare Facilities

We have disclosed below certain key operating details of our Network Healthcare Facilities, individually:

I. Max Super Speciality Hospital, (West Block) Saket (“MSSH Saket”)

MSSH Saket commenced operations in 2006 and is owned and operated by our Company. It is located in South Delhi and offers various quaternary care facilities such as liver transplants, robotic surgeries, etc. in addition to tertiary and secondary healthcare facilities. The neuro science speciality is equipped for providing facilities capable of performing a wide range of investigative tests including the state of art intra-operative CT, 3 Tesla MRI and O - arm. The facility is also equipped to perform robotic assisted surgeries that can perform complex procedures with high degree of precision. MSSH Saket is currently equipped with 10 operating theatres and 201 patient beds.

II. Max Hospital, Gurugram (“MHG”)

MHG was established in 2007 and is owned and operated by Alps Hospital Limited, wholly owned subsidiary of our Company. It is a 72 bedded multi – speciality hospital located in Gurugram. It offers key tertiary care specialties such as cardiac sciences, orthopaedics and neuro – sciences and secondary care specialties. The hospital includes the catheterisation laboratory, operation theatres with HEPA and MRI and CT scan machines.

III. Max Multi Speciality Centre, Noida (“MHN”)

MHN commenced its operations in 2002 and is currently operated by Crosslay Remedies Limited. It was an inpatient secondary care facility with approximately 41 beds. However, the unit was temporarily closed in May 2018 for upgradation of the infrastructure and conversion to a Multi Speciality Centre. The revamped facility resumed operations in July, 2019 and presently offers chemotherapy, ophthalmology, diabetes clinic and day care surgeries, preventive health checkups and outpatient facilities.

IV. Max Multi Speciality Centre, Pitampura (“MHP”)

MHP commenced its operations in 2002 and is operated by our Company. It was an inpatient secondary care facility with around 70 beds. However, the unit was temporarily closed in December 2016 for upgradation of infrastructure. The revamped facility resumed operations in 2018 and presently a two bedded medical centre offering day-care surgeries and outpatient facilities acting as a referral center to Max Super Speciality Hospital at Shalimar Bagh. Our Board in its meeting held on June 27, 2020 approved the discontinuation of the operations at Max Multi Speciality Centre, Pitampura. Our Company has accordingly initiated the process of discontinuing its operations at Max Multi Speciality Centre, Pitampura.

V. *Max Multi Speciality Centre, Panchsheel Park*

The speciality medical centre located in Delhi, commenced operations in 2000 and is operated by our Company. It is a medical centre and comprises of day-care surgeries and outpatient facilities with specialties such as ophthalmology, IVF, dental and offers basic pathology and radiology diagnostic services.

VI. *Max Super Speciality Hospital, Mohali (“MSSH Mohali”)*

MSSH Mohali commenced operations in 2011 and is located in Punjab. It has been set up as a public private partnership project with the Government of Punjab wherein our wholly owned subsidiary, Hometrail Buildtech Private Limited has been granted a concession to build and operate the hospital for a period of 50 years from the date of its execution (“**Concession Period**”). In terms of the concessionaire agreement, MSSH Mohali will be transferred to the Government of Punjab or its nominated agency on the expiry or the termination of the Concession Period. It is a 220 bedded hospital offering key specialties such as cardiac sciences, oncology and orthopaedics. It is equipped with catheterisation laboratory, operating theatres with HEPA, EHR, Gama Camera, oncology equipment like LINAC for radiotherapy, MRI and CT scan machines.

VII. *Max Super Speciality Hospital, Shalimar Bagh (“MSSH Shalimar Bagh”)*

MSSH Shalimar Bagh commenced operations in 2011 and is owned and operated by our Company. It is a 280 bedded multi – super speciality hospital located in North West Delhi. It offers high end tertiary care services in the medical specialties of cardiology, orthopaedics, neurosciences, oncology and secondary care specialties such as mother and child care, urology, ENT, dentistry and ophthalmology. It is equipped with catheterisation laboratory, operating theatres with HEPA, nuclear medicine, LINAC for radiotherapy and MRI and CT scan machines.

VIII. *Max Super Speciality Hospital, Dehradun (“MSSH Dehradun”)*

MSSH Dehradun commenced operations in 2012 and is owned and operated by our Company. It is a 182 bedded multi – super speciality hospital located in Uttarakhand. The key specialisations offered at the hospital are cardiac sciences, joint replacement and orthopaedics, neurosciences, secondary care specialties and other support facilities. It is equipped with catheterisation laboratory, operating theatres with HEPA and MRI and CT scan machines.

IX. *Max Super Speciality Hospital, Bhatinda (“MSSH Bhatinda”)*

MSSH Bhatinda commenced operations in 2011 and is located in Punjab. It has been set up as a public private partnership project with the Government of Punjab wherein our subsidiary, Hometrail Buildtech Private Limited has been granted a concession to build and operate the hospital for a period of 50 years from the date of its execution (“**Concession Period**”). In terms of the concessionaire agreement, MSSH Mohali will be transferred to the Government of Punjab or its nominated agency on the expiry or the termination of the Concession Period. It is a 200 bedded hospital offering key specialties such as cardiac sciences, oncology, neurosciences and orthopaedics. It is equipped with catheterisation laboratory, operating theatres with HEPA, oncology equipment such as LINAC for radiotherapy and MRI and CT scan machines.

X. *Max Super Speciality Hospital, Vaishali (“MSSH Vaishali”)*

In terms of the share purchase cum subscription agreement dated May 28, 2015, our Company acquired majority stake in Crosslay Remedies Limited (“**CRL**”), pursuant to which it became our subsidiary. CRL owns and operates

a 378 bedded hospital, located in East Delhi – Ghaziabad – Noida corridor. It provides a spectrum of preventive, diagnostic and treatment alternatives with follow – up care in all medical specialties. It provides key tertiary care specialties such as oncology, renal sciences, GI sciences, orthopaedics and joint replacement, cardiac sciences and neurosciences etc. The recently launched ‘*Max Institute of Cancer Care*’ is equipped with six high end operating theatres, 100 IPD beds, 33 bedded chemo day care, exclusive women cancer centre and latest radiation / PET equipment’s. The centre has clinician teams under various disease management groups across medical, surgical and radiation oncology specialties.

XI. Max Super Speciality Hospital, (East Block) Saket (“MSSH East Block”)

MSSH East Block commenced its operations in 2004. Our Company operates by providing medical services in certain specialties, and radiology and pathology services under a medical services agreement with DDF, a society registered under the Societies Registration Act, 1860. In terms of the agreement, our Company receives a service fee and reimbursement of actual expenses from DDF. The agreement is valid for a period of 30 years and can be renewed at the option of our Company for two successive periods of 10 years each. Further, our Company has entered into an agreement with DDF for the purposes of construction of a multi storied hospital building.

MSSH East Block is a 320 bedded hospital located in South Delhi and focusses on cardiac sciences, oncology and minimal access metabolic and bariatric surgery. It is equipped with operating theatres with HEPA, catheterisation laboratory, offers radiation facilities on state of the art Linac machine, and provides other advanced tertiary care facilities, investigative tests.

XII. Max Super Speciality Hospital, Patparganj (“MSSH Patparganj”)

MSSH Patparganj commenced its operations in 2005. Our Company operates by providing medical services in certain specialties and pathology services to this hospital under a medical services agreement with BMDRC, a society registered under the Societies Registration Act, 1860. In terms of the agreement, our Company receives a service fee and reimbursement of actual expenses from BMDRC. The agreement is valid for a period of 30 years and can be renewed at the option of our Company for three successive periods of 10 years each.

MSSH Parpatganj is a 402 bedded hospital located in East Delhi and focusses on key tertiary care specialties such as oncology, cardiac sciences, orthopaedic and joint replacement and neurosciences. It also provides advanced diagnostic services and emergency medicine services and is equipped with operating theatres with HEPA, catheterisation laboratory, LINAC for radiotherapy and MRI and CT scan machines

XIII. Max Smart Super Speciality Hospital, Saket (“MSSSH Saket”)

In terms of the share purchase cum subscription agreement dated November 27, 2015, our Company acquired 51% shareholding in Saket City Hospitals Private Limited (“SCHPL”), pursuant to which it became our subsidiary. SCHPL has the exclusive right to provide medical services such as radiology services, pathology services and certain specialties to MSSSH Saket, a 250 bedded hospital located in South Delhi and is operated by SCHPL. It offers key tertiary care specialties at the hospital such as cardiac sciences, orthopaedics and certain secondary care specialties such as obstetrics and gynaecology, paediatrics and internal medicine. The hospital is equipped with catheterisation laboratory, operating theatre with HEPA, MRI and CT scan machines.

XIV. Dr. Balabhai Nanavati Hospital (“BNH Hospital”)

Our Company through one of its Subsidiaries, Radiant Mumbai, operates the BNH Hospital pursuant to an operations and management agreement entered into with Dr. Balabhai Nanavati Hospital in 2014 by Radiant Mumbai. The 328 bedded facility includes 84 critical care beds, 11 state of the art modular operation theatres equipped with latest robotic technology and 55 speciality departments. It is well – equipped with state-of-the-art departments with centres of excellence, technologically advanced systems backed by the expertise of over 350 consultants, 150 resident doctors, 500 nursing staff and 1,300 employees. BNH Hospital’s state-of-the-art imaging centre includes three tesla MRI scanners with functional MRI, MARS protocol and 64 slice positron emission tomography – computed tomography (PET CT) hybrid scanner.

XV. Dr. B L Kapur Memorial Hospital (“BLK Hospital”)

BLK Hospital is operated by our Company pursuant to an operations and management agreement entered into with LHS in 2000. It is a 538 bedded hospital and provides tertiary care to the patients. It is equipped with outpatient services and 80 consultation rooms. It has 17 state – of – the – art operation theatres and critical care programmes in the region with 125 beds in different intensive care units viz. medical, surgical, cardiac, paediatrics, neonatology, neurosciences and organ transplant. Each critical care unit is equipped with high end patient monitoring devices, ventilators and dedicated isolation rooms. The hospital also has a bone marrow transplant centre and is also equipped with the advanced robotic surgery systems.

Our Company operates the Radiation Oncology Centre at BLK Hospital since 2016. The centre provides for advanced cancer treatment facilities such as tomo therapy, trilogy TX linear accelerator, HDR brachytherapy and facility for total body irradiation. The centre has latest configuration of tomo therapy which features 3 – dimensional on – board megavoltage computed tomography and the latest configuration of image guided radiation therapy. These techniques allow the centre to offer higher, more effective doses of radiation to tumours while minimising vulnerability to neighbouring healthy tissues and organs. In addition to MRI and CT, the team of professionals, including radiation oncologists, medical physicists and technologists use advanced imaging techniques to detect cancer more accurately leading to higher cure rates with minimal complications.

XVI. Max Institute of Cancer Care, Lajpat Nagar

Max Institute of Cancer Care, a unit of DDF, is a stand-alone oncology daycare center. The center opened in 2016 and has 12 recliners and three day care beds. It is a medical centre and offers basic diagnostics such as pathology and ultrasound and provides chemotherapy to patients.

XVII. Max MedCentre, Lajpat Nagar – Immigration Department (“MMID”)

MMID was opened in 2017 at Lajpat Nagar as an authorised panel site for immigration checks for certain countries such as Australia, Canada, United States of America, New Zealand and United Kingdom. We manage various immigration programmes for the applicants at MMID in order to provide health care services and amenities.

Max@Home and MaxLab

We have introduced two new lines of business i.e. Max@Home and MaxLab. Max@Home is the out-of-hospital service division of our Company focusing on making quality healthcare accessible to patients at their home or work place. Max@Home was launched in Fiscal 2017 and since then the gross revenue has grown at a CAGR of 100+%. In Fiscal 2020, the gross revenue was ₹ 7,683 lakh. Our Company is one of the largest providers in the NCR with 12 service lines, 24*7 in-house customer support, 1500+ transactions/ shifts/ visits daily and 1,000+ daily call volumes. It has a strong foundation with all the services and a proper care plan and an integrated technology platform.

MaxLab offers diagnostic services to patients outside our hospitals. It offers pathology services to patients directly and through network of partners such as clinicians, hospitals and nursing homes and pathology laboratories. It was launched in Fiscal 2017 and since then the gross revenue has grown at a CAGR of 100+%. In Fiscal 2020, the gross revenue was ₹ 4,088 lakh. Our Company has 100+ partner collection centres, 5 Company owned collection centres, 120+ phlebotomist at site (PAS), 130+ pick-up points (PUPs) and 16 hospital based labs management (HLMs). Further, MaxLab is supported by an experienced team of 370+ professionals with deep expertise in their respective functional areas. This consistent revenue growth is driven by 350+ active partner networks across both B2B and B2C channels. Recently, our Company has launched a program named Shubh Lab, which is a 360 degree partner engagement program essentially to support channel partners.

Marketing

Our Company has engaged various media channels to reach its customers both directly and through various partners. It has expanded its presence through a variety of activities including sales offices and OPD centers. These centers are expected to add to patient convenience by providing tertiary care specialist consultations closer to home and also facilitate patient movement to our Network Healthcare Facilities. Additionally, it will help boost our relationship

with the local clinical fraternity, play pivotal role in Max Extended Care Program and increase direct patient outreach. We are also involved in a number of social initiatives to support the community in preventive healthcare, through education and awareness building activities. Community outreach initiatives include programs such as ‘*Community First*’ to create awareness about health programs, cleanliness drives, local area beautification and special benefits to residents around the hospital. Our Company has also been reaching out to consumers online through digital media by way of content building awareness by doctors, patient success stories and knowledge of treatments available. We believe that in order to maintain the quality of care we offer to our patients, our doctors and other medical staff must pursue a rigorous program of continuing education by taking certain digital initiatives and efforts to reach patients online. In addition, we have also setup and rapidly expanding facilitation centres overseas either on our own or through partnerships.

We believe these initiatives are an important tool in carrying out our responsibilities to provide healthcare in our local communities, serving to provide our doctors with an outlet for reaching out to patients in need and raising the profile of our hospitals and reputation throughout the country.

Medical Excellence

Our constant endeavour is to establish “*Max Healthcare’s*” clinical and safety outcomes at the highest level comparable to the best known institutions of the globe. The strengths of medical excellence consist of accreditations (national and international), audits for continuous improvements, evidence based practices, clinical leaderships, systems and protocols, patient safety goals and clinical indicators. All our Network Healthcare Facilities are successfully NABH accredited and Max Super Speciality Hospital, Saket (east and west wings) and BLK Hospital have successfully achieved JCI accreditation and received the gold seal in February 2017 and April 2018, respectively. Further, while our 10 laboratories are NABL accredited and five blood banks are NABH accredited (as per NABH Blood Bank Standards).

Further, to strengthen clinical risk management, our Company has successfully implemented new policies like bereavement policy, formation of crisis management team, revision of LAMA policy etc. We have also introduced certain new parameters to measure our hospital performances and introduced a bi – annual internal baseline assessment to strengthen the implementation of our critical medical processes across all our Network Healthcare Facilities. Our Network Healthcare Facilities have won many rewards and recognitions at external forums for their work in patient safety and quality.

Information Technology

Our information technology systems help serve our patients, ensure efficiency in and improve productivity of our operations as well as help in monitoring our network’s performance, refining resource allocation, tracking consumption patterns and proactively directing patients to certain locations and services. We have a scalable information technology infrastructure designed to support the growth of our business and to help ensure the reliability of our operations as well as the security of customer information.

We have taken certain key initiatives and digital operating models such as ‘*Lab Information Management System Platform*’, ‘7 Hospital Lab Management’ centres’, ‘550 plus collection centers’ and Max@Home digital platforms to enhance the deployment of all service lines including physiotherapy, nursing and pathology. We have also implemented ‘ERP Platform’ for biomedical and engineering asset tracking for better predictive maintenance and uptime of critical biomedical and engineering equipment. In addition to the above, our Company has launched ‘Patient App’ and ‘Web Portal’ for healthcare services expected to serve as digital locker for all patient records with majority of diagnostic reports and e – prescriptions for patients made online along with the functionality of tele-consult.

Suppliers

We seek to source most of our medical and non-medical supplies and equipment from the suppliers / manufacturer / producer with reputation for high quality and reliable products. Our hospitals procure medical equipment, instruments, medical consumables and disposable products manufactured by companies and multinational conglomerates from a wide range of agents and distributors. Our suppliers are selected based on consumer demand,

acceptability of clinicians, product quality, price and cost effectiveness, company history, service levels and supply chain capability including after sale service. Products are supplied to us by a range of companies/distributors and we are not dependent on any particular supplier. We enter into rate contracts with our suppliers generally for a period of six to twelve months and these are reviewed and negotiated from time to time based on emerging market scenario and levels of offtake, etc.

We seek to manage supply chain risks by maintaining adequate inventories, active formulary management, developing new sources and building strong relationships with our suppliers. While we purchase most of the medical equipment, certain laboratory equipment is provided to us on the reagent rental model which is common in the healthcare industry.

We also use outsourced partners for managing house-keeping, security and meet our requirement for general duty attendants, etc. We have service level agreements with some of these vendors to ensure quality and timeliness in provision of such services. There are training and orientation programs focused on soft skills, etc. to ensure and maintain high level of service level standards. We also enter into long term contracts for medical services of specialized nature like ophthalmology, dialysis and audiology in some of the hospitals, in order to provide services to our patients.

Equipment Maintenance

The complex nature of the treatments and procedures performed in our Network Healthcare Facilities require us to maintain a high level of availability of medical equipment. Generally, our medical equipment comes with a warranty period, upon the expiry of which, repairs and maintenance are carried out pursuant to annual maintenance contracts with the equipment vendors or their authorised service agents. Depending on the terms of annual maintenance contracts, the manufacturer or dealer also carry out preventive maintenance of the high end equipment on a periodical basis. In addition we also have a bio medical team in all big hospitals, who undertake routine repairs of equipment and items not under third party maintenance contracts.

Clinical trials and Research

Our Company has built a strong foundation in managing several sponsored global and national clinical trials and investigator initiated trials including studies in all major therapeutic areas like oncology, neurology, endocrinology, critical care medicine, pathology, radiology, nephrology and kidney transplant, IVF, obstetrics and gynaecology, dermatology, internal medicine and liver and biliary surgery covering the areas of drugs, devices and post marketing surveillance studies. Since 2005, through the Clinical Research Program established at the hospitals and medical centres owned and operated by us, we have been able to successfully run over 200 sponsored clinical trials. We have derived benefits including fulfilling unmet therapeutic requirements, collaboration with the external global funding and government agencies for carrying out research and innovation in the areas of new technology and clinical procedures thereby improving the treatment process as a result of our R&D initiatives.

In addition to the above we have entered into an agreement with Imperial College London for carrying on research in the area of non – communicable disease. Our Company is one of the few organizations in India that have a bio bank where serological samples are stored for future genetic research of over 10,000 research subjects. Our Company also generates serological samples for genetic testing in CoVID – 19.

We were one of the first private healthcare players to be registered with Department of Science & Industrial Research which supports our R&D activities. This enables us to attract grants from various institutions such as the Indian Council of Medical Research, the Department of Biotechnology, the Department of Science and Technology. Recently our Company has received a grant from Biotechnology Industry Research Assistance Council and National Institute of Health Research, UK. Our Company with its background of large scale clinical trials, and research in the field of non-communicable diseases, was able to immediately shift gear to CoVID – 19 related research.

On account of the recent pandemic, our Company has initiated close to 50 research initiatives purely related to CoVID – 19, which includes sero epidemiological studies, investigator driven work and sponsored drug and clinical trials. We have registered approximately 50% of the CoVID – 19 studies on Clinical Trial Registry, India

and Clinical Trials Gov, a global site for clinical trials. Our Company has also partnered with the Institute of Genomics and Integrative Biology, Delhi to look at cutting edge CoVID – 19 research to identify genetic sequences and their behaviours in the Indian population. The research work undertaken by our Company results in over 250 high impact factor index journal scientific publications from our Company each year.

Risk Management and Internal Controls

We have a risk management system which aids the achievement of strategic and business objectives by identifying, analyzing, assessing, mitigating, monitoring risk or potential threat to achievement of these objectives covering various aspects of our business, including operations, legal, treasury, regulatory, strategic and financial. Our Audit and Risk Committee reviews the mitigation plan for high and critical risks events that may adversely affect the operations and profitability of our business and suggest suitable measures to mitigate such risks. Systematic and proactive identification of risks and mitigation thereof enable effective or quick decision-making and boosts the performance of the organization. Our risk management framework is a combination of formally documented policies in certain areas and an informal approach to risk management in others. Monitoring and identification of risks is carried out at regular intervals with the aim of improving the processes and procedures involved and to set appropriate risk limits and controls. After risks have been identified, risk mitigation and solutions are developed/defined, so as to bring the risk exposure levels in – line with the risk appetite. Risk management policies and systems are reviewed on a periodical basis to reflect changes in market conditions and our business activities.

We have an established internal control system tailored for managing and optimizing the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with statutory laws, regulations and company policies. We have an in-house team to conduct internal audits who also take help from third party experts for audit of specialist area like information technology and taxation. The internal audit plan for the year is approved by the Audit and Risk Committee and encompasses various non-medical functions and processes. We are also subjected to periodical audit and inspections by external regulatory and others agencies in the course of grant/renewal of license/permits/accreditation etc.

Competition

We face competition of varying degree from organized, unorganized and institutional providers in the each of the market that we operate in. We compete with other hospitals and healthcare providers for, among other things, doctors, patients, nurses, empanelment and strategic expansion opportunities. Some of our competitors are larger than us and have greater financial and other resources. Consequently, our competitors may have wider offerings, larger geographical reach, greater intellectual property resources and broader appeal across various stakeholders, patients and patrons. For further information regarding the competition in the industry, see “*Industry Overview*” on page 55.

Intellectual Property

For details, see the section “*Government and Other Approvals*” on page 394.

Environmental, Health and Safety matters

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. For details, see “*Key Regulations and Policies in India*” on page 76. We are also committed to providing employees with a safe working environment. Our employees are trained and encouraged to use personal protective equipment while handling biological specimen and adhere to national and local safety guidelines, including that of biomedical waste disposal.

Corporate Social Responsibility

The Corporate Social Responsibility Committee has formulated and recommended to our Board, a corporate social responsibility policy (“**CSR Policy**”) indicating the activities to be undertaken by our Company. The CSR Policy of our Company focusses on certain areas, recommend the amount of expenditure, execution process, review and monitoring mechanism and reporting process to the management and the Board of our Company. In

accordance with our CSR Policy, our Company shall give primary importance to the identified sectors such as health and 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 and supporting self help groups for single women led households in villages identified for adoption by our Company. However, certain Subsidiaries of our Company have active CSR programs whereby they sponsor chemotherapies and dialysis of patients for the economically weaker sections in addition to free camps. In view of our carried forward losses, we were unable to contribute to the CSR activities for the FY 2018 - 19 and FY 2019 – 20.

Employees

As of June 30, 2020, our Company had 10,430 full-time employees at the hospitals and medical centres owned and operated by it and at the Managed Healthcare Facilities. Our Network Healthcare Facilities are managed by qualified scientific staff and supervised by a team of doctors with specializations in relevant fields of medicine. We provide training to our employees to help ensure quality service to our patients. As an organization, we follow online and classroom trainings to fulfil the training needs of our employees and address several aspects of employee training including basic training for new personnel, technical and managerial development courses. We periodically conduct employee satisfaction survey at various milestones of an employee lifecycle to gauge the satisfaction levels of our workforce.

Insurance

Our laboratories, Network Healthcare Facilities and office locations including our Registered Office and Corporate Office are insured against fire and certain allied perils, including terrorism damage. We also have several other insurance policies covering equipment and marine cargo insurance, money-transit, cash-in-safe, fidelity guarantee and statutory employee liability insurance, all risks relating to information systems equipment (including losses caused by electrical breakdowns), burglary causing loss of inventory and workers' compensation. We have also obtained directors' and officers' liability insurance. Additionally, our Company is insured against professional indemnity liability including liability arising out of breach of confidentiality, third party public liability and loss of goodwill.

Property

Our Registered Office and Corporate Office are located on leave and license and leased premises, respectively. As on the date of this Information Memorandum, one facility is located on premises owned by us and sixteen facilities are situated on leased premises.

KEY REGULATIONS AND POLICIES IN INDIA

Our Company is engaged in the business of operating and managing hospitals and clinics. We are governed by a number of central and state legislations that regulate our business. Consequently, our functioning requires, at various stages, the sanction of the concerned authorities under the relevant legislations and local bye-laws. Additionally, under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

The regulations set out below are not exhaustive, and are only intended to provide general information. Applicable shops and establishments' statutes, pollution control, labour and employment statutes and taxation statutes apply to us, as they do to any other company. For details of the material approvals obtained by our Company and our Material Subsidiaries, see "Government and Other Approvals" on page 394.

The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and remain subject to judicial and administrative interpretations thereof.

Key regulations specifically applicable to our business and operations

Atomic Energy Act, 1962 ("Atomic Energy Act") and the rules thereunder and the Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 ("Safety Code")

The Atomic Energy Act regulates the use and disposal of materials containing prescribed substances which are radioactive in nature. A number of applications involving radioactive substances are available in the field of medicine. The use of such substances and equipment which generate wastes involving such substances require licenses and registrations under the Atomic Energy Act and the various rules prescribed thereunder. An Atomic Energy Regulatory Board ("AERB") has been constituted by the Central Government to administer the provisions of the Atomic Energy Act.

Further, the Safety Code was adopted to elaborate the safety requirements contained in the Atomic Energy Act, 1962, the Radiation Protection Rules, 1971 and the Radiation Surveillance Procedures relevant to medical diagnostic X-ray equipment and installations and their use. Guidance and practical aspects on implementing the requirements, are also provided for in various guides issued under the Safety Code.

Drugs and Cosmetics Act, 1940 ("Drugs Act"), the Drugs and Cosmetics Rules, 1945 ("Drugs Rules"), New Drugs and Clinical Trials Rules, 2019 ("Clinical Trials Rules") and the rules thereunder

The Drugs Act regulates a range of activities, including manufacture and sale of drugs. Under the Drugs Act, licenses will need to be obtained from the jurisdictional drug control office for stocking, sale and distribution of drugs on a wholesale or retail basis. Record maintenance requirements have also been prescribed under the Drugs Act. The Drugs Act also provides for a framework of inspection of premises from which drugs are sold by the relevant authorities and provides for penalties for non-compliance with the provisions thereof.

Under the Drugs Rules, human clinical trials for drugs are regulated. The Rules provide for obtaining of registration of the ethics committee by the licensing authority and provides for a phase wise application procedure for the conduct of clinical trials. Every clinical trial will have to be registered with the Clinical Trials Registry – India before enrolling the first patients for study. A detailed scheme for compensating patients participating in such clinical trials, in case of death or injury, has also been provided for under the Drugs Rules. Annual status reports on each clinical trial, including whether it is on going, completed or terminated, are required to be submitted to the licensing authority.

Further, under the Clinical Trials Rules, the ethics committee is required to register itself with the central licensing authority in order to conduct any clinical trial, bioavailability study or bioequivalence study. The Clinical Trials Rules further provide for the composition and functions of the ethics committee and its period of validity. The

Clinical Trials Rules further mandate the maintenance of records for a period of five years after completion of the clinical trial or bioavailability study or bioequivalence study, as the case may be.

Medical Termination of Pregnancy Act, 1971 (“MTP Act”) and the rules thereunder

The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds and for matters connected therewith. It stipulates that abortion can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Under the MTP Act, private hospitals and clinics need government authorisation to undertake termination of pregnancy. Under the rules framed pursuant to the MTP Act, private clinics can receive their authorization only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

National Ethical Guidelines for Biomedical and Health Research Involving Human Participants, 2017 (“ICMR Code”)

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must only be carried out after due consideration of all alternatives and the use of human participants is considered to be essential for the proposed study. The ICMR Code lays down the requirement of ensuring privacy and confidentiality along with ensuring that such studies are conducted in a transparent and environmentally friendly manner.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted independent and impartial institutional ethics committee to safeguard the welfare and the rights of the participants. The committee should preferably have seven to 15 persons while maintaining a balance between medical and non-medical/ technical and non-technical members, depending upon the needs of the institution.

These ethics committees are entrusted with the initial review of research proposals prior to their initiation, and also have a continuing responsibility to regularly monitor the approved research to ensure ethical compliance during the conduct of research. Such an on going review has to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization.

The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research, if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be provided. However, the ethics committee is entrusted to ensure that payments should not be so large or the medical services so extensive as to make a prospective participant's consent readily to enroll in research against their better judgment, which would then be treated as undue inducement.

National Medical Commission Act, 2019

The National Medical Commission Act, 2019 provides for recognition of medical degrees and licenses to doctors to practice the profession of medicine. Though various provisions of the Act have not been notified, our Company being in the business of running hospitals will be required to comply with the Act, as and when notified by the Central Government.

Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”)

The NDPS Act regulates the possession and use of drugs falling within the definition of “narcotic drug” and “psychotropic substances”. A number of drugs used in the treatment of human beings are regulated by the NDPS Act. A license will need to be obtained from the licensing authority under the NDPS Act, for a hospital to purchase and administer such drugs to patients. The license will also provide for the quantity of drugs licensed thereunder and

the conditions subject to which the hospital is permitted to possess and administer narcotic drugs. The NDPS Act also provides for penalties for contravention, which includes imprisonment and fine.

Indian Nursing Council Act, 1947 (“Nursing Act”)

Nurses, midwives or health visitors employed at the various establishments of our Company have qualifications which are recognised under the Nursing Act. Persons with recognised qualifications under the Nursing Act are eligible for registration under the various State Nursing Councils. The Act also empowers the executive committee to appoint inspectors to inspect any institution which is recognised as a training institution granting any recognised qualification or recognised higher qualification under the Nursing Act.

Pharmacy Act, 1948

Pharmacists are required to be registered with the Pharmacy Council of India. Our Company is required to employ registered pharmacists, who alone are permitted to vend medicines and drugs from pharmacies operated by our Company.

Radiation Protection Rules, 2004 (“Radiation Rules”)

The Radiation Rules require that no person shall, without a license issued by the AERB, establish a radiation installation for siting, design, construction, commissioning or operation. The Radiation Rules also require a license for a person to handle radioactive material or operate a radiation generating equipment. A registration will be required under the Radiation Rules, for sources and practices associated with medical diagnostic x-ray equipment including therapy, simulator and analytical x-ray equipment used for research.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 (“Surveillance Procedures”)

The Surveillance Procedures provide for safety requirements and procedures to be complied with in connection with operating a radiation generating equipment. The Surveillance Procedures require that a radiology safety officer, whose appointment is approved by the AERB, be appointed with respect to the operation of radiation generating equipment.

Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PC - PNDT Act”) and the rules thereunder

The PC - PNDT Act regulates the use of pre-natal diagnostic techniques for various purposes. These include, for instance, detecting genetic or metabolic disorders, chromosomal abnormalities, certain congenital malformations or sex-linked disorders of a foetus. The PC - PNDT Act also prevents the misuse of such techniques for the purposes of pre and post conception sex determination leading to female foeticide and for matters connected therewith or incidental thereto. The PC - PNDT Act makes it mandatory for all genetic counselling centers, genetic clinics, laboratories and all bodies utilizing ultrasound machines to register with their respective appropriate authorities, failing which, penal actions could be taken against them.

Registration of Births and Deaths Act, 1969

The medical officer of a hospital is required to notify births and deaths occurring in the hospital to the Registrar appointed under the Registration of Births and Deaths Act, 1969. Further, with respect to deaths where the relevant State Government has required that a certificate as to the cause of death shall be obtained, in the event of the death of any person who, during his last illness, was attended by medical practitioner, the medical practitioner shall, after the death of that person, forthwith issue without charging any fee, a certificate in the prescribed form stating to the best of his knowledge and belief the cause of death; and the certificate shall be received and delivered by such person to the registrar at the time of giving information concerning the death as required by this Act.

Transplantation of Human Organs and Tissues Act, 1994 (“Transplantation Act”) and the rules thereunder

The Transplantation Act provides for the regulation of removal, storage and transplantation of human organs and tissues for therapeutic purposes and for the prevention of commercial dealings in human organs and tissues and for matters incidental thereto. The Transplantation Act prohibits the removal of any human organ or tissue except in situations provided therein. No hospital can provide services relating to the removal, storage or transplantation of any human organ or tissue for therapeutic purposes unless such hospital is duly registered under the Transplantation Act.

The Indian Medical Council Act, 1956 (“Medical Council Act”) and the rules thereunder

The Medical Council Act provided for the reconstitution of the medical council of India which is required to maintain a register of medical practitioners to be known as the Indian medical register, containing the names of all persons who are for the time being enrolled on any State Medical Register and who possesses medical qualifications recognised under the Medical Council Act. In addition, most of the States have enacted legislations to provide for the constitution of State medical councils and the maintenance of State medical registers.

Clinical Establishments (Registration and Regulation) Act, 2010 (“CERR Act”) and the rules thereunder

The CERR Act is a central legislation and provides for registration and regulation of clinical establishments. It prescribes the minimum standards for facilities and services provided by clinical establishments. In terms of the CERR Act, ‘clinical establishment’ includes a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried on. In addition, the States in India in which we operate have enacted various clinical establishment laws to regulate the establishment and registration of nursing homes. These legislations, *inter alia*, include (i) Delhi Nursing Homes Registration Act, 1953; (ii) Punjab State Nursing Home Registration Act, 1991; (iii) Haryana Clinical Establishments (Registration and Regulation) Adoption Act, 2018; and (iv) Bombay Nursing Homes Registration Act, 1949 read with Bombay Nursing Homes Registration Act (Amendment) 2005.

Disaster Management Act, 2005 (“Disaster Management Act”) and the rules and circulars notified thereunder

Disaster Management Act is a central legislation that provides for the effective management of disasters through an institutional mechanism for the establishment, implementation and monitoring of disaster management plans in a coordinated manner at the central, state and district level. The Disaster Management Act calls for the establishment of a national, state and district level disaster management authority, a central and state level executive committee, the National Institute of Disaster Management and the National Disaster Response Force. Additionally, the Disaster Management Act empowers the Central and State Governments to take such measures as it deems necessary or expedient for the purpose of disaster management. Further, in an effort to effectively contain the spread of the CoVID-19 pandemic, the Central and State Governments have notified various orders and circulars under the Disaster Management Act, which are applicable to our Company.

Environment Regulations

Our Company is subject to a number of environmental regulations given that the activities carried out by our various establishments might have an impact on the environment. These statutes aim to prevent, abate and control pollution. In order to achieve these objectives, State Pollution Control Boards (“PCBs”) have been established in different states and vested with diverse powers to deal with water and air pollution. These PCBs are responsible for setting standards and conducting inspections of establishments to ensure compliance to the standards prescribed. The environmental statutes applicable to our Company, among others, include the Water (Prevention and Control of Pollution) Act, 1974 and rules thereunder, the Air (Prevention and Control of Pollution) Act, 1981 and rules thereunder, the Indian Explosives Act, 1884, the Gas Cylinders Rules, 2004 and the Environment Protection Act, 1986 and rules thereunder including but not limited to the i) Bio-Medical Waste (Management and Handling) Rules, 1998; ii) Plastic Waste Management Rules, 2016; iii) Batteries (Management and Handling) Rules, 2001; iv) E-Waste (Management) Rules, 2016; and v) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

Laws relating to medical negligence

Consumer Protection Act, 1986

The Consumer Protection Act, 1986, provides remedies to consumers with respect to deficiency of services. Services provided by hospitals are covered under the Consumer Protection Act, 1986. In the event of medical negligence, patients are entitled to, depending on the quantum of the claims, file complaints against us before the District Consumer Disputes Redressal Forum, the State Consumer Disputes Redressal Commission or the National Consumer Disputes Redressal Commission. These forums have the power to award damages and costs against us for any medical negligence established against us. Appeals are available against orders of the District Consumer Disputes Redressal Forum before the State Consumer Disputes Redressal Commission, against orders of the State Consumer Disputes Redressal Commission to the National Consumer Disputes Redressal Commission and against orders of the National Consumer Disputes Redressal Commission to the Supreme Court of India.

The Consumer Protection Act, 2019 has been published in the e-gazette and will repeal the existing Consumer Protection Act, 1986 on such date as the Central Government may by notification appoint. The Consumer Protection Act, 2019 will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The Consumer Protection Act, 2019 will bring e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online marketplace or online auction sites. The Consumer Protection Act, 2019 will also provide for mediation cells for early settlement of the disputes between the parties.

Laws relating to taxation

The Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) and the Income Tax Act, 1961 are applicable to our Company.

Laws relating to Intellectual Property and Employment

Certain other laws and regulations that may be applicable to our Company include the following:

- The Trade Marks Act, 1999;
- The Patents Act, 1970;
- The Copyright Act, 1957;
- Designs Act, 2000;
- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Relevant State Shops and Commercial Establishments Act; and
- Trade Unions Act, 1926.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as “*Infinitum Technologies Private Limited*” at New Delhi, India as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated June 18, 2001, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana. Pursuant to a fresh certificate of incorporation dated June 28, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, the name of ‘*Infinitum Technologies Private Limited*’ was changed to ‘*Max Healthcare Institute Private Limited*’. Thereafter, pursuant to a special resolution dated May 16, 2002 and a fresh certificate of incorporation dated October 18, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, our Company was converted to a public company, and its name was changed to ‘*Max Healthcare Institute Limited*’. Further, the registered office of our Company was shifted from the state of Delhi to Maharashtra with effect from March 8, 2019 and a certificate of registration of the Regional Director’s order was issued by the RoC dated March 20, 2019.

Change in the name of our Company

The details of the change in the name of our Company since incorporation are detailed below:

Effective date of change	Details of change	Reason(s) for change
June 28, 2002	Name of our Company was changed from “ <i>Infinitum Technologies Private Limited</i> ” to “ <i>Max Healthcare Institute Private Limited</i> ”.	To reflect the main business objectives of Company i.e. the healthcare business)
October 18, 2002	Name of our Company was changed from “ <i>Max Healthcare Institute Private Limited</i> ” to “ <i>Max Healthcare Institute Limited</i> ”.	Conversion of our Company from a private limited company to a public unlisted company.

Change in the Registered Office

The details of the change in our Registered Office since incorporation are detailed below:

Effective date of change	Details of change	Reason(s) for change
May 16, 2002	The registered office of our Company was shifted from A-16/9 Basant Vihar, New Delhi 110057 to Max House, 1, Dr. Jha Marg, Okhla, New Delhi 110 020.	For administrative and operational convenience.
January 1, 2018	The registered office of our Company was shifted from Max House, 1, Dr. Jha Marg, Okhla, New Delhi 110 020 to N-110, Panchsheel Park, New Delhi 110017.	For administrative and operational convenience.
March 20, 2019	The registered office of our Company was shifted from N-110, Panchsheel Park, New Delhi 110017 to 167, Floor 1, Plot-167, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400 018.	Pursuant to the Scheme, in order to exercise better administrative and economic control and to enable the Company to rationalize and streamline its operations as well as the management of affairs, the registered office of the Company was shifted.

Main objects of our Company

The main objects clause of the Memorandum of Association of our Company is as below:

1. To establish, maintain, run, manage, develop, own, acquire, including but not limited to franchising, taking on lease, purchasing, undertaking, improving, equipping, promoting, initiating, promoting, subsidizing, and organizing, in India or elsewhere, hospitals, clinics, nursing homes, health centers in primary/ secondary/ tertiary care, pharmacy/ chemist shops, diagnostic and pathology centres, emergency and trauma facilities, in-patient and out-patient facilities, ophthalmology centers, dental clinics, rehabilitation

centers, health camps/ health programmes/ preventive health checks, operation theaters, histopathology facilities, conventional cardiology and invasive cardiology facilities, neurology centers, dialysis centers, child welfare and maternity centers, clinical laboratories, blood banks, ambulances, eye banks, physiotherapy centres, investigation centers, research centers, specialty programme centers, and other similar establishments and programmes for providing treatment and medical services in all its branches/ centres by all available means.

2. To undertake, promote or engage in all kinds of research including clinical research and development work required to promote, assist or engage in setting up hospitals and facilities including setting of laboratories, purchase, take on lease and acquire any facility, equipment, instrument, required for carrying out medical research and to educate and train medical students, nurses, midwives and hospital administrators and to grant such diploma and degrees as recognition as the Company may prescribe or deem fit from time to time.
3. To promote, form, register, invest in companies, enter into partnerships, joint-ventures with individuals, bodies corporate, firms, societies, trusts, etc.
4. To provide healthcare, medical, incidental and related services including but not limited to providing training to doctors, nurses, para-medics, technicians and other healthcare workers and to act as advisors and consultants on all matters relating to medical management and treatment in hospitals, dispensaries, clinics, nursing homes, pharmacy, laboratories, blood banks and other healthcare establishments and programmes.
5. To carry on the business of planning, designing, constructing, running and/or Management of, and provision of connected services, acting as advisers and consultants to, all kinds of hospitals, dispensaries, clinics, nursing homes, laboratories, diagnostic centres, operating rooms, physiotherapy centres, ambulances, maternity centres, transplant centres, dialysis centres, psychiatry and mental health centres, dentistry centres, ophthalmology centres, blood banks, medical advisory centres and health clubs or any other service related to medical and allied services, both curative and preventive, whether owned by the Company or not and to employ, retain, hire and provide doctors, registered medical practitioners, surgeons, technicians and specialist in all branches of the medical science to any hospitals, dispensaries, clinics, nursing homes, laboratories, blood banks, medical advisor centres and health clubs.
6. To buy, sell, lease, import, export, supply, install, maintain, deal in, let out all kinds of equipment and instrumentation for hospital, dispensaries, clinics, nursing homes, laboratories, blood banks, medical advisor centres and health clubs and to buy, sell, import, export, treat and deal in any kinds of pharmaceuticals, chemicals, medicines and drug.

The main objects and the objects which are necessary for furtherance of the main objects, as contained in the Memorandum of Association, enables our Company to carry on its existing business.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last ten years preceding the date of this Information Memorandum:

Date of Shareholders' Resolution	Particulars
February 21, 2011	Amendment to the capital clause for increasing authorised capital of the Company from ₹ 600,00,00,000 divided into (i) 35,00,00,000 Equity Shares of ₹10 each; and (ii) 25,00,00,000 cumulative preference shares of ₹ 10 each, to ₹ 750,00,00,000 divided into (i) 35,00,00,000 Equity Shares of ₹ 10 each;(ii) 25,00,00,000 cumulative preference shares of ₹ 10 each; and (iii) 1,50,00,000 compulsorily convertible preference shares of ₹ 100 each.
January 19, 2012	Amendment to the capital clause for increasing the authorised capital of the Company from ₹ 750,00,00,000 divided into (i) 35,00,00,000 Equity Shares of ₹ 10 each;(ii) 25,00,00,000 cumulative preference shares of ₹ 10 each; and (iii) 1,50,00,000 compulsorily convertible preference shares of ₹ 100

Date of Shareholders' Resolution	Particulars
	each, to ₹ 1050,00,00,000 divided into (i) 50,00,00,000 Equity Shares of ₹ 10 each; (ii) 1,50,00,000 compulsorily convertible preference shares of ₹ 100 each; (iii) 1,50,00,000 redeemable and non-convertible preference shares of ₹ 100 each; and (iv) 25,00,00,000 cumulative preference shares of ₹ 10 each.
September 6, 2013	Amendment to the capital clause for reclassification of authorised capital of the Company from ₹ 1050,00,00,000 divided into (i) 50,00,00,000 Equity Shares of ₹10 each; (ii) 1,50,00,000 compulsorily convertible preference shares of ₹ 100 each; (iii) 1,50,00,000 redeemable and non-convertible preference shares of ₹ 100 each; and (iv) 25,00,00,000 cumulative preference shares of ₹ 10 each, to ₹ 1050,00,00,000 divided into (i) 92,50,00,000 Equity Shares of ₹10 each; and (ii)12,50,00,000 cumulative preference shares of ₹ 10 each.
November 20, 2017	Amendment to the object clause to align it with Table A of the Companies Act and for incorporating the object clause of MMSL.
October 4, 2017*	The authorised capital of the Company was reclassified from ₹ 1050,00,00,000 divided into (i) 92,50,00,000 Equity Shares of ₹ 10 each; and (ii) 12,50,00,000 cumulative preference shares of ₹ 10 each, to ₹ 1085,00,00,000 divided into (i) 96,00,00,000 Equity Shares of ₹ 10 each; and (ii) 12,50,00,000 cumulative preference shares of ₹ 10 each.
December 27, 2018	Amendment pursuant to shifting of Registered Office from the state of Delhi to the state of Maharashtra.
July 30, 2020	Amendment to the object clause III B (45) as follows: <i>“To invest and deal with the assets/money of the Company in such manner as may, from time to time, be determined, to lend/borrow money and to provide security or give guarantee including mortgaging, hypothecating or pledging or creating charge over the whole or any part of the property, assets or revenue of the Company present or future, in any manner whatsoever against any borrowing of the Company or its subsidiaries or any other entity”</i>

* Pursuant to the amalgamation of MMSL with, and into, the Company by way of the National Company Law Tribunal, New Delhi order dated October 4, 2017.

Major events and milestones

Set forth below are some of our major events and milestones:

Calendar year	Events and Milestones
2000	Our Company opens its first Medcentre with out-patient facilities and day care surgeries at Max Medcentre, Panchsheel Park.
2002	Our Company opens facilities in Pitampura and Noida. Our hospital in Pitampura became the first ISO certified hospital for high-end secondary care.
2004	Our Company opens its first super tertiary care facility with advanced cardiac life support ambulances and air evacuation service at Max Heart & Vascular Institute, Saket.
2005	Our Company opens its multispeciality tertiary care centre in east Delhi with 147 beds, three operation theatres and one cardiac catheterisation laboratory at Max Hospital, Patparganj.
2006	Our Company opens its first super speciality tertiary care location at Max Super Speciality Hospital, Saket
2007	Our Company receives NABH and NABL certification for its laboratories. Our Company opens a high-end secondary care hospital at Gurgaon.
2009	BLK Hospital was redeveloped and re-launched as a multi super speciality facility.
2010	BLK Hospital received NABH accreditation.
2011	Our Company opened a 300 bedded hospital in Shalimar Bagh. Our Company, through HBPL, extended its footprint in north India through a public private partnership with the State Government of Punjab with hospitals in Mohali and Bathinda.
2012	Our Company opened its first super speciality hospital in Uttarakhand, Max Super Speciality Hospital, Dehradun.
2013	BLK Hospital installed Asia Pacific regions' first cyber-knife VSI - an ultra modern latest generation PET-CT to aid accurate diagnosis. BLK Hospital commenced liver and kidney transplant services. BLK Hospital successfully performed 100 bone marrow transplant surgeries within a span of 24 months. BLK Hospital successfully performed landmark surgery on separating two conjoint Nigerian twins.
2015	Our Company acquired controlling stake in CRL that owns and operates a 378 bedded hospital with 328 operational beds, located in east Delhi-Ghaziabad-Noida corridor.

Calendar year	Events and Milestones
	Our Company acquired 51% stake in SCHPL, pursuant to which it became our subsidiary. SCHPL provides medical services to Max Smart Super Speciality Hospital, Saket, a 250 bedded hospital located in south Delhi and is operated by Gujramal Modi Hospital & Research Centre.
2016	Our Company launched its vertical, Max@Home, in order to bring its domain expertise in patient care to people within their homes. Our Company launched its vertical, Max Lab. Our Company launched India's first oncology day-care center at Lajpat Nagar to provide chemotherapy to oncology patients outside the hospital.
2017	Our Company launched its first standalone immigration center at Lajpat Nagar, New Delhi. Our Company launched the Responder-on-Bike initiative. Our Company launched the Max Centre for Liver and Biliary Sciences. Our Company launched the oncology dedicated wing in Max Hospital Shalimar Bagh. Max Super Speciality Hospital, Shalimar Bagh introduced advanced silent MRI. Max Super Speciality Hospital, Saket became the first hospital in the network to get accredited by the JCI Max Super Speciality Hospital, Saket introduced intraoperative and portable CT scanner with navigation. BNH Hospital received NABL accreditation. BNH Hospital received Nursing Excellence accreditation from NABH.
2018	BLK Hospital received JCI accreditation. BNH Hospital received NABH accreditation. BNH Hospital introduces new technology: 3D C-Arm in and Liquid Based Cytology For PAP Smears. BNH Hospital organised the International Emerging Infectious Diseases Conference, in collaboration with Ohio State University, United States of America. BLK Hospital launched its state-of-the-art robotic program in oncology.
2019	Our Company launched first of its kind 200 bed dedicated Cancer Tower in Max Super Speciality Hospital, Vaishali. Our Company launched day care Chemotherapy Centre in Max Hospital Gurugram. Our Company introduced lung transplant services in Max Super Speciality Hospital, Saket. Max Super Speciality Hospital, Patparganj introduced 'TruBeam Linac' with 'ExacTrac' for radiation cancer therapy. Max@Home receives QAI accreditation. BLK Hospital installed south Asia's first Signa Artist MRI with Advanced Functional Imaging and the first Revolution Frontier CT. BLK Hospital introduced India's first pain free, computer assisted navigated surgery for joint replacements. BLK Hospital installed Radixact 9 for cancer treatment. BLK Hospital organised the 4th Congress International Guild Robotic & Endoscopic Head and Neck Surgery. BNH Hospital launched new technology: Da Vinci Robotics XI in oncology, Halcyon for radiation therapy, functional MRI with multiple paradigm generators including visual, speech and motor, Texrad for texture analysis used for oncology. BNH Hospital organised the World Stroke Day Conference, in collaboration with Ohio State University and Miami University, United States of America. BNH Hospital organised the Infectious Disease Conference: Changing Paradigm in Infectious Disease, in collaboration with the Ohio State University, United States of America.
2020	Healthcare business of Radiant Life merged with our Company and amalgamation of Erstwhile Max India with our Company pursuant to the Scheme of Arrangement.

Awards, accreditations or recognitions

Our Network Healthcare Facilities, including our Company have received the following awards, accreditations and recognition:

Calendar year	Award
2016	Max Super Speciality Hospital, Saket was awarded 'Best quality initiative (BCMA medication process improvement) award by ABP News Our Company was awarded 'Best use of six sigma' award by ABP News.

Calendar year	Award
	Our Company was awarded 'Best customer service in healthcare' award by ABP News.
2017	BMP Asia Star, 2017 award for 'Process Improvement Project' was awarded to Max Super Speciality Hospital, Saket by the CII Institute of Quality.
	Our Company was awarded 'Patient Experience and Safety' award at the Business World Healthcare Award.
	Our Company was awarded 'ET Best Healthcare Brand' award at the Economic Times 'Best Healthcare Brands Summit 2017'.
	Our Company was awarded 'Clinical Safety' award at the Times Healthcare Achievers Award.
	'Best Green Hospital – Reducing Carbon Foot Print of Tertiary Care Hospital' was awarded to Max Super Speciality Hospital, Patparganj at the ABP News Healthcare Awards.
	Our Company was awarded QCI DL Shah National Quality Award 2017 – Gold Award – Enhancing Patient Experience.
	Max Institute of Cancer Care, Lajpat Nagar won the Indian Express Healthcare Award – Best Patient Satisfaction Programme.
	Max Super Speciality Hospital, Saket won the 'Gold Award' in the 'Physician Leadership' category for Reduction in VAP (Ventilator-associated pneumonia) at Asia Healthcare Management Awards 2017.
	Max Super Speciality Hospital, Patparganj won the 'Excellence Award' for Optimization of Bed utilization at Asia Healthcare Management Awards 2017.
	'National Award for Excellence in Cost Management' was awarded to BLK Hospital in the category 'Excellence in Cost Management' by the Institute of Cost Accountants of India.
	Award for 'Excellent performance in tubal occlusion in central district 2016-2017' and for 'Excellent performance in IUCD insertion in central district in 2016' was awarded to BLK Hospital by the Delhi State Health Mission.
	Award for 'Quality beyond accreditation' was awarded to BLK Hospital by the Association of Healthcare Providers.
	BNH Hospital was ranked 7th in a hospital survey conducted by The Week.
2018	'DL Shah Quality Award 2018' for Project Prarambh - reducing caesarean rate in low risk primigravida was awarded to Max Super Speciality Hospital, Shalimar Bagh by the Quality Council of India.
	'Best Multi Speciality Hospital - Metro' was awarded to BLK Hospital by ICICI Lombard and CNBC-TV18 at the India Healthcare & Wellness Awards.
	Our Company was awarded bronze award at American Society for Quality for 'Life Savers Project – Bike Ambulance'.
	Our Company was awarded People's Choice Award for Best Use of Data in Project Management through Project AGILE– at American Society for Quality, Seattle.
	Max Smart Super Speciality Hospital, Saket won the 'Excellence Award' for project 'Suraksha' at the Asian Management Hospital Awards (AMHA) 2018.
	Max Super Speciality Hospital, Saket was the winner of 'Nursing Excellence Award' at Business Standards awards.
	Max Super Speciality Hospital, Saket was awarded 'Gold' at QCI DL Shah National Quality awards 2018 for 'Improving Patient Experience' and 'Reduction of TAT in Emergency'.
	BLK Hospital was voted as the most trusted hospital in Delhi and National Capital Region by Reader's Digest.
	CIMS Healthcare Excellence Award 2018 was awarded to BLK Hospital in the category 'Hospital with highest standard in patient care' by the CIMS Medica India Private Limited.
	BNH Hospital was awarded the best 'Healthcare Delivery Brand in India' at the India Health and Wellness Summit & Awards 2018.
	BNH Hospital was awarded 'Hospital of the year with excellent healthcare services & delivery' at the IPE Business Excellence Awards for Pharma & Healthcare.
	BNH Hospital was awarded 'Most Popular Multi Speciality Hospital in India' at the International Healthcare Awards organized by Time Cyber Media.
	BNH Hospital was awarded 'India's Most Trusted Healthcare Brand 2018-19' by White Page India.
2019	'Patient Safety Award' for 'Project Nursing Excellence' to Max Super Speciality Hospital, Saket by the Federation of Indian Chambers of Commerce & Industry.

Calendar year	Award
	D.L. Shah National Award for ‘Economics of Quality’ was awarded to our Company by the Quality Council of India.
	FICCI Excellence Awards for ‘Operational Excellence’ was awarded to our Company by the Federation of Indian Chambers of Commerce and Industry.
	BLK Hospital was recognised for patient experience technology innovation and awarded the ‘Best Organization for Staff/Employee Engagement for Patients’ by the CRM Academy of Asia.
	BNH Hospital was awarded ‘Most Popular Multi-Speciality Hospital in India’ by World Mental Health Congress & Awards.
	BNH Hospital was awarded the HIMSS-Elsevier Digital Healthcare Award 2019 under the category of ‘Outstanding ICT Achievement’ held at HIMSS Asia Pacific International Conference 2019 Bangkok, Thailand.
	BNH Hospital won the 2 nd prize under the Hospital Innovation Awards at CAHOTECH, 2019, 4th International Healthcare Technology Conference held at Indian Institute of Technology - Madras Research Park.
2020	Max Smart Super Speciality Hospital, Saket won the Nursing Excellence Award at AHPI Healthcare Excellence Awards 2020.
	Max Super Speciality Hospital, Vaishali won the award for Quality Beyond Accreditation at AHPI Healthcare Excellence Awards 2020.
	BLK Hospital won the award for Quality Beyond Accreditation at AHPI Healthcare Excellence Awards 2020.
	BLK Hospital won the Best Hospital - Neurology (National) Best Hospital - Gastroenterology & Hepatology (North) Best Hospital - Orthopaedic (North) and Best Multi-Speciality Hospital (North) at ET Healthworld awards 2020.
	Max Super Speciality Hospital, Saket won the Best Hi-Tech Hospital (National) at ET Healthworld awards 2020.
	Max Super Speciality Hospital, Patparganj won the Best Hospital - Neurology (North), Best Hospital - Emergency (North) at ET Healthworld awards 2020.
	Max Smart Super Speciality Hospital, Saket won the Best Hospital - Orthopaedic (National), Best Hospital - Mother & Child Care (North) at ET Healthworld awards 2020.

Our Holding Company

As on the date of this Information Memorandum, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Information Memorandum, our Company has five Subsidiaries:

1. Alps Hospital Limited (“AHL”)

AHL was incorporated on May 26, 1989 under the Companies Act, 1956. Its registered office is situated at N – 110, Panchsheel Park, New Delhi – 110 017. For further details see “*History and Certain Corporate Matters – Mergers or amalgamation*” on page 90.

Nature of Business of AHL

AHL operates in the healthcare services sector in India. Currently, it focuses on establishing, maintaining, and running a super speciality hospital in Gurugram, Haryana. It also has, among others, dispensaries, maternity and family welfare centers, diagnostic and pathology centers, emergency and trauma centers, X-Ray and E.C.G centers.

Capital Structure of AHL

The authorised share capital of AHL is ₹ 40,00,00,000 divided into 2,00,00,000 equity shares of ₹ 10 each and 20,00,000 redeemable preference shares of ₹100 each. The issued, paid-up and subscribed share capital of AHL is ₹ 28,81,0340 divided into 28,81,034 equity shares of ₹ 10 each.

Shareholding of MHIL in AHL

Our Company holds 28,80,974 equity shares, aggregating to 100% of the equity share capital of AHL. 60 of these equity shares are held by the Company jointly with six nominee shareholders.

2. Crosslay Remedies Limited (“CRL”)

CRL was incorporated on January 8, 2002 under the Companies Act, 1956. Its registered office is situated at N-110, Panchsheel Park New Delhi 110 017.

Nature of Business of CRL

CRL owns and operates a hospital located in east Delhi – Ghaziabad – Noida corridor and provides a spectrum of preventive, diagnostic and treatment alternatives with follow – up care in all medical specialties. It also provides key tertiary care specialties such as oncology, renal sciences, GI sciences, orthopaedics and joint replacement, cardiac sciences and neurosciences, etc.

Capital Structure of CRL

The authorised share capital of CRL is ₹ 157,00,00,000 divided into 14,40,00,000 equity shares of ₹ 10 each and 1,30,00,000 preference shares of ₹ 10 each. The issued, paid-up and subscribed equity share capital of CRL is ₹ 143,19,34,390.

Shareholding of MHIL in CRL

Our Company holds 11,76,81,938 equity shares, aggregating to 82.18% of the equity share capital of CRL. For further details see “Shareholders’ agreements” and “Details of material acquisition or divestments” on page 92 and 89.

3. Hometrail Buildtech Private Limited (“HBPL”)

HBPL was incorporated on April 21, 2008 under the Companies Act, 1956. Its registered office is situated at N – 110, Panchsheel Park, New Delhi – 110 017.

Nature of Business of HBPL

HBPL operates in the healthcare services business in India. Currently, it focuses on establishing, maintaining and running super speciality hospitals in Bhatinda and Mohali Hospital in Punjab along with other similar establishments and programmes for providing treatment and medical services.

Capital Structure of HBPL

The authorised share capital of HBPL is ₹ 73,00,00,000 divided into 5,30,00,000 equity shares of ₹ 10 each and 20,00,000 redeemable preference shares of ₹ 100 each. The issued, paid-up and subscribed share capital of HBPL is ₹ 70,93,90,780 divided into 5,09,39,078 equity share of ₹ 10 each and 20,00,000 redeemable preference shares of ₹ 100 each.

Shareholding of MHIL in HBPL

Our Company holds 5,09,39,078 equity shares, aggregating to 100% of the equity share capital of HBPL. Six of

these equity shares are held by the Company jointly with six other nominee shareholders. Our Company also holds 20,00,000 redeemable preference shares of ₹10 each of HBPL.

4. **Saket City Hospitals Private Limited (“SCHPL”)**

SCHPL was incorporated on January 8, 1991 under the Companies Act, 1956. Its registered office is situated at N – 110, Panchsheel Park, New Delhi – 110 017.

Nature of Business of SCHPL

SCHPL is in the business of providing healthcare services including sale of medicines in the course of delivery of healthcare services by way of Business to Business (B2B), construction services, supply, erecting and installation of equipment and other related services. SCHPL is also in the business of purchasing, taking on lease, license, or otherwise acquiring, operating or administering establishments of medical services.

Capital Structure of SCHPL

The authorised share capital of SCHL is ₹ 70,00,00,000 divided into 5,00,00,000 equity shares of ₹ 10 each and 2,00,00,000 preference shares of ₹ 10 each. The issued, paid-up and subscribed equity share capital of SCHPL is ₹ 29,43,24,140 divided into 2,94,32,414 equity shares of ₹ 10 each.

Shareholding of MHIL in SCHPL

Our Company holds 1,68,32,414 equity shares, aggregating to 57.2% of the equity share capital of SCHPL. For further details see “Shareholders’ agreements” and “Details of material acquisition or divestments” on page 92 and 89.

5. **Radiant Life Care Mumbai Private Limited (“RLCM”)**

RLCM was incorporated on May 21, 2014 under the Companies Act, 2013. Its registered office is situated at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra – 400 056.

Nature of Business of RLCM

RLCM is engaged in the business of setting up, maintaining and operating hospitals (whether with or without a medical school), nursing institutes and homes, clinics and medical centres offering medical facilities and to outfit speciality medical units in existing hospitals, nursing homes and medical centres and operate, manage or exploit them and also to provide education respecting medical, surgical and pharmaceutical fields as authorized by its Memorandum of Association. Presently, it focuses on operating and managing a super speciality hospital, Dr. Balabhai Nanavati Hospital situated at Vile Parle (West), Mumbai, Maharashtra.

Capital Structure of RLCM

The authorised share capital of RLCM is ₹ 90,00,00,000 divided into 9,00,00,000 equity shares of ₹ 10 each. The issued, paid-up and subscribed share capital of RLCM is ₹ 89,31,76,770 divided into 8,93,17,677 equity shares of ₹ 10 each.

Shareholding of MHIL in RLCM

Our Company holds 8,93,17,577 equity shares, aggregating to 99.99% of the equity share capital of RLCM.

As on the date of this Information Memorandum, the Board of Directors of our Company has, through a resolution dated January 25, 2019, incorporated MHC Global Healthcare (Nigeria) Limited (“MGHL”) as a wholly owned subsidiary. However, our Company does not hold any ordinary shares of MGHL.

Time/cost overrun

As on the date of this Information Memorandum, our Company has experienced time and cost overruns with respect to the construction of certain hospitals and medical centres and commencement of operations at certain hospitals and medical centres primarily due to challenges with respect to structural strengthening, ban on construction, delay in inspection and issuance of completion certificates by regulatory authorities.

Financial and Strategic Partners

As on the date of this Information Memorandum, our Company does not have any financial partners. Further, except as disclosed below, our Company does not have any strategic partners as on the date of this Information Memorandum.

- Our Company has entered into a public private partnership through a concession agreement dated August 5, 2009, with the Department of Health and Family Welfare, Government of Punjab and HBPL, for development of greenfield super speciality hospital in Bathinda, Punjab; and
- Our Company has entered into a public private partnership through a concession agreement dated August 5, 2009, with the Department of Health and Family Welfare, Government of Punjab and *erstwhile* HEPL (which was merged with HBPL) and subsequently HBPL was engaged in the development of greenfield super speciality hospital in Mohali, Punjab.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions leading to rescheduling or restructuring of such loan. Further, none of the borrowing availed by the Company from any banks or financial institutions since incorporation, have been restructured.

Details of material acquisition or divestments

Except as disclosed herein, our Company has not acquired or divested any material business/undertaking in the last ten years preceding the date of this Information Memorandum.

Share subscription and purchase agreement dated May 28, 2015, further amended on July 10, 2015, entered into between Dr. Vinay Aggarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group, Mr. Akhil Jain Group, CRL and the Company ("CRL SSPA")

Our Company has entered into the CRL SSPA for (i) the subscription of the equity shares of CRL by our Company in the following tranches: (a) 42,217,195 equity shares (representing 34.31% of the paid-up share capital) in the first tranche, (b) 9,048,628 equity shares (representing 6.85% of the paid-up share capital) in the second tranche, and (c) 11,092,610 equity shares (representing 7.75% of the paid-up share capital) in the third tranche; and (ii) the purchase of the equity shares of CRL by our Company in the following tranches: (a) 48,394,678 equity shares (representing 39.33% of the paid-up share capital) from Dr. Vinay Agarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group and Dr. Akhil Jain Group, in the first tranche, and (b) 792,186 equity shares (representing 0.55% of the paid-up share capital) from Dr. Vinay Agarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group and Mr. O. P. Manchanda Group, in the second tranche.

Share purchase agreement dated January 15, 2020, further amended on June 18, 2020 between Dr. Vinay Aggarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group, Mr. Akhil Jain Group, CRL and our Company ("CRL Share Purchase Agreement")

Our Company has entered into the CRL Share Purchase Agreement for the purchase of 3,15,68,142 equity shares of CRL ("**Total Share Capital**"), representing 22.05% of the paid-up share capital of CRL. This Share Purchase Agreement was executed to consummate the transactions for the sale and purchase of equity shares of CRL, pursuant to the exercise of a put-option right under the Shareholders' Agreement entered into between Dr. Vinay Aggarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani

Group, Mr. Akhil Jain Group, CRL and our Company (collectively, the “**Parties**”). Pursuant to this Share Purchase Agreement, our Company will hold 100% of the paid-up share capital of CRL.

Further, by way of a supplemental amendment agreement dated June 18, 2020 entered into between the Parties, our Company has agreed to purchase, in tranches, 75,00,001 equity shares of CRL (representing 5.24% of the paid-up share capital) out of the Total Share Capital. As on the date of this Information Memorandum, our Company has acquired 60,56,641 equity shares, out of 75,00,001 equity shares, pursuant to the aforesaid supplemental amendment agreement.

Share purchase agreement dated November 27, 2015 entered into between Smart Health City Pte. Ltd., SCHPL and our Company (“SCHPL SPA”)

Our Company had entered into the SCHPL SPA for the purchase of 1,48,64,817 equity shares of SCHPL, representing 51% of the paid-up equity share capital and voting rights of SCHPL calculated on a fully diluted basis, from Smart Health City Pte. Ltd.

Share purchase agreement dated March 26, 2020 between SCHPL, Kayak, Smart Health City Pte. Ltd., Dr. Bhupendra Kumar Modi and our Company (“SCHPL Share Purchase Agreement 1”)

Our Company has entered into the SCHPL Share Purchase Agreement 1, for the purchase of: (i) 16,81,883 equity shares of SCHPL, representing 5.77% of the paid-up share capital of SCHPL, from Smart Health City Pte. Ltd. by our Company, and (ii) 1,26,00,000 equity shares of SCHPL, representing 43.23% of the paid-up share capital of SCHPL, from Smart Health City Pte. Ltd. by Kayak. This SCHPL Share Purchase Agreement 1, was executed to consummate the transactions for the sale and purchase of equity shares of SCHPL, pursuant to the exercise of a put-option right by Smart Health City Pte. Ltd., under the shareholders’ agreement dated November 27, 2015. Pursuant to completion of the transaction contemplated under this SCHPL Share Purchase Agreement 1 on March 27, 2020, our Company holds 56.77% and Kayak holds 43.23% of the paid-up share capital of SCHPL.

Share purchase agreement dated March 26, 2020 between SCHPL, Kayak and our Company (“SCHPL Share Purchase Agreement 2”)

Our Company has entered into the SCHPL Share Purchase Agreement 2, for the purchase of 1,26,00,000 equity shares of SCHPL, representing 43.23% of the paid-up share capital of SCHPL from Kayak. The SCHPL Share Purchase Agreement 2, was executed to consummate the transactions for the purchase by our Company, of all of the equity shares of SCHPL held by Kayak, such that SCHPL becomes a wholly owned subsidiary of our Company, as was contemplated to have happened upon the exercise of a put-option right by Smart Health City Pte. Ltd., under the shareholders’ agreement dated November 27, 2015, and the obligations of our Company under the SCHPL Share Purchase Agreement 1. Pursuant to the consummation of the transaction contemplated in the SCHPL Share Purchase Agreement 2, our Company shall hold 100% of the paid-up share capital of SCHPL. The transaction under the SCHPL Share Purchase Agreement 2 is intended to be completed within four months from the date of signing of the SCHPL Share Purchase Agreement 2, unless the time for such completion is extended by Kayak.

Mergers or amalgamation

Except as disclosed herein below, our Company has not undertaken any merger or amalgamation in the last ten years preceding the date of this Information Memorandum.

Pursuant to a composite scheme of amalgamation between our Company, MMSL and their respective shareholders and creditors, approved by the National Company Law Tribunal, New Delhi by order dated October 4, 2017, MMSL, a wholly owned subsidiary of our Company, was amalgamated into our Company. The amalgamation was done, amongst others, to create synergies by consolidating ownership leading to a simple and transparent ownership structure, reduction in inter-company transactions and reduced administrative and overhead costs. Pursuant to the merger of MMSL with our Company, AHL, which was previously a wholly owned subsidiary of MMSL, became our wholly owned Subsidiary with effect from October 4, 2017.

Further, our Company has entered into a Composite Scheme of Arrangement between itself, Erstwhile Max India, Radiant, Max India (formerly known as Advaita Allied Health Services Limited) and their respective shareholders and creditors. For further details see “Scheme of Arrangement” on page 97.

Revaluation of assets*

Except as disclosed below, our Company has not revalued its assets in the last ten years preceding the date of this Information Memorandum.

Fiscal 2015

Pursuant to the shareholders’ agreement dated May 28, 2015 and November 27, 2015, CRL and SCHPL became subsidiaries of our Company. Subsequent to these acquisitions, and in accordance with the requirements under IND AS 103, our Company has fair valued its assets on July 10, 2015 and November 27, 2015, as part of price purchase allocation for the purpose of its consolidated financials in the following manner:

- 1) Pursuant to the shareholders’ agreement dated May 28, 2015, in order to represent the fair value of our assets in the consolidated financials of our Company, we revalued the non-compete fee agreement entered into between our Company and CRL, Dr. Vinay Aggarwal Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group Dr. Gaurav Agrawal Group and Singhal Fincap Limited in the following manner:

(in ₹ lakh)

Particulars	Book value	Market Value	Written Down Value	Appreciation
Non-compete fee agreement	1,265	1,646	1,646	381
Total	1,265	1,646	1,646	381

The resultant appreciation of ₹381 lakh was adjusted against the value of goodwill arising at the time of acquisition of shares in CRL.

- 2) Pursuant to the shareholders’ agreement dated May 28, 2015, in order to represent the fair value of assets owned by CRL in our consolidated financial statements, we revalued the land and buildings owned by CRL as on July 10, 2015 in the following manner:

(in ₹ lakh)

Particulars	Book value	Market Value	Written Down Value	Appreciation
Land	1,904	7,634	7,634	5,730
Building	7,298	11,746	11,746	4,448
Total	9,202	19,380	19,380	10,178

The resultant appreciation of ₹10,178 lakh was adjusted against the value of goodwill arising at the time of acquisition of shares in CRL.

- 3) Pursuant to the shareholders’ agreement dated November 27, 2015, in order to represent the fair value of assets of SCHPL in the consolidated financials of our Company, we revalued the service agreement dated November 27, 2015, amended on November 27, 2015, entered into between SCHPL and Gujramal Modi Hospital & Research Centre for Medical Science, as at November 27, 2015, in the following manner:

(in ₹ lakh)

Particulars	Book value	Market Value	Written Down Value	Appreciation
Service agreement	-	98,066	98,066	98,066
Total	-	98,066	98,066	98,066

The resultant appreciation of ₹98,066 lakh was adjusted against the goodwill value of arising at the time of acquisition of shares in SCHPL.

For details on the shareholders' agreements dated May 28, 2015 and November 27, 2015, see "Shareholders agreement" on page 92.

**Our Company is in the process of ascertaining the fair value of all our assets and liabilities and the assets and liabilities of the Subsidiaries - "Accounting acquire" as required under the accounting of reverse acquisition / merger in accordance with IND-AS 103 "Business Combination" with effect from June 1, 2020.*

Other Confirmations

There are no accumulated profits or losses of any of our Subsidiaries, which are not accounted for by our Company.

Listing

The equity shares of our Subsidiaries are not listed in India or abroad.

Common pursuits of our Subsidiaries

Our Subsidiaries are in the same line of business as that of our Company. As on the date of this Information Memorandum, there is no material conflict of interest amongst our Subsidiaries and our Company. Our Company and our Subsidiaries will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Business interests

Except as disclosed in "Our Business" and "Financial Information – Related Party Transactions" on pages 62 and 138 respectively, our Subsidiaries do not have any business interest in our Company.

Shareholders' agreements

Shareholders' agreement dated December 24, 2018, entered into between Kayak and Abhay Soi, read with the deed of accession and adherence dated June 1, 2020 executed by our Company.

Kayak, Abhay Soi and our Company (collectively, "**Parties**") have entered into the MHIL SHA in order to set out their *inter se* rights and obligations in relation to the Company and the Subsidiaries, on and from the Effective Date pursuant to the Scheme. The key provisions of the MHIL SHA are:

- a) **Board of directors:** As per the MHIL SHA, on and from the Effective Date, the Board shall comprise nine Directors of which (i) Kayak and its affiliates shall have the right to nominate three Directors ("**Investor Director(s)**"), (ii) Abhay Soi shall have the right to nominate two Directors (including the right to nominate himself as a Director) ("**Promoter Director(s)**") and (iii) the Board shall appoint four independent Directors. Investor Directors shall be non-executive directors and shall have no responsibility for the day to day management of our Company and/or our Subsidiaries. In case there are no Investor Directors or Promoter Directors on the Board, Kayak and Abhay Soi (as applicable), will have the right to appoint observers, who may attend all meetings of the Board and/or committees of the Board. The observers will not have a right to vote at any meeting of the Board or the committees of the Board and shall not be counted towards quorum.

Subject to the terms of the MHIL SHA and applicable law, Abhay Soi will be appointed as the Chairman and Managing Director of our Company. In the event that applicable law prohibits our Company from having the same individual as chairman and managing Director, Abhay Soi shall step down as chairman, but shall continue as the vice-chairman and managing Director of our Company, on and from such date. Further, Kayak and Abhay Soi will jointly appoint the new chairman in such a scenario.

- b) **Committees of the Board:** Subject to applicable law, the proportion of representation of Independent Directors, Investor Directors and Promoter Directors on the committees of the Board shall be in the same proportion as Kayak/Abhay Soi's right to nominate directors on our Board. Abhay Soi shall additionally, have the right to appoint at least one member (including himself) to each such committee. Except for the audit committee,

nomination and remuneration committee and risk management committee, subject to applicable law, a Promoter Director will be the chairman of all Board committees.

- c) *Rights applicable to Subsidiaries:* The composition, decision making and other procedures with respect to the board of our Subsidiaries, as well as other voting, management and corporate governance matters relating to the Subsidiaries, shall be the same as set forth in the MHIL SHA vis-à-vis our Company. The charter documents of each Subsidiary will be amended accordingly.
- d) *Promoters:* As on the Effective Date, Abhay Soi, Kayak and Analjit Singh will be categorized as promoters of our Company in terms of the SEBI ICDR Regulations.
- e) *Transfer of securities:* Abhay Soi shall not, without prior written approval of Kayak, transfer any securities held by him in our Company to a Competitor (as defined in the MHIL SHA), provided that such restriction will not apply in case the sale of his securities is made on the floor of the Stock Exchanges, so long as such sale is not made, directly or indirectly, by way of a negotiated or a synchronized transaction to an identified transferee who is a Competitor (as defined in the MHIL SHA). Subject to the above, and to certain other restrictions in the MHIL SHA, Abhay Soi is entitled to transfer any securities held in our Company or all rights granted to him under the MHIL SHA to any person, except for his right to be appointed as the Chairman and Managing Director of our Company and/or the Subsidiaries.

Subject to the provisions of the MHIL SHA, Kayak shall have the right to transfer any or all securities held by it in our Company, assign all rights attached to such securities and all rights granted to it under the MHIL SHA to any person.

Any person to whom Kayak or Abhay Soi transfers the securities held by them in our Company, shall execute a deed of adherence in relation to the MHIL SHA. Further, neither Kayak nor Abhay Soi shall sell the securities of our Company to any undesirable person, as per provisions of the MHIL SHA.

- f) *Kayak's right of first offer:* In the event that Abhay Soi is desirous of selling all or any securities held by him in our Company, subject to the provisions of the MHIL SHA, Kayak will have the right (but not the obligation) to purchase all such securities proposed to be sold by Abhay Soi, at the such price and on such terms and conditions proposed by Abhay Soi. In case Kayak does not make an offer to purchase such securities, then in accordance with the terms of the MHIL SHA, Abhay Soi may sell such securities to a third party at a price that is equal to or higher than the offer price proposed to Kayak and on terms and conditions that are the same or more favorable to him.
- g) *Kayak's right of first refusal:* In the event Abhay Soi intends to sell all the securities of the Company held by him (in accordance with the terms of the MHIL SHA), and in this regard, he receives a *bona fide* written offer from a third party (not being an undesirable person) for purchase of all the securities of the Company held by him, Abhay Soi shall offer to Kayak in writing all such securities for purchase by Kayak on the same price and terms offered by the third party purchaser. Kayak has the right (not the obligation) to purchase all such securities, either directly or through an affiliate, at such price and on such terms and conditions as offered by the third party purchaser.
- h) *Kayak's drag-along right:* Subject to the provisions of the MHIL SHA, Kayak shall upon the earlier of: (i) expiry of a period of 4 (four) years from the appointment of Abhay Soi as chairman and managing director of our Company; and (ii) expiry of a period of three years from the Effective Date have the right to, as part of sale of all securities held by it in our Company to a third party (including a competitor, as set out in the MHIL SHA), drag along and include all (but not less than all) of the securities then held by Abhay Soi in our Company.
- i) *Abhay Soi's tag along right:* Subject to the terms of the MHIL SHA, if Kayak wishes to sell all or part of the securities held by it in our Company to any third party, Abhay Soi shall have the right to require Kayak to procure, if: (x) such sale of securities by Kayak results in it holding less than 35.1% of the share capital of the Company on a fully diluted basis, the third party to purchase all the securities held by Abhay Soi in the Company; or (y) in any other case, the third party to purchase up to such number of securities of the Company

held by him, as is proportional to the percentage of Kayak's shareholding in the Company proposed to be transferred. The purchase of such securities held by Kayak and Abhay Soi, in this regard shall take place simultaneously, at the same price and on the same terms and conditions.

- j) *Maintenance of minimum public shareholding:* If at anytime within a period of 12 months from the Effective Date, the shareholding of the public shareholders in our Company falls below 25% of the share capital of our Company or such minimum public shareholding threshold that maybe mandated by applicable law ("**Minimum Public Shareholding**"), then subject to the provisions of the MHIL SHA, Kayak, Abhay Soi and Analjit Singh shall, respectively, sell to the public shareholders of our Company such number of shares that are in proportion to their respective *inter-se* shareholding in our Company as on the transfer date(s), such that the percentage of public shareholding in our Company is equal to or greater than the Minimum Public Shareholding. If pursuant to the aforesaid reason, Analjit Singh intends to sell shares in excess of his proportionate share of the number of shares required to be sold, then, after obtaining the prior written consent of Kayak, Analjit Singh will notify Kayak and Abhay Soi of his intention to sell down such excess shares. Kayak and Abhay Soi shall respectively sell such number of shares in aggregate, as are equal to the difference between the number of shares required to be sold in order to meet Minimum Public Shareholding, and the excess shares proposed to be sold by Analjit Singh, which sale shall be completed in proportion to their inter-se shareholding in the Company.
- k) *Catch up event:* In the event of (i) Kayak subscribing to securities of our Company prior to March 31, 2020, and the funds so received by our Company are utilized towards certain activities as specified in the MHIL SHA; or (ii) any form of debt being raised by our Company prior to March 31 2020 for utilization towards any of the activities specified in the MHIL SHA, and there being a further infusion of funds by Kayak, by way of subscription to securities of our Company for the purposes of repayment or retirement of such debt raised ("**Catch-up Infusion Event**"); Abhay Soi will have the right, if he is unable to subscribe to additional securities of our Company to maintain his percentage shareholding in the Company, on a fully diluted basis viz. Kayak to the same extent as prior to such Catch-up Infusion Event, within 12 months of issuance of securities by the Company to Kayak, to increase his percentage shareholding in our Company, to equal his shareholding immediately prior to the Catch-up Infusion Event, on a fully diluted basis. He may exercise such right by purchasing from Kayak such number of securities (the price per security being determined in accordance with the terms of the MHIL SHA), such that upon completion of such purchase, his percentage shareholding remains the same as it was immediately prior to the Catch-up Infusion Event.

Shareholders' agreement dated May 28, 2015, further amended on July 10, 2015, entered into between Dr. Vinay Aggarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group, Mr. Akhil Jain Group, CRL and our Company ("CRL SHA")

Dr. Vinay Aggarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group, Mr. Akhil Jain Group (each referred to as "**Shareholder Group**" and collectively, "**Existing Shareholders**"), CRL and our Company (collectively, "**Parties**") have entered into the CRL SHA, in order to set out the rights and obligations of the Parties in relation to CRL. The key provisions of the CRL SHA are:

- a) *Board composition:* The board of directors of CRL may consist of a maximum number of directors as permitted by the Companies Act, 2013. Till the Existing Shareholders collectively hold 10% of the equity share capital of CRL, the Existing Shareholders shall be entitled to nominate, collectively two directors to the board of CRL. If the shareholding of the Existing Shareholders falls below 10% of the equity share capital of CRL at any time prior to the expiry of the lock-in period prescribed under the CRL SHA, the Existing Shareholders shall have the right to nominate one director. If the shareholding of the Existing Shareholders falls below 10% of the equity share capital of CRL at any time after the expiry of the lock-in period prescribed under the CRL SHA, the Existing Shareholders shall cease to have any right to appoint any director. Our Company is entitled to nominate all other directors of CRL.
- b) *Transfer provisions:* Any member of the Shareholder Group can transfer the equity shares held by them in CRL (subject to lock-in period under the CRL SHA), only if such Shareholder Group to which they are a part, is transferring all the equity shares held by such entire group. Further, the Existing Shareholder shall not transfer the equity shares held by them to any Competitor (as defined under the CRL SHA) or any Restricted Person (as defined under the CRL SHA) or its Affiliates (as defined under the CRL SHA), without obtaining the

prior written consent of our Company.

- c) *Right of first refusal:* If any Shareholder Group has decided to transfer all the equity shares held by them in CRL, to a third party, then our Company has a right of first refusal over the equity shares of such Shareholder Group.
- d) *Tag along right:* If our Company is desirous of selling any of the equity shares held in CRL to a third party and such sale would result in the reduction of our shareholding (together with shares held by Affiliates, as defined in the CRL SHA) in CRL below 51% of the equity share capital of CRL, the Existing Shareholders will be entitled to participate in such sale, by exercising their tag-along right with respect to their entire but not less than their entire shareholding in CRL.
- e) *Drag along right:* If our Company is proposing to sell all of its equity shareholding in CRL to a third party, our Company will have the right, at its option, to require the Existing Shareholders to sell all or any part of the equity shares (as determined by the Company) held by them in CRL, to such third party.
- f) *Put Option:* At any time after the expiry of the lock-in period prescribed under the CRL SHA, each Shareholder Group, acting collectively, shall have a right to sell all of the equity shares held by them in CRL to our Company, at a price determined in accordance with the CRL SHA. Such option shall be exercisable only one time and for all but not less than all the equity shares held by each Shareholder Group in CRL. In case our Company fails to acquire the option shares from the Shareholder Group, the Shareholder Group shall be entitled to transfer all their shares in CRL to any person, including a Competitor (as defined under the CRL SHA) but excluding a Restricted Person (as defined under the CRL SHA) and its Affiliates (as defined under the CRL SHA).
- g) *Call Option:* At any time after the expiry of the lock-in period prescribed under the CRL SHA our Company shall have a right, and not an obligation, to buy all the shares held by the Existing Shareholders, at a price determined in accordance with the CRL SHA. Upon the issue of a notice by our Company indicating its exercise of such option, all the Existing Shareholders are bound to transfer all the equity shares held by each of them to our Company, in a manner as prescribed under the CRL SHA.

Material and other agreements

Except as disclosed below, there are no subsisting material agreements entered by our Company other than in the ordinary course of business.

Brand agreement dated December 24, 2018, entered into between Erstwhile Max India and the Company read with the deed of adherence dated June 1, 2020 executed by Max India (formerly known as Advaita Allied Health Services Limited)

By way of a brand agreement dated December 24, 2018, entered into between Erstwhile Max India and our Company and the permitted assigns read with the deed of adherence dated June 1, 2020 executed by Max India (formerly known as Advaita Allied Health Services Limited) (“**Brand Agreement**”), Erstwhile Max India has confirmed that our Company could continue using certain trademarks bearing the ‘Max’ name in accordance with the conditions set out therein. As per the terms of the Brand Agreement, the original parties thereto had agreed that upon effectiveness of the Scheme or Arrangement between Erstwhile Max India, Radiant, Max India (formerly known as Advaita Allied Health Services Limited) and our Company, all obligations of Erstwhile Max India and rights of our Company vis-à-vis Erstwhile Max India as set out in the Brand Agreement would be deemed to be the obligations of Max India (formerly known as Advaita Allied Health Services Limited).

Further, our Promoters, Kayak, Max Ventures Investment Holdings Private Limited and Analjit Singh, have entered into a share purchase agreement, the details of which are disclosed below:

Share purchase agreement dated December 24, 2018 between Kayak, Max Ventures Investment Holdings Private Limited (“MVIHPL”) and Analjit Singh read with the amendment agreement dated June 10, 2019 (“MVIHPL SPA”)

In terms of the MVIHPL SPA, the parties thereto have agreed that upon the Company being listed on the stock exchanges, Kayak or a person nominated by Kayak (“**Kayak Nominee**”), will have the right to purchase Equity Shares held by MVIHPL in our Company, representing 4.99% of the issued and paid up share capital of our Company (“**Sale Shares**”). Pursuant to the terms of the MVIHPL SPA, (i) Kayak had agreed to advance an amount equal to the purchase consideration for the Sale Shares, prior to the listing of the Sale Shares on the stock exchanges; (ii) as security for the advance amount, MVIHPL is required to create a pledge in favour of Kayak in respect of (a) Equity Shares held by MVIHPL in Erstwhile Max India, representing 16.9% of the issued and paid up share capital of Erstwhile Max India; and (b) the Sale Shares, immediately upon the Scheme becoming effective. As per the terms of the MVIHPL SPA, MVIHPL is required to sell the Sale Shares to Kayak, on the 10th business day after the shares of our Company are listed, failing which, Kayak can invoke the pledge over the Sale Shares.

Details of agreements with Key Managerial Personnel/ Directors/ Promoters / any employee of our Company

Except as disclosed below, our Company has not entered into any agreements with its Directors, Key Managerial Personnel, Promoters or its employees either by themselves or on behalf of any other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Our Company has agreed to an incentive plan under the MHIL SHA with Kayak and Abhay Soi. Subject to the provisions of the MHIL SHA, within 15 Business Days (as defined in the MHIL SHA) from the date of the Cost Savings Determination (as defined under the MHIL SHA), Kayak shall transfer such number of Equity Shares as are equal to 1.50% of the number of issued and outstanding Equity Shares of our Company (on a Fully Diluted Basis (as defined in the MHIL SHA)), to Abhay Soi. Further, subject to the terms of the MHIL SHA, in the event Kayak transfers all or any of the Investor IRR Shares (as defined in the MHIL SHA), and receives a consideration that amounts to an IRR (as defined in the MHIL SHA) on the Aggregate Investment Amount (as defined in the MHIL SHA), post sharing of the Cost Saving Incentive and the Early Exit Upside Share (as defined in the MHIL SHA) and the Upside Share (as defined in the MHIL SHA), if any, that is equal to or more than the IRR threshold(s) set out in Schedule 8 of the MHIL SHA, then Kayak shall, within 45 Business Days of achieving the respective IRR threshold(s) set out in Schedule 8 of the MHIL SHA, pay to Abhay Soi such amount that is equal to (x) the number of Equity Shares that are equal to the percentage (set out against the relevant IRR threshold(s) (as set out in Schedule 8 of the MHIL SHA)) of the total number of issued and outstanding Equity Shares of our Company (on a Fully Diluted Basis), at the time of such calculation; *multiplied by* (y) the average price per Equity Share of our Company at which Kayak has transferred any/all the Investor IRR Shares up to the date of fulfilment of the relevant IRR threshold. The above incentive plan agreed between our Company, Kayak and Abhay Soi shall operate in accordance with the detailed terms and conditions and illustrations set out in the MHIL SHA.

SCHEME OF ARRANGEMENT

Composite Scheme of Arrangement between Erstwhile Max India, MHIL, Radiant, Max India (formerly known as Advaita Allied Health Services Limited) and their respective shareholders and creditors (under sections 230 to 232 and other relevant provisions of the Companies Act, 2013).

Rationale provided in the Scheme:

Erstwhile Max India (“**Transferor Company 1**” or “**Amalgamating Company**”) is a multi-business corporate that is focused on people and service oriented businesses in the area of health and life care. Erstwhile Max India is engaged in the activity of making, holding and nurturing its investments in various businesses / activities and also provides management consultancy services to group companies. Erstwhile Max India has invested in MHIL (“**Transferee Company 2**” or “**Amalgamated Company**”) (and its subsidiaries) which was an equal joint venture between Erstwhile Max India and Life Healthcare. Pursuant to a share purchase agreement entered into amongst Radiant (“**Transferor Company 2**”), Life Healthcare and MHIL, Life Healthcare sold its entire 49.70% equity stake held in MHIL to Radiant on June 21, 2019.

Radiant is engaged, among others, in the Healthcare Business and in the business of providing consulting and advisory services and financial and strategic support to its group companies and holding investments in various entities. Post demerger of the Healthcare Business, it is envisaged that Radiant shall concentrate on the O&M Arrangement, its consulting business and nurture and grow its investments in various entities over a period of time.

Radiant and MHIL believe that the demerger of the Healthcare Business of Radiant into MHIL is a strategic fit for serving the existing market and catering to additional volume in the healthcare sector. Radiant and MHIL believe that the concentration of their respective healthcare businesses in one entity will enhance competitive strength and achieve cost reduction, efficiencies and productivity gains by pooling the resources of Radiant and MHIL, thereby significantly contributing to the future growth and maximising shareholder value. However, the residual business in Radiant is not of synergistic value to the combined entity and is therefore proposed to be retained in Radiant and continued as such. Thus, the Scheme will allow the demerged Radiant to focus on its consultancy business.

Also, in order to unlock maximum value for the shareholders of Erstwhile Max India and ensure standalone focus on the allied health and associated activities of Erstwhile Max India, it is proposed that the activity of making, holding and nurturing investments in allied health and associated activities coupled with Erstwhile Max India’s management consultancy services, including related employees, contracts, assets and liabilities, be demerged into a separate company, Max India (formerly known as Advaita Allied Health Services Limited) (“**Transferee Company 1**”) to be listed on the Stock Exchanges. Thereafter, the residual listed Erstwhile Max India (post demerger of Demerged Undertaking 1) is proposed to be amalgamated into MHIL.

Hence, with a view to achieving consolidation of the healthcare business activities carried on by Radiant, Erstwhile Max India and MHIL, the Scheme has been proposed to create a standalone listed entity, which will exclusively be engaged in healthcare activities.

Accordingly, this Scheme provides for the demerger of the Demerged Undertaking 1 of Erstwhile Max India into Max India (formerly known as Advaita Allied Health Services Limited), demerger of the Demerged Undertaking 2 of Radiant into MHIL and amalgamation of Amalgamating Company into MHIL. This results in the following benefits:

- (i) consolidation of the healthcare business of Radiant with MHIL and consolidation of residual listed Erstwhile Max India (remaining post demerger under part III of the Scheme) with MHIL to create a single listed entity, thereby creating synergies between the healthcare activities/ businesses of Erstwhile Max India, Radiant (respectively) with MHIL;
- (ii) opportunity for shareholders of Erstwhile Max India to participate directly in a combined entity engaged in healthcare business;
- (iii) availability of increased resources, expertise and assets in the resultant amalgamated company, which can

be utilized for strengthening the customer base of Radiant and MHIL and servicing existing as well as prospective patients and customers of Radiant and MHIL, efficiently;

- (iv) the combination of the healthcare business activities of Radiant and MHIL is a strategic fit for serving the existing market and for catering to additional volume of new patients;
- (v) cost reduction, accessibility of clinical services at more locations resulting in stronger brand image, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of Erstwhile Max India, Radiant and MHIL, thereby significantly contributing to future growth and maximizing shareholders value;
- (vi) benefit to all stakeholders of the Erstwhile Max India, MHIL, Radiant and Max India (*formerly known as Advaita Allied Health Services Limited*), leading to growth and value creation in the long run and maximising the value and return to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;
- (vii) unlock value for the shareholders of Erstwhile Max India and ensure standalone focus on the allied health and associated activities of Erstwhile Max India; and
- (viii) unlock value for the shareholders of Radiant and ensure standalone focus on the residual business activities.

The salient features of the Scheme are as follows:

- (i) Demerger of the Demerged Undertaking 1 which includes whole of Allied Health and Associated Activities, on a going concern basis, from Erstwhile Max India into Max India (*formerly known as Advaita Allied Health Services Limited*). The shareholders of Erstwhile Max India as on Record Date 1 shall be issued 1 equity share of ₹ 10 each of Max India, for every 5 equity shares of ₹ 2 each held in Erstwhile Max India. The equity shares of Max India offered through the Scheme are proposed to be listed on BSE and NSE, post effectiveness of the Scheme. Upon the Scheme becoming effective, the former name of Max India, i.e., Advaita Allied Health Services Limited, shall be changed to “Max India Limited” or such other name as may be decided by the board / committee of directors of Max India (*formerly known as Advaita Allied Health Services Limited*);
- (ii) Demerger of the Demerged Undertaking 2 which includes whole of the Healthcare Business (including (i) the Shares of MHIL acquired by Radiant Life, and (ii) the shares of Radiant Life Care Mumbai Private Limited held by Radiant Life) on a going concern basis, into MHIL, pursuant to which shareholders of Radiant Life, as on Record Date 2, shall be issued 9,074 fully paid-up Equity Shares of MHIL of face value ₹10 each, for every 10 fully paid-up equity shares, of face value ₹10 each held in Radiant Life;
- (iii) Amalgamation of Erstwhile Max India (post demerger of the Demerged Undertaking 1), which comprises of healthcare activities (including its underlying investment in MHIL) with MHIL. The shareholders of Erstwhile Max India as on Record Date 3 shall be issued 99 Equity Shares of ₹10 each of MHIL, in lieu of every 100 equity shares, of ₹2 each held in Erstwhile Max India. The Equity Shares of MHIL offered through the Scheme are proposed to be listed on BSE and NSE, post effectiveness of the Scheme. Further upon effectiveness of the Scheme, Erstwhile Max India shall stand dissolved without being wound up.
- (iv) The appointed date in respect of the transfer of the Demerged Undertaking 1 from the Transferor Company 1 to the Transferee Company 1 means February 1, 2019 (“**Appointed Date 1**”) and the appointed date in respect of the transfer of the Demerged Undertaking 2 from the Transferor Company 2 to the Transferee Company 2 and for the amalgamation of the Amalgamating Company to the Amalgamated Company means the Effective Date (“**Appointed Date 2**”).
- (v) The Scheme approved by the Tribunal shall become effective from Appointed Date 1 and Appointed Date 2, as the case may be, but shall be operative from the Effective Date.

- (vi) After the effectiveness of this Scheme, the listing of: (i) the entire share capital of the Transferee Company 1; and (ii) the entire share capital of the Amalgamated Company including (a) the Equity Shares issued by Transferee Company 2 as consideration to the shareholders of Transferor Company 2; and (b) the Equity Shares issued by Amalgamated Company as consideration to the shareholders of Amalgamating Company; with the Stock Exchanges shall be undertaken.

Approvals with respect to the Scheme of Arrangement

The NCLT *vide* its order dated January 17, 2020, subject to the conditions set out therein, has sanctioned the Scheme of Arrangement. In accordance with the Scheme, the Equity Shares of our Company, issued subject to applicable regulations, shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

OUR MANAGEMENT

The Articles of Association require that our Board shall comprise of seven Directors or such other number as determined by the Board. As on the date of filing this Information Memorandum, we have seven Directors on our Board, of whom four are Independent Directors and one woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Board of Directors

The following table sets forth the details of our Board as of the date of filing of this Information Memorandum with the Stock Exchanges:

Sr. No.	Name, designation, date of birth, address, occupation, date of appointment, current term, period of directorship and DIN	Age (years)	Other directorships
1.	Abhay Soi Designation: Chairman and Managing Director Date of birth: August 19, 1973 Nationality: Indian Address: Apartment 4 West, 4th Floor, Haribhavan CHS, 64 Peddar Road, Mumbai 400026 Occupation: Business Current term: Three years from June 19, 2020 Period of directorship: Director since June 21, 2019 DIN: 00203597	46	<i>Indian companies</i> • Neo Legno Products Private Limited; • Halcyon Enterprises Private Limited; • Radiant Life Care Private Limited; • Radiant Life Care Foundation; • Radiant Life Care Lucknow Private Limited; and • Neo Legno Consultants Private Limited • Soi Foundation <i>Foreign companies</i> • Infrahealth Pte. Ltd.
2.	Ananya Tripathi Designation: Non-Executive Director Date of birth: August 27, 1984 Nationality: Indian Address: Flat No. 2C, Orchard Green Apartments, Amar Jyothi Layout, Domlur, Bengaluru (North) 560071 Occupation: Service Current term: Liable to retire by rotation Period of directorship: Director since June 19, 2020 DIN: 08102039	35	<i>Indian companies</i> • KKR Capstone India Operations Advisory Private Limited. <i>Foreign companies</i> <i>Nil</i>

Sr. No.	Name, designation, date of birth, address, occupation, date of appointment, current term, period of directorship and DIN	Age (years)	Other directorships
3.	Kummamuri Narasimha Murthy Designation: Independent Director Date of birth: August 13, 1957 Nationality: Indian Address: 1-2-593/29, Gaganmahal Colony, Domalguda, Hyderabad, 500029 Occupation: Professional Current term: Five years from September 26, 2019 Period of directorship: Director since August 26, 2009 DIN: 00023046	62	<i>Indian companies</i> • Srikari Management Consultants Private Limited; • Max Life Insurance Company Limited; • Max Speciality Films Limited; • Max Ventures & Industries Limited; • Nelco Limited; and • National Stock Exchange of India Limited <i>Foreign companies</i> <i>Nil</i>
4.	Mahendra Gumanmalji Lodha Designation: Independent Director Date of birth: August 4, 1956 Nationality: Indian Address: 85, Sunrise Park, Drive-in Road, Thaltej Ahmedabad 380054 Occupation: Business Current term: Five years from July 15, 2019 Period of directorship: Director since June 21, 2019 and designated as an Independent Director w.e.f July 15, 2019 DIN: 00012920	64	<i>Indian companies</i> • Disha Infin consultants Private Limited; • Nitrex Logistics Private Limited; • Rajdhani Textiles Private Limited; • Rasna Processors Private Limited; • Sirius Financial Services Private Limited; • Nitrex Chemicals India Limited; • Elate Investments and Holdings Private Limited; • Amul Exim Limited; • Parixit Irrigation Limited; • Radiant Life Care Private Limited; • La-Gajjar Machineris Private Limited; and • Jaihind Projects Limited <i>Foreign companies</i> <i>Nil</i>
5.	Michael Thomas Neeb Designation: Independent Director Date of birth: August 19, 1962 Nationality: United States of America Address: 1800 North Shore Dr. NE, St Petersburg, Florida 33704 Occupation: Professional Current term: Five years from July 15, 2019 Period of directorship: Director since June 21, 2019 and designated as an Independent Director w.e.f July 15, 2019 DIN: 08522685	57	<i>Indian companies</i> <i>Nil</i> <i>Foreign companies</i> • Evergreen Executive Advisors LLC

Sr. No.	Name, designation, date of birth, address, occupation, date of appointment, current term, period of directorship and DIN	Age (years)	Other directorships
6.	Sanjay Omprakash Nayar Designation: Non-Executive Director Date of birth: October 13, 1960 Nationality: Indian Address: Flat no. 9, 17/C, The Rushilla Cooperative Housing Society Limited, Carmichael Road, Mumbai 400026 Occupation: Service Current term: Liable to retire by rotation Period of directorship: Director since June 21, 2019 DIN: 00002615	59	<i>Indian companies</i> - Valley View Probuild Private Limited; - Ramky Enviro Engineers Limited; - Indian School of Business; - KKR India Advisors Private Limited; - KKR India Financial Services Limited; - Heritage View Developers Private Limited; - Pratham Institute for Literacy Education and Vocational training; - Pratham Education Foundation; - Sea View Probuild Private Limited; - Sealink View Probuild Private Limited; - Seynse Technologies Private Limited; - Avendus Capital Private Limited; - KKR Capital Markets India Private Limited; - Radiant Life Care Private Limited; - Grameen Impact Investments India Private Limited; and - Sterlite Investment Managers Limited <i>Foreign companies</i> Nil
7.	Upendra Kumar Sinha Designation: Independent Director Date of birth: March 2, 1952 Nationality: Indian Address: K 94, 2nd Floor, Hauz Khas Enclave, Hauz Khas, South Delh I, New Delhi 110016 Occupation: Advisor Current term: Five years from July 15, 2019 Period of directorship: Director since June 21, 2019 and designated as an Independent Director w.e.f July 15, 2019 DIN: 00010336	68	<i>Indian companies</i> - Saumitra Research & Consulting Private Limited; - Havells India Limited; - Housing Development Finance Corporation Limited; - Vedanta Limited; and - Aavishkar Venture Management Services Private Limited <i>Foreign companies</i> Nil

Brief profile of our Directors

Abhay Soi is the Chairman and Managing Director of our Company. He was appointed on the Board of our Company as a Non-Executive Chairman on June 21, 2019, and as Chairman and Managing Director on June 19, 2020, and serves on the board of various group companies of Radiant Life. Abhay Soi is experienced in investing and financial restructuring and holds a bachelor's degree in arts from the University of Delhi and a masters' degree in business administration from the European University. He led the financial restructuring business of Arthur Andersen, Ernst & Young, and KPMG. He co-founded Special Situations Private Equity Fund for the Baupost group where he made investments across various sectors such as mining, financial services, agri-processing, retail, paper and paperboard manufacturing, textiles and special chemicals. In 2010 he co-promoted Halcyon Finance & Capital Advisors Private Limited. He successfully restructured BLK Hospital, led the turnaround of BNH Hospital, and has initiated the turnaround of our Company. He has experience of more than 10 years in the healthcare industry.

Ananya Tripathi is a Non-Executive Director of our Company. She was appointed on the Board of our Company on June 19, 2020. She is a director with KKR Capstone India Operations Advisory Private Limited (“**KKR Capstone**”). She leads the team’s value-creation efforts across KKR India’s private equity portfolio companies cutting across industries including education, healthcare and industrials. Prior to joining KKR Capstone, she headed the category business at Myntra and was also chief strategy officer. She was previously an associate partner at McKinsey & Company and was with the firm for seven years. She is a gold medalist across both her masters of business administration from Indian Institute of Management, Kozhikode, and her engineering degree from Pune University.

Kummamuri Narasimha Murthy is an Independent Director of our Company. He was appointed on the Board of our Company on August 26, 2009 and as an Independent Director from September 26, 2014. He has been re-appointed as an Independent Director for a second term of five consecutive years on the Board of our Company with effect from September 26, 2019. He has been a director in various companies such as IDBI Bank Limited, UTI Bank Limited (now known as Axis Bank Limited), Unit Trust of India, IFCI Limited and NSE. He is also a member of the Informal Advisory Committee, Department of Corporate Affairs, Government of India. Additionally, he has been nominated as a member convener on the Implementation & Monitoring Committee on Audit Reforms in Public Sector Banks by the Government of India. He is a qualified chartered accountant and a cost and works accountant.

Mahendra Gumanmalji Lodha is an Independent Director of our Company. He was appointed on the Board of our Company on June 21, 2019 and as an Independent Director from July 15, 2019. He is a qualified chartered accountant and a law graduate. He has over 39 years of experience in investment banking, corporate restructuring and corporate and project finance. He is on the board of directors of companies such as Radiant Life Care Private Limited and Nitrex Chemicals India Limited, and was earlier on the board of Arvind Products Limited and Shyam Cotsyn India Limited.

Michael Thomas Neeb is an Independent Director of our Company. He was appointed on the Board of our Company on June 21, 2019 and as an Independent Director from July 15, 2019. He is an American businessman and has over 30 years of experience in healthcare industry. He has worked with HCA Healthcare UK for 12 years as chief executive officer and as chief operating officer of various companies in the past. He began his healthcare career as director of finance and project for Harris Methodist affiliated hospitals in Fort Worth, Texas. He has also worked for accounting firms such as EY and Arthur Anderson LLP. He has a bachelor’s degree in accounting from Baylor University and a masters’ degree in business administration from the University of Dallas.

Sanjay Omprakash Nayar is a Non-Executive Director of our Company. He was appointed on the Board of our Company on June 21, 2019. He is the chief executive officer of KKR India. Prior to joining KKR India, he served as the chief executive officer of Citigroup’s Indian and South Asian operations and as a member of Citigroup’s Management Committee and Asia Executive Operating Committee. Currently, he is a member on the board of the US-India Strategic Partnership Forum and the SEBI’s National Institute of Securities Markets’. He is also a member of the Asia Portfolio Management Committee and Asian Investment Committee. He serves on the boards of Emerging Markets Private Equity Association and the Indian School of Business, and is a founding member of the Brookings Foundation, India. He has been the deputy chairman of the Indian Banks Association and served on a RBI committee. He was also the co-chairman of the banking committee for the Federation of Indian Chambers of Commerce and Industry and the chairman of the Indian Private Venture Capital Association. He has a masters’ degree in business administration (finance) from the Indian Institute of Management, Ahmedabad, and a bachelor’s degree of technology in mechanical engineering from Delhi University.

Upendra Kumar Sinha is an Independent Director of our Company. He was appointed on the Board of our Company with effect from June 21, 2019 and as an independent Director from July 15, 2019. He is the former chairman of SEBI from February 2011 to February 2017. Previously, he was the chairman and managing director of the Unit Trust of India Asset Management Company. He has also been a member of the Indian Administrative Services and has worked on several assignments for the state government of Bihar and the government of India. His last assignments in the government of India were in the Ministry of Finance as Joint Secretary, Capital Markets and as Joint Secretary, Banking. He has over 20 years of experience in the areas of corporate governance, legal and regulatory, compliance, financial markets, corporate strategy, etc.

Confirmations

None of our Directors is/was a director of any company listed on the Stock Exchanges, whose shares have been or were suspended from being traded during the five years preceding the date of this Information Memorandum, during the term of his/her directorship in such company.

None of our Directors is/or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our Directors are related to one another.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except as stated below, none of our Directors and/or Key Managerial Personnel, have been nominated or appointed or selected, pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Pursuant to the MHIL SHA, the following persons have been appointed as Directors and/or Key Managerial Personnel of our Company:

Name	Designation
Abhay Soi	Chairman and Managing Director
Ananya Tripathi	Non – executive Director
Sanjay Omprakash Nayar	Non – executive Director

For further details see, “History and Certain Corporate Matters – Shareholders Agreements” on page 92.

Service contracts with Directors

Except as stated below, our Company has not entered into any service contracts with any of our Directors, which provide for benefits upon termination of employment.

Our Company has entered into a CMD Employment Agreement dated July 13, 2020 with effect from June 19, 2020 with Abhay Soi, wherein if his employment is terminated by our Company at anytime without cause, then subject to applicable laws, Abhay Soi will be entitled to be appointed as the non-executive chairman of our Company, with a revised remuneration of ₹7,00,00,000 per annum.

Terms of appointment of our Executive Director

No remuneration was paid to Abhay Soi in Fiscal 2019. Our Company has entered into a CMD Employment Agreement with Abhay Soi, appointing him as the Chairman and Managing Director of our company, on the terms and conditions as set forth below:

S. No.	Category	Particulars
A) Terms of Appointment		
1.	Term	- Abhay Soi shall be subjected to supervision of the Board of our Company and shall perform such services and duties as maybe directed by the Board from time to time and in accordance with the delegation matrix approved by the Company. - In the event that applicable law does not permit the same person from being chairman and managing director of a company, Abhay Soi will step down as the executive chairman of our Company, however shall

S. No.	Category	Particulars
		continue to be the managing Director and the executive vice-chairman of our Company. - Subject to the terms of the CMD Employment Agreement, the key managerial personnel of our Company, its Subsidiaries and associate companies, shall report to Abhay Soi. - Subject to the provisions of the CMD Employment Agreement, if Abhay Soi resigns or ceases to be a director on account of him being subject to any disqualification under applicable law as a director except being an undischarged insolvent or being of unsound mind and stands so declared by a competent court or being convicted for an offence under applicable law wherein he is sentenced for imprisonment for a period of six months or more (a) he shall continue to undertake all his executive functions; and (b) our Company agrees that once Abhay Soi cures the relevant disqualification(s) as a director in accordance with the applicable law, he shall be entitled to be reinstated as the Chairman and Managing Director / managing director of our Company, and our Company shall undertake necessary actions in this regard to reinstate Abhay Soi as the Chairman and Managing Director/managing director.
2.	Hours of work	Abhay Soi shall be required to work for such hours as are necessary for the proper and competent discharge of his duties.
3.	Leave and holidays/illness	Abhay Soi shall continue to be entitled to leave and leave encashment as per the prevailing leave and illness policies of our Company, which policies may be modified by the Board from time to time.
4.	Place of work	Abhay Soi shall report to our Company's Registered Office, which shall at all times be treated as his principal place of reporting.
B) Remuneration		
5.	Salary	₹ 14,00,00,000 per annum.
C) Perquisites		
6.	Conveyance	One car with driver, the expenses of which will be borne by our Company.
7.	Telecommunication facilities	Provision of reasonable telecommunication facilities at the residence of Abhay Soi.
8.	Leave and leave encashment	As per applicable rules framed by our Company.
9.	Medical insurance policy	Medical insurance policy of ₹ 10,00,000 per annum for Abhay Soi and his spouse, mother, son(s) and daughter(s).
10.	Club membership	Allowance of ₹ 20,00,000 per annum, towards membership of personal club(s) that Abhay Soi elects. The club membership shall be used primarily for business purpose.

Sitting fees to Non-Executive Directors and Independent Directors

The sitting fees paid to the Independent Directors during Fiscal 2020 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) are set forth in the table below. Our Company did not pay any sitting fee to the Non-Executive Directors of our Company in Fiscal 2020.

(in ₹ lakh)

Name of Director	Number of meetings attended of the Board and its committees**	Sitting Fees
Kumamuri Narasimha Murthy	18	18
Mahendra Gumanmalji Lodha	9	9
Michael Thomas Neeb	3	3
Omkar Goswami*	6	6
Roshini Bakshi*	3	3
Upendra Kumar Sinha	11	11

*Resigned from the Board with effect from June 21, 2019.

**Since the Stakeholders' Relationship Committee was constituted on June 19, 2020, this does not include the sitting fees for attending meeting of the Stakeholders' Relationship Committee.

Shareholding of Directors and/or Key Managerial Personnel in our Company

Except as set forth below, none of our Directors or Key Managerial Personnel holds any shares in our Company as on the date of this Information Memorandum:

Name of Director/Key Managerial Personnel	Number of Equity Shares Held	Percentage of the equity share capital (%)
Abhay Soi	21,03,65,264	23.26
Kummamuri Narasimha Murthy	4,950	Negligible

Borrowing Powers

Pursuant to our Articles of Association, subject to the provisions of the Companies Act, 2013 and other applicable laws and pursuant to the resolution passed by the shareholders of our Company on February 25, 2020, our Board has been authorised to borrow from time to time any sum or sums of money (inclusive of interest) on such terms and conditions as may be determined, which, together with the monies already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) shall not exceed the sum of ₹3,50,000 lakh.

Bonus or profit-sharing plan for our Directors

Our Company does not have a bonus or profit sharing plan with the other Directors.

Interest of Directors

Our Chairman and Managing Director may be deemed to be interested in our Company and our Subsidiaries to the extent of the remuneration payable to him and the equity shares held by him in our Company and one of our Subsidiaries. In terms of the MHIL SHA, Abhay Soi is entitled to nominate two directors (including the right to nominate himself as a director) on the Board of our Company. For further details, please refer to 'History and Certain Corporate Matters - Shareholders' agreements' on page 92.

In addition to the above, in accordance with the MHIL SHA, Abhay Soi is also entitled to an incentive plan in his capacity as a Promoter of our Company, which will be objective, transparent and measurable, and based on cost saving determinations and process as more specifically provided under the MHIL SHA. For details, refer to 'History and Certain Corporate Matters - Details of agreements with Key Managerial Personnel/ Directors/ Promoters / any employee of our Company' and 'Main Provisions of the Articles of Association – Part II' on pages 96 and 432.

Further, our Independent Directors, may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or its committees as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be interested to the extent of their shareholding in our Company, if any, and to the extent of any dividend payable to them and other distributions in respect of such shareholding. Our Directors may also be interested to the extent of shareholding of the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives. For more details, see "Shareholding of Directors and/or Key Managerial Personnel in our Company" on page 106.

Our Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Interest of Directors in the promotion or formation of our Company

Except for Abhay Soi, none of our Directors are interested in the promotion of our Company, as on the date of this Information Memorandum.

Interest of Directors in the properties of our Company

Our Directors do not have any interest in any property acquired or proposed to be acquired of our Company as on the date of this Information Memorandum.

Changes in the Board in the last three years

Sl. No.	Name of Director	Designation	Date of appointment /cessation	Reason
1.	Abhay Soi	Chairman & Managing Director	June 19, 2020	Change in designation
2.	Ananya Tripathi	Non-executive Director	June 19, 2020	Appointment
3.	Prashant Kumar	Non-executive Director	June 19, 2020	Resignation
4.	Dinesh Kumar Mittal	Non-executive Director	June 1, 2020	Resignation
5.	Tara Singh Vachani	Non-executive Director	June 1, 2020	Resignation
6.	Mohit Talwar	Non-executive Director	June 1, 2020	Resignation
7.	Dinesh Kumar Mittal	Non-executive Director	July 29, 2019	Appointment
8.	Rajit Mehta	Managing Director and chief executive officer	July 28, 2019	Resignation
9.	Mahendra Gumanmalji Lodha	Independent Director	July 15, 2020	Change in designation
10.	Michael Thomas Neeb	Independent Director	July 15, 2020	Change in designation
11.	Upendra Kumar Sinha	Independent Director	July 15, 2020	Change in designation
12.	Abhay Soi	Chairman	June 21, 2019	Appointment
13.	Mahendra Gumanmalji Lodha	Additional Director	June 21, 2019	Appointment
14.	Michael Thomas Neeb	Additional Director	June 21, 2019	Appointment
15.	Prashant Kumar	Non-executive Director	June 21, 2019	Appointment
16.	Sanjay Omprakash Nayar	Non-executive Director	June 21, 2019	Appointment
17.	Upendra Kumar Sinha	Additional Director	June 21, 2019	Appointment
18.	Roshni Hemant Bakshi	Independent Director	June 21, 2019	Resignation
19.	Omakar Goswami	Independent Director	June 21, 2019	Resignation
20.	Pradeep Kumar Chowbey	Director	June 21, 2019	Resignation
21.	Petrus Phillippus Van Der Westhuizen	Director	June 21, 2019	Resignation
22.	Adam Mills Pyle	Director	June 21, 2019	Resignation
23.	Dr. Shrey Balaguru Viranna	Director	June 21, 2019	Resignation
24.	Yogesh Kumar Sareen	Whole time Director	June 21, 2019	Resignation
25.	Rahul Khosla	Director (chairman)	June 5, 2019	Resignation
26.	Dr. Ajit Singh	Director	March 31, 2019	Resigned
27.	Rohit Kapoor	Whole time Director	December 5, 2018	Resigned
28.	Tara Singh Vachani	Director	September 28, 2018	Change in designation
29.	Dr. Shrey Balaguru Viranna	Director	September 28, 2018	Change in designation
30.	Yogesh Kumar Sareen	Whole time Director	August 8, 2018	Appointment
31.	Rohit Kapoor	Whole time Director	August 8, 2018	Appointment
32.	Dr. Shrey Balaguru Viranna	Additional Director	April 17, 2018	Appointment
33.	Tara Singh Vachani	Additional Director	October 24, 2017	Appointment
34.	Adam Mills Pyle	Director	September 29, 2017	Change in designation
35.	Roshni Hemant Bakshi	Director	September 29, 2017	Change in designation
36.	Anton Van Loggerenberg	Alternate Director	August 4, 2017	Appointment as alternate Director on behalf of Adam Mills Pyle.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Information Memorandum, we have seven Directors on our Board, of whom four are Independent Directors and one is a woman Director.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit and Risk Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee; and
4. Corporate Social Responsibility Committee.

Audit and Risk Committee

Our Audit and Risk Committee (*erstwhile*, Audit Committee) was originally constituted, by a resolution of our Board, on May 16, 2003. It was last re-constituted on June 19, 2020 and is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations.

The Audit and Risk Committee currently consists of:

Name of Director	Position in the Committee
Mahendra Gumanmalji Lodha	Chairman
Abhay Soi	Member
Kummamuri Narasimha Murthy	Member
Sanjay Omprakash Nayar	Member
Upendra Kumar Sinha	Member

The Company Secretary shall act as the secretary to the Audit and Risk Committee.

Scope and terms of reference:

The terms of reference of the Audit and Risk Committee shall include the following:

1. To review, with the management of the Company (“Management”), the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the director's responsibility statement to be included in the Board's report as prescribed under the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report
2. To review, with the Management, the quarterly financial statements before submission to the Board for approval;

3. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
4. To review management discussion and analysis of financial condition and results of operations;
5. To review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies);
6. To review and approve all related party transactions as reported by the Management or any subsequent modification thereof in accordance with the policy for related party transaction adopted by the Board ("RPT Policy"). All related party transactions shall require prior approval of the Audit and Risk Committee and the Audit and Risk Committee may make omnibus approval for all related party transactions proposed to be entered into by the Company, if it is satisfied regarding the need for such omnibus approval and that such approval is in the interest of the Company and in accordance with RPT Policy. Further, the Audit and Risk Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
7. To review disclosure of any "related party transactions" made in the annual financial statements and statement of significant related party transactions (as defined by this Audit and Risk Committee), submitted by the Management;
8. To review, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document, prospectus or notice, monitoring the end use of funds raised through public offers and the report submitted by the monitoring agency in relation the monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. To scrutinize inter-corporate loans and investments and reviewing the utilization of loans and/ or advances from or investment by Company in its subsidiary(ies) exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
11. To review the following statement(s) before submitting them to the stock exchanges on which the Company is listed, on a quarterly basis for public issue, rights issue, preferential issue, *etc.*
 - (i) indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable; and
 - (ii) indicating category wise variation (capital expenditure, sales and marketing, working capital, *etc.*) between projected utilisation of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilisation of funds;
12. Valuation of undertakings or assets of the company, wherever is necessary;
13. To appoint a valuer for the aforesaid purposes;
14. To review and monitor the auditor's independence, performance, and effectiveness of audit process and may invite the Management for discussion;
15. To recommend appointment, remuneration and terms of appointment of auditors of the Company (i.e. statutory auditors, internal auditors, cost auditors and secretarial auditors, as the case may be) after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor and that such qualifications and experience are commensurate with the size and requirements of the Company. The Audit and Risk Committee shall also have regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any court or tribunal;
16. To provide approval for availing other services of statutory auditor (and approval of payment thereof), excluding the services which are prohibited to be provided by the statutory auditor under the Company Act and any other applicable law, from time to time;
17. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To review management letters/ letters of internal control weaknesses issued by statutory auditor;
19. The Audit and Risk Committee may review and, if advisable, select and recommend for the approval of the Board and subsequently for the approval of shareholders:
 - (i) the appointment (or re-appointment as the case may be) or terms of appointment or replacement or removal of the cost auditors; and
 - (ii) the compensation of the cost auditors;
20. To review appointment, removal and terms of remuneration of the chief internal auditor;

21. The Audit and Risk Committee, in consultation with the chief internal auditor, finalize internal audit charter, scope (including medical processes), functioning, periodicity, methodology and appointment of service providers for conducting the internal audit;
22. To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit and the performance of the internal auditors;
23. To discuss with internal auditors any significant findings and internal control weaknesses noted in the internal audit report and follow up thereon;
24. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
25. To review with the Management, adequacy of the internal control system;
26. To invite comments / observations from the auditors on internal control systems;
27. To review the plan submitted by the Management to mitigate the deficiencies reported in the design or operation of internal financial controls;
28. To receive from the Management, update, if any, on the
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting;
29. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
30. To evaluate the system of internal financial controls established by the Management;
31. To evaluate the risk management system (both medical and non-medical), including risk policy, risk process (risk identification, assessment, mitigation and monitoring) and risk registers, laid down by the Management;
32. Reviewing risk assessment of the Company and exercising oversight of various risks including cyber security risk;
33. To review and oversee the whistle blower mechanism;
34. To ensure that the complainant has direct access to the chairperson of the Audit and Risk Committee. If any of the members of the Audit and Risk Committee have a conflict of interest in a given case, they should recuse themselves and the other members of the Audit and Risk Committee would deal with the matter on hand;
35. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
36. The Audit Committee may also discuss any other issue with the internal auditor, statutory auditor and Management of the Company;
37. If any fraud has been reported to the Audit and Risk Committee by the statutory auditors; or the Audit and Risk Committee has, sufficient reasons to believe that an offence involving fraud, is being or has been committed against the Company by officers or employees of the Company, it shall investigate the matter in a manner as provided in the Act and issue a report thereof, within 45 days;
38. The Audit and Risk Committee may advise on the system for storage, retrieval, display or printout of the electronic records; and
39. To take note of "material subsidiary" of the Company during each financial year. The identification shall be exercised soon after preparation of annual accounts and the outcome shall be placed in the meeting where the annual audited accounts of the Company are considered.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was originally constituted, by a resolution of our Board, on February 11, 2003. It was last re-constituted on June 19, 2020 and is in compliance with Section 178 of the Companies Act 2013, Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently consists of:

Name of Director	Position in the Committee
Upendra Kumar Sinha	Chairman

Name of Director	Position in the Committee
Ananya Tripathi	Member
Kummamuri Narasimha Murthy	Member
Mahendra Gumanmalji Lodha	Member

The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

Scope and terms of reference:

The terms of reference of the Nomination and Remuneration Committee shall include the following:

1. To identify suitable candidates as members of the Board in accordance with defined criteria. The Nomination and Remuneration Committee shall establish a transparent board nomination process and recommend for Board approval appropriate criteria for the selection and removal of the members of the Board and its committees thereof. In making an assessment on suitability of the candidate, the Nomination and Remuneration Committee will formulate criteria for determining the educational qualifications, positive attributes and independence of Directors;
2. To be responsible for devising a policy on Board diversity based on diversity of thought, experience, knowledge, perspective and gender in the Board. This policy shall be recommended by this committee and approved by the Board. The Nomination and Remuneration Committee shall also be responsible for formulating a criteria for evaluation of performance of independent directors and the Board;
3. To recommend to the Board a policy, relating to the remuneration of the directors. While formulating such policy, the Committee shall ensure that:
 - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration 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;
4. To monitor and review the Board evaluation framework, conduct an assessment of the performance of the Board, the independent directors, each Board committee and the chair of the Board against criteria as determined and approved by the Nomination and Remuneration Committee. The performance evaluation of independent directors shall be done by the entire Board, on the basis of recommendations of the Committee (excluding the director being evaluated). The Nomination and Remuneration Committee shall recommend whether to extend or continue the term of appointment of independent director in accordance with the Companies Act, 2013, on the basis of the report of performance evaluation of independent directors;
5. To review and satisfy itself that the plans are in place for orderly succession for appointments to the Board;
6. To lay down the criteria for identification of the persons who may be appointed as key managerial personnel / senior management, taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it may deem appropriate. The Nomination and Remuneration Committee shall recommend to the Board the appointment and removal of such key managerial personnel of the Company;
7. To review and approve the evaluation of performance process of key managerial personnel / senior management of the Company;
8. To review, monitor and, if advisable, approve the compensation packages for key managerial personnel / senior management and recommend to the Board, all remuneration, in whatever form payable, to the senior management / key managerial personnel. The compensation package recommendation shall be based on their performance evaluation conducted pursuant to this mandate, aligned with the long term interests of the Company and its shareholders as well as other factors and criteria, as may be determined by the Nomination and Remuneration Committee from time to time;
9. To recommend to the Board a policy relating to the remuneration for key managerial personnel, senior management and other employees. While formulating such policy, the Nomination and Remuneration Committees shall ensure that: (i) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (ii) remuneration 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;
10. To review, and, if advisable, approve any arrangement with the key managerial personnel and senior management relating to their selection, compensation, or such arrangements as deemed appropriate by the Committee;

11. To review terminations/ replacements/ severance of employments of key managerial personnel and senior management;
12. To review and satisfy itself that the plans are in place for orderly succession for appointment of the key managerial personnel and senior management;
13. To review and recommend to the Board for approval the long-term incentives plan(s)/ scheme(s). While reviewing the said plans the Nomination and Remuneration Committee shall evaluate criteria such as: eligibility, grants, conditions, exceptions, waivers and such procedural and statutory requirements as may be required for implementing the said plan(s)/ scheme(s) including any modifications thereto;
14. To review the adequacy of the organization structure of the Company in keeping with, and in the context of, the objectives of the Company; and
15. To review the adequacy and existence of a training and development framework to support the talent strategy of the Company.

Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was constituted, by a resolution of our Board, on June 19, 2020. The Stakeholders Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The quorum of the Stakeholders Relationship Committee shall be one-third of its total strength or two members, whichever is higher.

The Stakeholders' Relationship Committee currently consists of:

Name of Director	Position in the Committee
Kummamuri Narasimha Murthy	Chairman
Abhay Soi	Member
Ananya Tripathi	Member

The Company Secretary shall act as the secretary to the Stakeholders Relationship Committee.

Scope and terms of reference:

The terms of reference of the Stakeholders' Relationship Committee shall include the following:

1. To approve, refuse or reject registration of transfer or transmission of securities;
2. To authorise printing of share certificates;
3. To issue the share certificates under the seal of the Company, which shall be affixed in the presence of, and signed by:
 - (i) any two Directors (including managing or whole-time director, if any) of the Company, and
 - (ii) Company Secretary or the authorised signatory;
4. To authorise affixation of the common seal of the Company on share certificates of the Company;
5. To authorise the managers, officers or signatories for signing share certificates;
6. To authorise issue of duplicate share certificates and share certificates after split, consolidation or replacement;
7. To maintain, preserve and keep in its safe custody all books and documents relating to the issue of shares, including allotment lists;
8. To resolve and monitor the redressal of complaints related to transfer or transmission of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, approve issue of new or duplicate certificates and new certificates on split, consolidation or renewal, etc.;
9. To review the measures taken for effective exercise of voting rights by shareholders;
10. To review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar & share transfer agent;
11. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports or statutory notices by the shareholders of the Company; and
12. To perform all functions relating to the interests of stakeholders of the Company and as assigned by the Board, as may be required by the provisions of the Companies Act, 2013 and relevant rules made thereunder and as

amended from time to time, the SEBI Listing Regulations, and guidelines issued by the SEBI or any other regulatory or statutory authority, as applicable to the Company.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was originally constituted, by a resolution of the Board, on August 6, 2014. It was last re-constituted on June 19, 2020 and is in compliance with Section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee currently consists of:

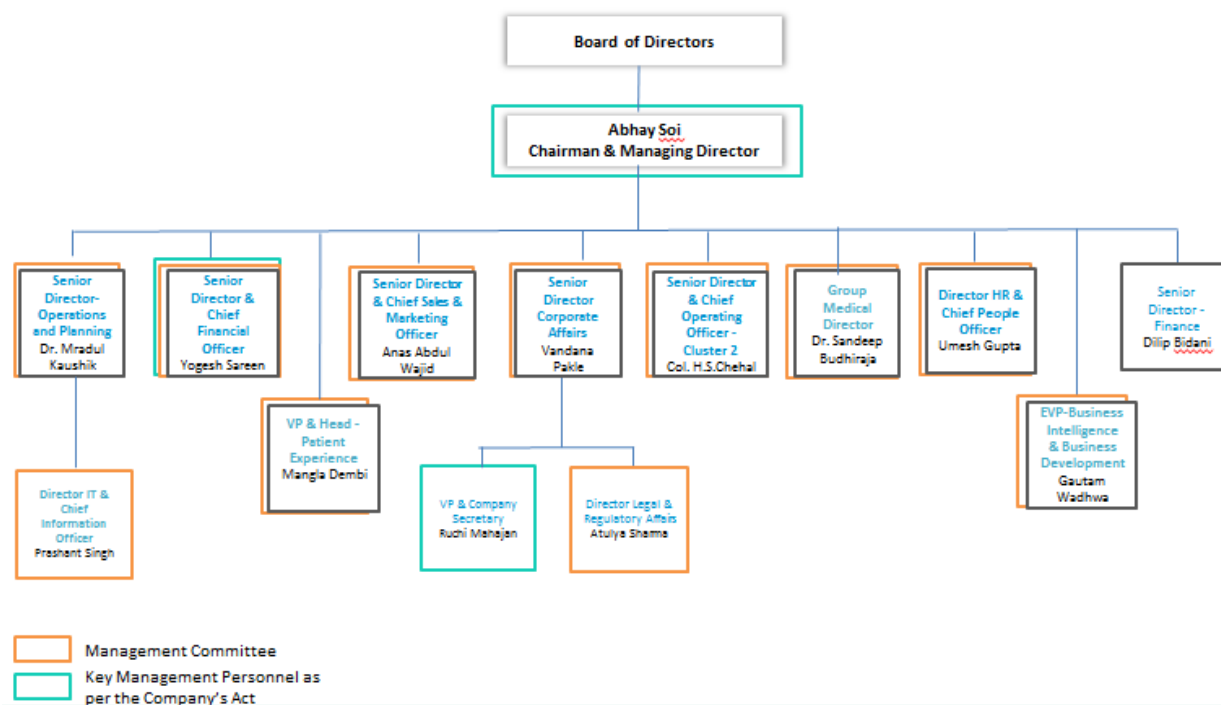
Name of Director	Position in the Committee
Abhay Soi	Chairman
Ananya Tripathi	Member
Mahendra Gumanmalji Lodha	Member

Scope and terms of reference:

The terms of reference of the Corporate Social Responsibility Committee shall include the following:

1. To formulate and recommend a corporate social responsibility CSR policy (“**CSR Policy**”) to the Board for approval;
2. To monitor the CSR Policy from time to time and recommend changes as and when necessary to the Board;
3. To recommend corporate social responsibility activities /projects to be undertaken by the Company under the CSR Policy;
4. To identify and recommend possible implementation platforms and assist in selection of the implementation partners (if required).
5. To recommend the amount of expenditure to be incurred on corporate social responsibility projects.
6. To prepare a transparent monitoring mechanism for the implementation of the corporate social responsibility projects.
7. To report the status of activities or projects undertaken under the CSR Policy to the Board;
8. Any other responsibility as assigned by the Board from time to time, under the policy of the Company; and
9. To ensure compliance of all corporate social responsibility activities are valid and for a legitimate purpose performed in ethical and compliant manner, viz., in compliance with applicable laws and regulations and the anti-bribery and anti-corruption policy, third party management policy or any other internal policy on compliance.

Management organisation chart



Key Managerial Personnel

For details regarding our Chairman and Managing Director, Abhay Soi, see “*Brief profile of our Directors*” on page 102. The details of our other Key Managerial Personnel, as on the date of this Information Memorandum, are set forth below in an alphabetical order:

Anas Abdul Wajid is the senior director and chief sales and marketing officer of our Company. He joined our Company on October 1, 2014. He has more than 23 years of experience in diverse fields such as advertising, retail, healthcare, and media. In the healthcare space, he has previously worked with, amongst others, Apollo Health and Lifestyle Limited, Artemis Health Sciences Limited and Fortis Healthcare Limited. He holds a post-graduate degree in marketing from the Aligarh Muslim University, Aligarh, and a degree in bachelor of technology from the National Institute of Technology, Raipur. The total remuneration paid to him in Fiscal 2020 was ₹ 291.83 lakh.

Atulya Sharma is the director (legal and regulatory affairs) of our Company. He joined our Company on June 22, 2018. He has over 27 years of diverse experience across sectors like manufacturing, investment banking, structured / project finance, and private equity. He has previously worked as the Global General Counsel at Apollo Tyres Limited, General Counsel at Deutsche Bank AG (South Asia & Mauritius), Group General Counsel at IDFC Limited, and a senior counsel at the World Bank (private equity arm), Washington. He has a post-graduate degree in law from the law faculty from the University of Delhi, legal practice course from The University of Law, London, United Kingdom, and a masters of law from the City University, London, United Kingdom. The total remuneration paid to him in Fiscal 2020 was ₹ 138.61 lakh.

Dilip Bidani is the senior director (finance) of our Company. He joined our Company on June 1, 2020. He has over 30 years of experience across various industries with over 18 years of overall experience as chief financial officer of various companies in the past. In the past, he was associated with Dr. Lal PathLabs Limited as the chief financial officer, IEL Limited as a member of their management, Hindustan Lever Limited as their manager accounts, Avon Beauty as their director (finance), Orbis Financial Corporation Limited as their director (finance and operations), Manpower Services India Private Limited as their chief financial officer as well as with Mother Dairy Foods Limited and Mother Dairy Fruit and Vegetable Limited as their chief financial officer. He holds a post-graduate diploma in management from Indian Institute of Management, Ahmedabad, a bachelor's degree in commerce from the University of Calcutta, and is a member of the Institute of Chartered Accountants of India. He did not receive

any remuneration in Fiscal 2020, since he joined our Company on June 1, 2020.

Gautam Wadhwa* is the executive vice president (business intelligence and business development) of our Company. He joined our Company on February 26, 2015. He has more than 18 years of experience across various industries. Previously, he was the founder and chief executive officer of Veracity Dental Care Private Limited. He has worked, amongst others, with Temasek Holdings Pte Ltd. and McKinsey Inc. He holds a bachelor's degree in business studies (finance) from Shaheed Sukhdev College of Business Studies, University of Delhi, and a master's degree in business administration (finance and strategy) from Indian Institute of Management, Bangalore. The total remuneration paid to him in Fiscal 2020 was ₹ 157.05 lakh.

Col. Harinder Singh Chehal is the senior director and chief operating officer – cluster two, of our Company. He joined our Company on July 1, 2019. With diverse experience of over 36 years in various domains, he has 11 years of experience in the healthcare sector. He was previously associated with Radiant Life as the chief operating officer and Fortis Healthcare Limited. He holds a post-graduate degree in science (defense studies) from Indian Military Academy, Dehradun, and a bachelor's degree in science from National College, Wellington. He has completed a certificate course in business administration from the Indian Institute of Management, Ahmedabad. The total remuneration paid to him in Fiscal 2020 was ₹ 86.13 lakh.

Mangla Dembi* is the vice president and head patient experience of our Company. She joined our Company on March 2, 2020. She is a seasoned professional with around 16 years of professional experience with 10 years of healthcare experience at Fortis Healthcare Limited. She holds a bachelor's degree in science from the University of Delhi and a masters degree in management studies from MNIT, Jaipur. She was previously the facility director at Fortis Healthcare Limited. She has worked, amongst others, with Amity Business School and Vedic Cosmeceuticals Private Limited. The total remuneration paid to her in Fiscal 2020 was ₹ 3.38 lakh.

Dr. Mradul Kaushik is the senior director (operations and planning) of our Company. He joined our Company on July 1, 2019. He has around 19 years of experience in the healthcare sector. He was previously the director (operations and planning) at Radiant Life, responsible for BLK Hospital and BNH Hospital. Before this, he was the medical superintendent at the Fortis Hospital, Shalimar Bagh. He has worked, amongst others, with Global Health Private Limited, New Delhi, Indraprastha Apollo Hospital and Sant Parmanand Hospital, Delhi. He holds a post-graduate degree in business administration, with a specialization in health care administration from the University of Delhi. The total remuneration paid to him in Fiscal 2020 was ₹ 123.83 lakh.

Prashant Singh is the director (information technology and chief information officer) of our Company. He joined our Company on July 1, 2019. He has over 23 years of experience in the healthcare sector with more than 19 years of experience in the healthcare information technology sector. He has previously worked as the chief information officer at Radiant Life, and amongst others, was associated with Paras Healthcare Private Limited and Sri Balaji Action Medical Institute. He holds a post – graduate in information technology from the University of Karnataka, and a bachelors degree from the University of Delhi, he has also completed GNIIT (software technology and system management curriculum) from the NIIT. Amongst several other certification courses from various institutes, he completed a management program on healthcare data analytics from the Indian Institute of Management, Ahmedabad. The total remuneration paid to him in Fiscal 2020 was ₹ 41.05 lakh.

Ruchi Mahajan is the company secretary and vice - president and secretarial compliance officer of our Company. She joined our Company on March 28, 2013. She is a fellow member of the Institute of Company Secretaries of India with over 20 years of experience in secretarial functions, legal affairs, compliance management and liaising assignments. She was previously heading the secretariat function for Fortis Healthcare Limited. She has also worked with companies like Panacea Biotec Limited, IEC Softwares Limited and DCM Limited. The total remuneration paid to her in Fiscal 2020 was ₹ 73.59 lakh.

Dr. Sandeep Budhiraja is the group medical director of our Company. He joined our Company as a consultant physician on January 3, 2001. With over 30 years of experience in the field of internal medicine, he is presently also the head of the Institute of Internal Medicine at our Company. He has completed his post – graduation (doctor of medicine) and graduation from Maulana Azad Medical College. Apart from completing his Diplomate of National Board and Membership of the Royal Colleges of Physicians of the United Kingdom, Dr. Budhiraja is also a fellow of the Royal College of Physicians, Edinburgh and of American College of Physicians. The total remuneration paid to

him in Fiscal 2020 was ₹ 328.71 lakh.

Vandana Pakle is the senior director (corporate affairs) of our Company. She joined our Company on July 1, 2019. She is a business professional with over 23 years of experience of which more than 10 years is in the healthcare industry. She is an executive director at Radiant Life Care Mumbai Private Limited. She had worked as a chief finance officer at Dodsai Corporation Private Limited and P.J.L. Clothing (India) Private Limited. She holds a bachelors' degree in commerce from University of Mumbai. She is a qualified chartered accountant and a Sloan Fellow from London Business School. The total remuneration paid to her in Fiscal 2020 was ₹ 123.81 lakh.

Umesh Gupta is the director (human resources and the chief people officer) of our Company. He joined our Company on July 1, 2019. With over 20 years of experience in healthcare industry, He was previously the chief people officer at Radiant Life. He was associated with Fortis Healthcare Limited as assistant vice president – human resources. He holds a post-graduate degree in hospital management from Osmania University and a bachelor's degree in science from Kurukshetra University. The total remuneration paid to him in Fiscal 2020 was ₹ 70.96 lakh.

Yogesh Kumar Sareen is the Chief Financial Officer of our Company. He joined our Company on January 15, 2012. He started his career with Ranbaxy Laboratories Limited and has over 32 years of experience across all facets of finance. Before joining our Company, he was the chief financial officer of Fortis Healthcare Limited. He is a member of the Institute of Chartered Accountants of India. The total remuneration paid to him in Fiscal 2020 was ₹ 336 lakh.

**Categorised as Key Managerial Personnel pursuant to the change in the reporting structure of our Company.*

Further, the attrition rate of the Key Managerial Personnel of our Company is not as high as compared to the industry.

Status of Key Managerial Personnel

As on the date of this Information Memorandum, all our Key Managerial Personnel are permanent employees of our Company.

Relationships among Key Managerial Personnel

None of our Key Managerial Personnel are related to each other or to the Directors of our Company.

Shareholding of the Key Managerial Personnel

Except as stated in “Shareholding of Directors and/or Key Managerial Personnel in our Company” on page 106, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Service Contracts with Key Managerial Personnel

For details regarding benefits upon Abhay Soi's termination under the CMD Employment Agreement, see “Service contracts with Directors” on page 104. Further, except for the statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel is entitled to any benefit upon termination.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Information Memorandum, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a formal bonus or profit sharing plan. However, Yogesh Kumar Sareen, Anas Abdul Wajid, Dr. Sandeep Budhiraja and Atulya Sharma are entitled to certain options pursuant to the 2017 MHIL PS. For

further details, see “*Capital Structure – 2017 MHIL PS*” on page 48.

Additionally, Umesh Gupta, Col. Harinder Singh Chehal, Dr. Sandeep Budhiraja, Yogesh Kumar Sareen, Anas Abdul Wajid, Gautam Wadhwa, Ruchi Mahajan and Atulya Sharma are entitled to performance based variable pay. Further, Dr. Sandeep Budhiraja, Yogesh Kumar Sareen, Anas Abdul Wajid, Gautam Wadhwa and Ruchi Mahajan, are entitled to certain retention incentives. Ruchi Mahajan is also entitled to long term incentive plan. All these applicable payouts form part of their audited remuneration for each financial year.

Interest of Key Managerial Personnel

Except for Abhay Soi none of our Key Managerial Personnel have any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

Changes in the Key Managerial Personnel in last three years

S. No.	Name	Designation	Date of appointment /cessation	Reason
1.	Dr. Mradul Kaushik	Manager	June 15, 2020	Resignation
2.	Dilip Bidani	Senior Director - Finance	June 1, 2020*	Appointment
3.	Anil Vinayak	Senior director and chief operating officer (cluster 1)	March 13, 2020	Resignation
4.	Mangla Dembi	Vice President & Head Patient Experience	March 2, 2020	Appointment
5.	Vinita Bhasin	Director (service excellence and customer operations)	December 24, 2019	Resignation
6.	Sumit Puri	Director (IT) and chief information officer	August 30, 2019	Resignation
7.	Rajit Mehta	Managing Director and chief operating officer	July 28, 2019	Resignation
8.	Prashant Singh	Director (IT) and chief information officer	July 1, 2019	Appointment
9.	Dr. Mradul Kaushik	Senior director (operations and planning)	July 1, 2019	Appointment
10.	Vandana Pakle	Senior director (corporate affairs)	July 1, 2019	Appointment
11.	Col. Harinder Singh Chehal	Senior director and chief operating officer (cluster 2)	July 1, 2019	Appointment
12.	Umesh Gupta	Director (human resources) and chief people officer	July 1, 2019	Appointment
13.	Neeraj Mishra	Director (zone 2)	April 6, 2019	Resignation
14.	Swati Rustagi	Director (human resources) and chief people officer	December 5, 2018	Resignation
15.	Rohit Kapoor	Senior director and chief growth officer	December 5, 2018	Resignation
16.	Atulya Sharma	Director (legal and regulatory affairs)	June 22, 2018	Appointment
17.	Rakesh Kumar Prusti	Director (legal and regulatory affairs)	March 31, 2018	Resignation

*Appointed in our Company pursuant to the Scheme of Arrangement.

Payment or Benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel, which are not part of their remuneration in the preceding two years.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

Individual Promoters

1. Abhay Soi,
2. Analjit Singh,
3. Neelu Analjit Singh,
4. Piya Singh,
5. Veer Singh, and
6. Tara Singh Vachani

Corporate Promoters

1. Kayak Investments Holding Pte. Ltd, and
2. Max Ventures Investment Holdings Private Limited.

As on the date of this Information Memorandum, Abhay Soi holds 210,365,264 Equity Shares, Analjit Singh holds 5,818,021 Equity Shares, Neelu Analjit Singh holds 99,000 Equity Shares, Piya Singh holds 109,229 Equity Shares, Veer Singh holds 99,000 Equity Shares, Tara Singh Vachani holds 99,000 Equity Shares, Kayak Investments Holding Pte. Ltd. holds 424,676,811 Equity Shares and Max Ventures Investment Holdings Private Limited holds 102,631,287 Equity Shares, respectively, aggregating to 743,897,612 Equity Shares, collectively representing 82.24 % of the issued, subscribed and paid-up Equity Share capital of our Company. For details, see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” on page 46.

It is hereby clarified that in terms of the Scheme, Analjit Singh, Neelu Analjit Singh, Piya Singh, Veer Singh, Tara Singh Vachani, and Max Ventures Investment Holdings Private Limited will be de – promoterised subject to the provisions of the SEBI Listing Regulations. Post such de-promoterisation and consequent reclassification as public shareholders, Abhay Soi and Kayak shall be the promoters of our Company.

Details of our Promoters

Individual Promoters

1. Abhay Soi



Abhay Soi, aged 46 years, is one of our Promoters and the Chairman and Managing Director.

Date of birth: August 19, 1973

Address: Apartment 4 West, 4th floor, Haribhavan CHS, 64 Peddar road, Mumbai – 400 026, Maharashtra.

Permanent Account Number: ABYPS5017J

Aadhaar Card Number: 5315 9346 9916

Driving License: DL-0219930029185

For details with respect to his brief profile, see “*Our Management – Brief Profile of our Directors*” on page 102.

2. Analjit Singh



Analjit Singh, aged 66 years, is one of our Promoters.

Date of birth: January 11, 1954

Address: 15, Dr. APJ Abdul Kalam Road, Sunehri Bagh Lane, Nirman Bhawan, New Delhi – 110011.

Permanent Account Number: ABLPS7514D

Aadhaar Card Number: 5917 8260 4897

Driving License: DL-0219900002100

Analjit Singh holds a masters' degree in business administration from Graduate School of Management, Boston University. He has served as a member of the Indian School of Business and as the chairman of the Board of Governors of Indian Institute of Technology, Roorkee and the Doon school. He is on the board of various companies such as Max Financial Services Limited, Max Ventures & Industries Limited and Max Life Insurance Company Limited. He has over four decades of experience in the healthcare field. He has been honoured with the Ernst and Young Entrepreneur of the Year Award (service category) and the Golden Peacock Award for Leadership and Service Excellence. In 2014, he was awarded the Knight Commander of the Order of Queen Isabella and the Distinguished Alumni Award from Boston University. He also served as the Honorary Consul General of the Republic of San Marino in India.

3. Neelu Analjit Singh



Neelu Analjit Singh, aged 63 years, is one of our Promoters.

Date of birth: January 4, 1957

Address: 15, Dr. APJ Abdul Kalam Road, Sunehri Bagh Lane, Nirman Bhawan, New Delhi – 110011.

Permanent Account Number: AATPS0682D

Aadhaar Card Number: 9208 5332 2048

Driving License: Not traceable

Neelu Analjit Singh holds a bachelor's degree in political science from Lady Shri Ram College, New Delhi. She has over 21 years of experience in the field of corporate management. She has previously held directorship at New Delhi House Services Limited.

4. Piya Singh



Piya Singh, aged 37 years, is one of our Promoters.

Date of birth: July 25, 1982

Address: 15, Dr. APJ Abdul Kalam Road, Sunehri Bagh Lane, Nirman Bhawan, New Delhi – 110011

Permanent Account Number: APDPS6582D

Aadhaar Card Number: 8180 2554 1744

Driving License: Not traceable

Piya Singh holds a diploma in childcare education from Royal Masonic School for Girls, Rickmansworth, United Kingdom. She has over 16 years of experience in the field of healthcare. She is currently a director of Max Ventures Investment Holdings Private Limited. She started her career in 2003 at Max Medcentre Panchsheel Park and joined Max Super Speciality Hospital, Saket in 2005. She is associated with many departments since 2003 including pediatric department, orthopaedics, cardiology/ cath recovery/ CTVS ICU, neurology, neuro stroke ICU, accident and emergency, obstetrics, gynaecology and OT/ surgical ICU.

5. Veer Singh



Veer Singh, aged 36 years, is one of our Promoters.

Date of birth: August 26, 1983

Address: 15, Dr. A.P.J. Abdul Kalam Road, Sunehri Bagh Lane, Nirman Bhawan, New Delhi - 110 011

Permanent Account Number: ASHPS7471E

Aadhaar Card Number: 4274 6580 1651

Driving License: DL-0220030004060

Veer Singh holds a bachelors degree in science from Imperial College of Science, Technology and Medicine, University of London. He has over nine years of experience in the hospitality business. He is a director of Vana Enterprises Limited and is the founder of Vana Retreats. He has been instrumental in establishing Vana Malsi Estate which opened in 2014.

6. Tara Singh Vachani



Tara Singh Vachani, aged 33 years, is one of our Promoters.

Date of birth: January 4, 1987

Address: 15 Dr. A.P.J. Abdul Kalam Road, New Delhi – 110011.

Permanent Account Number: BBCPS3362P

Aadhaar Card Number: 6890 5883 2097

Driving License: DL-0220080000898 (P)

Tara Singh Vachani has majored in politics and south Asian studies at the National University of Singapore followed by courses in strategy management at the London School of Economics and Political Science and hospitality business strategy and management at Ecole Hotelier de Lausanne, Switzerland. She has over seven years of experience in the field of corporate management and senior living. She is the managing director and chief executive officer of Antara Senior Living Limited since April 2011. She has previously held directorship at iCare Health Projects and Research Private Limited. She has previously worked with the corporate development team at Max Financial Services Limited, prior to its demerger. She is actively involved in philanthropy through her association with the Max India Foundation, the corporate social responsibility arm of the Max group.

Corporate Promoters

1. Kayak Investments Holding Pte. Ltd. (“Kayak”)

Corporate Information and History

Kayak was incorporated on July 14, 2017 in accordance with The Companies Act (Chapter 50 of Singapore) under the laws of Singapore. The registered office of Kayak is situated at 10 Changi Business Park Central 2, 05-01 Hansapoint, 486 030 Singapore.

Kayak is primarily engaged in the business of holding investments and is the wholly-owned subsidiary of Kayak Topco Holding Pte. Ltd. There have been no changes to the primary business activities undertaken by Kayak.

Board of Directors of Kayak Topco

The board of directors of Kayak Topco are:

Name of the director	Designation
Jaka Prasetya	Director
Terence Lee Chi Hur	Director
Wong Wai Kin	Director

Change in control of Kayak

There has been no change in the control of Kayak during the last three years preceding the date of this Information Memorandum.

2. Max Ventures Investment Holdings Private Limited (“Max Ventures”)

Corporate Information and History

Max Ventures was incorporated on February 26, 1988 under the Companies Act, 1956. The registered office of Max Ventures is situated at Max House, 1, Dr. Jha Marg, Okhla New Delhi – 110 020.

Max Ventures is primarily engaged in the business of investing in companies. There have been no changes to the primary business activities undertaken by Max Ventures.

Promoters of Max Ventures

The promoters of Max Ventures are Analjit Singh, Neelu Analjit Singh, Piya Singh, Veer Singh and Tara Singh Vachani.

Change in control of Max Ventures

There has been no change in the control of Max Ventures during the last three years preceding the date of this Information Memorandum.

Changes in control of our Company

Other than (i) pursuant to the sale of 26,69,97,937 equity shares (representing 49.70% of the paid-up share capital) of our Company from Life Healthcare to Radiant pursuant to a share purchase agreement dated December 24, 2018 entered into between our Company, Life Healthcare and Radiant; and (ii) pursuant to the Scheme, there has been no change in our Promoters.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and our Subsidiaries and the dividends payable and any other distributions in respect of their respective shareholding in our Company and our Subsidiaries. Our individual Promoters may deem to be interested to the extent of the shareholding of their relatives in our Company. For further details, see “*Capital Structure - Details of Shareholding of our Promoters, members of the Promoter Group and directors of corporate Promoters in our Company*” on page 46.

For further details of interest of our Promoters in our Company, see “*Financial Statements – Related Party Transactions*” on page 138.

Except for Abhay Soi, who is a Promoter and the Chairman and Managing Director of our Company, none of our Directors or Group Companies have any interest in the promotion of our Company.

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Information Memorandum or proposed to be acquired by it as on the date of filing of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Except for Abhay Soi, who is (i) a shareholder of Radiant Mumbai which has entered into an operations and management agreement with BNH Hospital, Mumbai; (ii) a promoter, chairman and managing director of Radiant Life; and (iii) a director of Radiant Life Care Lucknow Private Limited, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Further, the Subsidiaries

are in the same line of business as that of our Company.

Payment or benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in “*Financial Statements – Related Party Transactions*” on page 138 and the healthcare services rendered by our Company and Subsidiaries in their ordinary course of business, there has been no amount paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Information Memorandum.

Disassociation by Promoters in the last three years

Except as stated below, none of our Promoters have disassociated themselves from any companies or firms during the three years preceding the date of filing of this Information Memorandum.

Sr. No.	Name of the entity	Date of disassociation	Reason/ circumstances and terms of disassociation
Abhay Soi			
1.	Grass Investment Consultancy Private Limited	April 12, 2017	Pursuant to the company being struck off from the MCA records with effect from April 12, 2017.
2.	Radiant Life Care Private Limited (earlier Radiant Life Care Private Limited merged with Halcyon Finance and Capital Advisors Private Limited)	November 18, 2017	Pursuant to amalgamation of Radiant Life Care Private Limited with Halcyon Finance & Capital Advisors Private Limited vide order passed by the National Company Law Tribunal, Mumbai Bench dated August 24, 2017 and taken on record by Registrar of Companies, Mumbai on November 18, 2017. Subsequently the name of amalgamated company i.e Halcyon Finance and Capital Advisors Private Limited was changed to Radiant Life Care Private Limited.
3.	NeoDiamond Investments Ltd	April 11, 2019	Dissolved with effect from October 15, 2019.
4.	Halcyon Resource & Management Private Limited	March 9, 2020	Transfer of entire shareholding to another shareholder and resignation from the post of managing director.
Veer Singh			
5.	Vana Hotels Private Limited	December 2, 2019	Pursuant to the company being struck off from the MCA records with effect from December 2, 2019.
Max Ventures			
6.	SKA Diagnostic Private Limited	February 6, 2018	Inter – se transfer of ownership amongst promoter group to Analjit Singh.

Guarantees

Except as stated below, none of our Promoters have given any material guarantee to any third party, with respect to the Equity Shares, as of the date of this Information Memorandum.

- Kayak has issued a guarantee in favour of Standard Chartered Bank to secure a term loan facility of up to ₹ 6,372,500,000 granted by Standard Chartered Bank to Radiant Life in terms of a rupee facility agreement executed on July 29, 2019 between Radiant Life and Standard Chartered Bank (as amended from time to time). Pursuant to the Scheme, the assets and liabilities of Radiant Life are now transferred to our Company with effect from June 1, 2020.
- Analjit Singh, MVIHPL, Icare Health Projects and Research Private Limited, Piveta Estates Private Limited have executed a repayment agreement on July 29, 2020 with KKR India Financial Services Limited (“**KIFS**”) and KKR India Debt Opportunities Fund II (“**KIDOF II**”) in respect of the repayment of the indebtedness wherein certain Equity Shares of our Company have been pledged by MVIHPL and certain Equity Shares will

be pledged by Analjit Singh. The material terms and conditions of the repayment agreement, *inter-alia*, are as under:

- (a) In the event that the equity shares of our Company held by Analjit Singh and MVIHPL are being sold, transferred or disposed (directly or indirectly), at any time until all payments due under the indebtedness have been repaid, the proceeds realised from the sale of such shares of our Company, are required to be compulsorily used for repaying the indebtedness (together with interests and costs thereon);
- (b) MVIHPL is required to create pledge in favour of KIFS and KIDOF II over (i) 1,16,89,155 equity shares of our Company within three business days from the date of commencement of trading of the equity shares of our Company on the stock exchanges; and (ii) balance equity shares of our Company held by MVIHPL (upto the requisite security cover) on or prior to September 30, 2020;
- (c) Analjit Singh and MVIHPL have provided unconditional guarantees for securing the indebtedness.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

Natural persons forming part of promoter group:

S. No.	Name of the individual
	<i>Abhay Soi</i>
1.	Bulbul Soi
2.	Taruna Soi
3.	Devina Soi
4.	Aeshani Soi
5.	Aditya Soi
6.	Anil Bhatnagar
7.	Veena Bhatnagar
8.	Akhil Saroop
	<i>Analjit Singh</i>
9.	Neelu Analjit Singh
10.	Piya Singh
11.	Veer Singh
12.	Tara Singh Vachani
	<i>Neelu Analjit Singh</i>
13.	Analjit Singh
14.	Piya Singh
15.	Veer Singh
16.	Tara Singh Vachani
	<i>Piya Singh</i>
17.	Analjit Singh
18.	Neelu Analjit Singh
19.	Veer Singh
20.	Tara Singh Vachani
	<i>Veer Singh</i>
21.	Analjit Singh
22.	Neelu Analjit Singh
23.	Piya Singh
24.	Tara Singh Vachani
25.	Shakyasimha Singh
	<i>Tara Singh Vachani</i>
26.	Analjit Singh
27.	Neelu Analjit Singh
28.	Veer Singh
29.	Piya Singh
30.	Sahil Vachani
31.	Veda Vachani

Entities forming part of promoter group:

S. No.	Name of the entities
<i>Abhay Soi</i>	
1.	Radiant Life Care Private Limited (<i>erstwhile</i> Halcyon Finance & Capital Advisors Private Limited)
2.	Neo Legno Products Private Limited
3.	Halcyon Enterprises Private Limited
4.	Neo Legno Consultants Private Limited
5.	Neo Legno Capital Advisors LLP
6.	Erica Sky Dwellers LLP
7.	Erica Sky Developers LLP
8.	Radiant Life Care Lucknow Private Limited
9.	Radiant Life Care Foundation
10.	Infrahealth Pte. Ltd.
11.	Soi Foundation
12.	M R S Trust, Singapore (settlor and beneficiary)
<i>Analjit Singh</i>	
13.	P V T Ventures Private Limited
14.	SKA Diagnostic Private Limited
15.	Max Ventures Investment Holdings Private Limited
16.	Piveta Estates Private Limited
17.	Max Ventures Private Limited
18.	iCare Health Projects and Research Private Limited
19.	Hometrail Properties Private Limited
20.	TVP Investments Private Limited
21.	Max Learning Ventures Limited
22.	Trophy Estates Private Limited
23.	Devavani Lifestyle Private Limited
24.	Harmonious Hospitality Private Limited
25.	TR Asset Ventures Private Limited
26.	Seven Heaven Buildmart Private Limited
27.	Trophy Resorts and Guest Houses Private Limited
28.	Capricorn Health Services Private Limited
29.	Wegmans Business Park Private Limited
30.	Leo Retailing and Health Services Private Limited
31.	Nurture Health Services Private Limited
32.	Solace Hotels and Hospitality Services Private Limited
33.	Malsi Hotels Limited
34.	Vitasta Estates Private Limited
35.	Siva Realty Ventures Private Limited
36.	Siva Enterprises Private Limited
37.	ABK Consultants Private Limited
38.	Terra Planet Estate Private Limited
39.	Vana Ventures Limited
40.	Vana Enterprises Limited
41.	Vana Resorts and Hotels Private Limited
42.	Vana Hospitality Private Limited
43.	Studio Urban Space Consultants Private Limited
44.	Vana Retreats Private Limited
45.	Vana Therapiya Private Limited
46.	Vanaveda Lifestyle Private Limited
47.	Drugyel Estates Private Limited
48.	Gaylord Impex Limited
49.	New Delhi House Services Limited
50.	Rama Krishna Cold – Chem Limited
51.	Max Financial Services Limited
52.	Max Ventures and Industries Limited
53.	Max Estates Limited
54.	Max India Limited (<i>formerly known as</i> Advaita Allied Health Services Limited)

S. No.	Name of the entities
55.	Max Speciality Films Limited
56.	Max Asset Services Limited
57.	Max I. Limited
58.	Wise Zone Builders Private Limited
59.	Northern Propmart Solutions Limited
60.	Pharmax Corporation Limited
61.	LGO Pte. Ltd
62.	Analjit Singh HUF
63.	Lakeview Enterprises
<i>Neelu Analjit Singh</i>	
64.	P V T Ventures Private Limited
65.	SKA Diagnostic Private Limited
66.	Max Ventures Investment Holdings Private Limited
67.	Piveta Estates Private Limited
68.	Max Ventures Private Limited
69.	iCare Health Projects and Research Private Limited
70.	Hometrail Properties Private Limited
71.	TVP Investments Private Limited
72.	Max Learning Ventures Limited
73.	Trophy Estates Private Limited
74.	Devavani Lifestyle Private Limited
75.	Harmonious Hospitality Private Limited
76.	TR Asset Ventures Private Limited
77.	Seven Heaven Buildmart Private Limited
78.	Trophy Resorts and Guest Houses Private Limited
79.	Capricorn Health Services Private Limited
80.	Wegmans Business Park Private Limited
81.	Leo Retailing and Health Services Private Limited
82.	Nurture Health Services Private Limited
83.	Solace Hotels and Hospitality Services Private Limited
84.	Malsi Hotels Limited
85.	Vitasta Estates Private Limited
86.	Siva Realty Ventures Private Limited
87.	Siva Enterprises Private Limited
88.	ABK Consultants Private Limited
89.	Terra Planet Estate Private Limited
90.	Vana Ventures Limited
91.	Vana Enterprises Limited
92.	Vana Resorts and Hotels Private Limited
93.	Vana Hospitality Private Limited
94.	Studio Urban Space Consultants Private Limited
95.	Vana Retreats Private Limited
96.	Vana Therapiya Private Limited
97.	Vanaveda Lifestyle Private Limited
98.	Drugel Estates Private Limited
99.	Gaylord Impex Limited
100.	New Delhi House Services Limited
101.	Rama Krishna Cold-Chem Limited
102.	Max Financial Services Limited
103.	Max Ventures and Industries Limited
104.	Max Estates Limited
105.	Max Speciality Films Limited
106.	Max Asset Services Limited
107.	Max I. Limited
108.	Wise Zone Builders Private Limited
109.	Northern Propmart Solutions Limited
110.	Pharmax Corporation Ltd.
111.	LGO Pte. Ltd.

S. No.	Name of the entities
112.	Analjit Singh HUF
113.	Lakeview Enterprises
<i>Piya Singh</i>	
114.	P V T Ventures Private Limited
115.	SKA Diagnostic Private Limited
116.	Max Ventures Investment Holdings Private Limited
117.	Piveta Estates Private Limited
118.	Max Ventures Private Limited
119.	iCare Health Projects and Research Private Limited
120.	Hometrail Properties Private Limited
121.	TVP Investments Private Limited
122.	Max Learning Ventures Limited
123.	Trophy Estates Private Limited
124.	Devavani Lifestyle Private Limited
125.	Harmonious Hospitality Private Limited
126.	TR Asset Ventures Private Limited
127.	Seven Heaven Buildmart Private Limited
128.	Trophy Resorts and Guest Houses Private Limited
129.	Capricorn Health Services Private Limited
130.	Wegmans Business Park Private Limited
131.	Leo Retailing and Health Services Private Limited
132.	Nurture Health Services Private Limited
133.	Solace Hotels and Hospitality Services Private Limited
134.	Malsi Hotels Limited
135.	Vitasta Estates Private Limited
136.	Siva Realty Ventures Private Limited
137.	Siva Enterprises Private Limited
138.	ABK Consultants Private Limited
139.	Terra Planet Estate Private Limited
140.	Vana Ventures Limited
141.	Vana Enterprises Limited
142.	Vana Resorts and Hotels Private Limited
143.	Vana Hospitality Private Limited
144.	Studio Urban Space Consultants Private Limited
145.	Vana Retreats Private Limited
146.	Vana Therapiya Private Limited
147.	Vanaveda Lifestyle Private Limited
148.	Analjit Singh HUF
<i>Veer Singh</i>	
149.	P V T Ventures Private Limited
150.	SKA Diagnostic Private Limited
151.	Max Ventures Investment Holdings Private Limited
152.	Piveta Estates Private Limited
153.	Max Ventures Private Limited
154.	iCare Health Projects and Research Private Limited
155.	Hometrail Properties Private Limited
156.	TVP Investments Private Limited
157.	Max Learning Ventures Limited
158.	Trophy Estates Private Limited
159.	Devavani Lifestyle Private Limited
160.	Harmonious Hospitality Private Limited
161.	TR Asset Ventures Private Limited
162.	Seven Heaven Buildmart Private Limited
163.	Trophy Resorts and Guest Houses Private Limited
164.	Capricorn Health Services Private Limited
165.	Wegmans Business Park Private Limited
166.	Leo Retailing and Health Services Private Limited
167.	Nurture Health Services Private Limited

S. No.	Name of the entities
168.	Solace Hotels and Hospitality Services Private Limited
169.	Malsi Hotels Limited
170.	Vitasta Estates Private Limited
171.	Siva Realty Ventures Private Limited
172.	Siva Enterprises Private Limited
173.	ABK Consultants Private Limited
174.	Terra Planet Estate Private Limited
175.	Vana Ventures Limited
176.	Vana Enterprises Limited
177.	Vana Resorts and Hotels Private Limited
178.	Vana Hospitality Private Limited
179.	Studio Urban Space Consultants Private Limited
180.	Vana Retreats Private Limited
181.	Vana Therapiya Private Limited
182.	Vanaveda Lifestyle Private Limited
183.	Vanapurna Private Limited
184.	Capricorn Hospitality Services Private Limited
185.	HD Seeds Farm Private Limited
186.	Anchor Management Services Private Limited
187.	Vanaveda Lifestyle Private Limited
188.	Vana Foundation
189.	Abraham & Thakore Exports Private Limited
190.	Analjit Singh HUF
<i>Tara Singh Vachani</i>	
191.	P V T Ventures Private Limited
192.	SKA Diagnostic Private Limited
193.	Max Ventures Investment Holdings Private Limited
194.	Piveta Estates Private Limited
195.	Max Ventures Private Limited
196.	iCare Health Projects and Research Private Limited
197.	Hometrail Properties Private Limited
198.	TVP Investments Private Limited
199.	Max Learning Ventures Limited
200.	Trophy Estates Private Limited
201.	Devavani Lifestyle Private Limited
202.	Harmonious Hospitality Private Limited
203.	TR Asset Ventures Private Limited
204.	Seven Heaven Buildmart Private Limited
205.	Trophy Resorts and Guest Houses Private Limited
206.	Capricorn Health Services Private Limited
207.	Wegmans Business Park Private Limited
208.	Leo Retailing and Health Services Private Limited
209.	Nurture Health Services Private Limited
210.	Solace Hotels and Hospitality Services Private Limited
211.	Malsi Hotels Limited
212.	Vitasta Estates Private Limited
213.	Siva Realty Ventures Private Limited
214.	Siva Enterprises Private Limited
215.	ABK Consultants Private Limited
216.	Terra Planet Estate Private Limited
217.	Vana Ventures Limited
218.	Vana Enterprises Limited
219.	Vana Resorts and Hotels Private Limited
220.	Vana Hospitality Private Limited
221.	Studio Urban Space Consultants Private Limited
222.	Vana Retreats Private Limited
223.	Vana Therapiya Private Limited
224.	Vanaveda Lifestyle Private Limited

S. No.	Name of the entities
225.	Siva Enterprises Private Limited
226.	Siva Realty Ventures Private Limited
227.	Topline Electronics Private Limited
228.	Analjit Singh HUF
<i>Kayak Investments Holding Pte. Ltd.</i>	
229.	Kayak Topco Holding Pte. Ltd.
230.	Radiant Life Care Private Limited
<i>Max Ventures Investment Holdings Private Limited</i>	
231.	New Delhi House Services Limited
232.	Gaylord Impex Limited
233.	Max Ventures and Industries Limited
234.	Max Financial Services Limited
235.	Max India Limited (<i>formerly known as Advaita Allied Health Services Limited</i>)
236.	Piveta Estates Private Limited

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘group companies’, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed in this Information Memorandum, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Audited Consolidated IND AS Financial Statements and as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Information Memorandum if such company is a member of the Promoter Group of the Company and has entered into one or more transactions with the Company in the most recent audited period, the monetary value of which transactions, individually or in the aggregate, exceed 10% of the total revenue of the Company (on a consolidated basis, to the extent applicable) for the most recent audited period as per the audited financial statements of the Company (on a consolidated basis, to the extent applicable).

Based on the above, our Group Companies are as set forth below.

1. Medecube Healthcare India Private Limited (“MHIPL”)

Corporate Information

MHIPL was incorporated as a private limited company on July 24, 2015 under the Companies Act, 2013 with the RoC, Delhi. Its CIN is U74999HR2015PTC056170 and its registered office is located at 6th Floor, Plot No. 17, Sector 44, Gurgram 122003, Haryana.

Nature of Activities

MHIPL is currently engaged in the business of coordinating healthcare services for people.

Capital Structure

The authorised share capital of MHIPL is ₹ 4,00,00,000 divided into 40,00,000 equity shares of ₹ 10 each. The issued, paid-up and subscribed capital of MHIPL is ₹ 3,23,47,620 divided into 32,34,762 equity shares of ₹ 10 each.

Financial Performance

The financial information derived from the audited financial results of MHIPL for the Fiscals 2019, 2018 and 2017 on a standalone basis are set forth below:

(Figures in ₹ lakh except per share data)

Particulars	Fiscal		
	2019	2018	2017
Equity capital	323.48	266.71	200.00
Reserves and surplus (excluding revaluation reserve)	438.26	560.02	466.56
Sales	509.55	572.52	251.68
Profit/(Loss) after tax	(661.06)	(506.90)	(433.21)
Earnings per share (Basic)	(22.63)	(24.20)	(26.05)
Earnings per share (Diluted)	(22.63)	(24.20)	(26.05)
Net asset value	935.22	1036.46	724.01
Net asset value per share	(22.63)	(24.20)	(26.05)

There are no significant notes by the auditors of MHIPL in relation to the above mentioned financial statements for the specified last three Fiscals.

2. Core Diagnostics Private Limited (“CDPL”)

Corporate Information

CDPL was incorporated as a private limited company on June 28, 2012 under the Companies Act, 1956 with the RoC, Delhi. Its CIN is U85100HR2012PTC046376 and its registered office is located at 406, Udyog Vihar, Phase III, Gurugram 122016, Haryana.

Nature of Activities

CDPL is currently engaged in the business of diagnostics services and operates as a high-end clinical laboratory.

Capital Structure

The authorised share capital of CDPL is ₹ 50,00,00,000 divided into 5,00,00,000 equity shares of ₹ 10 each. The issued, paid-up and subscribed capital of CDPL is ₹ 47,62,82,210 divided into 4,76,28,221 equity shares of ₹ 10 each.

Financial Performance

The financial information derived from the audited financial results of CDPL for Fiscals 2019, 2018 and 2017 on a standalone basis are set forth below:

(Figures in ₹ lakh except per share data)

Particulars	Fiscal		
	2019	2018	2017
Equity capital	4,390.27	4,185.94	4,185.94
Reserves and surplus (excluding revaluation reserve)	(3,869.61)	(3847.34)	(2,138.28)
Sales	2,854.84	2,063.16	1,403.71
Profit/(Loss) after tax	(2,065.67)	(1,709.05)	(2,156.02)
Earnings per share (Basic)	(4.80)	(4.08)	(5.35)
Earnings per share (Diluted)	(4.80)	(4.08)	(5.35)
Net asset value	2,159.94	1,830.40	2,462.86
Net asset value per share	4.92	4.37	5.88

The significant notes of the auditors of CDPL in relation to the financial statements for the last three Fiscals are as follows:

Fiscal 2019:

“Qualified opinion received and attention is drawn to note 32 to the financial statements, wherein it is explained that management is of the view that, as there is no employee share based payment plan of the company, no such expenditure has been incurred by the company. Therefore, accounting or disclosure for any employee share based payment plan is not required by the company in the financial statement. However, there is an employee share based payment plan directly operated by Core Diagnostics (Mauritius) Private Limited, the holding company, in which the employees of the company are entitled to participate. In our opinion, the company should have followed the accounting treatment and disclosure as set out in the Guidance Note on “Accounting for Employee Share Based Payments” issued by the Institute of Chartered Accountants of India. As informed to us, due to non-availability of sufficient information, it is not possible to compute the impact of any adjustment on account of the said Guidance Note. Consequently, we are also unable to quantify the impact and necessary disclosures thereof.”

3. Life Healthcare International Proprietary Limited (“LHIPL”)

Corporate Information

LHIPL was incorporated on September 15, 2005 under the Companies Act, 71 of 2008, in South Africa. Its registration number is 2005/037973/07 and its registered office is located at Oxford Manor, 21 Chaplin Road, Illovo 2196.

Nature of Activities

LHIPL is currently engaged in the business of holding investments in subsidiaries incorporated in the United Kingdom and Poland.

Capital Structure

The authorised share capital of LHIPL is 10,001 divided into 10,001 ordinary shares of Rand 1 each. The issued, paid-up and subscribed capital of LHIPL is Rand 14,218,889,926 divided into 1,046 ordinary shares of Rand 13,593,585.02 each.

Financial Performance

The financial information derived from the audited financial results of LHIPL for the Fiscals 2019, 2018 and 2017 on a standalone basis are set forth below:

(Figures in South African Rand (ZAR))

Particulars	Fiscal		
	2019	2018	2017
Equity capital	1421,88,89,926	1414,32,88,585	1406,52,65,700
Reserves and surplus (excluding revaluation reserve)	(174,63,02,505)	11,42,47,287	12,36,58,805
Sales	0	0	0
Profit/(Loss) after tax	96,67,73,754	(94,11,518)	4,37,50,545
Earnings per share (Basic)	9,24,257.89	(9,084.48)	39,202.99
Earnings per share (Diluted)	9,24,257.89	(9,084.48)	39,202.99
Net asset value	1247,25,87,421	1425,75,35,872	14,18,89,24,505
Net asset value per share	1,19,24,079.75	13,762,100.26	1,27,14,090.06

There are no significant notes by the auditors of LHIPL in relation to the above mentioned financial statements for the specified last three Fiscals.

4. Max Ventures and Industries Limited (“MVIL”)

Corporate Information

MVIL was incorporated on January 20, 2015 under the Companies Act, 2013. Its registration number is L85100PB2015PLC039204 and its registered office is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar Punjab- 144 533.

Nature of Activities

MVIL is engaged in the business of investments and providing consultancy services to group companies.

Capital Structure

The authorised share capital of MVIL is ₹150,00,00,000 divided into 15,00,00,000 equity shares of ₹10 each. The issued, paid-up and subscribed capital of MVIL is ₹146,62,40,620 divided into 14,66,24,062 equity shares of ₹10 each.

Financial Performance

The financial information derived from the audited financial results of MVIL for the Fiscals 2019, 2018 and 2017 on a standalone basis are set forth below:

(Figures in ₹ lakh except per share data)

Particulars	Fiscal		
	2019	2018	2017
Equity capital	14,660.1	7,264.8	6,897.7
Reserves and surplus (excluding revaluation reserve)	70,000.2	31,940.0	23,566.8
Sales	3,396.1	10,412.6	1,489.4
Profit/(Loss) after tax	891.1	6,000.7	(286.5)
Earnings per share (Basic)	7.5	83.3	(5.2)
Earnings per share (Diluted)	7.5	82.3	(5.2)
Net asset value	84,662.0	39,204.8	31,137.2
Net asset value per share	577.5	539.6	451.4

There are no significant notes by the auditors of MVIL in relation to the above mentioned financial statements for the specified last three Fiscals.

As on the date of this Information Memorandum, the equity shares of MVIL are currently listed on BSE and NSE.

MVIL completed its rights issue at a price of ₹61 per equity share on July 31, 2018.

Share price information

The following table sets forth details of the highest and lowest market price on BSE during the six months preceding the date of this Information Memorandum:

S. No.	Month	Monthly high	Monthly low
1.	July 2020	40.80	29.60
2.	June 2020	39.00	27.85
3.	May 2020	33.75	26.15
4.	April 2020	36.90	27.05
5.	March 2020	52.25	25.15
6.	February 2020	57.60	46.60

The following table sets forth details of the highest and lowest market price on NSE during the six months preceding the date of this Information Memorandum:

S. No.	Month	Monthly high	Monthly low
1.	July 2020	41.00	29.25
2.	June 2020	37.40	27.50
3.	May 2020	31.00	25.75
4.	April 2020	33.70	25.80
5.	March 2020	52.80	24.70
6.	February 2020	57.50	46.70

The closing equity price of MVIL as on August 14, 2020 on BSE and NSE were 38.05 and 38.00, respectively.

5. Max Ventures Private Limited (“MVPL”)

Corporate Information

MVPL was incorporated on August 30, 2010 under the Companies Act, 1956. Its registration number is U55101DL2010PTC207677 and its registered office is located at Max House 1, Dr. Jha Marg, Okhla New Delhi 110 020.

Nature of Activities

MVPL is engaged in the business to act as an consultant, advisors, book keepers, representatives, signatories, agents advisors, book keepers, representatives, signatories, agents, service providers in relation to all branches of corporate functioning, including commercial, industrial, engineering, corporate management, business management, software developments, quality control, technical knowhow, financial management, administrative, legal, tax, accounts and financials and/or other similar subjects and services, and for this purpose to run, establish, maintain, provide, operate, manage, supervise, arrange, buy or hire, or take on lease any immovable properties, consultancy services, facilities, conveniences, equipment, etc., and to do all such incidental acts and things necessary for the attainment of the forgoing.

Capital Structure

The authorised share capital of MVPL is ₹1,00,00,000 divided into 10,00,000 equity shares of ₹10 each. The issued, paid-up and subscribed capital of MVPL is ₹1,00,000 divided into 10,000 equity shares of ₹10 each.

Financial Performance

The financial information derived from the audited financial results of MVPL for the Fiscals 2019, 2018 and 2017 on a standalone basis are set forth below:

(Figures in ₹ lakh except per share data)

Particulars	Fiscal		
	2019	2018	2017
Equity capital	1.0	1.0	1.0
Reserves and surplus (excluding revaluation reserve)	(25,983.6)	(20,503.4)	(17,162.4)
Sales	2.2	124.5	33.6
Profit/(Loss) after tax	(5,480.2)	(3,341.0)	(3,593.8)
Earnings per share (Basic)	(5,48,017.4)	(3,34,102.0)	(3,59,381.7)
Earnings per share (Diluted)	(5,48,017.4)	(3,34,102.0)	(3,59,381.7)
Net asset value	(25,982.6)	(20,502.4)	(17,161.4)
Net asset value per share	(23,98,255.8)	(20,50,238.4)	(17,16,136.5)

Except as disclosed below, there are no significant notes by the auditors of Max Ventures Private Limited in relation to the above mentioned financial statements for the specified last three Fiscals.

Fiscal 2019:

“MVPL’s accumulated losses are more than 50% of its net worth, which raises substantial doubt about the MVPL’s ability to continue as a going concern in the foreseeable future. However the management has not intended to liquidate the company within the next 12 months from the balance sheet date and the promoters have undertaken to provide continuing financial support so that the company is able to pay its debts as and when they are due. Hence, the financial statement has been prepared on going concern basis.”

Fiscal 2018:

“The accounts of MVPL have been prepared on a going concern basis, which has been based on continued financial support from the promoters of MVPL.”

6. Radiant Life Care Private Limited (“Radiant”)

Corporate Information

Radiant (erstwhile Halcyon Finance & Capital Advisors Private Limited) was incorporated on February 5, 2010 under the Companies Act, 1956. Its registration number is U74110MH2010PTC199781 and its registered office is located at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai 400 056.

Nature of Activities

Radiant is engaged in the business of developing, redeveloping, managing and operating health care facilities, hospitals, nursing institutes and homes, clinics, medical centres, providing education with respect to medical, surgical and pharmaceutical fields, retailing of drugs and pharmaceuticals including, providing of healthcare, childcare, beauty care products and services, carry out medical research by engaging in the research and development of all fields of medical sciences. Further, the Company is also engaged in the business of providing consulting and advisory services, and provides financial and strategic support to its group companies and/or other companies.

Capital Structure

The authorised share capital of Radiant is ₹ 27,00,00,000 divided into 2,70,00,000 equity shares of ₹ 10 each. The issued, paid-up and subscribed capital of Radiant is ₹ 69,98,480 divided into 6,99,848 equity shares of ₹ 10 each.

Financial Performance

The financial information derived from the audited financial results of Radiant for the Fiscals 2020, 2019 and 2018 on a standalone basis are set forth below:

(Figures in ₹ lakh except per share data)

Particulars	Fiscal		
	2020	2019 (Refer Note 1)	2018 (Refer Note 1)
Equity capital (includes <i>Forfeited Share Capital</i>)	170.2	144.3	139.9
Reserves and surplus including other equity (excluding revaluation reserve)	2,99,598	1,01,272	67,546
Revenue from operations / ^^	5,926	5,567	3,450
Other Income	6,662	4,690	3,550
Profit/(Loss) after tax @@ / ^^^	(520)	2,262	(5,700)
Earnings per share (Basic) (Face Value of ₹ 10/- each)	(86)	556	(1,633)
Earnings per share (Diluted) (Face Value of ₹ 10/- each)	(86)	556	(1,633)
Net asset value ***	2,99,768	1,01,417	67,686
Net asset value per share**** (Rs)	42,833	23,014	17,037

Note (1) Radiant Life Care Private Limited transitioned to the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 with effect from financial year 2018-19 wherein the comparative information for the financial year 2017-18 were also disclosed.

^^ Revenue from operations for the year ended March 31, 2020 and March 31, 2019 includes results of operations of Healthcare business as presented as discontinued Operations in the Statements of Profit and Loss for the year ended March 31, 2020 with disclosure of amounts of the previous year ended March 31, 2019.

@@ Profit/(loss) after tax represent the total comprehensive loss for the year attributable to owners of the Company

^^^ Profit/(loss) after tax for the year ended 31 March 2020 and March 31, 2019 includes results of discontinued Operations

*** Net asset value = Equity capital+ Reserves and surplus

**** Net asset value per share = (Equity capital+ Reserves and surplus)/ No. of shares outstanding

(Number of shares outstanding as on March 31, 2020: 6,99,848; March 31, 2019: 440,676; March 2018: 397,297)

The financial information derived from the audited financial results of Radiant for the Fiscals 2020, 2019 and 2018 on a consolidated basis are set forth below:

(Figures in ₹ lakh except per share data)

Particulars	Fiscal		
	2020	2019 (Refer Note 1)	2018 (Refer Note 1)
Equity capital (includes <i>Forfeited Share Capital</i>)	170.2	144.3	139.9
Reserves and surplus including other equity (excluding revaluation reserve)	2,62,523	62,896	33,510
Revenue from operations ^^	1,05,903	92,387	80,050

Particulars	Fiscal		
	2020	2019 (Refer Note 1)	2018 (Refer Note 1)
Other Income	4,849	2,016	1,682
Computed EBITDA **	9,893	8,146	6,358
Profit/(Loss) after tax @@ / ^^	1,045	(2,075)	(8,859)
Earnings per share (Basic) (Face Value of ₹ 10/- each)	163	(557)	(2,203)
Earnings per share (Diluted) (Face Value of ₹ 10/- each)	163	(557)	(2,203)
Net asset value ***	2,62,693	63,040	33,650
Net asset value per share**** (Rs)	37,536	14,305	8,470

Note

(1) Radiant Life Care Private Limited transitioned to the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 with effect from financial year 2018-19 wherein the comparative information for the financial year 2017-18 were also disclosed. The Consolidated Financial statements include the financial statements of the Company, its subsidiary companies and deemed separate entities i.e (i) Operations of Dr. B. L. Kapoor Memorial Hospital (a unit of Lahore Hospital Society) and (ii) Dr. Balabhai Nanavati Hospital, which are being managed under O&M agreements.

^^ Revenue from operations for the year ended March 31, 2020 and March 31, 2019 includes results of operations of Healthcare business as presented as discontinued operations in the Statements of Profit and Loss for the year ended March 31, 2020 with disclosure of amounts for the previous year ended March 31, 2019.

** Earning Before Interest, Tax and Depreciation & Amortisation (EBITDA) is calculated as follows: Profit/ (Loss) before tax + Finance cost + Depreciation and Amortisation expenses including impact of change in fair value of Contingent Consideration - Non Operating Financial Income. EBITDA is calculated after charge for one off costs relating to purchase of stake in Max Healthcare Institute Limited and scheme of amalgamation for merger/de-merger of healthcare assets of Max India, Max Healthcare and Radiant.

@@ Profit/(loss) after tax represent the total comprehensive loss for the year attributable to owners of the Company

^^ Profit/(loss) after tax for the year ended 31 March 2020 and March 31, 2019 includes results of discontinued Operations

***Net asset value = Equity capital+ Reserves and surplus

**** Net asset value per share = (Equity capital+ Reserves and surplus)/ No. of shares outstanding

(Number of shares outstanding as on March 31, 2020:6,99,848; March 31, 2019: 440,676; March 2018: 397,297)

There are no significant notes by the auditors of Radiant in relation to the above mentioned financial statements for the specified last three Fiscals.

Litigation

For details, see “Outstanding Litigation and Material Defaults” on page 386.

Group Companies which are sick industrial companies

Our Group Companies have not become sick companies under the *erstwhile* Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Group Companies under winding up / insolvency proceedings

Our Group Companies are not under winding up/insolvency proceedings.

Loss making Group Companies

Except for LHIPL and MVIL, all our other Group Companies have incurred losses in the last Fiscal.

Nature and extent of interest of Group Companies

Our Group Companies do not have any interest in the promotion of our Company.

Our Group Companies are not interested in the properties acquired by our Company within the three immediately preceding years or proposed to be acquired by our Company.

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Defunct Group Companies

During the five years preceding the date of this Information Memorandum, our Group Companies have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies.

Common pursuits

Except for Radiant, CDPL and MHIPL, which are each involved in the healthcare sector, there are no common pursuits amongst our Group Companies and our Company.

Related business transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section “*Financial Statements - Related party transactions*” on page 138, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in the section “*Financial Statements – Related party transactions*” on page 138, our Group Companies do not have any business interest in our Company.

RELATED PARTY TRANSACTIONS

All related party transactions entered into by our Company are in the normal course of business and at arm's length basis. Most of the transactions are related to sale, purchase or supply of goods or operating materials and also include interest on inter corporate deposits given for operational purposes. In terms of the Companies Act, 2013 read with the rules made thereunder, all such related parties transactions entered by the Company are approved by the Audit Committee and the Board, as applicable, from time to time.

For details of the related party transactions of our Company during the last three Fiscal Years, as per the requirements under Indian Accounting Standard 24 "*Related Party Disclosures*", see "*Financial Statements – Related party disclosure as per Ind AS 24*" on page 141.

DIVIDEND POLICY

Our Company has adopted a dividend distribution policy at a meeting of the Board of Directors held on June 19, 2020 (“**Dividend Policy**”). The Dividend Policy is designed to lay down the financial parameters and internal factors that will be taken into account by the Board of Directors in determining the declaration and distribution of dividend to its shareholders and/or retaining profits earned by our Company.

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Further, no dividend was declared by us for Fiscals 2018, 2019 and 2020.

SECTION VI: FINANCIAL INFORMATION

FINANCIAL INDEBTEDNESS

We avail loans in the ordinary course of business for meeting our working capital and business requirements. The details of aggregate indebtedness of our Company on a consolidated basis as on March 31, 2020 are provided below:

Category of borrowing	Sanctioned amount (in ₹ lakh)	Outstanding amount (in ₹ lakh)
Secured Borrowings		
Term loans	1,17,700	79,215
Deferred payment liabilities	247	151
Vehicle loan	737	306
Cash credit	15,400	5,358
Total secured borrowings	1,34,084	85,030
Unsecured Borrowings		
Inter-corporate deposits	44,000	45,094
Total unsecured borrowings	44,000	45,094
Total Borrowings	1,78,084	1,30,124

Principal terms of the borrowings:

The details provided below are indicative and there may be additional terms, conditions and requirements applicable to our Company in connection with the borrowings.

- Interest:** The interest rate payable with respect to certain facilities is typically fixed or linked to a benchmark rate or the base rate of a specific lender and margin of the specific lender. The spread varies between different loans. The interest rate with respect to our facilities ranges from 7.75% to 11.31% per annum.
- Commission:** The rate of commission with respect to certain facilities availed by our Company for letters of credit and bank guarantees ranges from 0.50% per annum to 2% per annum and from 0.80% per annum to 1.50% per annum, respectively.
- Prepayment Penalty:** Certain facilities carry a pre – payment penalty which may be levied at the discretion of the lenders on the pre – paid amount. The pre – payment penalty payable, where stipulated, is typically 1% under certain circumstances on the principal amount of the loan pre-paid. Certain facilities require prior written consent before prepayment of the facilities.
- Penal Interest:** The terms of the facilities prescribe penalties for delayed payment or default in the repayment obligations, delay in creation of the stipulated security or certain other specified obligations. The penal interest is typically 1% per annum over and above the applicable interest rate on the amount outstanding and 2.25% per annum on the delayed principal or interest amount, as applicable.
- Tenor:** The tenor of the facilities availed by us range from 1 year to 16 years while the tenor of the bank guarantee facilities and LC facilities typically range up to a period of 42 months and 36 months respectively.
- Repayment:** The facilities availed are typically repayable as per the maturity profile agreed with lenders for a maximum of 16 years.

FINANCIAL STATEMENTS

In accordance with the SEBI ICDR Regulations, the audited financial information of our Company as at, and for, Fiscals 2018, 2019 and 2020 is available on our website at www.maxhealthcare.in/investors.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Max Healthcare Institute Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive loss, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013, as amended ("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, 2020, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 33.14 to the consolidated Ind AS financial statements, which describes the uncertainty and the impact of COVID-19 pandemic on the Group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 the 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. 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; 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 consolidated Ind AS 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 purposes 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 and reports of the other auditors;



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- (c) The Consolidated Balance Sheet, the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 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 with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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, as amended, 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 in its consolidated Ind AS financial statements – Refer Note 32 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, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sanjay Vij



per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 20095169AAAACA5854

Place of Signature: Gurugram

Date: June 27, 2020

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")

In conjunction with our audit of the consolidated financial statements of Max Healthcare Institute Limited as of and for the year ended March 31, 2020, 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 and its subsidiary companies, (hereafter referred to as the 'Group') 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 Group'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 Group'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 Group'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 Group; (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 Group are being made only in accordance with authorisations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group'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 and 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, 2020, 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 Sanjay Vij
Partner

Membership Number: 095169

UDIN: 20095169AAAACA5854

Place of Signature: Gurugram

Date: June 27, 2020

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,00,969	93,847
Right of use assets	4	13,311	-
Capital work-in-progress	3	549	8,569
Goodwill	6	28,539	28,539
Other intangible assets	5	95,153	96,851
Intangible assets under development	3	17	133
Financial assets			
(i) Investments	7	51	51
(ii) Trade receivables	7	8,287	13,677
(iii) Loans	7	33,520	23,758
(iv) Other bank balances	7	72	53
Income tax assets	8	12,802	12,581
Deferred tax assets (net)	24	2,047	1,108
Other non current assets	9	10,289	12,665
		3,05,606	2,91,832
Current assets			
Inventories	10	4,337	2,601
Financial assets			
(i) Trade receivables	11	41,116	36,361
(ii) Cash and cash equivalents	11	27,479	760
(iii) Other bank balances	11	600	404
(iv) Loans	11	308	1,511
(v) Other financial assets	11	727	1,163
Income tax assets	12	847	103
Other current assets	13	1,518	1,927
		76,832	44,730
TOTAL ASSETS		3,82,438	3,36,562
EQUITY AND LIABILITIES			
EQUITY			
(i) Equity share capital	14	53,724	53,724
(ii) Other equity	15	45,017	42,595
TOTAL EQUITY		98,741	96,319
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	78,988	89,006
(ii) Lease liabilities	17	20,323	-
(iii) Other financial liabilities	18	303	69
Provisions	19	2,315	1,733
Deferred tax liabilities (net)	24	34,163	34,473
Other non-current liabilities	20	163	959
		1,36,255	1,26,240
Current liabilities			
Financial liabilities			
(i) Borrowings	21	50,452	7,368
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	21	67	95
- Total outstanding dues of creditors other than micro enterprises and small enterprises	21	29,285	29,064
(iii) Lease liabilities	21	1,195	-
(iv) Other financial liabilities	21	61,803	7,791
Other current liabilities	22	2,610	68,075
Provisions	23	2,030	1,610
		1,47,442	1,14,003
TOTAL LIABILITIES		2,83,697	2,40,243
TOTAL EQUITY AND LIABILITIES		3,82,438	3,36,562

Significant accounting policies 2
Contingent liabilities, commitments and litigations 32
Other notes to accounts 33

The accompanying notes are integral part of the consolidated financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301001G000000005

per Sanjay Vij
Partner
Membership Number: 09510



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

Abhay Sol
(Chairman and Managing Director)
DIN: 00203597

Mahendra Gumanmalji Lodha
(Director)
DIN: 00012920

Yugesh Kumar Sargan
(Chief Financial Officer)
ICAI Membership Number: 087383

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Max Healthcare Institute Limited

Consolidated statement of profit and loss for the year ended March 31, 2020

(Rs in Lakhs)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	25	1,88,446	1,69,102
Other income	26	1,741	856
Finance income	27	5,498	4,849
Total income		1,95,685	1,74,807
Expenses			
Purchase of pharmacy, drugs, consumables and implants		40,914	36,220
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants		(1,736)	226
Cost of construction		-	100
Employee benefits expense	28	44,924	44,055
Finance costs	29	15,266	10,127
Depreciation and amortization expense	30	11,974	10,264
Other expenses	31	75,435	72,983
Total expenses		1,86,777	1,73,975
Profit before tax		8,908	832
Tax expenses			
(i) Current tax	24	451	632
(ii) Adjustment of tax relating to earlier years	24	(17)	(45)
(iii) Mat credit relating to earlier years	24	-	538
(iv) Deferred tax (credit)	24	(1,060)	(274)
Total tax expenses		(626)	851
Profit/(loss) after tax		9,534	(19)
Attributable to:			
Owners of the Company		9,534	(301)
Non controlling interests		-	282
		9,534	(19)
Other comprehensive (loss)			
Other comprehensive loss not to be reclassified to profit or loss in subsequent years:			
Re-measurement loss on defined benefit plans	33.1	(429)	(34)
Less: Income tax effect	24	35	-
Other comprehensive loss for the year, net of tax		(394)	(34)
Total comprehensive income/(loss), net of tax		9,140	(53)
Attributable to:			
Owners of the Company		9,140	(339)
Non controlling interests		-	286
		9,140	(53)
Earnings per equity share (nominal value of share Rs.10/- each)	33.9		
Basic (Rs.)		1.77	(0.06)
Diluted (Rs.)		1.77	(0.06)
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	32		
Other notes to accounts	33		

The accompanying notes are integral part of the consolidated financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003/E/300003

per Sanjay Vij

Partner

Membership Number: 095169



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

Abhay Soi
(Chairman and Managing Director)
DIN: 00203597

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

Mahendra Gumanmalji Lodha
(Director)
DIN: 00012920

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : June 27, 2020

Place : New Delhi
Date : June 27, 2020

Max Healthcare Institute Limited
Consolidated statement of changes in equity for the year ended March 31, 2020

a) Equity share capital

Particulars	No.	(Rs in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2018	53,72,44,328	53,724
Add: Equity share issued (refer note 14)	-	-
As at March 31, 2019	53,72,44,328	53,724
Add: Equity share issued (refer note 14)	-	-
As at March 31, 2020	53,72,44,328	53,724

b) Other equity

Particulars	Reserves and surplus				Change in valuation for put options granted to NCI in subsidiaries (Refer note 15)	Total other equity
	Capital reserve (Refer note 15)	Capital reserve on merger with Max Medical Services Limited (Refer note 15)	Securities premium (Refer note 15)	Retained earnings (Refer note 15)		
As at April 1, 2018	1	(660)	1,07,678	(44,069)	(13,374)	49,676
Profit/(loss) for the year	-	-	-	(301)	282	(19)
Other comprehensive income for the year	-	-	-	(38)	4	(34)
Interest on put call option liabilities for the year	-	-	-	-	(7,028)	(7,028)
As at March 31, 2019	1	(660)	1,07,678	(44,408)	(20,016)	42,595
As at April 1, 2019	1	(660)	1,07,678	(44,408)	(20,016)	42,595
Profit for the year	-	-	-	9,534	-	9,534
Impact on account of transition to new accounting standard of lease accounting "Ind-AS 116" (refer note 2.3)	-	-	-	(7,261)	-	(7,261)
Other comprehensive loss for the year	-	-	-	(394)	-	(394)
Change in fair valuation of gross obligations over written put options to the NCI	-	-	-	-	543	543
Adjustment on account of change in shareholding in subsidiaries (refer note 21 (iv))	-	-	-	128	(128)	-
As at March 31, 2020	1	(660)	1,07,678	(42,401)	(19,601)	45,017

Significant accounting policies 2
Contingent liabilities, commitments and litigations 32
Other notes to accounts 33

The accompanying notes are integral part of the consolidated financial statements

As per our report of even date attached

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

per Sanjay Vij
Partner
Membership Number: 095169



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

Ablay So
(Chairman and Managing Director)
DIN: 00203597

Yogesh Kumar Suresh
(Chief Financial Officer)
ICAI Membership Number: 087383

Mahendra Gumanmaji Lodha
(Director)
DIN: 00042920

Rupali Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : June 27, 2020

Place : New Delhi
Date : June 27, 2020

Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2020

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	8,908	831
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	8,208	8,213
Amortization of intangible assets	2,058	2,051
Depreciation of right to use assets	1,708	-
Loss on foreign exchange fluctuation	32	64
Debit balances written off	1,833	-
Bad debts written off	531	1,359
Provision for doubtful advances	(1,033)	(13)
Provision for doubtful debts	28	(954)
Income on termination of lease under Ind AS 116	(149)	-
Net loss on sale/disposal of property, plant and equipment	21	88
Unclaimed balances & excess provisions written back	(896)	(202)
Finance income (including fair value change in financial instruments)	(5,014)	(4,535)
Interest on lease liability	2,207	-
Finance costs (including fair value change in financial instruments)	12,505	9,618
Operating cash flow before working capital changes	10,947	16,521
Working capital changes:		
(Increase)/Decrease in trade receivables, other financial assets & other current assets	1,403	(7,780)
(Increase)/Decrease in inventories	(1,731)	226
Movements in provisions, gratuity and government grant	573	(71)
(Decrease)/Increase in trade payables and other financial liabilities	(4,939)	2,812
Cash generated from operations	26,253	11,708
Taxes paid (net of refunds and interest on refund)	(1,271)	(2,813)
Net cash generated from operating activities (A)	24,982	8,895
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(8,874)	(11,573)
Proceeds from sale of property, plant and equipment	-	-
Loan given to others healthcare service providers (net of repayments)	(8,593)	(2,191)
Investment in shares of other Company	-	(51)
Maturity/ (Investment) of bank deposits	(215)	7,627
Interest income	5,014	4,535
Net cash flows from/(used in) investing activities (B)	(12,668)	(1,653)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	5,291
Repayment of long-term borrowings	(12,983)	(3,068)
Proceeds from/(repayment of) short-term borrowings	43,084	-
Payment of principal portion of lease liabilities	(984)	-
Payment of interest on lease liabilities	(2,207)	-
Interest paid	(12,505)	(9,618)
Net cash flows from/(used in) financing activities (C)	14,405	(7,395)

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Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2020

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net increase/(decrease) in cash and cash equivalents (A + B + C)	26,719	(153)
Cash and cash equivalents at the beginning of the year	760	913
Cash and cash equivalents at the end of the year	27,479	760

Components of cash and cash equivalents:

	As at March 31, 2020	As at March 31, 2019
Cash on hand	102	133
Cheques/drafts on hand	103	144
Bank deposits with original maturity of less than three months	26,049	-
Balances with banks on current accounts	1,225	483
Total cash and cash equivalents	27,479	760

Note: The above cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow"

Significant accounting policies	2
Contingent liabilities, commitments and litigations	32
Other notes to accounts	33

The accompanying notes are integral part of the 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

per Sanjay Vij
Partner
Membership Number: 095169



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

Abhay Soli
(Chairman and Managing Director)
DIN: 00283597

Mahendra Gumanmaji Lodha
(Director)
DIN: 00012920

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

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : June 27, 2020

Place : New Delhi
Date : June 27, 2020



1 Corporate Information

Max Healthcare Institute Limited ("the Company") and its subsidiaries (collectively referred to as "the Group" or "we" or "our") is one of the leading health care service provider in Northern India and has, as at March 31, 2020, a network of 15 healthcare facilities, including ten large secondary & tertiary care hospital, and five med centres. These facilities include third party healthcare providers with whom, the Company has entered into long term service contracts for providing clinical, radiology and pathology services etc. These facilities are mainly located in National Capital Region ("NCR") and only three of the facilities are located outside of NCR, two in the state of Punjab and one in Uttarakhand. Our primary objective is to provide a comprehensive array of high quality health care services to the community we serve, in a cost effective manner while growing reach and depth of our medical programs and creating long term value for our shareholders. Our hospitals typically provide a full range of services through their Out Patient, Day Care, Emergency Room and In Patient Departments to accommodate such medical specialties as orthopaedics, internal medicine, general surgery, cardiac sciences, oncology, neuro sciences, and obstetrics, as well as diagnostic. The Company was incorporated in June 18, 2001 and our registered office is located at Rndymoney Terrace, 1st Floor, 167, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

The consolidated financial statements were approved by the Company's Board of Directors for issue on June 27, 2020.

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 section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standard) Rule, 2015, as amended from time to time and other relevant provision of the act.

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses. Our estimates are based on historical experiences and various other assumptions we believe are reasonable under the circumstances. We evaluate our estimates on an ongoing basis and make changes to them and related disclosures as experience develops or new information becomes known. Actual results may differ from these estimates. Refer note 2.5 for significant accounting judgements, estimates and assumptions.

The consolidated financial statements have been prepared on a historical cost convention on an accruals basis except for certain financial instrument, financial assets and defined employee benefits plan, which have been measured at fair value.

Financial Statements are presented in INR and all values are rounded to nearest Lakhs (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 March 31, 2020. 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 March 31, 2020. 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 recognized 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 recognized 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 AS 12 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



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, 2020	As at March 31, 2019	As at March 31, 2020		As at March 31, 2019		As at March 31, 2020		As at March 31, 2019	
				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			86%	85,041	98%	1,14,410	-35%	(3,195)	2258%	(7,656)
Subsidiaries											
Hornetrail Buildtech Private Limited	India	100%	100%	-5%	(5,305)	-9%	(10,113)	53%	4,808	-385%	1,305
Alps Hospital Limited (ALPS)	India	100%	100%	12%	11,651	7%	7,834	42%	3,817	-1119%	3,793
Crosslay Remedies Limited	India	refer note 21 (iv) (b)	78%	8%	8,367	4%	4,526	38%	3,462	-582%	1,973
Saket City Hospitals Private Limited	India	refer note 21 (iv) (a)	51.83%*	-1%	(1,013)	0%	(322)	3%	249	-73%	246
Total				100%	98,741	100%	1,16,335	100%	9,141	100%	(339)
Non controlling interest							(20,016)				286
Gross total					98,741		96,319		9,141		(53)

Notes:

* % holding on fully diluted basis

Business combination and goodwill

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 proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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 in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard. (iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right

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

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 be 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 Equipments

Property, plant and equipment including capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprise of purchase price, taxes, duties (including import duties paid through EPCG license), freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit, VAT credit availed and Goods and Service Tax credit (GST) 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.

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



Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance.
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 pro-rata 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	7-13 Years
Hand instruments	4 Years
Lab equipment	10 Years
Electrical installations and equipment	7-10 Years
Plant and equipment	15 Years
Office equipment	5 Years
Computers & data processing units	3 - 6 Years
Furniture and fixtures	5-10 Years
Motor vehicles	6 - 8 Years

Any tangible assets cost of Rs.5,000/- depreciated within one year.

On the basis of technical assessment made by the management, it believes that useful life given above are realistic and reflect fair approximation of the period over which the assets are likely to be used.

During the previous year, the Group revised useful life of some of tangible assets, refer note 2.6 for detailed disclosure.

c. Intangible assets

Intangible assets acquired separately are stated 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 year 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.

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 asset is derecognised.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-90 years.

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 over the period of expected future benefit. Amortisation expenses is recognised in the profit and loss unless such expenditure forms part of carrying value of another assets. During the period of development, the asset is tested for impairment annually.

During the previous year, the Group revised useful life of the intangible assets, refer note 2.6 for detailed disclosure.

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) fair value less cost of disposal 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 fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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



For assets excluding goodwill, an assessment 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 classifies 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, and
- (ii) Cash flow characteristics test : The asset's contractual cash flows represent sole payment of principal and interest (SPPI).

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 discounts 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 estimates 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

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

- 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 analysed.

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

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 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.

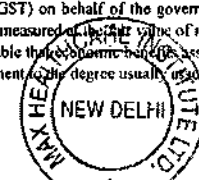
f. Revenue

I) Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmacy and pharmaceutical items. The Group collects goods and service tax (GST) 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 the 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, nor degree usually associated with ownership nor effective control over the goods sold.



Rendering of healthcare services

Revenue from rendering of healthcare services (including drugs, consumables and implants used in delivery of such services) is recognized over the time based on the performance of related services to the customers as per the terms of contract. 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 services rendered.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for further reference.

Unbilled revenue

Unbilled revenue includes services to patients undergoing treatment and pending for billing, which is shown as unbilled under other current financial assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

II) Other income

Rental income

Rental income arising from operating leases on investment properties is accounted as per the lease terms and is included in operating revenue in the statement of profit or loss due to its operating nature.

Interest income

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 "Service exports from India Scheme" and "Export promotion capital goods scheme" are 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.

Other Services Rendered

Income from other services like sponsorship income, education income and other ancillary activities is recognized over the time of services rendered.

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 either over the period allowed under the Government grant scheme or upto completion of obligation of Government grant.

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, except: when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 period 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.



j. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- (i) The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- (ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- (iii) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (i) Represents a separate major line of business or geographical area of operations,
- (ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- (iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

k. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and charged to profit and loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the 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.

l. Leases

As per Ind AS 17 applicable till year ended March 31, 2019

As a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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.

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 recognised 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 recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

As per Ind AS 116 applicable from April 01, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Assets	Useful lives estimated by the management (years)
Leasehold improvements	Over the leasehold period
Medical equipment	7 Years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (Impairment of non-financial assets).

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its weighted average cost of debt as incremental borrowing rate as on April 01, 2019 because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset and corresponding adjustment to right to use assets.



Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor

Short term leases and lease of low value assets

The Group applies the short term lease recognition exemptions to its short term leases of property like nursing hostels i.e. those leases that have a lease term of twelve months or less from commencement date and do not contain a purchase option. Lease payment on short term leases are recognized as expenses on a straight line basis over the term of the lease

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 recognised as per the term of lease agreement.

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 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. 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 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 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.

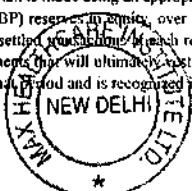
o. Share-based payments

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.

The cost is recognized, together with a corresponding increase in share-based payment (SBP) reserve 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.

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 33.3. 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 ('the functional currency') 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).

Forward exchange contracts entered into hedge foreign currency risk of an existing assets/liabilities. The premium on discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the period in which the exchange rate changes. Any profit or loss arising on cancellation of such forwards exchange contract is also recognised as income or expense for the period.

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).

f. 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.

u. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The operating segments have been identified on the basis of the nature of products/services. Further:

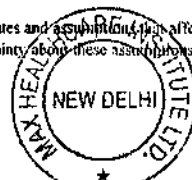
- 1) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter - segment revenue.
- 2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
- 3) Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
- 4) Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
- 5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- 6) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

2.4. 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 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 group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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 33.1.

(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 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

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles, if any, with indefinite useful lives recognised by the Group. During the year Group has done the impairment assessment of non financial assets (including the property plant and equipment in its subsidiaries) and have concluded that there is no impairment in value of non financial assets as appearing in the financial statements.

(f) Impairment testing of goodwill and intangibles – financial assets

Goodwill and intangible assets, if any, that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. During the year Group has done the impairment assessment of Goodwill and other intangibles (including those appearing in the subsidiaries) and have concluded that there is no impairment in value of goodwill and other intangibles assets as appearing in the financial statements. Refer note 6 for details.

(g) 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 until 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 33.3.

(h) Lease incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over similar term, and with a similar security, the fund necessary to obtain an assets of a similar value to the right of use assets in as similar economic environments. The IBR therefore effects what the Group "would have to pay" which requires estimates when no observable rates are available or when they need to be adjusted to reflect the term and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates.



2.5 Changes in accounting policies and disclosures on adoption of new and amended standards

New and amended standards

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standards are described below. Several other amendments and interpretations apply for the first time in April 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind-AS 116 Leases

On March 30, 2019, The Ministry of Corporate Affairs has notified Ind AS 116 Leases, which replaced existing Ind AS 17 Leases and related interpretations. Accordingly, the Group has applied Ind AS 116 Leases prospectively. Further, it has used the modified retrospective approach for transition to new accounting standard on the long term leases as on April 01, 2019 (the date of transition). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. Lease liability recognized as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at a carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application i.e. 10.25%. The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

In applying Ind-AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The cumulative effect of initially applying Ind AS 116 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 17.

The effect of adoption of Ind AS 116 is as follows :-

Impact on consolidated balance sheet as at March 31, 2020 and as at April 01, 2019 (increase / (decrease)) :-

Particulars	Notes No.	(Rs. in lakhs)	
		As at March 31, 2020	As at April 01, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	(68)	(142)
Right of use assets	4	13,311	13,713
Financial assets			
Loans	7	(152)	(90)
Deferred tax assets (net)	24	232	284
Other non current assets	9	(727)	(727)
Total assets		12,596	13,038
Equity			
Other equity			
Retained earnings	15	(7,923)	(7,261)
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	(143)
Lease liabilities	17	20,323	20,319
Other non current liabilities	20	(856)	(856)
Current liabilities			
Financial liabilities			
Lease liabilities	21	1,195	1,089
Other financial liabilities	21	(143)	(110)
Total equity and liabilities		12,596	13,038

Impact on consolidated statement of profit and loss for the year ended March 31, 2020 (increase / (decrease)) :-

Particulars	Notes No.	(Rs. in lakhs)	
		For the year ended March 31, 2020	
Income			
Other income	26		149
Total income			149
Expenses			
Finance costs	29		2,175
Depreciation and amortization expense	30		1,634
Other expenses	31		(3,048)
Total expenses			761
Loss before tax			(612)
Tax Expense			50
Loss after tax			(662)



Ind-AS 12 Appendix C, uncertainty over income tax treatment

On March 30, 2019, The Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over income tax treatment. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following :

- i) Whether an entity considers uncertain tax treatments separately
- ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities
- iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- iv) How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

2.6 Change in estimates

(i) Useful life of tangible assets

During the previous year, the management has reassessed the useful life of (i) air conditioner and geyser from 10 years to 7 years, (ii) Sofa, bed, recliners and wheel chairs from 10 years to 5 years and (iii) infusion/syringe pump from 15 years to 7 years. Consequently, written down value of these assets as at March 31, 2019 has been depreciated on balance useful life of these assets. Had the Group continued with its earlier life assessments, depreciation expense for the year ended March 31, 2019 would have been lower by Rs.223 lakhs.

(ii) Amortization period of intangible assets

During the previous year, the Company's management considering rapid changes in technology and susceptibility of computer software to technological obsolescence has reassessed the life of computer software from 6 years to 5 years. Consequently, written down value of these assets as on March 31, 2019 has been depreciated on balance useful life of these assets. Had the Company continued with its earlier life assessments, amortization expense for the twelve months ended March 31, 2019 would have been lower by Rs.180 lakhs.

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

3. Property, plant and equipment (PPE) and capital work in progress

	Leasehold land	Freehold land	Building	Leasehold improvements	Medical equipment	Lab equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computer and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
Gross carrying amount (at cost)															
As at April 1, 2018	6,256	7,640	42,807	6,178	34,462	30	8,773	987	2,987	1,490	1,623	2,946	1,583	114,762	3,501
Reclassification	-	-	558	-	1,555	-	1,064	-14	441	-7	218	-	6	3,821	-
Additions	-	497	158	534	3,547	12	429	185	187	137	415	59	298	6,458	6,811
Disposals	-	-	-	102	520	5	674	38	14	258	47	45	77	1,780	1,743
As at March 31, 2019	6,256	8,137	43,523	6,610	36,044	37	9,592	1,120	3,601	1,362	2,309	2,960	1,610	123,261	8,569
Additions	-	-	5,962	1,105	4,536	29	1,988	340	550	310	440	116	377	15,753	3,126
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.5)	-	-	-	438	-	-	-	-	-	-	-	-	-	438	-
Disposals	-	-	61	11	217	-	40	51	59	284	6	-	307	1,036	1,146
As at March 31, 2020	6,256	8,137	49,424	7,764	39,925	66	11,540	1,409	4,092	1,358	2,643	3,076	1,880	137,540	559
Accumulated depreciation															
As at April 1, 2018	-	-	2,439	1,295	7,362	21	2,646	495	1,268	273	726	1,090	1,057	18,672	-
Reclassification	-	-	563	-	1,569	-	1,086	20	389	10	182	-	2	3,821	-
Additions	-	-	777	570	1,581	2	1,130	168	493	210	474	442	366	8,211	-
Disposals	-	-	-	95	246	5	654	35	11	92	44	36	74	1,292	-
As at March 31, 2019	-	-	3,779	1,770	12,266	18	4,208	648	2,139	401	1,338	1,496	1,351	29,414	-
Additions	-	-	997	542	3,575	4	1,033	199	446	186	482	403	341	8,208	-
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.5)	-	-	-	-	296	-	-	-	-	-	-	-	-	296	-
Disposals	-	-	42	-	167	-	40	50	50	107	4	1	234	755	-
As at March 31, 2020	-	-	4,734	2,312	15,578	22	5,281	797	2,535	480	1,816	1,898	1,398	36,571	-
Net carrying amount															
As at March 31, 2020	6,256	8,137	44,690	5,452	24,347	44	6,339	612	1,557	908	827	1,178	482	100,969	559
As at March 31, 2019	6,256	8,137	39,744	4,509	23,718	19	5,384	472	1,462	961	871	1,464	459	93,847	8,569

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 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 is for healthcare facility

3.03 Land measuring 3.15 acres each at Mohali and Bhainda have been provided by Punjab Government on long term lease of 50 years without consideration

3.04 Land in Saket City Hospitals Private Limited is freehold and mortgaged to bank

3.05 PPE given as security

PPE are subject to charge to secure the group's secured long term borrowings as disclosed in note 16 and 22(a)

3.06 Change in useful life of the tangible assets

During the previous year, the management has reassessed the useful life of (i) air conditioner and geyser from 10 years to 7 years, (ii) Sofa, bed, recliners and wheel chairs from 10 years to 5 years and (iii) infusion/syringe pump from 13 years to 7 years. Consequently, the value of these assets as at March 31, 2019 has been depreciated on balance useful life of these assets. Had the Group continued with its earlier life assessments, depreciation expense for the year ended March 31, 2019 would have been lower by Rs.223 lakhs



Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

4. Right of use assets

	(Rs in Lakhs)		
	Leasehold building	Medical equipment (refer note 4.01)	Total
Gross carrying amount (at cost)			
On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019	13,571	438	14,009
Additions	1,414	-	1,414
Modification*	(40)	-	(40)
Disposals	87	-	87
As at March 31, 2020	14,858	438	15,296
Accumulated depreciation			
On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019	-	296	296
Additions	1,634	74	1,708
Disposals	19	-	19
As at March 31, 2020	1,615	370	1,985
Net carrying amount			
As at March 31, 2020	13,243	68	13,311

*Represent reduction in lease rental of leased properties at Panchsheel Park and Shalimar Bagh and increase in leased rental of leased property at Vaishali during year ended March 31, 2020.

4.01 Represents medical equipment obtained on finance lease in Alps Hospital Limited, one of the subsidiary of the Company as per "Equipment pay per use Agreement" from Philips Electronics India Limited effective from April 25, 2014 for 84 months with compulsory buy back at the end of tenure.



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5. Other intangible assets and intangible assets under development

	Other intangible assets			Total	(Rs in Lakhs) Intangible assets under development
	Computer software	Non compete fee	Service agreement		
Gross carrying amount (at cost)					
As at April 1, 2018	3,419	1,646	98,066	1,03,131	329
Additions	813	-	-	813	236
Disposals/Capitalized	7	-	-	7	432
As at March 31, 2019	4,225	1,646	98,066	1,03,937	133
Additions	360	-	-	360	-
Disposals/Capitalized	-	-	-	-	116
As at March 31, 2020	4,585	1,646	98,066	1,04,297	17
Accumulated amortization					
As at April 1, 2018	1,849	639	2,554	5,042	-
Additions	727	235	1,089	2,051	-
Disposals	7	-	-	7	-
As at March 31, 2019	2,569	874	3,643	7,086	-
Additions	732	234	1,092	2,058	-
Disposals	-	-	-	-	-
As at March 31, 2020	3,301	1,108	4,735	9,144	-
Net carrying amount					
As at March 31, 2020	1,284	538	93,331	95,153	17
As at March 31, 2019	1,656	772	94,423	96,851	133

- 5.01 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 lakhs has been recognised in the transaction upon business combination as per IND AS 103.
- 5.02 On July 10, 2015 the Group acquired 77.95% of share capital of Crosslay Remedies Limited and accordingly non compete fee of Rs. 1,646 lakhs has been recognised in the transaction upon business combination as per IND AS 103. The non compete fee is amortised over a period of seven years.
- 5.03 intangible assets under development includes computer software.
- 5.04 Change in amortization period of the intangible assets
During the previous year, The Company's management considering rapid changes in technology and susceptibility of computer software to technological obsolescence has reassessed the life of computer software from 6 years to 5 years. Consequently, written down value of these assets as on March 31, 2019 has been depreciated on balance useful life of these assets. Had the Group continued with its earlier life assessments, amortization expense for the year ended March 31, 2019 would have been lower by Rs. 130 lakhs.

6. Goodwill

Goodwill acquired in business combination and arising on consolidation is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

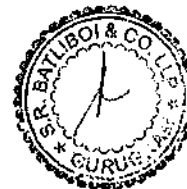
Cash generating units	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Crosslay Remedies Limited	20,498	20,498
Saket City Hospitals Private Limited	6,589	6,589
Alps Hospital Limited	1,452	1,452
Total	28,539	28,539

The carrying amount of goodwill are stated above. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections included estimates for five years developed using internal forecasts and terminal growth rate thereafter. The estimated cash flows reflects the assumptions for mid-term to long term market developments. The average long term growth rate used as at March 31, 2020 in extrapolating cash flows beyond the planning period is ranging from 2% to 3%. Discount rate used as at March 31, 2020 is 11.45%.

The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Based on the impairment assessment, the Management has determined no impairment loss in the value of goodwill.

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	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
7. Non-current financial assets		
i) Investment in equity instrument (fair value through OCI)		
Sandhya Hydro Power Projects Bafargha Private Limited		
507,795 (March 31, 2019 : 507,795) equity shares of Rs.10/- each fully paid-up	51	51
	<u>51</u>	<u>51</u>
Non-Current	51	51
Aggregate value of unquoted investments	<u>51</u>	<u>51</u>
Amount of impairment in value of investments	-	-
ii) Trade receivables (unsecured)		
Trade receivables - considered good	8,387	13,677
	<u>8,387</u>	<u>13,677</u>
Trade receivables are usually non interest bearing.		
No trade or receivables are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members.		
As at December 10, 2001, Max Medical Services Limited (merged with 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 lakhs. 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 lakhs. 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. 213 lakhs (March 31, 2019 : Rs. 127 lakhs), 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 Rs. 993 lakhs (March 31, 2019 : Rs. 1013 lakhs) as interest income on fair valuation of trade receivables under "Finance income".		
iii) Loans (valued at amortized cost) (unsecured considered good unless stated otherwise)		
Loans to other healthcare service providers	13,695	3,845
Security deposits - considered good	19,825	19,913
Security deposits - credit impaired	200	-
Less:- Impairment allowance for security deposits - credit impaired	(200)	-
	<u>33,520</u>	<u>23,758</u>
iv) Other bank balances		
Margin money deposits #	72	53
	<u>72</u>	<u>53</u>
# Margin money deposits have been made to secure Bank Guarantee/ Letter of Credit issued by banks for EPCG Licenses /Government authorities		
8. Income tax assets		
Advance income tax & tax deducted at source (net of provision)	12,802	12,581
	<u>12,802</u>	<u>12,581</u>
9. Other non current assets (unsecured considered goods unless otherwise stated)		
Capital advances*	3,382	3,482
Others		
Prepaid expense	6,832	9,103
Licence receivable	65	80
Balance with statutory authorities	10	-
	<u>10,289</u>	<u>12,665</u>

*Capital advances includes the amount of Rs. 1,618 lakhs and Rs. 1,686 lakhs paid on account of the advance towards land located at Greater Noida and Medi City, New Chandigarh respectively. These amounts were paid as per the terms of respective allotment letters.

There has been delay in development of land located at Medi City, New Chandigarh by Greater Mohali Area Development Authority (GMADA) and it has not been able to provide possession of vacant land to Company. Due to this, Company has withhold the instalments of Rs. 534 Lakhs and Rs. 498 Lakhs due on July 20,2018 and July 20,2019 respectively and actively engaged the relevant authorities for resolution of the matter.

The Company has applied to Greater Noida Development Authorities for possession of land after payment of all due amount and pending part of possession.



(Rs in Lakhs)

	As at March 31, 2020	As at March 31, 2019
10. Inventories		
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	4,337	2,601
	4,337	2,601
11. Current financial assets		
i) Trade receivables (Unsecured considered good, unless otherwise stated)		
Trade receivables - considered good	41,065	36,261
Trade receivables - credit impaired	3,383	3,356
Trade receivables from related parties - considered good (refer note 33.7)	51	-
Less : Impairment allowance for trade receivables	(3,383)	(3,356)
	41,116	36,261
Trade receivables are usually non interest bearing. No trade or receivables are due from directors or other officers of the group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members. Refer note 33.7 for outstanding from related parties.		
ii) Cash and cash equivalents		
Balances with banks:		
On current accounts	1,225	483
Deposits with original maturity of less than three months	26,049	-
Cheques/ drafts on hand	103	144
Cash on hand	102	133
	27,479	760
Changes in liabilities arising from financing activities		(Rs. in Lakhs)
Particulars	April 01, 2019	Adjustment*
Current borrowings	7,368	-
Non current borrowings (including current maturities)	92,907	-
Lease liabilities (current and non-current)	21,408	1,093
Total liabilities from financial activities	1,21,683	1,093
	Cash Flow	March 31, 2020
	43,084	50,452
	(13,235)	79,672
	(984)	21,518
	28,865	1,51,642
Changes in liabilities arising from financing activities		
Particulars	April 01, 2018	Adjustment
Current borrowings	10,436	-
Non current borrowings (including current maturities)	87,616	-
Total liabilities from financial activities	98,052	-
	Cash Flow	March 31, 2019
	(3,068)	7,368
	5,291	92,907
	2,223	1,00,275
*Adjustments relates to lease liability recognised, terminated and modified during the year.		
iii) Other bank balances		
Deposits:		
Escrow accounts	451	312
Margin money deposit #	143	187
Fixed deposits under lien # #	6	5
	600	404
# Margin money deposits given as security includes Rs.137 lakhs (March 31 2019: Rs. 181 lakhs) to secure bank Guarantee issued / letter of credit issued for EPCG Licenses / Government authorities. Rs. 6 Lakhs (March 31 2019: Rs.6 lakhs) to secure bank guarantee issued to ECHS and Northern Railways. ## Rs.6 Lakhs (March 31 2019: Rs.5 lakhs) is pledged with sale tax authorities.		
iv) Loan (valued at amortized cost) (unsecured considered good, unless otherwise stated)		
Loans to other healthcare service provider	173	985
Loans to others:		
Considered good	-	519
Credit impaired	352	-
Less:- impairment allowance for loans to others - credit impaired	(352)	-
Security deposits	35	7
	208	1,511
v) Other financial assets (valued at amortized cost) (unsecured considered good, unless otherwise stated)		
Unbilled revenue	724	1,162
Foreign exchange forward contracts	3	1
	727	1,163
12. Income tax assets		
Advance income tax & tax deducted at source (net of provision)	847	103
	847	103
13. Other current assets (unsecured considered good unless otherwise stated)		
Other advances:-		
Considered good	639	795
Credit impaired	14	1,316
Less: Impairment allowance for other advances - credit impaired	(14)	(1,316)
Balance with statutory authorities	-	35
Prepaid expenses	861	1,081
Receivable under duty credit scheme	-	1
Licence receivable	18	15
	1,518	1,927






14. Equity share capital

	As at March 31, 2020	(Rs in Lakhs) As at March 31, 2019
a) Authorized		
96,00,00,000 (March 31, 2019: 96,00,00,000) equity shares of Rs. 10/- each	96,000	96,000
12,50,00,000 (March 31, 2019: 12,50,00,000) cumulative preference shares of Rs. 10/- each	12,500	12,500
	<u>1,08,500</u>	<u>1,08,500</u>
Issued, subscribed and fully paid-up		
53,72,44,328 (March 31, 2019: 53,72,44,328) equity shares of Rs. 10/- each	53,724	53,724
Total issued, subscribed and fully paid-up share capital	<u>53,724</u>	<u>53,724</u>

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

	March 31, 2020		March 31, 2019	
Equity shares	No. of shares	(Rs in Lakhs)	No. of shares	(Rs in Lakhs)
At the beginning of the year	53,72,44,328	53,724	53,72,44,328	53,724
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>53,72,44,328</u>	<u>53,724</u>	<u>53,72,44,328</u>	<u>53,724</u>

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, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid				
Max India Limited	26,69,97,937	49.70%	26,69,97,937	49.70%
Life Healthcare International (Pty) Limited	-	-	26,69,97,937	49.70%
Radiant Life Care Private Limited	26,69,97,937	49.70%	-	-

e) Pursuant to share purchase agreement dated December 24, 2018 executed amongst (i) Life Healthcare International Proprietary Limited ("LHC") (ii) Radiant Life Care Private Limited ("Radiant") and (iii) Max Healthcare Institute Limited ("the Company/MHIL") in connection with the sale and transfer of 26,69,97,937 fully paid up ordinary equity shares of Rs.10 each of the Company ("Sale Shares"), LHC had transferred the Sale Shares to Radiant on June 21, 2019.



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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
15. Other equity		
Capital reserve (refer note a below)	1	1
Capital reserve on merger with Max Medical Services Limited (refer note b below)	(660)	(660)
Securities premium (refer note c below)	1,07,678	1,07,678
Retained earnings (refer note d below)	(42,401)	(44,408)
Change in valuation for put options granted to NCI in subsidiaries	(19,601)	(20,016)
	<u>45,017</u>	<u>42,595</u>
Notes:		
a) Capital reserve (refer (i) below)	<u>1</u>	<u>1</u>
b) Capital reserve on merger with Max Medical Services Limited	<u>(660)</u>	<u>(660)</u>
c) Securities premium (refer (ii) below)		
At the beginning of the year	1,07,678	1,07,678
Add: premium on issue of equity shares	-	-
	<u>1,07,678</u>	<u>1,07,678</u>
d) Retained earnings		
At the beginning of the year	(44,408)	(44,069)
Profit/(loss) for the year	9,534	(301)
Impact on account of transition to new accounting standard of lease accounting " Ind-AS 116" (refer note 2.5)	(7,261)	-
Adjustment on account of change in holding without change in control (refer note 21 (iv))	128	-
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(394)	(38)
	<u>(42,401)</u>	<u>(44,408)</u>
e) Change in valuation for put options granted to NCI in subsidiaries		
At the beginning of the year	(20,016)	(13,274)
Interest on put call option liabilities	543	(7,028)
Share of profit for the year	-	282
Adjustment on account of change in holding without change in control (refer note 21 (iv))	(128)	-
Share of other comprehensive income/(loss) for the year ended	-	4
	<u>(19,601)</u>	<u>(20,016)</u>

Nature of reserve

(i) Capital reserve

Capital reserve is recognized on business combination transactions with the company.

(ii) Securities premium

Securities premium reserve is recognized to record the premium on issue of shares. The reserve can be utilized only for limited purpose as per the provision of the Companies Act, 2013.

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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
16. Borrowings		
Non-current borrowings :-		
Term loans (secured)		
From banks	73,146	82,768
From non-banking financial company	5,585	5,729
Finance lease obligation (secured)		
Long term maturities of finance lease obligation	-	143
Vehicle loans (secured)	156	230
Deferred payment liabilities (secured)	101	136
Current borrowings :-		
Term loans (secured)		
From banks	457	3,271
From non-banking financial company	27	162
Finance lease obligation (secured)	-	110
Deferred payment liabilities (unsecured)	-	96
Deferred payment liabilities (secured)	50	40
Vehicle loans (secured)	150	222
	79,672	92,907
Less: Amount disclosed under "other current financial liabilities" [refer note 21(iv)]	684	3,901
	78,988	89,006
Aggregate secured loans	79,672	92,811
Aggregate unsecured loans	-	96

Borrowing notes

(f) Term loan from banks :-

(i) Rs. 24,629 lacs (March 31, 2019 : Rs. 25,794 lacs) from IDFC First Bank Limited of Max Healthcare Institute 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 Company 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 PPE (except the movable current assets) of the Company, 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 Company 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 intangible assets of the Company, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.

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

f) 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.7,500 lakhs.

g) Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to Rs.34,000 lakhs.

(ii) Rs.2,558 lakhs (March 31, 2019 : Rs. 2,972 lakhs) from Indusind Bank Limited of Max Healthcare Institute Limited repayable in 150 monthly installments from June, 2019 and is secured by way of:

a) Charge on the entire current assets, both present and future, subject to the first prior charge of only Working Capital facility lenders to the extent of Rs. 7,500 lakhs of the Borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.

b) 1st Pari Passu Charge on the moveable fixed asset (excluding vehicles specifically charged to lenders who have financed those assets) including medical equipment (except medical equipment specifically charged to lenders who have financed those assets), movable plant and machinery, spares etc. of the Borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.

c) 1st Pari Passu Charge on the intangible asset of the borrower but not limited to Goodwill and uncalled capital, intellectual property, both present and future of the Borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.

d) 1st Pari Passu charge by the way of mortgage on the entire immovable fixed assets of the borrower situated at Max Saket Hospital and Max Shalimar Bagh Hospital both present and future of the Borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.

(iii) Rs. Nil (March 31, 2019 : Rs. 1,501 Lakhs) from HDFC Bank Limited of ALPS Hospital Ltd repayable in 20 structured quarterly installments.

a) First charge by way of hypothecation in favour of lender, in a form satisfactory to the lender, of all the borrowers 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, pari passu with the working capital facility of Rs.1,900 Lakhs.

b) First charge on company current account, operating cash flows, receivables, commission, revenue of what so ever nature, and wherever arising present and future, intangible and goodwill uncalled capital, present and future, pari passu with the working capital facility of Rs.1,900 Lakhs.

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

(iv) Rs. 1,104 Lacs (March 31, 2019 : NIL) from Indusind Bank Limited of Alps Hospital Limited repayable in 20 structured monthly installments.

The above loan secured by way of

- (a) Exclusive charge on all movable fixed assets intangible assets and current assets (both present and future) of ALPS Hospital Ltd.
- (b) Pledge over 30% of the equity shares capital of Alps (Exclusively to IBL) to be create upfront.
- (c) NDU of 21% of the equity share capital of Alps (Exclusively to IBL).

(v) Rs. 4148 Lacs (March 31, 2019 : NIL) from Indusind Bank Limited of Alps Hospital Limited repayable in 66 structured monthly installments.

- (a) Exclusive charge on all movable fixed assets intangible assets and current assets (both present and future) of ALPS Hospital Ltd.
- (b) Pledge over 30% of the equity shares capital of Alps (Exclusively to IBL) to be create upfront.
- (c) NDU of 21% of the equity share capital of Alps (Exclusively to IBL).

(vi) Rs. 4,759 lacs (March 31, 2019 : Rs. 4,983 lacs) from IDFC First Bank Limited of Hometrail Buildtech Private Limited repayable in 52 quarterly installments from June, 2018 and is secured by way of:

- a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- b) 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.
- 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 rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- e) An irrevocable and unconditional Corporate Guarantee of the Guarantor.
- f) 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 Lakhs.
- g) Security interest set out in sub clauses (a), (c) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to Rs.11,900 lakhs.

(vii) Rs. 5,428 lakhs (March 31, 2019 : Rs. 5,685 lakhs) from IDFC First Bank Limited of Hometrail Buildtech Private Limited repayable in 52 quarterly installments from June, 2018 and is secured by way of:

- a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- b) 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.
- 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 rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- e) An irrevocable and unconditional Corporate Guarantee of the Guarantor.
- f) 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 Lakhs.
- g) Security interest set out in sub clauses (a), (c) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to Rs.9,500 Lakhs.

(viii) Rs. 10,354 lakhs (March 31, 2019 : Rs.13,649 lakhs) from Axis Bank Limited of Crosslay Remedies Limited repayable in 30 Structured quarterly installment from December 31, 2017.

- a) First charge on all the movable/ immovable fixed asset of the company property, both present and future, excluding vehicle specifically charged to other lenders, both present and future.
- b) First charge on all the current assets of the Company both present and future.
- c) Collaterally secured by way of Corporate Guarantee of Max Healthcare Institute Limited.

(ix) Rs.6,737 lakhs (March 31, 2019 : Rs. 4,316 lakhs) from Axis Bank Limited of Crosslay Remedies Limited repayable in 52 Structured quarterly installment from Feb, 2021.

- a) First charge on all the movable/ immovable fixed asset of the company property, both present and future, excluding vehicle specifically charged to other lenders, both present and future.
- b) First charge on all the current assets of the Company both present and future.
- c) Collaterally secured by way of Corporate Guarantee of Max Healthcare Institute Limited.

(x) Rs. 6,258 lakhs (March 31, 2019 Rs.13,341 lakhs) from Axis Bank Limited of Saket City Hospitals Private Limited repayable in 52 quarterly installment from January, 2019. The Loan is secured by way of:-

- a) A First pari passu charge on all Borrower's movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, 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) Corporate guarantee by Max Healthcare Institute Limited.



Max Healthcare Institute Limited
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(xi) Rs. 7,628 Lacs (March 31, 2019 : Rs. 13,799 Lacs) from Yes Bank Limited of Saket City Hospitals Private Limited repayable in 48 quarterly installment from March, 2019. 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 flow, receivables, commission, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
- Unconditional and irrevocable Corporate Guarantee of Max Healthcare Institute Ltd. to remain valid during entire tenor of facilities.
- Assignment of all borrowers rights under the services agreement and any other such agreement for providing any other services to Saket City Hospital Pvt. Ltd. Letter of Credit, guarantee, or performance bond provide 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 borrowers pertaining to the Hospital project on first pari passu basis.
- Pledge of 25.5% equity shares of the Borrowers held by Max Healthcare Institute Ltd.

(II) Term loan from non-banking financial company :-

(i) Rs. 4,306 lakhs (March 31, 2019 : Rs. 4,520 lakhs) from NIIF Infrastructure Finance Limited of Max Healthcare Institute Limited repayable in 52 structured quarterly installments from May 2018 and is secured by way of :-

- A First Mortgage and Charge on entire immovable properties of the Company 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 Company, 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.
- 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 lakhs in aggregate).
- A first charge on the entire intangible assets of the borrower, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
- A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- 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. 7,500 lakhs.
- Security interest set out in sub clauses (a), (b), (d) and (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to Rs.34,000 lakhs.

(ii) Rs. 1,306 lakhs (March 31, 2019 : Rs. 1,371 lakhs) from NIIF Infrastructure Finance Limited of Hometrail Buildtech Private Limited repayable in 52 structured quarterly installments from June 2018 and is secured by way of :-

- A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- 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.
- 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.
- A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- An irrevocable and unconditional Corporate Guarantee of the Guarantor.
- 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 Lakhs.
- Security interest set out in sub clauses (a), (c) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to Rs. 11,900 Lakhs.

Term loans are chargeable to interest from 9.60% per annum to 10.55% per annum on the basis of actual rate charged depending upon the purpose, tenure and lending institution.

(III) Deferred payment liabilities :-

- Deferred payment liabilities of Rs. Nil (March 31, 2019 : Rs.96 lakhs) of Hometrail Buildtech Private Limited are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.
- Deferred payment liabilities Rs.151 lakhs (March 31, 2019 : Rs.176 lakhs) of Max Healthcare Institute Limited are secured by hypothecation of medical equipment and repayable in 20 quarterly installments from June 2018.

(IV) Vehicle loan :-

Vehicle Loans of Rs.306 lakhs (March 31, 2019: Rs.452 lakhs) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

The rate of interest ranging from 7.75% to 11.31% on outstanding car loan as on March 31, 2020 on the basis of actual rate charged depending upon the tenure and lending institution.



	As at March 31, 2020	(Rs in Lakhs) As at March 31, 2019
17. Non current lease liabilities		
Lease liabilities (refer note 2.5 and 32 C)	20,323	-
	<u>20,323</u>	<u>-</u>
18. Other non current financial liabilities		
Provision for deferred compensation (refer note 33.3)	152	69
Capital creditors	151	-
	<u>303</u>	<u>69</u>
19. Non current provisions		
Provision for restoration under public private partnership	330	281
Provision for gratuity (refer note 33.1)	1,985	1,452
	<u>2,315</u>	<u>1,733</u>
20. Other non current liabilities		
Lease equalization reserve (refer note 2.5)	-	856
Government grant	163	103
	<u>163</u>	<u>959</u>
21. Current financial liabilities		
(I) Current borrowings		
Cash credit from banks (secured)	5,358	7,368
Loan from shareholders (unsecured) *	45,094	-
	<u>50,452</u>	<u>7,368</u>

(I) Cash credit from banks (secured)

(i) Cash Credit facility of Rs. 113 Lakhs (March 31, 2019: Rs. 594 Lakhs) of Saket City Hospitals Private Limited against sanctioned limit of Rs.750 Lakhs from Yes Bank Limited is secured by way of:

- First Pari Passu charge over all movable fixed assets (both present & future) and immovable (if any acquired in future) of the Borrower.
- First pari passu charge over all current assets (both present & 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.
- Assignment of all borrower's rights under the service agreement and any other such agreement for providing any other services to Saket City Hospital, 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.
- Assignments 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.
- Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited to remain valid during entire tenor of facilities.

(ii) Cash credit facility of Rs. 122 Lakhs (March 31, 2019: Rs.278 Lakhs) of Saket City Hospitals Private Limited against sanctioned limit of Rs.750 Lakhs from Axis Bank Limited is secured by way of:

- First pari passu charge on all borrower's movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, 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 "Gujarmal Modi Hospital and Research Centre for Medical Sciences" 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 51% share capital (on a fully diluted basis) of the Borrower (in compliance with BR Act) on pari passu basis with Yes Bank Ltd.
- Corporate guarantee by Max Healthcare Institute Limited.

(iii) Cash credit facilities Rs.137 lakhs (March 31, 2019 : Rs. 441 lakhs) against sanctioned limit of Rs.1,500 lakhs from Axis Bank Limited of Hometrail Buildtech Private Limited is secured by:

- First Charge by way of hypothecation of the borrower's entire current assets (present and future) to the extent allowed by existing term lenders and except escrow account with the Government of Punjab.
- Second charge on entire moveable fixed assets (excluding vehicles and other assets exclusively charged to other lenders) of the Hometrail Buildtech Private Limited hospitals, both present and future.

(iv) Cash credit facility of Rs. 58 lakhs (March 31, 2019: Rs.142 lakhs) against sanctioned limit of Rs.1,000 Lakhs from Indusind Bank Limited of ALPS Hospital Ltd is repayable on demand and secured by way :-

- 1st pari passu charge on the entire current assets.
- 1st Pari Passu charge on the entire moveable fixed Assets (Except vehicles and assets charged exclusively to lenders).

(v) Cash credit facility of :-

- Cash credit facility of Rs. 2,277 lakhs (March 31, 2019: Rs. 2,867 lakhs) against sanctioned limit of Rs.3,500 lakhs from Yes Bank Limited
- Cash credit facility of Rs. 1,023 lakhs (March 31, 2019: Rs.903 lakhs) against sanctioned limit of Rs.2,000 Lakhs from Indusind Bank Limited
- Cash credit facility of Rs. 999 lakhs (March 31, 2019: Rs. 1,356 lakhs) against sanctioned limit of Rs.2,000 Lakhs from ICICI Bank Limited

These cash credits are 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.

(vi) Cash credit facility of Rs. 629 lakhs (March 31, 2019: Rs. 787 lakhs) of Crosslay Remedies Ltd against sanctioned limit of Rs. 2,000 lakhs from Axis Bank Limited of Crosslay Remedies Ltd.

- first charge on all the movable/ immovable fixed asset of the borrower, both present and future, excluding vehicles specifically charged to other lenders, both present and future.
- first charge on all the current assets of the borrower both present and future.

(II) Shareholders loan :-

Unsecured loan from Radiant Life Care Private Limited of Rs 45,094 lakhs (March 31, 2019 : Nil) repayable within a period of 12 months from the first date of drawal date i.e.August, 2020.

* Balance post adjusting unamortized processing fees of Rs.390 lakhs and including interest payable of Rs.1484 lakhs.

Short term loans is chargeable to interest ranging from 9.10% per annum to 10.60% per annum on the basis of actual rate charged depending upon the terms and lending institution.



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	As at March 31, 2020	As at March 31, 2019
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	67	95
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,285	27,644
Trade payable to related party (refer note 33.7)	-	1,420
	<u>29,352</u>	<u>29,159</u>

Trade payables are usually non-interest bearing, unsecured and are settled as per contract terms.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :

Principal	67	95
Interest	-	-

ii) The Amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each account year

-

iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.

-

iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.

-

v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.

-

(iii) Lease liabilities

Lease liabilities (refer note 2.5 and 32.C)

	1,195	-
	<u>1,195</u>	<u>-</u>

(iv) Other current financial liabilities

Current maturity of non current borrowings (refer note 16)

634 1,655

Current maturity of deferred payment liabilities (refer note 16)

50 136

Current maturity of finance lease obligation (refer note 16)

- 110

Concessional fee payable

356 356

Provision for deferred compensation (refer note 33.3)

228 186

Capital creditors

1,491 2,778

Security deposits

283 393

Payable for share purchase*

58,570 -

Others

191 177

61,803 7,791

*Payable for share purchase amounting to Rs. 58,570 lakhs represent amount payable to minority shareholders of Saket City Hospitals Private Limited (SCHPL) amounting to Rs. 48,699 lakhs and Crosslay Remedies Limited (CRL) amounting to Rs. 9,871 lakhs as per following agreement:

a) Max Healthcare Institute Ltd. ("the Company"), Smart Health City Pte Limited ("Seller") and Saket City Hospitals Pvt. Ltd. ("SCHPL") are parties to a Shareholders' Agreement dated November 27, 2015 ("SHA"). In accordance with Clause 5 of the SHA, the Seller has exercised the Put Option Right as per the SHA vide Put Option Notice dated March 28, 2019 ("Put Option Notice") issued to the Company, requiring the Company to purchase all the Option Shares (i.e. 1,42,81,883 equity shares) at the Option Price as defined under the SHA. On March 26, 2020, the Seller, the Company, Dr. Bhupendra Kumar Modi, Kayak Investment Holdings Pte. Ltd. ("Kayak") and SCHPL entered into a Share Purchase Agreement, to buy the Option Shares from the Seller jointly by Kayak and the Company. Accordingly, the Seller transferred 16,81,883 shares and 1,26,00,000 equity shares to the Company and Kayak respectively on March 27, 2020 at a purchase consideration of INR 386.50 per equity share which is based on the fair market valuation of SCHPL as on February 29, 2020 by an Independent Valuer duly appointed by SCHPL based on the nomination made by its Existing Shareholder Director Committee constituted pursuant to SHA.

Simultaneously, on March 26, 2020, SCHPL, the Company and Kayak, have entered into a Share Purchase Agreement ("Kayak SPA") for purchasing the Kayak's stake (i.e. 1,26,00,000), such that the Company holds 100% of the paid-up share capital of SCHPL ultimately. As per the terms of Kayak SPA, the Company has to pay the purchase price for an aggregate amount in cash equal to the INR equivalent of USD 64,246,792 (equivalent Rs.48,699 lakhs), which, the parties agree shall not exceed the Fair Market Value of these shares i.e. INR 386.50 per equity share.

In accordance with Ind AS 109, the above transactions have been treated as a substantial modification of terms of the existing Put Option liability and hence it has been accounted for as extinguishment of Put Option liability. Management basis its assessment of non-controlling interest under Ind AS 110, believes that as per the terms of Kayak SPA, the Company has present ownership interest on the shares held by Kayak. Accordingly, non-controlling interest has not been allocated against such shares and the non-controlling interest attributed to the minority shareholder till March 31, 2019 amounting to (Rs. 928) lakhs has been reversed to retained earnings. Further, the amount payable to Kayak has been recognized as a financial liability.

The Company is in the process of securing the funding for the acquisition of shares from Kayak and post acquisition, SCHPL shall become wholly owned subsidiary of the Company.

b) In terms of Shareholders' Agreement ("SHA") dated May 28, 2015 executed amongst Crosslay Remedies Limited ("CRL"), its remaining shareholders ("Relevant Shareholders Group") and the Max Healthcare Institute Limited ("Company") and amended SHA dated July 10, 2015, the put option can be exercised by the remaining shareholders after the expiry of lock in period of four years i.e. July 9, 2019. During the year, the relevant shareholders group have exercised their put option and a Share Purchase Agreement ("CRL SPA") has been executed amongst CRL, Relevant Shareholders Group and Company dated January 15, 2020 where the purchase consideration for acquisition of 31,568,142 equity shares has been agreed at Rs. 9,871 lakhs.

In accordance with Ind AS 109, the Put Option liability has been considered to extinguish, accordingly, the non-controlling interest attributed to the minority shareholder amounting to Rs. 1,056 lakhs has been reversed to retained earnings. The amount payable to the Relevant Shareholders Group has been recognized as a financial liability.

The Company is considering various options to meet its obligation towards the existing shareholders of CRL in terms of the New SPA. Post acquisition of remaining shares, CRL shall become wholly owned subsidiary of the Company.

22. Other current liabilities

Advance from patients

820 584

Statutory dues

1,772 1,792

Put call option liabilities **

- 65,614

Other advances

18 85

2,610 68,075

**Put call option liability represented liability payable to minority shareholders of Saket City Hospitals Private Limited (SCHPL) and Crosslay Remedies Limited (CRL) on exercise of put option as per Shareholders' Agreement. For further details refer note no 21 (iv).

23. Current provisions

Provision for income tax (net of advance tax)

- 4

Provision for leave encashment

1,460 1,150

Provision for gratuity (refer note 33.1)

570 456

2,030 1,610



24. Income taxes

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Income tax expense in the statement of profit and loss comprises :		
Current income tax charge	451	632
Adjustment of tax relating to earlier periods	(17)	(45)
Deferred tax		
MAT credit relating to earlier periods	-	538
Relating to origination and reversal of temporary differences	(1,060)	(274)
Income tax expense reported in the statement of profit and loss	(626)	851
(b) Other comprehensive income		
Re-measurement (gain) / losses on defined benefit plans	(35)	-
Income tax related to item recognised in OCI during the year	(35)	-
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :		
Accounting profit before tax	8,908	832
Applicable tax rate	34.94%	34.94%
Computed tax expense	3,113	291
Losses on which no deferred tax recognised	-	520
Income not considered for tax purpose	(700)	-
Additional allowance for tax purpose	-	(564)
Expense not allowed for tax purpose	390	88
Carried forward loss and unabsorbed depreciation on which deferred tax asset not recognised during previous period but recognised in current period	(2,374)	-
Tax rate difference	270	(6)
Tax benefit due to unabsorbed depreciation and brought forward losses	(795)	-
Others	(13)	29
MAT credit written off of previous year (refer note below)	-	538
Adjustment of tax relating to earlier year	(17)	(45)
Income tax reported in the statement of profit and loss	(626)	851
(d) Deferred tax (assets)/liabilities comprises :		
Deferred tax liability :		
Difference in written down value of fixed assets	6,856	7,207
Purchase price allocation adjustment	33,748	34,174
Others	2,096	2,291
Recognized deferred tax liability	42,700	43,672
Deferred tax asset :		
Expenses allowable on payment basis	(2,482)	(1,580)
Difference in written down value of right of use assets	(2,750)	-
Allowance for doubtful debts and inventories	(1,046)	(1,095)
Others	(150)	(1,432)
Amortisation of security deposit	(87)	-
MAT credit entitlement	-	(129)
Recognized deferred tax (asset)	(6,515)	(4,236)
Net deferred tax liabilities/(asset)	36,185	39,436
Deferred tax asset on carried forward loss	(4,069)	(6,071)
Net deferred tax liabilities/(Asset)	32,116	33,365
Reflected in balance sheet as follows :		
Deferred tax asset	(2,047)	(1,108)
Deferred tax liabilities	34,163	34,473
Net deferred tax liabilities/(Asset)	32,116	33,365
(e) Reconciliation of deferred tax (assets)/liabilities (net)		
Opening balance as per last balance sheet	33,365	32,880
(Charged)/credited during the period/year		
to profit and loss account	(1,060)	(274)
to Other comprehensive income	(35)	-
through retained earnings*	(283)	-
Gross deferred tax assets	31,987	32,606
MAT credit utilization	(129)	(289)
MAT credit written off	-	(470)
Closing balance	32,116	33,365

* Deferred tax asset recognised on transition to Ind AS 116 at transition date i.e. April 01 2019.

As at Mar 31, 2020, the Group has carry forward tax losses of Rs.6,299 lakhs with expiry in financial year 2021-22 Rs.12 lakhs, 2022-23 Rs.1,338 lakhs, 2023-24 Rs.3,142 lakhs, 2024-25 Rs.1,691 lakhs, in 2026-27 Rs.112 lakhs (March 31, 2019 : 10,959 lakhs) and unabsorbed depreciation of Rs.31,684 lakhs (March 31, 2019 : Rs.35,189 lakhs) on which the Group has recognized deferred tax assets only to the extent of deferred tax liability amounting to Rs.4,069 lakhs (March 31, 2019 : Rs.6,071 lakhs). No deferred tax asset has been created on the balance amount by the management due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be realized. Had the Group been able to recognize all unrecognized deferred tax assets, the net profit after tax would have been higher by Rs.7,272 lakhs (March 31, 2019: Rs.8,603 lakhs).

The Finance Law (Amendment) Ordinance 2019, has introduced a new taxation regime for domestic companies and has inserted Section 115BAA in the Income Tax Act 1961, providing benefit of reduced corporate tax rate subject to certain applicable conditions. The newly inserted provisions is effective from April 1, 2019 onwards and can be opted for, on or before the due date of filing of return of income by the Company. The Group has evaluated the option of lower tax rate and three of the subsidiaries of the Group has exercised the option of lower tax rates, and consequent tax impact for the period has been considered.

In previous year, due to carried forward losses of Max Healthcare Institute Limited, MAT credit of Rs 470 lakhs of Max Medical Services Limited may not be utilized within available time frame for utilizing such MAT credit as per Income Tax Act. Accordingly it was decided to write off MAT credit of Max Medical Services Limited of Rs.470 lakhs.

		(Rs in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
25. Revenue from operation			
Revenue from contracts with customers	1,86,171	1,67,144	
Other operating revenue	2,275	1,958	
	<u>1,88,446</u>	<u>1,69,102</u>	
25.1 Disaggregated revenue information			
The table below presents disaggregated revenues from contracts with customers by type of goods or service provided, geography, and the timing of transfer of goods and services.			
Revenues by type of goods or service			
Sale of pharmacy and pharmaceutical supplies	8,011	8,173	
Revenue from healthcare services (net)	1,78,160	1,58,861	
Income from construction service	-	110	
Total	<u>1,86,171</u>	<u>1,67,144</u>	
Revenues by geography			
India	1,86,171	1,67,144	
Outside India	-	-	
Total	<u>1,86,171</u>	<u>1,67,144</u>	
Revenues by timing of revenue recognition			
Goods transferred at a point in time	8,011	8,173	
Services transferred over time	1,78,160	1,58,971	
	<u>1,86,171</u>	<u>1,67,144</u>	
25.2 Contract balances			
Trade receivables	49,403	49,938	
Contract assets (Unbilled revenue)	727	1,162	
Contract liabilities (Advance from patients)	820	584	
25.3 Reconciling of revenue recognized in the statement of profit and loss with contracted price			
Revenue as per contracted price	1,96,863	1,77,602	
Allowance for deduction	(1,767)	(2,022)	
Discount	(8,925)	(8,436)	
Revenue from contract with customers	<u>1,86,171</u>	<u>1,67,144</u>	
25.4 Performance obligation			
The performance obligation of the Group is to provide healthcare services to customers and accordingly recognize revenue over the period of the contract based on service rendered.			
The performance obligation of the Group is to recognize revenue from sale of pharmacy and pharmaceutical items at the point of time when control of the goods is transferred to the customers.			
The performance obligation of the Group is to provide construction services to customers and accordingly recognized revenue over the period of the contract based on service rendered.			
25.5 Other operating revenue			
Sponsorship and educational income	1,292	980	
Income from ancillary activities	680	631	
Income from service exports from India scheme	303	347	
	<u>2,275</u>	<u>1,958</u>	
26. Other income			
Income from deferred credit	213	127	
Unclaimed balances & excess provisions written back	896	202	
Deferred income under EPCG	109	285	
Income on termination of lease under Ind AS 116	149	-	
Other non-operating income	374	242	
	<u>1,741</u>	<u>856</u>	
27. Finance income			
Interest income on			
Bank deposits	497	72	
Security deposits	81	76	
Interest income on fair valuation of contract revenue	993	1,013	
Loans to other healthcare service providers	3,443	3,374	
Income tax refund	484	314	
	<u>5,498</u>	<u>4,849</u>	



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	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
28. Employee benefits expense		
Salaries, wages and bonus	41,178	40,398
Contribution to provident and other funds	1,871	1,666
Gratuity expense (refer note 33.1)	556	450
Staff welfare expenses	1,319	1,541
	<u>44,924</u>	<u>44,055</u>
29. Finance costs		
Interest on debts and borrowings	12,505	9,618
Interest on lease liability	2,207	-
Bank charges	554	509
	<u>15,266</u>	<u>10,127</u>
30. Depreciation and amortization expense		
Depreciation of tangible assets (refer note 3)	8,208	8,213
Depreciation of right of use assets (refer note 4)	1,708	-
Amortization of intangible assets (refer note 5)	2,058	2,051
	<u>11,974</u>	<u>10,264</u>
31. Other expenses		
Professional and consultancy fee	42,635	38,694
Outside lab investigation	1,545	1,262
Concessional fee	1,578	1,355
Patient catering expenses	1,486	1,452
Rent	590	3,829
Insurance	969	996
Rates and taxes	858	392
Facility maintenance expenses	3,038	3,111
Power and fuel	3,893	4,606
Repairs and maintenance:		
Building	803	365
Plant and equipment	2,498	2,514
Others	926	809
Printing and stationery	742	665
Travelling and conveyance	1,250	1,239
Communication	449	475
Legal and professional	5,192	5,403
IT support expense	1,401	1,361
Watch and ward	881	888
Directors' sitting fee	64	60
Advertisement and publicity	2,545	2,171
Loss on foreign exchange fluctuation	32	64
Recruitment expenses	96	179
Equipment hiring charges	232	233
Provision for doubtful debts & advances/Bad debts written off		
Provision for doubtful debts	28	(954)
Provision for doubtful advances	(1,033)	(13)
Debit balances written off	1,833	-
Bad debts written off	531	1,359
Net loss on sale/disposal of property, plant and equipment	21	88
Corporate social responsibility contribution (refer note 33.8)	57	20
Expenses for Medical treatment of weaker section	55	60
Miscellaneous expenses	240	300
	<u>75,435</u>	<u>72,983</u>
Payment to auditor (included in legal and professional fee) (including taxes)		
As auditor:		
Audit fee	90	90
Audit fee for interim financial statements	47	47
Other services (certification)	1	4
Reimbursement of expenses	1	5
	<u>139</u>	<u>146</u>



32. Contingent liabilities, commitments and litigations

A. Contingent liabilities (to the extent not provided for)

S. No.	Particulars	(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
(i)	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by other healthcare service providers (refer note a below)	21,199	22,884
(ii)	Claims against the Group not acknowledged as debts		
	- Civil Cases (refer note b & g below)	25,178	10,898
	- VAT cases (refer note c below)	621	39
	- Income Tax cases (refer note e below)	25	25
(iii)	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	-	1,125

Note:

a. Guarantees given by the Group to the lenders on behalf of other healthcare services provider is not considered as prejudicial to the interest of the Group as it provides opportunities to the Group to increase the depth and medium of its offering leading to growth in revenue & improve profitability.

b. Claims against the Group not acknowledged as debts represent the civil cases that are pending with various Consumer Disputes Redressal Commissions / Courts and the management, including its legal advisers, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group financial positions and results of operations. In addition to this, as a measure of good corporate governance the Group has taken Professional Indemnity Insurance Policy for claims pending against the Group to secure the Group from any financial implication in case of claims settled against the Group.

c. The Group is contesting the demands of VAT and income 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 these proceedings will not have a material adverse effect on the Group financial position and results of operations.

d. "Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi had, on December 8, 2017, issued an order under Section 7 of the Delhi Nursing Home Registration Act, 1953 for cancelling the registration of Max Super Speciality Hospital, Shalimar Bagh ("Hospital") with immediate effect and further directed to refrain from admitting any IPD Patients in the Hospital. Against this cancellation order, the Company had filed an appeal bearing no. 335/2017 before the Hon'ble Financial Commissioner, Govt. Of Delhi ("Appellate Authority") on December 13, 2017. On December 19, 2017, the Appellate Authority stayed the operation of the said Cancellation Order. Accordingly, Max Super Speciality Hospital, Shalimar Bagh has resumed its operations on December 20, 2017 and the stay remains. The parents of the deceased child have moved an application for implementation. The Appeal and the application are pending before Hon'ble Finance Commissioner and last date of hearing was April 23, 2020. The said date of hearing was cancelled due to Covid-19 lockdown. The next date of hearing will be intimated by the office of the Financial Commissioner in due course.

e. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on provident fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group was evaluating and seeking legal inputs regarding various interpretative issues. However, in absence of clarity on effective date, the Group has implemented the Supreme court (SC) Judgement in respect to PF calculation from April 1, 2019 and included all allowances for the purpose of PF contribution calculation.

f. A writ petition was filed by the Association of Health Providers (India) ("AHP"), which represented a majority of "healthcare providers" in Delhi, including the group's hospitals in Delhi, before the Delhi High Court, in relation to an order dated June 25, 2018 issued by the Director General Health Services, Government of National Capital Territory of Delhi ("DGHS Order"). DGHS Order mandated that all private hospitals in Delhi comply with the recommendations of the Expert Committee, constituted pursuant to the Supreme Court order dated January 29, 2016, in W.P.(C) No. 527/2011, regarding the working conditions and pay of nurses in private hospitals. The Single Bench of Delhi High Court, on July 24, 2019, upheld the DGHS Order of the Director General Health Services and directed mandatory compliance by all the private hospitals within a period of three months i.e. by October 24, 2019. It was further directed by the impugned Delhi High Court single bench judgement that before cancellation of the registration of any Private Hospital for any non-compliance, DGHS will give the concerned Private Hospitals a personal hearing and an opportunity to represent against such proposed cancellation of registration and the cancellation will be only through a speaking order. Till date no Private Hospital in Delhi has been called for personal hearing by DGHS. AHP has appealed against the said Single Bench Order before the Division Bench of Delhi High Court. On November 28, 2019, the Division Bench, inter-alia, issued notice on the Appeal to the Delhi Government and the Government Counsel gave an oral undertaking to the Delhi High Court that no coercive action will be taken for implementing the DGHS Order. The next date of hearing is July 09, 2020. Pending decision on appeal before the Division Bench of Delhi High Court, the impact for the period, if any, is not ascertainable and consequently no effect has been given in the accounts. Management basis legal view is confident that the DGHS Order will eventually be set aside and hence believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Group's financial position and results of operations."

g. Alps Hospital Limited ("Alps Hospital") has been served with a notice for termination of lease for the hospital by the lessor M/s Chiranjiv Charitable Trust (CCT) contending non-payment of lease rentals and non-fulfilment of Alps Hospital's obligation for treatment of weaker section as per the terms of lease deed. The matter has been placed before arbitration. The management is of the view that there has been no non-compliance with the terms of the lease deed. Further, provision as required by the terms of lease deed towards treatment of weaker section has been created in the financial statements and such provision will be utilized on cases recommended by CCT. No such recommendation has been received till date from CCT. Based on the status and developments in the course of arbitration proceedings, the management of Alps Hospital is of the view that no additional liability is likely to materialize for the litigation.



Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

B. Capital commitment

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

Particulars	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account	8,093	8,148
Less: Capital advances	3,382	3,482
Balance value of contracts	4,711	4,666

C. Contractual maturities of lease liabilities

The Group has entered into leases for its hospital, offices and nurse hostel, duration of lease is 3 to 30 years.

At the date of commencement of the lease, the Group recognize lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 10.25%.

Set out below are the carrying amounts of lease liabilities and the movements during the year :-

Particulars	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Reclassified on account of adoption of Ind AS 116	21,408	
Add: Addition against new lease liability	1,350	
Add: Accretion of interest	2,207	
Less: termination and modification of lease liability	(257)	
Less: principal repayment of lease liability	(983)	
Less: payment of interest on lease liability	(2,207)	
Balance as on March 31, 2020	21,518	
Non-Current as on March 31, 2020 (Refer note 17)	20,323	
Current as on March 31, 2020 (Refer note 21(iii))	1,195	

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease and finance lease commitments as of March 31, 2019, as follows:

Particulars	(Rs in Lakhs)	
	As at April 01, 2019	As at March 31, 2019
Operating lease commitments as at March 31, 2019	32,851	
Finance lease commitments as at March 31, 2019	253	
Discounted using the lessee's incremental borrowing rate of at the date of initial application	22,513	
Less : Adjustment on account of exclusion of goods & service tax amount from lease payments	(1,283)	
Less: Short-term leases recognized on a straight-line basis as expense	(75)	
Lease liability recognized as at April 01, 2019	21,408	

For maturity of lease liabilities refer note 33.6

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33 Other notes to accounts

33.1 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 cessation of employment at 15 days of last drawn basic 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

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	2,028	1,743
Interest expense	137	124
Current service cost	426	335
Benefit paid	(385)	(208)
Employees transferred from other companies	48	-
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	8	(34)
Actuarial changes arising from changes in financial assumptions	96	48
Actuarial changes arising from changes in experience adjustments	326	20
Defined benefit obligation at year end	2,684	2,028
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	121	111
Expected return on plan assets	7	9
Returns of plan assets	1	-
Fair value of plan assets at year end	129	120
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	(2,684)	(2,028)
Fair value of plan assets	129	120
Amount recognized in balance sheet- asset / (liability) at year end	(2,555)	(1,908)
	For the year ended March 31, 2020	For the year ended March 31, 2019
d) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	426	335
Interest cost on benefit obligation	137	124
Expected return on plan assets	(7)	(9)
Net defined benefit expense debited to statement of profit and loss	556	450
e) Other comprehensive income		
Change in demographic assumptions	8	(34)
Change in financial assumptions	96	48
Return on plan assets	(1)	-
Experience variance	326	20
Remeasurement of (Gain)/loss in other comprehensive income	429	34
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, 2020	As At March 31, 2019
Discount rate	6.00%	6.75%
Salary escalation rate	8.00%	8.00%
Mortality rate (% of LALM 06-08)	100.00%	100.00%

Quantitative sensitivity analysis for significant assumptions is as below:

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 1.00%	(135)	(93)
Decrease by 1.00%	151	103
Salary growth rate		
Increase by 1.00%	146	100
Decrease by 1.00%	(135)	(93)
Attrition rate		
Increase by 50% of attrition rate	(165)	(102)
Decrease by 50% of attrition rate	308	174

i) Maturity profile of defined benefit obligation

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Within the next 12 months (next annual reporting period)	576	456
Between 2 and 5 years	1,409	1,138
Between 6 and 10 years	865	721
More than 10 years	1,074	682
Total expected payments	3,924	2,997

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 Years (March 31, 2019 : 6 years)

k) The plan assets are maintained with LIC of India.

l) The Group expects to contribute Rs 2,205 lakhs (March 31, 2019 : Rs 1,706 lakhs) to the plan 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 demand and supply 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.

Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

33.2 Provident Fund

Max Healthcare Institute Limited (Holding Company of the Group) 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, 2020 as per the actuarial valuation of active members are as follows:

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Plan assets at year end at fair value	11,006	10,372
Present value of defined benefit obligation at year end	10,912	10,154
Surplus as per actuarial certificate	94	218
Shortfall recognized in balance sheet	-	-
Active members as at year end (Nos) of Max Healthcare Institute Limited	3,783	3,732

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

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Discount rate	5.45%	6.76%
Withdrawal rate	5.00%	5.00%
Yield on existing funds	8.50%	8.65%
Expected guaranteed interest rate	8.50%	8.55%

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

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution towards Provident Fund (PF)	579	533
	579	533

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33.3 Employee phantom stock plan 2017

Employee Phantom Stock Plan, 2017 ('the Scheme') are cash settled rights where the employees are entitled to get cash compensation based on the Group's fair value, provided certain conditions as laid out in the Scheme are met. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss as detail given below :-

Particulars	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening balance	255	289
Add: Expenses during the year	327	191
Less : Payment during the year	(202)	(199)
Less : Lapsed/forfeited during the year	-	(26)
Closing balance	380	255

The details of the grant/issue as at March 31, 2020 are given below:

Particulars	March 31, 2020	March 31, 2019
Outstanding as at beginning of the year	40,91,064	40,82,490
Granted during the year	-	18,51,808
Date of grant	-	October 1, 2018
Grant price per unit	-	INR 80 per unit
Total Number of PSPs vested during the year	8,40,283	12,92,887
Total Number of PSPs exercised during the year	8,21,618	10,58,626
Lapsed/ forfeited/ surrendered during the year	9,32,649	7,84,608
Exercisable as at the year end	23,36,797	40,91,064
Vesting period	30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months.	30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months.
Exercise period	Within 12 months of the vesting period, unless extension approved by the NRC*	Within 12 months of the vesting period, unless extension approved by the NRC*
Exercise price	The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the scheme and subject to applicable laws.	The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the scheme and subject to applicable laws.
Settlement of phantom stock options	Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant exercise notice.	Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant exercise notice.

*NRC vide its meeting held on May 8, 2018 extended the exercise period of first two tranches of Phantom Stock Options, granted on May 23, 2017 by 12 month each for all option holders.



33.4 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:

(Rs in Lakhs)

Category	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1) Financial assets at amortized cost				
Loans (current / non current)	33,728	25,269	33,728	25,269
Trade receivables (current / non current)	49,403	49,938	49,403	49,938
Other financial assets (current / non current)	727	1,163	727	1,163
Cash and cash equivalents	27,479	760	27,479	760
Other bank balances (current / non current)	672	457	672	457
2) Financial Liabilities at amortized cost				
Trade payables	29,352	29,159	29,352	29,159
Borrowings (current / non current)	1,29,440	96,374	1,29,440	96,374
Lease liabilities (current / non current)	21,518	-	21,518	-
Other financial liabilities (current / non current)	62,106	7,860	62,106	7,860
3) Financial assets carried at fair value through OCI				
Investment	51	51	51	51

The Group assessed that the carrying value of all financial assets and financial liabilities approximates the fair value.

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 Group 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 Group'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, 2020 was assessed to be insignificant.



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33.5 Fair value hierarchy

The Group 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, 2020

Quantum's disclosures of fair value measurement hierarchy for financial assets, liability as on March 31, 2020				
Particulars	Carrying Value	Fair Value		
	March 31, 2020	Level 1	Level 2	Level 3
(Rs in Lakhs)				
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	33,728	-	-	33,728
Trade receivables (current / non current)	49,403	-	-	49,403
Other financial assets (current / non current)	727	3	-	724
Cash and cash equivalents	27,479	-	-	27,479
Other bank balances (current / non current)	672	-	-	672
Assets carried at fair value through OCI Investment	51	51	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	29,352	-	-	29,352
Borrowings (current / non current)	1,29,440	-	-	1,29,440
Lease liabilities (current / non current)	21,518	-	-	21,518
Other financial liabilities (current / non current)	62,106	-	-	62,106

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2019

(Rs in Lakhs)				
Particulars	Carrying Value	Fair Value		
	March 31, 2019	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	25,269	-	-	25,269
Trade receivables (current / non current)	49,938	-	-	49,938
Other financial assets (current / non current)	1,163	1	-	1,162
Cash and cash equivalents	760	-	-	760
Other bank balances (current / non current)	457	-	-	457
Assets carried at fair value through OCI Investment	51	51	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	29,159	-	-	29,159
Borrowings (current / non current)	96,374	-	-	96,374
Other financial liabilities (current / non current)	7,860	-	-	7,860

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33.6 Financial risk management objectives and policies

The Group 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 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 functionaries 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 and 21(iv) after netting-off cash and cash equivalents disclosed in note 11(ii) 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. Debt:Equity ratio is calculated as debt divided by the Shareholder's Fund and for calculating Net Debt to EBITDA, Net Debt is divided by the Normalized EBITDA. Net debt is calculated as long term borrowings (including current maturities) as shown in the note 16 and 21(iv) less net cash and cash equivalents (excluding deposits with original maturity less than 3 months as such funds pertain to short term loan raised from shareholder). Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization. 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 as at March 31, 2019 and March 31, 2020 stood at 0.96 and 0.79 respectively. Similarly, the Net Debt to EBITDA ratio of the Company stood at 4.34 as at March 31, 2019 and 2.16 as at March 31, 2020.

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 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 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 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 Executive Council.

The table below represents the maturity profile of Group's financial liabilities at the end of March 31, 2019 and March 31, 2020 based on contractual undiscounted payments:-

(Rs in Lakhs)				
March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (including interest)	20,656	59,632	93,245	1,73,533
Trade payable	29,159	-	-	29,159
Other financial liabilities (Refer note 1 below)	3,890	69	-	3,959
% to Total	26%	29%	45%	100%
March 31, 2020				
Interest bearing borrowings (including interest)	61,892	55,955	70,932	1,88,779
Trade payable	29,352	-	-	29,352
Lease liabilities (refer note 17 & 21 (iii))	1,195	5,094	15,229	21,518
Other financial liabilities (Refer note 1 below)	61,119	303	-	61,422
% to Total	51%	20%	29%	100%

Notes:

1) Other financial liabilities

(Rs in Lakhs)				
March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Other financial liabilities (refer note 16 and 21(iv))	7,791	69	-	7,860
Less : Current maturity of borrowings	3,901	-	-	3,901
Other financial liabilities	3,890	69	-	3,959
March 31, 2020				
Other financial liabilities (refer note 16 & 21 (iv))	61,803	303	-	62,106
Less : Current maturity of borrowings	684	-	-	684
Other financial liabilities	61,119	303	-	61,422



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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 Group 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 Group'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 Group 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 Group'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 Group has a written contract. Further the Group 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 period under review that has not been provided for.

Particulars	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Neither past due or impaired	26,983	27,937
0 to 180 days due past due date	16,797	14,145
More than 180 days due past due date	5,713	7,856
Total trade receivables (refer note 7(ii) & 1(ii))	49,493	49,938

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

Particulars	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	3,356	4,310
Provision during the year	(59)	(346)
Bad debts written off	(531)	(408)
At the end of the year	2,766	3,556

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group'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 by international and domestic credit rating agencies.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 is the carrying amounts as illustrated in note 33.4 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 analysis in the following sections relate to the position as at March 31, 2020. 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 at March 31, 2020.

(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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group'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 Group 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 Group profit before tax is due to changes in the fair value of monetary assets and liabilities.

Unhedged foreign currency exposures recognized by the Group are as under:

Currency	(Rs in Lakhs)		Increase/decrease in rate	Impact on profit before tax
	March 31, 2020 Foreign currency	March 31, 2020 Indian Rupees		
Payables in USD	4	295	1%	2.95

Currency	(Rs in Lakhs)		Increase/decrease in rate	Impact on profit before tax
	March 31, 2019 Foreign currency	March 31, 2019 Indian Rupees		
Payables in Euro	0.02	2	1%	0.02
Payables in USD	3	258	1%	3

The Group 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 institution. The details of the outstanding foreign exchange forward are as follows.

Particulars	(Rs in Lakhs)	
	March 31, 2020 Indian rupees	March 31, 2019 Indian rupees
Payables in USD	-	406
Payables in Euro	268	-

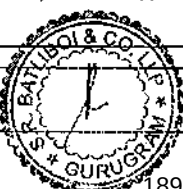
(ii) Interest rate risk

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group'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	(Rs in Lakhs)	
	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2020	0.50%	387
March 31, 2019	0.50%	443



33.7 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 (with whom transactions have taken place during the year)

- Max India Limited
- Radiant Life Care Private Limited (From June 21, 2019)
- Radiant Life Care Mumbai Private Limited (Subsidiary of Radiant Life Care Private Limited) (From June 21, 2019)
- Life Healthcare International (Pvt) Limited (Till June 20, 2019)

(ii) Enterprises in which directors are interested (with whom transactions have taken place during the year)

- Core Diagnostics Private Limited (Till March 31, 2019)
- Mohawks Healthcare India Private Limited (Till March 31, 2019)
- Max Ventures Private Limited

(iii) Directors (with whom transactions have taken place during the year)

- 1) Mr. Abhay Soi (From June 21, 2019)
- 2) Mr. Rohit Khosla (Till June 5, 2019)
- 3) Mr. Mohit Talwar
- 4) Mr. Tara Singh Vachani
- 5) Mr. Rajat Mehta, Managing Director & Chief Executive Officer (Till to July 28, 2019)
- 6) Mr. Yogesh Kumar Sareen, Senior Director and Chief financial officer (Till June 21, 2019)
- 7) Dr. Ajit Singh (Till March 31, 2019)
- 8) Mr. K. Narasimha Murthy
- 9) Ms. Rashmi Bakshi (Till June 21, 2019)
- 10) Mr. Omkar Gokarni (Till June 21, 2019)
- 11) Mr. Mahendra Ganeshtilaji Ladia (From June 21, 2019)
- 12) Mr. Upendra Kumar Sinha (From June 21, 2019)
- 13) Mr. Michael Thomas Neoh (From June 21, 2019)

(iv) Relative of directors/Key Managerial Personnel (with whom transactions have taken place during the year)

- 1) Ms. Piyu Singh sister of Mr. Tara Singh Vachani
- 2) Mr. Raghav Mehta Son of Mr. Rajat Mehta
- 3) Mr. Sahil Vachani husband of Mr. Tara Singh Vachani
- 4) Mr. Sameer Mehta mother of Mr. Rajat Mehta
- 5) Mr. Kunal Sareen Son of Mr. Yogesh Kumar Sareen
- 6) Mrs. Kusum Talwar Mother of Mr. Mohit Talwar
- 7) Mr. Taruna Son Spouse of Mr. Abhay Soi
- 8) Ms. Balbir Son Mother of Mr. Abhay Soi
- 9) Mr. R.K. Mahajan Father of Mr. Ruchi Mahajan
- 10) Mrs. Usha Mahajan Mother of Mr. Ruchi Mahajan

(v) Key management personnel (with whom transactions have taken place during the year)

- 1) Mr. Rajat Mehta, Managing Director & Chief Executive Officer (Till July 28, 2019)
- 2) Mr. Yogesh Kumar Sareen, Chief financial officer
- 3) Dr. Mrudul Kaushik, Senior Director - Operations and Planning (From August 1, 2019)
- 4) Ms. Ruchi Mahajan, Company secretary

(b) Transactions with related parties during the year

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term loan taken		
Radiant Life Care Private Limited *	42,832	-
Auxiliary borrowing cost		
Interest expenses on short term loan from Radiant Life Care Private Limited	1,649	-
Uplift for on short term loan from Radiant Life Care Private Limited (amortised expenses) **	779	-
Healthcare services rendered		
Max Ventures Private Limited	0.06	-
Director, KHP and their relative	4	4
Core Diagnostics Private Limited	-	0.1
Max India Limited	0.02	0.1
Services received (Excluding GST)		
Max India Limited	291	645
Core Diagnostics Private Limited	-	38
Mohawks Healthcare India Private Limited	-	61
Dr. Ajit Singh	-	34
Key Management personnel remuneration ***		
Mr. Yogesh Kumar Sareen (Key management personnel)	361	205
Ruchi Mahajan (Key management personnel)	79	48
Dr. Mrudul Kaushik (Key management personnel)	110	-
Director's remuneration ***		
Dr. Pradeep Choudhary (Executive Vice Chairman)	23	79
Mr. Rajat Mehta (Key management personnel)	561	341
Mr. Rohit Kapoor (Senior Director and Chief growth officer)	-	147
Gratuity liability transferred from		
Radiant Life Care Private Limited	30	-
Radiant Life Care Mumbai Private Limited	18	-
Leave encashment liability transferred from		
Radiant Life Care Mumbai Private Limited	3	-
Director's sitting fee (Excluding GST on per diem charges)		
Mr. K. Narasimha Murthy	16	13
Ms. Rashmi Bakshi	3	7
Mr. Omkar Gokarni	2	9
Mr. Mahendra Ganeshtilaji Ladia	2	-
Mr. Upendra Kumar Sinha	10	-
Mr. Michael Thomas Neoh	1	-
Remuneration to director's relative ***		
Ms. Piyu Singh	8	7

(c) Balances at the year end

Particulars	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Trade payable		
Max India Limited	-	1,004
Core Diagnostics Private Limited	-	14
Mohawks Healthcare India Private Limited	-	2
Trade receivables		
Max Ventures Private Limited	0.02	-
Radiant Life Care Pvt Ltd	31	-
Radiant Life Care Mumbai Pvt Ltd	21	-
Short term loan taken		
Radiant Life Care Private Limited (including interest payable) #	45,094	-

* Loan of Rs.42,832 lakhs is after netting off loan processing fee of Rs. 1,168 lakhs out of loan amount of Rs.44,000 lakhs.

** For short term loan taken from Radiant Life Care Private Limited of Rs.44,000 lakhs, the Company has paid upfront fee of Rs.1,168 lakhs which is amortized to the rate of Rs.779 lakhs in year ended March 31, 2020.

Outstanding balance of Rs.45,094 lakhs is after adjustment of unamortised processing fee of Rs.389 lakhs and including interest accrued net of TDS of Rs.1484 lakhs up the loan disbursement amount of Rs.44,000 lakhs.

*** The remuneration to key management personnel, Director's remuneration and remuneration to director's relative does not includes the provision made for gratuity and leave benefits, as they are determined as an actuarial basis for the Group as a whole.

Terms and conditions of transactions with related parties:-

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) The income/expenses from sales to and purchases from related parties are made on arm's length basis. Outstanding balances at the year end are unsecured and interest free.



33.8 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.57 lakhs (March 31, 2019 : Rs. 20 Lakhs) to healthcare trust hospital towards the treatment of economic weaker section patient and debited the same to the statement of profit and loss.

	(Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Details of CSR expenditure :		
(a) Gross amount required to be spent by the Group during the year	57	26
(b) Amount spent during the year	57	20
	Paid in cash	Yet to be paid in cash
	March 31, 2020	March 31, 2019
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	57	20
	57	20

33.9 Earnings per share (EPS)

	(Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Earning per share		
a) Basic earnings per share		
Numerator for earnings per share		
Profit/(loss) after taxation	9,534	(301)
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	537,244,328	537,244,328
Earnings per share-Basic (one equity share of Re. 10/- each)	1.77	(0.06)
b) Diluted earnings per share		
Numerator for earnings per share		
Profit/(loss) after taxation	9,534	(301)
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	537,244,328	537,244,328
Earnings per share- Diluted (one equity share of Re. 10/- each)	1.77	(0.06)

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Max Healthcare Institute Limited

Notes forming part of consolidated financial statements

33.19 The Board of Directors of Max Healthcare Institute Limited in their meeting held on December 24, 2018, approved a Composite Scheme of Amalgamation & Arrangement (hereafter referred to as "the Scheme") amongst Max India Limited ("Max India"), Max Healthcare Institute Limited ("MHIL"), Radiant Life Care Private Limited ("Radiant Life") and a wholly owned subsidiary of Max India incorporated for this purpose viz. Advaita Allied Health Services Limited ("Advaita") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme inter-alia provides for following arrangement between Max India, MHIL, Advaita and Radiant Life:

- Demerger of the activity of making, holding and nurturing investments in allied health and associated activities (collectively known as "Demerged Undertaking") from Max India into Advaita.
- Demerger of healthcare business of Radiant Life into MHIL.
- Amalgamation of residual Max India (post demerger of the Demerged Undertaking), which comprises of healthcare activities (including its underlying investment in MHIL) with MHIL.

The in-principal approval from both Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited was received on August 26, 2019 and August 27, 2019 respectively. The First motion Application was filed with National Company Law Tribunal (NCLT) on September 04, 2019 and second motion application was filed on November 25, 2019. The final hearing of NCLT concluded on January 17, 2020 and the certified true copy of order was received on May 27, 2020. The Board of Directors of the Company, Max India, Radiant Life and Advaita in their respective Board Meeting held on June 1, 2020 considered the Scheme and took note of the order of NCLT. The NCLT order and the Scheme has been filed with the respective Registrar of Companies on June 1, 2020. Accordingly, the respective Board of Directors fixed June 1, 2020 as the effective date of the Scheme. Further, as per the terms of the Scheme, the nominee directors of Max India ceased to be on the Board of MHIL and accordingly, composition of the Board of the Company was changed in accordance with the Scheme with effect from June 1, 2020.

Given that all necessary approvals have been received, in accordance with the terms of the Scheme June 1, 2020 will be both appointed date and effective date. Accordingly, the financial impact of the Scheme shall be taken in the financial statements of the Company on the effective date i.e. June 1, 2020. On June 19, 2020, the Company had allotted 90,12,84,070 of face value of Rs.10 each to the existing shareholders who were holding shares of the Radiant Life Care Private Limited and Max India Limited as on their respective record dates. The Company is in the process of ascertaining the fair value of all assets and liabilities acquired and the same will be accounted as reverse acquisition in accordance with Ind AS 103 "Business Combination" with effect from June 01, 2020.

33.11 Capital management

For the purpose of the Group's capital management, capital includes issued equity attributable to the equity shareholders of the Group, 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 20% and 30%. The Group includes within net debt, interest bearing loans and borrowings (excluding loan from shareholder repayable within one year), less cash and cash equivalents, excluding discontinued operations.

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Borrowings (including current maturities of long term borrowings) (refer note 16, 21)*	85,030	100,375
Less: cash and cash equivalents (refer note 11(ii))	(27,479)	(760)
Net debt (a)	57,551	99,615
Equity (refer note 14 and 15)	98,741	96,319
Total capital (b)	98,741	96,319
Total capital and net debt (a+b)	156,292	195,934
Gearing ratio	36.82%	50.82%

* Short term loan from Shareholder (refer note no 21 (i)) has not been considered for computation of Gearing Ratio.



33.12 Segment reporting

The Group has only one reportable business segment as it deals mainly in providing healthcare facilities comprising of primary care clinics, secondary care hospitals/medical centres and tertiary care facilities in terms of Ind AS 108 "Operating Segment". Further, the Group operates only in one geographical segment -India. All the assets of the Group are located in India. The chief operating officer and chief financial officer (chief operating decision maker) monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment. Hence, the disclosure requirements of the standard are not considered.

There are no external customers from which revenues is equal to 10% or more of Group's revenue.

33.13 Impairment assessment of recoverable amounts from healthcare service providers

The Group has amount receivable amounting to Rs.70,935 lakhs (March 31, 2019 : Rs.67,678 lakhs) from other healthcare service providers, i.e., Devki Devi Foundation, Balaji Medical and Diagnostic Research Centre and Gujarmal Modi Hospital & Research Centre for Medical Sciences. This include an amount of Rs.18,553 lakhs (March 31, 2019 : Rs.18,553 lakhs), discounted value, placed as security and performance deposit as per the terms of medical services and pathology service agreement with such healthcare providers. In addition, an amount of Rs.13,868 lakhs (March 31, 2019 : Rs.4,830 lakhs) has been advanced as loan, Rs.6,894 lakhs (March 31, 2019 : Rs.8,329 lakhs) as prepaid expenses, difference between present value and security and performance deposit given and balance of Rs.31,620 lakhs (March 31, 2019 : Rs.35,966 lakhs) against trade receivable.

The recovery of these balances depends on the future cash flows and earning capacity of these healthcare service providers. Management has carried out an impairment assessment and have concluded that the amounts are fully recoverable and hence no impairment in the value of the amount is necessitated.

33.14 Note on Covid -19

Due to outbreak of COVID-19 in India and globally, the Group has made assessment of likely adverse impact on economic environment in general and financial risk on account of COVID-19 in specific. The Group is in the business of healthcare service which has been categorized as an essential service by Government of India. However, due to the restriction on movement of people affecting staff and patient flow, lesser scale of OPD services, shutdown of international travel affecting patient flow from foreign countries and postponement of elective surgeries, the occupancy rate and resultant revenues for Group have been impacted. The Group has considered the potential impact of COVID-19 on the carrying values of trade receivables, unbilled revenue, loans given, inventories, goodwill, property, plant and equipment, intangibles and other financial exposures. Similarly, the Group has also evaluated its ability to meet the financial commitments to its lender etc. in view of expected adverse impact of COVID-19 on its revenue and profitability.

Based internal and external information available upto the date of approval of these financial statements and the assessment made by the management, the Group expects to recover the carrying values of these assets. Further, based on the estimated future cash flows, including its financial position after considering the impact of Scheme of Amalgamation and Arrangement (refer note 33.10), the Group believes that there is no impact on continuity of its operations and meeting its liabilities as and when they fall due. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements. Given the nature of the pandemic, the Group will continue to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

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

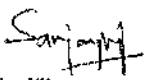
33.16 Note no.1 to 33 form integral part of the consolidated financial statements.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per Sanjay Vij
Partner
Membership Number: 095169



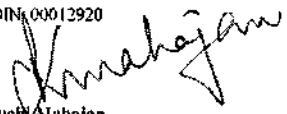
For and on behalf of the Board of Directors of Max Healthcare Institute Limited


Abhay Soi
(Chairman and Managing Director)
DIN:00203597


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

Place : New Delhi
Date : June 27, 2020


Mahendra Gumanmalji Lodha
(Director)
DIN:00012920


Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : June 27, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013, as amended ("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, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 the 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. 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; 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 consolidated Ind AS 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting



and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 purposes 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, the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary



companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 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 with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure I" to this report
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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, as amended, 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 in its consolidated Ind AS financial statements – Refer Note 28.A 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, 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2019.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 14, 2019



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")**

In conjunction with our audit of the consolidated financial statements of Max Healthcare Institute Limited as of and for the year ended March 31, 2019, 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 and its subsidiary companies, (hereafter referred to as the 'Group') 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 Group'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 and 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, 2019, 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 Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 14, 2019

	Notes	As at March 31, 2019	(Rs. in Lakhs) As at March 31, 2018 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	3	93,847	96,090
Capital work-in-progress	3	8,569	3,501
Goodwill		28,539	28,539
Other intangible assets	4	96,851	98,089
Intangible assets under development	4	133	329
Investments	5	51	-
Financial assets	6		
(i) Trade receivables		13,677	15,298
(ii) Loans		23,758	22,051
(iii) Other financial assets		53	-
Non-current tax assets	7	12,581	9,809
Deferred tax assets (net)	16	1,108	1,721
Other non-current assets	8	12,665	13,497
		<u>2,91,832</u>	<u>2,88,924</u>
Current assets			
Inventories	9	2,601	2,827
Financial assets	10		
(i) Trade receivables		36,261	25,792
(ii) Cash and cash equivalents		760	913
(iii) Other bank balances		404	8,084
(iv) Loans		1,511	1,612
(v) Derivative instruments		1	1
(vi) Other financial assets		1,162	1,073
Current tax assets	7	103	424
Other current assets	8	1,927	2,493
		<u>44,730</u>	<u>43,219</u>
TOTAL ASSETS		<u>3,36,562</u>	<u>3,32,143</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	53,724	53,724
Other equity	12	62,611	62,950
Change in valuation for put options granted to NCI in subsidiaries		(20,016)	(13,274)
Total equity		<u>96,319</u>	<u>1,03,400</u>
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	89,006	84,857
(ii) Other financial liabilities	14	69	153
Government grant		103	388
Provisions	15	1,733	1,564
Deferred tax liabilities (net)	16	34,473	34,601
Other non-current liabilities	17	856	59,371
		<u>1,26,240</u>	<u>1,80,934</u>
Current liabilities			
Financial liabilities	18		
(i) Borrowings		7,368	10,436
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		95	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		29,064	26,651
(iii) Other financial liabilities		7,791	6,901
Other current liabilities	19	68,075	2,378
Provisions	15	1,610	1,443
		<u>1,14,903</u>	<u>47,809</u>
TOTAL LIABILITIES		<u>2,40,243</u>	<u>2,28,743</u>
TOTAL EQUITY AND LIABILITIES		<u>3,36,562</u>	<u>3,32,143</u>
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	28		
Other notes to accounts	29		

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

per Sanjay Vij
Partner
Membership Number: 095169



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

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

Yogesh Kumar Sareen
(Senior Director & Chief Financial Officer)
DIN: 00884252

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

Ruchi Mahajan
(Company Secretary)
Membership Number F5671

	Notes	For the year ended March 31, 2019	(Rs. in Lakhs) For the year ended March 31, 2018 (Restated)
Continuing operations			
INCOME			
Revenue from operations	20	1,69,102	1,72,913
Other income	21	856	856
Finance income	22	4,849	4,549
Total income		1,74,807	1,78,318
EXPENSES			
Purchase of pharmacy, drugs, consumables and implants		36,220	43,105
(Increase)/decrease in inventories of pharmacy, drugs, consumables and implants		226	(515)
Cost of construction		100	2,349
Employee benefits expense	23	44,055	42,291
Finance costs	24	10,127	9,937
Depreciation and amortization expense	25	10,264	9,442
Other expenses	26	72,983	74,358
Total expenses		1,73,975	1,80,967
Profit/(Loss) before tax from continuing operations		832	(2,649)
Tax Expenses			
(1) Current tax	16	632	452
(2) Adjustment of tax relating to earlier periods	16	(45)	81
(3) Deferred tax charged/(credit)	16	(274)	(230)
(4) Mat credit relating to earlier periods	16	538	(79)
Total tax expenses		851	224
Loss after tax from continuing operations (A)		(19)	(2,873)
Attributable to:			
Equity holder of the parent		(301)	(3,016)
Non controlling interests		282	142
		(19)	(2,873)
Discontinued operations			
Profit before tax for the year from discontinued operations	27	-	1,129
Tax expenses of discontinued operations		-	-
Profit after tax from discontinued operations (B)		-	1,129
Attributable to:			
Equity holder of the parent		-	938
Non controlling interests		-	191
		-	1,129
Loss after tax for the period (C) = (A) + (B)		(19)	(1,744)
Attributable to:			
Equity holder of the parent		(301)	(2,078)
Non controlling interests		282	334
		(19)	(1,744)
Other comprehensive income/(loss)			
Other comprehensive income/loss not to be reclassified to profit or loss in subsequent periods:			
Re-measurement income/(loss) on defined benefit plans	28.2	(34)	5
Income tax effect		-	-
Other comprehensive income/(loss) for the year, net of tax (D)		(34)	5
Total comprehensive loss for the period, net of tax (C+D)		(53)	(1,739)
Attributable to:			
Equity holder of the parent		(339)	(2,576)
Non controlling interests		286	337
		(53)	(1,739)
Earnings per equity share for continuing operations (Nominal Value of share Rs.10/-) (refer			
Basic (Rs.) to equity holders of the parent		(0.06)	(0.56)
Diluted (Rs.) to equity holders of the parent		(0.06)	(0.56)
Earnings per equity share for discontinued operations (Nominal Value of share Rs.10/-) (refer			
Basic (Rs.) to equity holders of the parent		-	0.17
Diluted (Rs.) to equity holders of the parent		-	0.17
Earnings per equity share for continuing and discontinued operations (Nominal Value of			
share Rs.10/-) (refer note 29.9)			
Basic (Rs.) to equity holders of the parent		(0.06)	(0.39)
Diluted (Rs.) to equity holders of the parent		(0.06)	(0.39)
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	28		
Other notes to accounts	29		

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

per Sanjay Vij
Partner
Membership Number: 095169



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

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

Rajat Mehta
(Managing Director &
Chief Executive Officer)
DIN: 01664810

Yogesh Kumar Sireen
(Senior Director & Chief Financial Officer)
DIN: 00884252

Rohini Mahajan
(Company Secretary)
Membership Number F5671

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2017	53,72,44,328	53,724
Add: Equity share issued (refer note 11)	-	-
As at March 31, 2018	53,72,44,328	53,724
Add: Equity share issued (refer note 11)	-	-
As at March 31, 2019	53,72,44,328	53,724

b) Other equity

Particulars	Reserves and surplus				(Rs. in Lakhs)
	Capital reserve (note 12)	Capital reserve on merger with Max Medical Services Limited (note 12)	Securities premium (note 12)	Retained earnings (note 12)	Total equity
As at April 1, 2017 (refer note 29.12(c))	1	(660)	1,07,678	(41,993)	65,026
Loss for the year	-	-	-	(2,078)	(2,078)
Other comprehensive income for the year	-	-	-	2	2
As at March 31, 2018	1	(660)	1,07,678	(44,069)	62,950
Loss for the year	-	-	-	(301)	(301)
Other comprehensive loss for the year	-	-	-	(38)	(38)
As at March 31, 2019	1	(660)	1,07,678	(44,408)	62,611

Significant accounting policies	2
Contingent liabilities, commitments and litigations	28
Other notes on accounts	29

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

per Sanjay Vij
Partner
Membership Number: 095169



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

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

Rajit Mehta
(Managing Director &
Chief Executive Officer)
DIN: 00604819

Yogesh Kumar Sareen
(Senior Director & Chief Financial Officer)
DIN: 00884252

Rushi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 14, 2019

Place : New Delhi
Date : May 14, 2019

	For the year ended March 31, 2019	(Rs. in Lakhs) For the year ended March 31, 2018 (Restated)
A. Cash flows from operating activities		
Profit/(Loss) before tax from continuing operations	832	(2,649)
Profit before tax from discontinued operations	-	1,129
Profit/(Loss) before tax	832	(1,520)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment from continuing operations	8,213	7,429
Depreciation of property, plant and equipment from discontinued operations	-	294
Amortisation and intangible assets from continuing operations	2,051	2,013
Amortisation of intangible assets from discontinued operations	-	3
Provision for doubtful debts and advances	(967)	(37)
Bad debts/ debit balances written off	1,359	730
Unclaimed balances & excess provisions written back	(202)	(406)
Loss on foreign exchange fluctuation	64	141
Loss/ (Gain) on sale /disposal of property, plant and equipment	88	(513)
Finance income (including fair value change in financial instruments)	(4,849)	(4,549)
Finance costs (including fair value change in financial instruments)	9,618	9,442
Operating profit before working capital changes	16,207	13,027
Working capital adjustments:		
Movements in provisions, gratuity and government grant	(71)	768
Increase in trade receivable & other receivable	(7,780)	(8,839)
Increase in trade payables and other payables	2,812	6,037
(Increase)/decrease in inventories	226	(515)
Income tax paid	11,394	10,478
Net cash flows from operating activities (A)	8,581	8,223
B. Cash flows from investing activities		
Purchase of property, plant and equipment including CWIP, capital advance and intangible assets	(11,573)	(6,554)
Maturity/ (Investment) of bank deposits	7,627	(7,332)
Investment in shares of other Company	(51)	-
Loans given to other healthcare providers (net of repayment)	(2,191)	(699)
Interest received	4,849	4,549
Net cash flows used in investing activities (B)	(1,339)	(10,036)
C. Cash flows from financing activities		
Proceeds from long term borrowings (net of repayment)	5,291	8,912
Proceeds/(repayment) from short-term borrowings (net of repayment)	(3,068)	1,731
Interest paid	(9,618)	(9,442)
Net cash flows from/(used in) financing activities (C)	(7,395)	1,201
Net increase in cash and cash equivalents (A+B+C)	(153)	(612)
Cash and cash equivalents at the beginning of the year	913	1,525
Cash and cash equivalents at year end	760	913

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Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2019

Components of cash and cash equivalents :-

	As at March 31, 2019	(Rs. in Lakhs) As at March 31, 2018
Balances with banks:		
On current accounts	483	472
Cheques/ drafts on hand	144	355
Cash on hand	133	86
Total cash and cash equivalents (refer note 10 (ii))	760	913

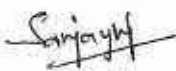
Note:-The above cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

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

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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


per Sanjay Vij

Partner
Membership Number: 095169



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


Dr. Pradeep Kumar Chowbey

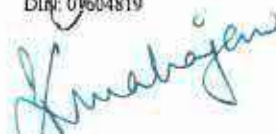
(Whole-Time Director)
DIN: 01141637


Rajit Mehta

(Managing Director &
Chief Executive Officer)
DIN: 01604819


Yogesh Kumar Sareen

(Senior Director & Chief Financial Officer)
DIN: 00884252


Ruchi Mahajan

(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 14, 2019

Place : New Delhi
Date : May 14, 2019

1 Corporate Information

Max Healthcare Institute Limited (the "Company" or "MHIL") and its subsidiaries (collectively referred to as "the group") 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 registered office of the company is located at Readymoney Terrace, 1st Floor, 167, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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.

The financial statements were authorised by the board of directors for issue in accordance with resolution passed on May 14, 2019.

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 section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standard) Rule, 2015, as amended from time to time and other relevant provision of the act.

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 measured at fair value (refer accounting policy regarding financial instruments)
- (iii) Defined benefit plans - plan assets

Refer Note. 29.12 for restatement of financial statements for the year ended March 31, 2018 and as at March 31, 2018 and April 01, 2017.

Financial Statement are presented in INR and all values are rounded to nearest Lakhs (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 March 31, 2019. 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 March 31, 2019. 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



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, 2019	As at March 31, 2018	As at March 31, 2019		As at March 31, 2018 (Restated)		As at March 31, 2019		As at March 31, 2018 (Restated)	
				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			98%	1,14,410	106%	1,24,247	2258%	(7,656)	440%	(9,129)
Subsidiaries											
Hometrail Buildtech Private Limited	India	100%	100%	-9%	(10,113)	-11%	(12,493)	-385%	1,305	-57%	1,186
Alps Hospital Limited (ALPS)	India	100%	100%	7%	7,834	3%	2,968	-1119%	3,793	-174%	3,604
Crosslay Remedies Limited	India	77.95%*	77.95%*	4%	4,526	2%	2,498	-582%	1,973	-74%	1,530
Saket City Hospitals Private Limited	India	51.83%*	51.83%*	0%	(322)	0%	(546)	-73%	246	-35%	733
Total				100%	1,16,335	100%	1,16,674	100%	(339)	100%	(2,076)
Non controlling interest					(20,016)		(13,274)		286		337
Gross total					96,319		1,03,400		(53)		(1,739)

Notes:

* % holding on fully diluted basis

Business combination and goodwill

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 proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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 in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard. (iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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 be 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 Equipments

Property, plant and equipment including capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprise of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit, VAT credit availed and Goods and Service Tax credit (GST) 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.

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	7-13 Years
Other surgical instruments	4 - 5 Years
Lab equipment	10 Years
Electrical installations and equipment	7-10 Years
Plant and equipment	15 Years
Office equipment	5 Years
Computers & data processing units	3 - 6 Years
Furniture and fixtures	5-10 Years
Motor vehicles	6 - 8 Years

On the basis of technical assessment made by the management, it believes that useful lives given above are realistic and reflect fair approximation of the period over which the assets are likely to be used.

During the year, the Group revised useful life of the tangible assets, refer note 2.6 to detailed disclosure.

c. Intangible assets

Separately acquired intangible assets

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

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 asset is derecognised.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-90 years.

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 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 over the period of expected future benefit. Amortisation expenses is recognised in the profit and loss unless such expenditure forms part of carrying value of another assets. During the period of development, the asset is tested for impairment annually.

During the year, the Group revised useful life of the tangible assets, refer note 2.6 to detailed disclosure.

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) fair value less cost of disposal 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 fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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



For assets excluding goodwill, an assessment 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, and
- (ii) Cash flow characteristics test : The asset's contractual cash flows represent sole payment of principal and interest (SPPI).

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

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

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

- 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 analysed.

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

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 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

I) Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmacy and pharmaceutical items. The Company collects goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of healthcare services

Revenue from rendering of healthcare services (including drugs, consumables and implants used in delivery of such services) is recognized over the time based on the performance of related services to the customers as per the terms of contract.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for further reference.

Unbilled revenue

Unbilled revenue includes services to patients undergoing treatment and pending for billing, which is shown as unbilled under other current financial assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

II) Other income

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 income

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 "Service exports from India Scheme" and "Export promotion capital goods scheme" are 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 either over the period allowed under the Government grant scheme or upto completion of obligation of Government grant.

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, except: when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

j. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 27. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

k. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and charged to profit and loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the 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.

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.

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 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. 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.

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.

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 28.4. 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).

Forward exchange contracts entered into hedge foreign currency risk of an existing assets/liabilities. The premium on discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the period in which the exchange rate changes. Any profit or loss arising on cancellation of such forwards exchange contract is also recognised as income or expense for the period.

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 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.

u. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The operating segments have been identified on the basis of the nature of products/services. Further:

- 1) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter - segment revenue.
- 2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are determined to yield a desired margin or agreed on a negotiated basis.



Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

2.4 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 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 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.

(b) Assessment of lease contracts

Significant judgement is required to apply lease accounting treatment under Appendix C to IND AS 17 determining whether an arrangement contains a lease, in assessing the applicability to arrangements entered into by the company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant issues and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17

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 29.2.

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The 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

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles, if any, with indefinite useful lives recognised by the Group. During the year Group has done the impairment assessment of non financial assets (including the property plant and equipment in its subsidiaries) and have concluded that there is no impairment in value of non financial assets as appearing in the financial statements.



(f) Impairment testing of goodwill and intangibles – financial assets

Goodwill and intangible assets, if any, that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. During the year Group has done the impairment assessment of Goodwill and other intangibles (including those appearing in the subsidiaries) and have concluded that there is no impairment in value of goodwill and other intangibles assets as appearing in the financial statements.

(g) 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 29.4.

2.5 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Group.

2.6 Change in estimates

(i) Useful life of tangible assets

During the year, the management has reassessed the useful life of (i) air conditioner and geyser from 10 years to 7 years, (ii) Sofa, bed, recliners and wheel chairs from 10 years to 5 years and (iii) infusion/syringe pump from 13 years to 7 years. Had the Group continued with its earlier life assessments, depreciation expense for the year ended March 31, 2019 would have been lower by Rs.223 lakhs.

(ii) Amortization period of intangible assets

During the year, the Company's management considering rapid changes in technology and susceptibility of computer software to technological obsolescence has reassessed the life of computer software from 6 years to 5 years. Had the Company continued with its earlier life assessments, amortization expense for the twelve months ended March 31, 2019 would have been lower by Rs.180 lakhs.

2.7 Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) IND AS 116 Lease

Ind AS 116, Leases, will take effect from financial year beginning on April 1, 2019. This standard requires lessees to adopt a single lease accounting model with most leases recognized in balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments. Recognition exemptions for low value assets and short term leases can be applied. The standard continues to adopt dual accounting lease model for lessor accounting. The Group plans to apply Ind AS 116 prospectively with the cumulative effect of initial application as an adjustment to the opening retained earnings as at April 1, 2019. The Group is currently in the process of assessing the impact of adoption of this standard, which is expected to be significant.

b) Amendments to Ind AS 23: Borrowing costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its financial statements.



3. Property, plant and equipments (PPE)

	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	(Rs. in Lakhs)
Gross carrying amount (at cost)														
As at April 1, 2017														
Additions	13,896	39,095	5,352	33,954	22	8,475	848	2,832	1,192	1,283	2,518	1,411	1,10,878	4,483
Disposals	-	4,031	826	6,018	8	989	257	309	428	429	485	491	14,271	3,147
As at March 31, 2018	13,896	34,064	4,526	27,936	14	7,486	591	2,523	764	854	2,033	920	96,607	4,129
Reclassification	-	-	6,178	31,462	30	8,773	987	2,987	1,490	1,623	2,946	1,583	1,14,762	3,591
Additions	497	558	-	1,555	-	1,064	(14)	441	(7)	218	-	6	3,821	-
Disposals	-	138	534	3,547	12	429	185	187	137	415	59	208	6,458	6,811
As at March 31, 2019	14,393	43,523	6,610	36,044	37	9,592	1,129	3,601	1,362	2,309	2,960	1,810	1,23,261	8,569
Accumulated depreciation														
As at April 1, 2017	-	1,077	860	6,366	18	1,976	450	898	111	399	734	907	14,096	-
Additions	-	781	435	3,448	3	993	144	488	218	416	385	412	7,723	-
Disposals	-	319	-	2,452	-	323	99	118	56	89	29	89	3,747	-
As at March 31, 2018	-	2,439	1,295	7,362	21	2,646	495	1,268	273	726	1,090	1,057	18,672	-
Reclassification	-	563	-	1,569	-	1,086	29	389	10	182	-	2	3,821	-
Additions	-	777	570	3,581	2	1,130	168	493	210	474	442	366	8,213	-
Disposals	-	-	95	246	5	654	35	11	92	44	36	74	1,792	-
As at March 31, 2019	-	3,779	1,770	12,266	18	4,208	648	2,139	401	1,338	1,496	1,351	29,414	-
Net carrying amount														
As at March 31, 2019	14,393	39,744	4,840	23,778	19	5,384	472	1,462	961	871	1,464	459	93,847	8,569
As at March 31, 2018	13,896	49,368	4,883	24,100	9	6,127	492	1,719	1,217	897	1,856	536	96,690	3,501

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

3.02 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 terms of 97 years each. The plot of land measures 1.23 acres, and the designated usage is for healthcare facility.

3.03 Land measuring 3.15 acres each Mohuli and Bhatinda have been provided by Punjab Government on long term lease of 50 years without consideration.

3.04 Land in Saket City Hospitals Private Limited is freehold and mortgaged to bank.

	March 31, 2019	March 31, 2018
Gross block		
Depreciation charge for the year	1,541	1,541
Accumulated depreciation	215	215
Net book value (PPE)	831	616
	710	925

3.06 PPE given as security
PPE are subject to charge to secure the group's secured long term borrowings as disclosed in note 13 and 18(i)

3.07 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 as the transaction upon business combinations as per IND AS 103.

3.08 Change in useful life of the tangible assets

During the year, the management has reassessed the useful life of (i) air conditioner and geysers from 10 years to 7 years, (ii) sofa, bed, recliners and wheel chairs from 10 years to 5 years and (iii) infusion/yrange pump from 13 years to 7 years. Consequently, written down value of these assets as at March 31, 2019 has been depreciated on balance useful life of these assets. Had the Group continued with its earlier life assessments, depreciation expense for the nine months ended March 31, 2019 would have been lower by Rs 223 lakhs.



4. Intangible assets

	Computer software	Non compete fee	Service agreement	Total	(Rs. in Lakhs) Intangible assets under development
Gross carrying amount (at cost)					
As at April 1, 2017	3,138	1,646	98,066	1,02,850	131
Additions	432	-	-	432	206
Disposals	151	-	-	151	8
As at March 31, 2018	3,419	1,646	98,066	1,03,131	329
Additions	813	-	-	813	236
Disposals	7	-	-	7	432
As at March 31, 2019	4,225	1,646	98,066	1,03,937	133
Accumulated amortization					
As at April 1, 2017	1,276	406	1,465	3,147	-
Additions	694	233	1,089	2,016	-
Disposals	121	-	-	121	-
As at March 31, 2018	1,849	639	2,554	5,042	-
Additions	727	235	1,089	2,051	-
Disposals	7	-	-	7	-
As at March 31, 2019	2,569	874	3,643	7,086	-
Net carrying amount					
As at March 31, 2019	1,656	772	94,423	96,851	133
At at March 31, 2018	1,570	1,007	95,512	98,089	329

- 4.1 Non compete fee 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 fee is amortized over a period of seven years.
- 4.2 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 lakhs has been recognised in the transaction upon business combination as per IND AS 103.
- 4.3 On July 10, 2015 the group acquired 77.95% of share capital of Crosslay Remedies Limited and accordingly non compete fee of Rs. 381 lakhs has been recognised in the transaction upon business combination as per IND AS 103.
- 4.4 Intangible assets under development includes computer software.
- 4.5 **Change in amortization period of the intangible assets**
The Company's management considering rapid changes in technology and susceptibility of computer software to technological obsolescence has reassessed the life of computer software from 6 years to 5 years. Consequently, written down value of these assets as on March 31, 2019 has been depreciated on balance useful life of these assets. Had the Group continued with its earlier life assessments, amortization expense for the nine months ended March 31, 2019 would have been lower by Rs.180 lakhs.



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	As at March 31, 2019	(Rs. in Lakhs) As at March 31, 2018 (Restated)
5. Investment in equity instrument (Fair value through OCI)		
Sandhya Hydro Power Projects Balargha Private Limited 507,795 (March 31, 2018 : Nil) equity shares of Rs.10/- each fully paid-up	51	-
	<u>51</u>	<u>-</u>
Non-Current		
Aggregate value of unquoted investments	<u>51</u>	<u>-</u>
Amount of impairment in value of investments	<u>51</u>	<u>-</u>
	-	-
6. Non-current financial assets		
i) Trade receivables (Unsecured considered good)		
Trade receivables - considered good	<u>13,677</u>	<u>15,298</u>
	<u>13,677</u>	<u>15,298</u>
Trade receivables are usually non interest bearing. No trade or receivables are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members.		
As at December 10, 2001, Max Medical Services Limited (merged with 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 lakhs. 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 lakhs. 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. 127 lakhs (March 31, 2018 : Rs. 145 lakhs), 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 Rs. 1013 lakhs (March 31, 2018 : Rs.1,027 lakhs) as interest income on fair valuation of this contract revenue under "Finance income".		
ii) Loans (Valued at amortized cost) (Unsecured considered good)		
Loans to other healthcare service providers	3,845	1,550
Security deposits	<u>19,913</u>	<u>20,501</u>
	<u>23,758</u>	<u>22,051</u>
iii) Other financial assets		
Bank deposit		
Margin money deposits #	<u>53</u>	<u>-</u>
	<u>53</u>	<u>-</u>
# Margin money deposits given as security 53 Lakhs (March 31, 2018: Rs Nil) to secure bank Guarantee issued / Letter of Credit Issued for EPCG Licenses / Govt Authorities		
7. Tax assets		
Non current		
Tax deducted at source recoverable	<u>12,581</u>	<u>9,809</u>
	<u>12,581</u>	<u>9,809</u>
Current		
Tax deducted at source recoverable	<u>103</u>	<u>424</u>
	<u>103</u>	<u>424</u>
8. Other Assets		
Non current (unsecured considered goods unless otherwise stated)		
Capital advances		
Others	3,482	3,916
Prepaid expense		
Balance with statutory authorities	9,103	9,431
Licence receivable	-	57
	<u>80</u>	<u>93</u>
	<u>12,665</u>	<u>13,497</u>
Current (unsecured considered goods unless otherwise stated)		
Other advances:-		
Unsecured - considered good	795	1,044
Unsecured - credit impaired	1,816	2,085
Less: Impairment allowance for other advances - credit impaired	(1,816)	(2,085)
Balance with statutory authorities	35	35
Prepaid expenses	1,081	1,359
Receivable under duty credit scheme	1	44
Licence receivable	15	11
	<u>1,927</u>	<u>2,493</u>



	As at March 31, 2019	(Rs. in Lakhs) As at March 31, 2018 (Restated)	
9. Inventories			
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	2,601	2,827	
	<u>2,601</u>	<u>2,827</u>	
10. Current financial assets			
i) Trade receivables (Unsecured considered good, unless otherwise stated)			
Trade receivables - considered good	36,261	25,784	
Trade receivables - credit impaired	3,356	4,310	
Trade receivables from related parties- considered good (refer note 29.7)	-	8	
Less : Impairment allowance for trade receivables - credit impaired	(3,356)	(4,310)	
	<u>36,261</u>	<u>25,792</u>	
Trade receivables are usually non interest bearing.			
No trade or receivables are due from directors or other officers of the group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members.			
ii) Cash and cash equivalents			
Balances with banks:			
On current accounts	483	472	
Cheques/ drafts on hand	144	355	
Cash on hand	133	86	
	<u>760</u>	<u>913</u>	
Changes in liabilities arising from financing activities			
Particulars	April 01, 2018	Cash Flow	(Rs. in Lakhs) March 31, 2019
Current borrowings	10,436	(3,068)	7,368
Non current borrowings	84,857	4,149	89,006
Current maturity of non current borrowings	2,658	1,133	3,791
Current maturity of finance lease obligation	101	9	110
Total liabilities from financial activities	98,052	2,223	1,00,275
Changes in liabilities arising from financing activities			
Particulars	April 01, 2017	Cash Flow	(Rs. in Lakhs) March 31, 2018
Current borrowings	8,705	1,731	10,436
Non current borrowings	77,187	7,670	84,857
Current maturity of non current borrowings	1,425	1,233	2,658
Current maturity of finance lease obligation	92	9	101
Total liabilities from financial activities	87,409	10,643	98,052
iii) Other bank balances			
Deposits:			
Escrow accounts	212	7,873	
Margin Money deposit #	46	201	
Fixed deposits under lien #	146	10	
	<u>404</u>	<u>8,084</u>	
# Margin money deposits given as security			
Rs.182 lakhs (March 31 2018: Rs. 201 lakhs) to secure bank Guarantee issued / Letter of Credit Issued for EPCG Licenses / Govt Authorities			
Rs. 5 Lakhs (March 31 2018: Rs.5 lakhs) is pledged with sale tax authorities.			
Rs. 5 Lakhs (March 31 2018: Rs.5 lakhs) to secure bank guarantee in favour of CGHS/DGHS/ESIC/NDMC			
iv) Loan (valued at amortized cost) (unsecured considered goods, unless otherwise stated)			
Loans to other healthcare service provider	985	1,256	
Loans to others	519	352	
Security deposits			
Security deposits - considered good	7	4	
Security deposits - credit impaired	-	10	
Less:- Impairment allowance for security deposits - credit impaired	-	(10)	
	<u>1,511</u>	<u>1,612</u>	
v) Derivative instruments at fair value through profit and loss			
Foreign exchange forward contracts	1	1	
	<u>1</u>	<u>1</u>	
vi) Other financial assets (Valued at amortized cost)			
Unbilled revenue	1,162	1,073	
	<u>1,162</u>	<u>1,073</u>	



11. Equity share capital

	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
a) Authorised		
960,000,000 (March 31, 2018: 960,000,000) equity shares of Rs. 10/- each	96,000	96,000
125,000,000 (March 31, 2018: 125,000,000) cumulative preference shares of Rs. 10/- each	12,500	12,500
	<u>1,08,500</u>	<u>1,08,500</u>
Issued, subscribed and fully paid-up		
537,244,328 (March 31, 2018: 537,244,328) equity shares of Rs. 10/- each	53,724	53,724
Total issued, subscribed and fully paid-up share capital	<u>53,724</u>	<u>53,724</u>

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

Equity shares	As at March 31, 2019		As at March 31, 2018 (Restated)	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the year	53,72,44,328	53,724	53,72,44,328	53,724
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>53,72,44,328</u>	<u>53,724</u>	<u>53,72,44,328</u>	<u>53,724</u>

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	As at March 31, 2019		As at March 31, 2018 (Restated)	
	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid				
Max India Limited	26,69,97,937	49.70%	26,69,97,937	49.70%
Life Healthcare International (Proprietary) Limited	26,69,97,937	49.70%	26,69,97,937	49.70%



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	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Capital reserve (refer note a below)	1	1
Capital reserve on merger with Max Medical Services Limited (refer note b below)	(660)	(660)
Securities premium (refer note c below)	1,07,678	1,07,678
Retained earnings (refer note d below)	(44,408)	(44,069)
	62,611	62,950
a) Capital reserves	1	1
b) Capital reserve on merger with Max Medical Services Limited	(660)	(660)
c) Securities premium		
At the beginning of the year	1,07,678	1,07,678
Add: premium on issue of equity shares	-	-
	1,07,678	1,07,678
d) Retained earnings		
At the beginning of the year (refer note 29.12(c))	(44,069)	(41,993)
Loss for the year	(301)	(2,078)
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(38)	2
	(44,408)	(44,069)

Nature of reserve

(i) Capital reserve

Capital reserve is recognised on business combination transactions with the company.

(ii) Securities premium

Securities premium reserve is recognized to record the premium on issue of shares. The reserve can be utilized only for limited purpose as per the provision of the Companies Act, 2013.

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13. Non current borrowings

	As at March 31, 2019	(Rs. in Lakhs) As at March 31, 2018 (Restated)
Term loan (secured)		
From bank		
From non banking financial company	82,768	78,177
	5,729	5,844
Finance lease obligation (secured)		
Long term maturities of finance lease obligation	143	251
Deferred payment liability (secured)	136	159
Vehicle loans (secured)	230	426
Current borrowings:-		
Term loan		
From bank		
From non-banking financial company	3,271	1,992
Deferred payment liability (secured)	162	297
Deferred payment liability (unsecured)	40	30
Current maturities of finance lease obligation (secured)	96	91
Vehicle loans (secured)	110	101
	222	248
Less: Amount clubbed under "other current financial liabilities"[refer note 18.(iii)]	92,907	87,616
	3,901	2,759
	89,006	84,857
Aggregate Secured Loan		
Aggregate Unsecured Loan	92,811	87,525
	96	91

13.1. Term loan from Banks

- (i) Rs. 25,794 Lakhs (March 31, 2018 : Rs. 23,475 Lakhs) 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 Company 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 Company, 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.
 - A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the Company 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 Lakhs in aggregate).
 - A first charge on the entire intangible assets of the Company, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.e) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
 - 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 7500 Lakhs.
 - Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 34000 Lakhs
- (ii) Rs. 2,972 Lakhs (March 31, 2018 : Rs. 2,968 Lakhs) from Indusind Bank Limited repayable in 159 monthly installments from June, 2019 is secured by way of :
- Charge on the entire current assets, both present and future, subject to the first prior charge of only Working Capital facility lenders to the extent of Rs. 7500 Lakhs. of the Borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Limited.



- b) 1st Pari Passu Charge on the moveable fixed asset (excluding vehicles specifically charged to lenders who have financed those assets) including medical equipment (except medical equipment specifically charged to lenders who have financed those assets), movable plant and machinery, spares etc. of the Borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Limited.
- c) 1st Pari Passu Charge on the intangible asset of the borrower but not limited to Goodwill and uncalled capital, intellectual property, both present and future of the Borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Limited.
- d) 1st Pari Passu charge by the way of mortgage on the entire immovable fixed assets of the borrower situated at Max Saket Hospital and Max Shalimar Bagh Hospital both present and future of the Borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Limited.
- (iii) Rs. 1501 Lakhs (March 31, 2018 : Rs. 1497 Lakhs) from HDFC Bank Limited of ALPS Hospital Ltd repayable in 20 structured quarterly installments.
- a) First charge by way of hypothecation in favour of lender, in a form satisfactory to the lender, of all the borrowers 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, pari passu with the working capital facility of Rs. 1900 Lakhs.
- b) First charge on company current account, operating cash flows, receivables, commission, revenue of what so ever nature, and wherever arising present and future, intangible and goodwill uncalled capital, present and future, pari passu with the working capital facility of Rs. 1900 Lakhs.
- (iv) Rs. 4,982 Lakhs (March 31, 2018 : Rs. 5,050 Lakhs) from IDFC Bank Limited of Hometrail Buildtech Private Limited repayable in 52 quarterly installments from June, 2018 is secured by way of:
- a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- b) 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.
- 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 rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right , title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- e) An irrevocable and unconditional Corporate Guarantee of the Guarantor.
- f) Security interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 1000 Lakhs.
- g) Security interest set out in sub clauses (a), (c) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 11900 Lakhs.
- (v) Rs. 5,685 Lakhs (March 31, 2018 : Rs. 5,764 Lakhs) from IDFC Bank Limited of Hometrail Buildtech Private Limited repayable in 52 quarterly installments from June, 2018 is secured by way of:
- a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- b) 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.
- 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 rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right , title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- e) An irrevocable and unconditional Corporate Guarantee of the Guarantor.
- f) 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 1000 Lakhs.
- g) Security interest set out in sub clauses (a), (c) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 9500 Lakhs.



- (vi) Rs. 13,649 Lakhs (March 31, 2018 : Rs. 13,455 Lakhs) from Axis bank of Crosslay Remedies Ltd repayable in 30 Structured quarterly installment from Dec 31, 2017.
- First charge on all the movable/ immovable fixed asset of the company property, both present and future, excluding vehicle specifically charged to other lenders, both present and future.
 - First charge on all the current assets of the Company both present and future.
 - Collaterally secured by way of corporate guarantee of Max Healthcare Institute Limited.
- (vii) Rs. 4,316 Lakhs (March 31, 2018 : Rs. NIL) from Axis bank of Crosslay Remedies Ltd repayable in 52 Structured quarterly installment from Feb, 2021.
- First charge on all the movable/ immovable fixed asset of the company property, both present and future, excluding vehicle specifically charged to other lenders, both present and future.
 - First charge on all the current assets of the Company both present and future.
 - Collaterally secured by way of corporate guarantee of Max Healthcare Institute Limited.
- (viii) Rs. 13,341 Lakhs (March 31, 2018 Rs. 13,553 Lakhs) from Axis Bank Limited of Saket City Hospitals Private Limited repayable in 52 quarterly installment from January, 2019. The Loan is secured by way of :-
- A First pari passu charge on all Borrower's movables and immovables (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, 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
 - Corporate guarantee by Max Healthcare Institute Limited (MHIL)
- (ix) Rs. 13,799 Lakhs (March 31, 2018 Rs. 14,407 Lakhs) from Yes Bank Limited of Saket City Hospitals Private Limited repayable in 48 quarterly installment from March, 2019 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 flow, receivables, commission, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
 - Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Ltd. to remain valid during entire tenor of facilities.
 - Assignment of all borrowers rights under the services agreement and any other such agreement for providing any other services to Saket City Hospital Pvt. Ltd. Letter of Credit, guarantee, or performance bond provide 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 borrowers pertaining to the Hospital project on first pari passu basis.
 - Pledge of 25.5% equity shares of the borrowers held by Max Healthcare Institute Ltd.

13.2 Term loan from non-banking financial company

- (i) Rs. 4,520 Lakhs (March 31, 2018 : Rs. 4,564 Lakhs) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018 is secured by way of :-
- A First Mortgage and Charge on entire immovable properties of the Company 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 Company , 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.
 - 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 Lakhs in aggregate).
 - A first charge on the entire intangible assets of the borrower, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right , title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.



- f) 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 7500 Lakhs.
- g) Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 34000 Lakhs.
- (ii) Rs. Nil (March 31, 2018: Rs.124 Lakhs) 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, 2018: Rs.33 Lakhs) from SREI Equipment Finance Private Limited of Hometrail Buildtech Private Limited repayable in 28 quarterly installments from November 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.
- (iv) Rs. Nil (March 31, 2018: Rs.36 Lakhs) from SREI Equipment Finance Private Limited of Hometrail Buildtech Private Limited repayable in 28 quarterly installments from November 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.
- (v) Rs. 1,371 Lakhs (March 31, 2018 : Rs. 1,384 Lakhs) from IDFC Infrastructure Finance Limited of Hometrail Buildtech Private Limited repayable in 52 structured quarterly installments from June 2018 is secured by way of :-
- a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- b) 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.
- 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 rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right , title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- e) an irrevocable and unconditional corporate guarantee of the guarantor.
- f) Security interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 1000 Lakhs.
- g) Security interest set out in sub clauses (a), (c) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 11900 Lakhs.
- 13.3 **Finance lease obligation:-**
Finance lease obligation of Max Healthcare Institute Limited and Hometrail Buildtech Private 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.
- 13.4 Deferred payment liabilities of Hometrail Buildtech Private Limited are the payments to be made to foreign vendors for acquisition of capital assets over 31 to 35 months.
- 13.5 Deferred payment liabilities of Max Healthcare Institute Limited are secured by hypothecation of medical equipment and repayable in 20 quarterly installments from June 2018.
- Vehicle loan :-**
- 13.6 Vehicle Loans of Rs. 452 Lakhs (March 31, 2018: Rs.674 Lakhs) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.
- 13.7 Term loans is chargeable to interest from 7.04% per annum to 10.75% per annum depending upon the purpose, tenure and lending institution.

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	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
14. Other financial liabilities		
Provision for deferred compensation (refer note 29.4)	69	153
	<u>69</u>	<u>153</u>
15. Provisions		
Non current		
Provision for restoration under public private partnership	281	236
Provision for gratuity (refer note 29.2)	1,452	1,328
	<u>1,733</u>	<u>1,564</u>
Current		
Provision for income tax(net of advance tax)	4	-
Provision for leave encashment	1,150	1,138
Provision for gratuity (refer note 29.2)	456	305
	<u>1,610</u>	<u>1,443</u>

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16. Income taxes

	(Rs in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
(a) Income tax expense in the statement of profit and loss comprises :		
Current income tax charge	632	452
Adjustment tax relating to earlier periods	(45)	81
Deferred tax		
Mat credit relating to earlier periods	538	(79)
Relating to origination and reversal of temporary differences	(274)	(230)
Income tax expense reported in the statement of profit and loss	851	224
(b) Other comprehensive income		
Re-measurement (gain) / losses on defined benefit plans	-	-
Income tax related to item recognised in OCI during the year	-	-
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :		
Accounting profit before tax	832	(2,649)
Applicable tax rate	34.94%	34.94%
Computed tax expense	291	(926)
Losses not considered for deferred tax	520	1,168
Expense not allowed for tax purpose	88	176
Additional allowance for tax purpose	(564)	(136)
Tax rate difference	(6)	(60)
Others	29	-
Adjustment of MAT credit relating to earlier year	68	(79)
MAT credit written off of previous year (refer note below)	470	-
Current tax relating to earlier year	(45)	81
Income tax reported in the statement of profit and loss	851	224
	(Rs in Lakhs)	
	Balance Sheet	
	As at March 31, 2019	As at March 31, 2018 (Restated)
(d) Deferred tax (assets)/liabilities comprises :		
Deferred tax liability :		
Accelerated depreciation for tax purpose	7,207	8,056
Expenses Allowable on Payment Basis	-	-
Others	2,291	2,025
Purchase price allocation adjustment	34,174	34,598
Deferred tax asset :		
Expenses allowable on payment basis	(1,580)	(1,598)
Allowance for doubtful debts and inventories	(1,095)	(1,397)
Others	(1,432)	(889)
MAT credit entitlement	(129)	(888)
Net deferred tax liabilities/(asset)	39,436	39,907
Deferred tax asset on carried forward loss	(6,071)	(7,027)
Net deferred tax liabilities/(Asset)	33,365	32,880
Reflected in balance sheet as follows :		
Deferred tax asset	(1,108)	(1,721)
Deferred tax liabilities	34,473	34,601
Net deferred tax liabilities/(Asset)	33,365	32,880
(e) Reconciliation of deferred tax (assets)/liabilities (net)		
Opening balance as per last balance sheet	32,880	33,034
(Charged)/credited during the year to profit and loss account	(274)	(230)
Gross deferred tax assets	32,606	32,804
MAT credit utilization	(289)	(155)
MAT credit written off	(470)	-
MAT credit entitlement	-	79
Closing balance	33,365	32,880

Due to carried forward losses of MHIL, MAT credit of Rs 470 lakhs of Max Medical Services Limited may not be utilized within available timeframe for utilizing such MAT credit as per Income Tax Act. Accordingly it has been decided to write off the MAT credit of Max Medical Services Limited of Rs.470 lakhs.

As at March 31, 2019, the Group has carry forward tax losses of Rs.10,959 lakhs with expiry in financial year 2020-21 Rs.2,734 lakhs, in 2021-22 Rs.1,942 lakhs, 2022-23 Rs.1,338 lakhs, 2023-24 Rs.3,142 lakhs, 2024-25 Rs.1,694 lakhs, 2025-26 Rs.109 lakhs, (March 31, 2018 : Rs.11,332 lakhs with expiry in financial year 2020-21 Rs.508 lakhs, 2021-22 Rs.3,205 lakhs, 2022-23 Rs.1,942 lakhs, 2023-24 Rs.1,338 lakhs, 2024-25 Rs.3,142 lakhs, 2025-26 Rs.1,694 lakhs) and unabsorbed depreciation of Rs.28,419 lakhs (March 31, 2018 : Rs. 26,804 lakhs) on which the Group has recognized deferred tax assets only to the extent of deferred tax liability amounting to Rs. 4,856 lakhs (March 31, 2018 : Rs.4,948 lakhs). No deferred tax asset has been created on the balance amount by the management due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be realized. Had the Group been able to recognize all unrecognized deferred tax assets, the net profit after tax would have been higher by Rs.7,888 lakhs (March 31, 2018 : Rs.7,367 lakhs).



	(Rs. in Lakhs)
As at March 31, 2019	As at March 31, 2018 (Restated)
17. Other non current liabilities	
Put call option liabilities *	58,585
Lease Equalisation Reserve	786
	<u>856</u>
	<u>59,371</u>

* Further, in terms of the shareholders agreement dated November 27, 2015 executed amongst Smart Health City Pte. Ltd., Saket City Hospitals Pvt. Ltd.(SCHPL) and Max Healthcare Institute Limited, Max Healthcare has received put option notice from Smart Health City Pte. Limited on March 28, 2019 for divestment of 49% stake consisting of 14281883 equity shares in SCHPL in favour of the Company and it is in the process of securing the funding line and will be meeting the put option obligation at the earliest possible and post acquisition of option shares, SCHPL will become wholly owned subsidiary of Max Healthcare Institute Limited.

* In terms of Shareholders' Agreement ("SHA") dated May 28, 2015 executed amongst Crosslay Remedies Limited ("CRL"), its remaining shareholders (as specified under the said SHA) and the Max Healthcare Institute Limited ("Company") and amended SHA dated July 10, 2015, the put option can be exercised by the remaining shareholders after the expiry of four years lock in period i.e July 9, 2019. As per the SHA, put option call price shall be floor price i.e. Rs. 35.10 or fair market value ("FMV"), whichever is higher.

FMV need to be determined in accordance with the SHA for a particular date (Put FMV determination date). In terms of the said SHA, the Company is required to pay the consideration for the put option shares to the relevant Shareholder Group and complete the transfer of the put option shares within (i) 30 (thirty) days from the date of put FMV determination date, or (ii) 10 (ten) days from the date of receipt of any applicable statutory approvals, whichever is later.

* The Group has accounted for the these put option liability as per the SHAs in the financial statements.

18. Current financial liabilities

(i) Current borrowings

Cash credit from banks (secured)	7,368	9,695
Short term loan from bank (secured)	-	741
	<u>7,368</u>	<u>10,436</u>

(i) Cash Credit facility of Rs. 594 Lakhs (March 31, 2018: Rs. 613 Lakhs) of Saket City Hospitals Private Limited against sanctioned limit of Rs.750 Lakhs from Yes Bank Limited is secured by way of:

- First Pari Passu charge over all movable fixed assets (both present & future) and immovable (if any acquired in future) of the Borrower.
- First pari passu charge over all current assets (both present & 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.
- Assignment of all borrower's rights under the service agreement and any other such agreement for providing any other services to Saket City Hospital, 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.
- Assignments 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.
- Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited (MHIL) to remain valid during entire tenor of facilities.

(ii) Cash credit facility of Rs. 278 Lakhs (March 31, 2018: Rs. 76 Lakhs) of Saket City Hospitals Private Limited against sanctioned limit of Rs.750 Lakhs from Axis Bank Limited is secured by way of:

- First pari passu charge on all borrower's movables and immovables (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, 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 "Gujarnal Modi Hospital and Research Centre for Medical Sciences" 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.



	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
d) Pledge (in compliance with BR Act) of 25.50% share capital (on a fully diluted basis) of the Borrower held by Max Healthcare Institute Limited and option to increase it to 51% subject to inclusion of new lenders; and		
e) Corporate guarantee by Max Healthcare Institute Limited (MHIL).		
(iii) Cash credit facilities Rs.441 lakhs (March 31, 2018 : Rs. 354 lakhs) against sanctioned limit of Rs.1,500 lakhs from Axis Bank Limited of Homtrail Buildtech Private Limited is secured by:		
a) First Charge by way of hypothecation of the company's entire current assets (present and future) to the extent allowed by existing term lenders and except escrow account with the Government of Punjab.		
b) Second charge on entire movable fixed assets (excluding Vehicles) as provided to first charge holders of the Company both present and future.		
(iv) Cash credit facility of Rs. 142 lakhs (March 31, 2018: Rs.425 lakhs) against sanctioned limit of Rs.1,000 Lakhs from Indusind Bank Limited of ALPS Hospital Ltd is repayable on demand and secured by way :-		
a) 1st pari passu charge on the entire current assets with HDFC Bank (Term loan facility of Rs. 1500 Lakhs).		
b) 1st Pari Passu charge on the entire movable fixed Assets (Except vehicles and assets charged exclusively to lenders) with HDFC (Term Loan facility of Rs. 1,500 lakhs).		
c) Letter of awareness from MHIL for short term loan from Indusind Bank Ltd of Rs. 1500 Lakhs repaid on 11th June 2018.		
(v) Short term loan from Indusind bank of Rs. Nil (March 31, 2018 : Rs.741 lakhs) of ALPS Hospital Ltd repayable by July 25, 2018. Short term loan from Indusind Bank is secured by way of :-		
a) 1st Pari Passu charge on the entire Current Assets with HDFC Bank (Term Loan Facility of Rs. 1,500 lakhs).		
b) 1st Pari Passu charge on the entire movable fixed Assets (Except vehicles and assets Charged exclusively to lenders) with HDFC Bank (Term Loan facility of Rs.1,500 lakhs).		
c) Letter of awareness from Max Healthcare Institute Limited for short term loan of Rs. 1,500 lakhs.		
(vi) Cash credit facility of :-		
a) Rs. 2,867 lakhs (March 31, 2018: Rs. 3,223 lakhs) against sanctioned limit of Rs.3,500 lakhs from Yes Bank Limited		
b) Rs. 903 lakhs (March 31, 2018: Rs.1,478 lakhs) against sanctioned limit of Rs.2,000 Lakhs from Indusind Bank Limited		
c) Rs. 1,356 lakhs (March 31, 2018: Rs. 1,880 lakhs) against sanctioned limit of Rs.2,000 Lakhs from ICICI Bank Limited		
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.		
(vii) Cash credit facility of Rs. 787 lakhs (March 31, 2018: Rs. 1,646 lakhs) of Crosslay Remedies Ltd against sanctioned limit of Rs. 2,000 lakhs from Axis Bank Limited		
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.		

(ii) Trade payables

Total outstanding dues of micro and small enterprises	95	-
Total outstanding dues other than of micro and small enterprises	27,644	26,002
Trade payables to related parties (refer note 29.7)	1,420	649
	29,159	26,651

Trade payables are usually non- interest bearing and all unsecured.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :

Principal	95	-
Interest	-	-

ii) The Amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each account year

	-	-
	-	-



	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
(iii) Other financial liabilities		
Current maturity of long term loans (refer note 13)	3,791	2,658
Current maturity of finance lease obligation (refer note 13)	110	101
Concessional fee payable	356	489
Security deposits	393	329
Provision for deferred compensation (refer note 29.4)	186	136
Capital creditors	2,778	3,042
Others	177	146
	7,791	6,901
19. Other current liabilities		
Put call option liabilities (refer note 17)	65,614	-
Other advances	85	72
Advance from patients	584	453
Statutory dues	1,792	1,853
	68,075	2,378



	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
20. Revenue from operations		
Revenue from contracts with customers	1,67,144	1,71,163
Other operating revenue	1,958	1,750
	<u>1,69,102</u>	<u>1,72,913</u>
20.1 Disaggregated revenue information		
The table below presents disaggregated revenues from contracts with customers by type of goods or service provided, geography, and the timing of transfer of goods and services.		
Revenues by type of goods or service		
Revenue from healthcare services (net)	1,58,861	1,53,671
Sale of pharmacy and pharmaceutical supplies	8,173	14,908
Income from Construction Service	110	2,584
	<u>1,67,144</u>	<u>1,71,163</u>
Revenues by geography		
India	1,67,144	1,71,163
Outside India	-	-
Total	<u>1,67,144</u>	<u>1,71,163</u>
Revenues by timing of revenue recognition		
Goods transferred at a point in time	8,173	14,908
Services transferred over time	1,58,971	1,56,255
	<u>1,67,144</u>	<u>1,71,163</u>
20.2 Contract balances		
Trade receivables	49,938	41,090
Contract assets (Unbilled revenue)	1,162	1,073
Contract liabilities (Advance from patients)	584	453
20.3 Reconciling of revenue recognized in the statement of profit and loss with contracted price		
Revenue as per contracted price	1,77,602	1,79,650
Allowance for deduction	(2,022)	(1,646)
Discount	(8,436)	(6,841)
Revenue from contract with customers	<u>1,67,144</u>	<u>1,71,163</u>
20.4 Performance obligation		
The performance obligation of the Group is to provide healthcare services to customers and accordingly recognized revenue over the period of the contract based on service rendered.		
The performance obligation of the Group is to recognized revenue from sale of pharmacy and pharmaceutical items at the point of time when control of the goods is transferred to the customers.		
The performance obligation of the Group is to provide construction services to customers and accordingly recognized revenue over the period of the contract based on service rendered.		
20.5 Other operating revenue		
Hospital advisory services	-	4
Sponsorship and educational income	980	857
Income from ancillary activities	631	559
Income from service exports from India scheme	347	330
	<u>1,958</u>	<u>1,750</u>
21. Other income		
Income from deferred credit	127	145
Unclaimed balances & excess provisions written back	202	406
Deferred income under EPCG	285	115
Other non-operating income	242	190
	<u>856</u>	<u>856</u>
22. Finance income		
Interest Income on		
Bank deposits	72	226
Security deposits	76	74
Interest income on fair valuation of contract revenue	1,013	1,027
Loans to other healthcare service providers	3,374	2,880
Income tax refund	314	315
Others	-	27
	<u>4,849</u>	<u>4,549</u>



	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
23. Employee benefits expense		
Salaries, wages and bonus	40,398	38,241
Contribution to provident and other funds	1,666	1,641
Gratuity expense (refer note 29.2)	450	410
Staff welfare expenses	1,541	1,999
	<u>44,055</u>	<u>42,291</u>
24. Finance costs		
Interest on debts and borrowings	9,618	9,136
Bank charges	509	801
	<u>10,127</u>	<u>9,937</u>
25. Depreciation and amortization expense		
Depreciation of property, plant and equipment (refer note 3)	8,213	7,429
Amortization of intangible assets (refer note 4)	2,051	2,013
	<u>10,264</u>	<u>9,442</u>
26. Other expense		
Professional and consultancy fee	38,694	37,323
Outside lab investigation	1,262	1,279
Concessional Fee	1,355	1,454
Patient catering expenses	1,452	1,646
Rent	3,829	4,128
Insurance	996	826
Rates and taxes	392	681
Facility maintenance expenses	3,111	3,021
Power and fuel	4,606	4,136
Repairs and maintenance:		
Building	365	511
Plant and equipments	2,514	2,242
Others	809	880
Printing and stationery	665	666
Travelling and conveyance	1,239	1,441
Communication	475	519
Legal and professional	5,403	6,011
IT support expense	1,361	1,451
Watch and ward	888	903
Directors' sitting fee	60	64
Advertisement and publicity	2,171	3,195
Software expenses	-	4
Recruitment expenses	179	191
Equipment hiring charges	233	330
Provision for doubtful debts	(954)	(47)
Provision for doubtful advances	(13)	10
Bad debts written off	1,359	724
Debit balances written off	392	687
Net loss on sale/disposal of property, plant and equipment	-	6
Foreign exchange fluctuation loss	88	15
Corporate social responsibility contribution (refer note 29.8)	64	141
Expenses for Medical treatment of weaker section	20	55
Miscellaneous expenses	60	65
	<u>300</u>	<u>487</u>
Payment to auditor (included in legal and professional fee) (including taxes)	<u>72,983</u>	<u>74,358</u>
As auditor:		
Audit fee	90	95
Other services	51	1
Reimbursement of expenses	5	8
	<u>146</u>	<u>104</u>



27 Discontinued Operations

In view of the emerging scenario and other commercial consideration, the management of the group think appropriate to focus on the healthcare facilities business going forward and invest the resources of the group in the direction. In the opinion of the board of the group, the equipment leasing business of the group shall require a lot of capital to grow the business and in view of potential profitability it will be in the best interest of the group to exit the equipment leasing business and invest and focus on healthcare facilities business. The Group has thus decided to discontinue operations of the business of equipment leasing division.

During previous year, pursuant to the approval of the shareholders and other authorities as required Max Healthcare Institute Limited has entered into a business transfer agreement (BTA) dated June 30, 2017 with "Devki Devi Foundation" to sell its leasing division business by way of slump sale on going concern basis at an agreed consideration of Rs. 4,509 lakhs. At June 30, 2017, the Group has classified the lease division business as a discontinued operation. Lease division which is transferred to Devki Devi Foundation relates to Max Medical Services Limited which got merged in the Max Healthcare Institute Limited vide court order dated October 4, 2017 with effect from 1st October, 2016.

During previous year, pursuant to the approval of the Shareholders and other authorities as required Saket City Hospitals Private Limited has entered into a business transfer agreement (BTA) dated June 30, 2017 with "Gujaral Modi hospital & Research Centre for Medical Sciences" to sell its leasing division business by way of slump sale on going concern basis at an agreed consideration of Rs. 3,700 lakhs. At June 30, 2017, the Group has classified the lease division business as a discontinued operation.

The result of the lease division for the year are presented below:-

	(Rs. in Lakhs)
For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Revenue from operations	
Other operating income	
- Income from leasing activities	764
Other income	764
Other non-operating income	
- Gain on disposal of assets attributable to the discontinuing operations	528
Finance Income	
Interest Income on	
Loans to other healthcare service providers	140
Total income	1,432
Expenses	
Employee benefits expense	
Salaries, wages and bonus	1
Depreciation and amortization expense	
Depreciation of property, plant and equipment	294
Amortization of intangible assets	3
Other expense	
Legal and professional	5
Total expenses	303
Profit before tax from a discontinued operation	1,129
Tax income/(expenses) of discontinued operations	
Profit after tax from discontinued operation	1,129

The net cash flows attributable to discontinuing operations:

	(Rs. in Lakhs)
For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Operating activities	
Investing activities	1,286
Financing activities	132
Net cash outflow	1,418

The following statement shows the carrying amounts of the assets disposed off and the liabilities settled as on

	(Rs. in Lakhs)
As at March 31, 2018 (Restated)	
Assets	
Non current assets	
Property plant and equipment	6,359
Financial assets	
Loans	810
Trade receivable	1,126
Total assets (a)	8,295
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	613
Current liabilities	
Other current liabilities	1
Total liabilities (b)	614
Net assets directly associated with lease division disposed of (a-b)	7,681
Consideration paid	8,209
Gain on disposal	528



28. Contingent liabilities, commitments and litigations

A. Commitments and contingencies

S. No.	Particulars	(Rs. in Lakhs)	
		As at March 31, 2019	As at March 31, 2018 (Restated)
a	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by other healthcare service providers. (refer note a below)	22,884	24,023
b	Claims against the Group not acknowledged as debts		
	- Civil Cases (refer note b below)	10,898	12,969
	- VAT cases	39	374
	- Income Tax cases (refer note c below)	25	25
c	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.	1,125	685

Note:

a. Guarantees given by the Group to the lenders on behalf of 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 Group has taken Professional Indemnity Insurance Policy for claims pending against the Group to secure the Group from any financial implication in case of claims settled against the Group.

c. Income tax cases

Assessment year	Disallowances deleted by ITAT for which department has filed an appeal before High Court	Pending before ITAT		Disallowances pending before CIT(A)	Disallowances pending - as at March 31, 2019	Disallowances pending - as at March 31, 2018	(Rs. in Lakhs) Demand (if any)	
		Disallowances deleted by CIT(A) for which department has filed an appeal before ITAT	Disallowances confirmed by CIT(A) for which Group has filed an appeal before ITAT				As at March 31, 2019	As at March 31, 2018
2003-04	-	888	213	-	1,101	1,154	-	-
2004-05	-	641	-	-	641	641	-	-
2005-06	-	598	-	-	598	598	-	-
2006-07	-	462	-	-	462	462	-	-
2007-08	-	907	-	-	907	907	-	-
2008-09	-	239	-	-	239	239	-	-
2009-10	-	201	-	-	201	201	-	-
2010-11	240	171	-	-	411	411	-	-
2011-12	370	627	-	-	997	997	-	-
2012-13	-	935	711	-	1,646	1,646	-	-
2013-14	-	965	-	-	965	982	-	-
2014-15	-	708	-	-	708	708	-	-
2015-16	-	737	-	800	1,537	1,573	25	25
2016-17	-	-	-	13	13	-	-	-
	610	8,079	924	813	10,426	10,519	25	25

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 Group financial position and results of operations.

d "Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi had, on December 8, 2017, issued an order under Section 7 of the Delhi Nursing Home Registration Act, 1953 for cancelling the registration of Max Super Speciality Hospital, Shalimar Bagh ("Hospital") with immediate effect and further directed to refrain from admitting any IPD Patients in the Hospital. Against this cancellation order, the Group had filed an appeal bearing no. 335/2017 before the Hon'ble Financial Commissioner, Govt. Of Delhi ("Appellate Authority") on December 13, 2017. On December 19, 2017, the Appellate Authority stayed the operation of the said cancellation Order, which is in force as on the date of this March 31, 2019 financial statement/auditor report May 8, 2019. Accordingly, Max Super Speciality Hospital, Shalimar Bagh has resumed its operations on December 20, 2017 and the stay has been extended upto the NDOH viz. July 26, 2019. The parents of the deceased child have moved an application for impleadment. The Appeal and the application are pending before Hon'ble Finance Commissioner and are fixed for arguments on July 26, 2019.

The Group is of the view that the said cancellation order was passed by DGHS in contravention of the provisions of Section 8 of Delhi Nursing Home Registration Act and violates the principles of natural justice and due process prescribed under the Act. The Group is confident that the Appellate Authority(ies) will set aside the Cancellation Order dated 8 December, 2017 and uphold its view in the matter".

e. Provident Fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on provident fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group is evaluating and seeking legal inputs regarding various interpretative issues and its impact.



B. Capital commitment

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

	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Estimated amount of contracts remaining to be executed on capital account	8,148	12,777
Less: Capital advances	3,482	3,916
Balance value of contracts	4,666	8,861

C. Lease commitments

(i) Finance lease: Group 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 Group at the guaranteed residual value.

(b) Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

Particulars	(Rs. in Lakhs)			
	As at March 31, 2019		As at March 31, 2018 (Restated)	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	126	110	126	101
After one year but not more than five years	151	143	277	251
More than five years	-	-	-	-
Total minimum lease payments	277	253	403	352

(ii) Operating lease: Group 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) The Group had entered into a leases for office space, accommodation for its employees and medical equipment's under operating lease agreement. Lease rentals recognized in the statement of profit and loss for the year is Rs. 3,829 lakhs (March 31, 2018 is Rs. 4,182 lakhs).

(c) Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Not later than one year	3,282	2,385
Later than one year and not later than five year	11,746	7,013
Later than five year	17,823	15,350
Total	32,851	24,748

(iii) Operating lease commitments - Group 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 Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Lease rent received	-	218



29. Other notes to accounts

29.1 Capitalization of expenditure

During the year, the 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 Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Opening		
Add;	164	172
Salaries, wages and bonus		
Rent	67	53
Power and fuel	79	8
Interest	60	34
Miscellaneous expenses	288	136
Total	20	-
Less: Capitalized during the year	678	403
Preoperative expenses pending capitalization	20	239
	658	164

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29.2 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, 2019	(Rs. in Lakhs) Year ended March 31, 2018 (Restated)
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	1,743	1,455
Interest expense	124	100
Current service cost	335	315
Benefit paid	(208)	(122)
Acquisition adjustment (Employees transferred from holding company)	-	-
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	(34)	24
Actuarial changes arising from changes in financial assumptions	48	(58)
Actuarial changes arising from changes in experience adjustments	20	29
Defined benefit obligation at year end	2,028	1,743
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	111	105
Expected return on plan assets	9	5
Fair value of plan assets at year end	120	110
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	(2,028)	(1,743)
Fair value of plan assets	120	110
Amount recognized in balance sheet- asset / (liability)	(1,908)	(1,633)
d) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	335	315
Interest cost on benefit obligation	124	100
Expected return on plan assets	(9)	(5)
Net defined benefit expense debited to statement of profit and loss	450	410
e) Other comprehensive income		
Change in demographic assumptions	(34)	24
Change in financial assumptions	48	(58)
Experience variance	20	29
Net other comprehensive income	34	(5)
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, 2019	As At March 31, 2018
Discount rate	6.75%	7.12%
Salary escalation rate	8.00%	8.00%
Mortality rate	100.00%	100.00%
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		
<u>Discount rate</u>		
Increase by 1.00%	(93)	(93)
Decrease by 1.00%	103	103
<u>Salary growth rate</u>		
Increase by 1.00%	100	102
Decrease by 1.00%	(93)	(93)
<u>Attrition rate</u>		
Increase by 50%	(102)	(83)
Decrease by 50%	174	134



		(Rs. in Lakhs)
	Year ended	Year ended
	March 31, 2019	March 31, 2018
i) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	456	326
Between 2 and 5 years	1,138	913
Between 5 and 10 years	721	692
More than 10 years	682	915
Total expected payments	2,997	2,846
j) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 Years (March 31, 2018 : 6 years)		
k) The plan assets are maintained with LIC of India		
l) The Group expects to contribute Rs. 1,706 lakhs (March 31, 2018 : Rs. 1,474 lakhs) to the plan 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.		

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29.3. Provident fund

The Group 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, 2019 as per the actuarial valuation of active members are as follows:

	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Plan assets at year end at fair value		(Restated)
Present value of defined benefit obligation at year end	10,372	8,628
Surplus as per actuarial certificate	10,134	8,509
Shortfall recognised in balance sheet	218	119
	-	-
Active members as at year end (Nos)	3,732	3,791

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

	(Rs. in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	6.76%	7.18%
Withdrawal rate	5.00%	5.00%
Yield on existing funds	8.65%	8.94%
Expected guaranteed interest rate	8.55%	8.55%

Contribution to defined benefit plan, recognized as expense for the year is as under:

	(Rs. in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution towards provident fund (PF)	533	510
	533	510

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29.4 Employee phantom stock plan 2017

Employee Phantom Stock Plan, 2017 (the Scheme) are cash settled rights where the employees are entitled to get cash compensation based on the Group's fair value, provided certain conditions as laid out in the Scheme are met. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss as detail given below :-

Particulars	(Rs in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Opening balance		-
Add: Expenses during the year	289	-
Less : Payment during the year	191	289
Less : Lapsed/forfeited during the year	(199)	-
Closing balance	(26)	-
	255	289

During the FY 2018-19, the Group has granted Phantom Stock Options to certain employees, the details of the grant/issue as at March 31, 2019 are given below:-

Particulars	March 31, 2019	March 31, 2018(Restated)
Outstanding as at April 1, 2018	40,82,490	Nil
Granted during the year	18,51,808	40,82,490
Date of grant	October 1, 2018	August 1, 2017
Grant price per unit	INR 80 per unit	Rs.54.40 per unit : 19,57,984 Options Rs.64.60 per unit for 5,93,000 options Rs.84 per unit for 15,31,506 options"
Total Number of PSPs vested during the year	12,92,887	Nil
Total Number of PSPs exercised during the year	10,58,626	Nil
Lapsed/ forfeited/ surrendered during the year	7,84,608	Nil
Outstanding as at 31st March, 2019	40,91,064	40,82,490
Exercisable as at 31st March, 2019	40,91,064	40,82,490
Vesting period	30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months.	30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months.
Exercise period	Within 12 months of the vesting period, unless extension approved by the NRC*	Within 12 months of the vesting period, unless extension approved by the NRC*
Exercise price	The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the scheme and subject to	The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the scheme and subject to applicable laws,
Settlement of phantom stock options	Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant	Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant exercise notice.

*NRC vide its meeting held on May 8, 2018 extended the exercise period of first two tranches of Phantom Stock Options, granted on May 23, 2017 by 12 month each for all option holders.



29.5. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group'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, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
1) Financial assets at amortized cost				
Loans (current / non current)	25,269	23,663	25,269	23,663
Trade receivables (current / non current)	49,938	41,090	49,938	41,090
Other financial assets (current/non current)	1,215	1,073	1,215	1,073
Cash and cash equivalents	760	913	760	913
Other bank balances (current / non current)	404	8,084	404	8,084
Derivative instruments	1	1	1	1
2) Financial Liabilities at amortized cost				
Trade payables	29,159	26,651	29,159	26,651
Borrowings (current / non current)	96,374	95,293	96,374	95,293
Other financial liabilities (current / non current)	7,860	7,054	7,860	7,054
3) Financial assets carried at fair value through OCI				
Investment	51	-	51	-

The Group assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances, 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 Group 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 Group'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, 2019 was assessed to be insignificant.

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B. Fair value hierarchy

The Group 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, 2019

Particulars	Carrying Value March 31, 2019	(Rs. in lakhs)		
		Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	25,269	-	-	25,269
Trade receivables (current / non current)	49,938	-	-	49,938
Other financial assets (current/non current)	1,215	-	-	1,215
Cash and cash equivalents	760	-	-	760
Other bank balances (current / non current)	404	-	-	404
Derivative instruments	1	1	-	-
Assets carried at fair value through OCI				
Investment	51	51	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	29,159	-	-	29,159
Borrowings (current / non current)	96,374	-	-	96,374
Other financial liabilities (current / non current)	7,860	-	-	7,860

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2018

Particulars	Carrying Value March 31, 2018 (Restated)	(Rs. in lakhs)		
		Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	23,663	-	-	23,663
Trade receivables (current / non current)	41,090	-	-	41,090
Other financial assets (current/non current)	1,073	-	-	1,073
Cash and cash equivalents	913	-	-	913
Other bank balances (current / non current)	8,084	-	-	8,084
Derivative instruments	1	1	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	26,651	-	-	26,651
Borrowings (current / non current)	95,293	-	-	95,293
Other financial liabilities (current / non current)	7,054	-	-	7,054

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities are approximate their carrying amounts largely due to the short-term maturities of these instruments.

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29.6 Financial risk management objectives and policies

The group 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 13 and 18, 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 debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalised EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items, 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 2017-18 and FY 2018-19 stood at 0.84 & 0.96. Similarly, the Net Debt to EBITDA ratio of The Group stood at 4.85 for FY 2017-18 and 4.34 for FY 2018-19.

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 Debt for computation of Debt Equity Ratio.

b) 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 maturity profile of Group's financial liabilities at the end of March 31, 2018 and March 31, 2019 based on contractual undiscounted payments:-

(Rs. in Lakhs)				
March 31, 2018 (Restated)	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer Note I below)	13,301	21,663	64,036	99,000
Trade payable	26,651	-	-	26,651
Other financial liabilities (refer Note II below)	4,295	-	-	4,295
% to Total	34%	17%	49%	100%
March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer Note I below)	11,376	27,652	62,084	1,01,112
Trade payable	29,159	-	-	29,159
Other financial liabilities (refer Note II below)	3,959	-	-	3,959
% to Total	33%	21%	46%	100%

Notes :

I) Interest bearing borrowings

(Rs. in Lakhs)				
March 31, 2018 (Restated)	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer note 13 & 18(i))	10,436	21,192	63,665	95,293
Add: Loan processing fee amortisation impact	106	471	371	948
Add: Current maturity of borrowings	2,759	-	-	2,759
Total of interest bearing borrowings	13,301	21,663	64,036	99,000
March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer note 13 & 18(i))	7,368	27,266	61,740	96,374
Add: Loan processing fee amortisation impact	107	386	344	837
Add: Current maturity of borrowings	3,901	-	-	3,901
Total of interest bearing borrowings	11,376	27,652	62,084	1,01,112

II) Other financial liabilities

(Rs. in Lakhs)				
March 31, 2018 (Restated)	0-1 Years	1-5 Years	More than 5 Years	Total
Other financial liabilities (refer note 14 & 18(iii))	7,054	-	-	7,054
Less: Current maturity of borrowings	2,759	-	-	2,759
Other financial liabilities	4,295	-	-	4,295
March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Other financial liabilities (refer note 14 & 18 (iii))	7,860	-	-	7,860
Less: Current maturity of borrowings	3,901	-	-	3,901
Other financial liabilities	3,959	-	-	3,959

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 Group 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 Group'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 Group 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 Group'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 Group has a written contract. Further the Group 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 Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Neither past due or impaired	27,937	29,647
0 to 180 days due past due date	14,145	9,415
More than 180 days due past due date	7,856	2,028
Total trade receivables	49,938	41,090

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
At the beginning of the year	4,310	4,357
Provision during the year	30	140
Bad debts written off	(408)	266
Reversal of provision	(626)	(453)
At the end of the year	3,356	4,310

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group'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 Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019, March 31, 2018 is the carrying amounts as illustrated in note 29.5 (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 2019. 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, 2019.

(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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group'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 Group 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 Group profit before tax is due to changes in the fair value of monetary assets and liabilities.

Unhedged foreign currency exposures recognized by the Group are as under:

Currency	(Rs. in Lakhs)		Increase/decrease in rate	Impact on profit before tax
	March 31, 2019 Foreign currency	March 31, 2019 Indian Rupees		
Payables in Euro	0.02	2	1%	0.02
Payables in USD	3.40	258	1%	2.58

Currency	(Rs. in Lakhs)		Increase/decrease in rate	Impact on profit before tax
	March 31, 2018 (Restated) Foreign currency	March 31, 2018 (Restated) Indian Rupees		
Payables in Euro	0.27	22.27	1%	0.22
Payables in USD	9.22	584.50	1%	5.80

The Group 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:

Particulars	(Rs. in Lakhs)	
	March 31, 2019	March 31, 2018 (Restated)
Payables in USD	406	1,470

(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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group'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	(Rs. in Lakhs)	
	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2019	0.50%	443
March 31, 2018	0.50%	416



29.7 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 relationships

(i) Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture (with whom transactions have taken place during the year)

Max India Limited
Life Healthcare International (Pty) Limited

(ii) Enterprises in which directors are interested (with whom transactions have taken place during the year)

Core Diagnostics Private Limited
Medcube Healthcare India Private Limited

(iii) Key management personnel (with whom transactions have taken place during the year)

Mr. Rajat Mehta, Managing Director & Chief Executive Officer (As per Companies Act, 2013)
Mr. Yogesh Kumar Saron, Senior Director and Chief financial officer (till August 7, 2018) (As per Companies Act, 2013)
Mr. Ruchi Mahajan, Company secretary (As per Companies Act, 2013)

(iv) Directors (with whom transactions have taken place during the year)

1. Mr. Rahul Khosla
2. Mr. Mohit Talwar
3. Mr. Tara Singh Vachani
4. Dr. Ajit Singh
5. Dr. Pradeep Kumar Chowbey, Executive Vice Chairman
6. Mr. Rajat Mehta, Managing Director & Chief Executive Officer
7. Mr. Yogesh Kumar Saron, Senior Director and Chief financial officer (from August 8, 2018)
8. Mr. Ruchi Kapoor, Senior Director and Chief growth officer (from August 8, 2018 to December 5, 2018)

(v) Relative of directors/Key Managerial Personnel (with whom transactions have taken place during the year)

1. Ms. Archana Bhalla sister of Mr. Pradeep K. Chowbey
2. Ms. Neela Singh mother of Mr. Tara Singh Vachani
3. Mr. Pooja Singh sister of Mr. Tara Singh Vachani
4. Mr. Sanil Vachani husband of Mr. Tara Singh Vachani
5. Ms. Sushmita Mehta mother of Mr. Rajat Mehta
6. Ms. Sreya Rani Khosla mother of Mr. Rahul Khosla
7. Mr. Veer Singh brother of Mr. Tara Singh Vachani

(B) Transactions with related parties during the year

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Healthcare services rendered		
Core Diagnostics Private Limited	0.1	14
Director KMP & their relative	8	8
Max India Limited	0.2	-
Services received		
Max India Limited	804	591
Core Diagnostics Private Limited	69	55
Medcube Healthcare India Private Limited	82	145
Dr. Ajit Singh	45	50
Sale of property, plant and equipment		
Ruchi Mahajan	-	1
Key Management personnel remuneration *		
Mr. Rajat Mehta (Key management personnel)	512	595
Mr. Yogesh Kumar Saron (Key management personnel)	304	420
Ruchi Mahajan (Key management personnel)	56	52
Director's remuneration *		
Dr. Pradeep Chowbey (Executive Vice Chairman)	104	136
Ruchi Kapoor (Director)	189	-
Cost to cost reimbursement of expenses		
Life Healthcare International (Pty) Limited	-	14
Remuneration to director's relative *		
Ms. Pooja Singh	9	4

(C) Balances at the year end

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Trade payable		
Max India Limited	1,404	672
Life Healthcare International (Pty) Limited	-	14
Core Diagnostics Private Limited	14	2
Medcube Healthcare India Private Limited	2	1
Trade receivables		
Core Diagnostics Private Limited	-	8

* The remuneration to key management personnel, Director's remuneration and remuneration to director's relative does not includes the provision made for gratuity and leave benefits, as they are determined as an actuarial basis for the Group as a whole.

Terms and conditions of transactions with related parties:-

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) The income/expenses from sales to and purchases from related parties are made on arm's length basis. Outstanding balances at the year end are unsecured and interest free.

29.8 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. 20 Lakhs (March 31, 2018) Rs. 55 Lakhs toward this cause and debited the same to the statement of profit and loss.

Details of CSR expenditure	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
(a) Gross amount required to be spent by the Group during the year	26	59
(b) Amount spent during the year	20	55
	Paid in cash	Yet to be paid in cash
	March 31, 2019	March 31, 2018 (Restated)
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	20	55
	20	55



29.9 Earnings per share (EPS)		(Rs. in Lakhs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
(A)	Earning per share from continuing operations		
a)	Basic earnings per share		
	Numerator for earnings per share		
	Loss after taxation	(301)	(3,016)
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year	53,72,44,328	53,72,44,328
	Earnings per share-Basic (one equity share of Re. 10/- each)	(0.06)	(0.56)
b)	Diluted earnings per share		
	Numerator for earnings per share		
	Loss after taxation	(301)	(3,016)
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year	53,72,44,328	53,79,55,084
	Earnings per share- Diluted (one equity share of Re. 10/- each)	(0.06)	(0.56)
(B)	Earning per share from discontinued operations		
a)	Basic earnings per share		
	Numerator for earnings per share		
	Profit after taxation	-	938
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year	53,72,44,328	53,72,44,328
	Earnings per share-Basic (one equity share of Re. 10/- each)	-	0.17
b)	Diluted earnings per share		
	Numerator for earnings per share		
	Profit after taxation	-	938
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year	53,72,44,328	53,79,55,084
	Earnings per share- Diluted (one equity share of Re. 10/- each)	-	0.17
(C)	Earning per share from continuing and discontinued operations		
a)	Basic earnings per share		
	Numerator for earnings per share		
	Loss after taxation	(301)	(2,078)
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year	53,72,44,328	53,72,44,328
	Earnings per share-Basic (one equity share of Re. 10/- each)	(0.06)	(0.39)
b)	Diluted earnings per share		
	Numerator for earnings per share		
	Loss after taxation	(301)	(2,078)
	Denominator for earnings per share		
	Weighted average number of equity shares outstanding during the year	53,72,44,328	53,79,55,084
	Earnings per share- Diluted (one equity share of Re. 10/- each) *	(0.06)	(0.39)

* The conversion effect of potential equity shares is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

29.10 Deal with Vikuj Healthcare Private Limited

During the FY 2017-18, ALPS Hospital Limited ("ALPS") entered into an agreement with Vikuj Healthcare Private Limited ("VHPL") to acquire its 100% equity share capital. ALPS purchased 26% stake in VHPL for Rs.26,000 and for remaining 74% stake, ALPS deposited Rs.7,289 lakhs in an escrow account. Further, the ALPS also had loan outstanding of Rs.474 lakhs (including interest accrued of Rs.149 lakhs) to Varun Chopra, director of VHPL and an advance of Rs.500 lakhs to Vikrant Foundation in previous years.

During the current period, the agreement with VHPL was terminated and the entire deposit money lying in escrow account amounting to Rs.7,289 lakhs was refunded to ALPS and the balance amount is considered secured and good for recovery as ALPS is in the possession of title deed of a property owned by promoters of VHPL as security.



- 29.11 The Board of Directors of Max Healthcare Institute Limited in their meeting held on December 24, 2018, approved a Composite Scheme of Amalgamation & Arrangement (hereafter referred to as "the Scheme") amongst Max India Limited ("Max India"), Max Healthcare Institute Limited ("MHIL"), Radiant Life Care Private Limited ("Radiant Life") and a wholly owned subsidiary of Max India incorporated for this purpose viz. Advaita Allied Health Services Limited ("Advaita") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- The Scheme inter-alia provides for following arrangement between Max India, MHIL, Advaita and Radiant Life:
- Demerger of the activity of making, holding and nurturing investments in allied health and associated activities (collectively known as "Demerged Undertaking") from Max India into Advaita.
 - Demerger of healthcare business of Radiant Life into MHIL.
 - Amalgamation of residual Max India (post demerger of the Demerged Undertaking), which comprises of healthcare activities (including its underlying investment in MHIL) with MHIL.
- The scheme was filed with both Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited on March 1, 2019 for in-principal approval and is subject to applicable regulatory approvals and compliance.

29.12 Restatement of financial statements for the year ended March 31, 2018 and as at March 31, 2018 and April 01, 2017 on account of scheme of merger between Hometrail Buildtech Private Limited [HBPL] and Hometrail Estate Private Limited [HEPL]

- The Board of Directors of the Hometrail Buildtech Private Limited had, at their meeting held on January 30, 2017, approved the amalgamation of Hometrail Estate Private Limited (a fellow subsidiary of Max Healthcare Institute Limited) ["HEPL"] into the Hometrail Buildtech Private Limited (HBPL).
- The National Company Law Tribunal ("NCLT") vide its order dated September 25, 2018 approved the scheme of amalgamation of Hometrail Estate Private Limited with the HBPL effective from October 01, 2018. Under the scheme of merger, HBPL have to issue 266 fully paid up equity shares of Rs. 10/- at a premium of Rs 32.62 each for every 100 equity shares of Hometrail Estate Private Limited held by Max Healthcare Institute Limited (MHIL) to effect the amalgamation. The Board of Directors of both the companies made the merger operative on October 01, 2018, whereafter HEPL ceased to exist.
- Accounting treatment**

The Group has followed the accounting treatment prescribed in the said approved scheme of amalgamation, as follows:

 - HBPL will issue 3,44,40,706 fully paid up equity shares of Rs. 10/- each at a premium of Rs 32.62 in accordance with the swap ratio specified in (a) above to Max Healthcare Institute Limited to effect the amalgamation.
 - As per the terms of the scheme, the investments held by Max Healthcare Institute Limited in HEPL shall get cancelled and shares of HBPL specified above will get allotted to Max Healthcare Institute Limited.
 - Since the amalgamating entity (HEPL) and amalgamated company (HBPL) are fellow subsidiaries and both have in turn been controlled by a common parent Max Healthcare Institute Limited, the transaction has been accounted for in accordance with the Appendix C to Ind AS 103 "Common Control Business Combination", which requires retrospective accounting of the merger from the date common control was established. Accordingly, financial information as on April 1, 2017, being the earliest period presented in the annual consolidated financial statements of the Group, and all periods thereafter, were restated to give effect of the merger.

The effect of the restatement on financial statement due to merger as mentioned above is summarised below:

	As at April 01, 2017	As at April 01, 2017 (Restated)	Effects
Equity and liabilities			
Retained earnings	65,514	65,026	488
Deferred tax liabilities (net)	34,416	34,904	(488)

Below is the reconciliation of retained earning as at April 01, 2017:

Retained earnings as per last audited balance sheet	(41,503)
Deferred tax asset (including MAT Credit) of HEPL written off (refer note (e) below)	(488)
Restated retained earnings as at April 01, 2017 as per consolidated financial statement	(41,993)

	As at March 31, 2018	As at March 31, 2018 (Restated)	Effects
Assets			
Non current tax assets	9,224	9,809	(585)
Equity and liabilities			
Other equity	62,667	62,950	(283)
Deferred tax liabilities (net)	34,299	34,601	(302)

	For the year ended March 31, 2018	For the year ended March 31, 2018 (Restated)	Effects
Tax expense	995	224	771

- Honourable National Company Law Tribunal ("NCLT") approved the merger of Hometrail Estate Private Limited (HEPL) into Hometrail Buildtech Private Limited (HBPL) and it is effective from October 1, 2018. Pursuant to the Scheme of Amalgamation amongst Hometrail Estate Private Limited (HEPL) and Hometrail Buildtech Private Limited (HBPL) and respective shareholders and creditors, on January 21, 2019, HBPL allotted 3,44,40,706 (Three Crores Forty Four Lakhs Forty Thousand Seven Hundred and Six only) fully paid-up equity shares of Rs. 10/- each, at a premium of Rs. 32.62 (Thirty Two Rupees and Sixty Two Paise only) per equity share to the shareholders of HEPL i.e. Max Healthcare Institute Limited.
- Due to carried forward losses of HBPL, MAT credit of Rs 824 lakhs of HEPL may not be utilised within available timeframe for utilising such MAT credit as per Income Tax Act. Accordingly it has been decided to write off the MAT credit of HEPL of Rs 824 lakhs. The amount is written off through retained earnings in accordance with the principles of IND AS-12.



29.13 Capital management

For the purpose of the Group's capital management, capital includes issued equity attributable to the equity shareholders of the Group, 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 20% and 50%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018 (Restated)
Borrowings (Including current maturities of long term borrowings) (refer note 13,18)	1,00,275	98,052
Less: cash and cash equivalents (refer note 10)	(760)	(913)
Net debt	99,515	97,139
Equity (refer note 11 and 12)	96,319	1,03,400
Total capital and net debt	1,95,834	2,00,539
Gearing ratio	50.82%	48.44%

29.14 Segment reporting

The Group has only one reportable business segment as it deals mainly in providing healthcare facilities comprising of primary care clinics, secondary care hospitals/medical centres and tertiary care facilities in terms of Ind AS 108 "Operating Segment". Further, the Group operates only in one geographical segment -India. All the assets of the Group are located in India. The chief operating officer and chief financial officer (chief operating decision maker) monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment. Hence, the disclosure requirements of the standard are not considered.

There are no external customers from which revenues is equal to 10% or more of Group's revenue.

29.15 Impairment assessment of recoverable amounts from healthcare service providers

The Group has a recoverable balance amounting to Rs.63,531 lakhs from other healthcare service providers, i.e., Devki Devi Foundation, Balaji Medical and Diagnostic Research Centre and Gujarmal Modi Hospital & Research Centre for Medical Sciences in the form of security deposits, trade receivable and loans. The recovery of these receivables depends on the future cash flows and earning capacity of these healthcare service providers. Management has done an impairment assessment of the amounts recoverable from these healthcare service providers and have concluded that the amounts are fully recoverable and there is no impairment in the value of recoverable amounts as appearing in the financial statements.



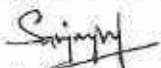
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29.16 Figures relating to March 31, 2018 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

29.17 Note no.1 to 29 form integral part of the consolidated financial statement.

As per our report of even date attached

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

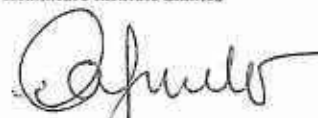

Per Sanjay Vij
Partner
Membership Number: 095169



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


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


Yogesh Kumar Sareen
(Senior Director and Chief Financial Officer)
DIN: 00884252


Rajit Mehta
(Managing Director & Chief Executive Officer)
DIN: 01604815


Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 14, 2019

Place : New Delhi
Date : May 14, 2019

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, 2018, 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 Ind AS 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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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.

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, 2018, their consolidated loss 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 Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and our reports as the statutory auditors appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, 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 27 to the consolidated Ind AS financial statements;



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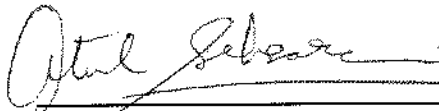
Chartered Accountants

- ii. The Group did not have any material foreseeable losses in long term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2018.

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 08, 2018



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")**

In conjunction with our audit of the consolidated financial statements of Max Healthcare Institute Limited as of and for the year ended March 31, 2018, 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 and its subsidiary companies, (hereafter referred to as the 'Group') 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 Group's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial



S.R. BATLIBOI & CO. LLP

Chartered Accountants

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

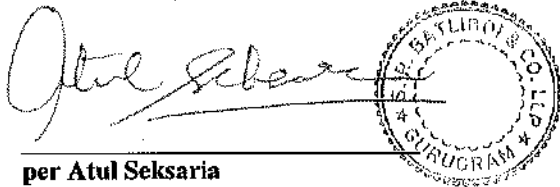
Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, 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: Gurugram

Date: May 08, 2018

Max Healthcare Institute Limited
Consolidated balance sheet as at March 31, 2018

	Notes	As at March 31, 2018	(Rs. in Lakhs) As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	96,090	96,182
Capital work-in-progress	3	3,501	4,483
Goodwill		28,539	28,539
Other intangible assets	4	98,089	99,703
Intangible assets under development	4	329	131
Financial assets			
(i) Loans	5	22,051	19,013
(ii) Trade receivables		12,979	7,592
(iii) Other bank balances		-	2
Non current tax assets	6	9,224	7,197
Deferred tax assets (net)	16	1,721	1,868
Other non current assets	9	13,497	16,356
		<u>2,86,020</u>	<u>2,81,066</u>
Current assets			
Inventories	7	2,827	2,312
Financial assets			
(i) Loans	8	1,612	1,432
(ii) Trade receivables		27,956	23,482
(iii) Cash and cash equivalents		913	1,525
(iv) Other bank balances		8,084	750
(v) Derivative instruments		1	39
(vi) Other financial assets		1,073	1,076
Current tax assets	6	424	1,260
Other current assets	9	2,493	3,036
		<u>45,383</u>	<u>34,912</u>
Assets classified as held for sale	10	-	30
		<u>45,383</u>	<u>34,942</u>
TOTAL ASSETS		<u>3,31,403</u>	<u>3,16,008</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	53,724	53,724
Other equity	12	62,667	65,514
Change in valuation for put options granted to NCI in subsidiaries		(13,274)	(7,334)
Total equity		<u>1,03,117</u>	<u>1,11,904</u>
Non-current liabilities			
Financial liabilities			
Borrowings	13	84,857	77,187
Other financial liabilities	14	153	210
Government grants		388	64
Provisions	15	1,564	1,260
Deferred tax liabilities (net)	16	34,299	34,416
Other non-current liabilities	17	59,371	52,857
		<u>1,80,632</u>	<u>1,65,994</u>
Current liabilities			
Financial liabilities			
(i) Borrowings	18	10,436	8,705
(ii) Trade payables		26,496	21,372
(iii) Other financial liabilities		6,901	4,504
Provisions	15	1,443	1,350
Other current liabilities	19	2,378	2,179
		<u>47,654</u>	<u>38,110</u>
TOTAL LIABILITIES		<u>2,28,286</u>	<u>2,04,104</u>
TOTAL EQUITY AND LIABILITIES		<u>3,31,403</u>	<u>3,16,008</u>
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	28		
Other notes to accounts	29		

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: 3010035/E300005

Per Atul Sekaria
Partner
Membership Number: 086370



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

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

Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

Place : New Delhi
Date : May 08, 2018

Rajit Mehta
(Managing Director &
Chief Executive Officer)
DIN: 01604819
Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 08, 2018

Max Healthcare Institute Limited
Consolidated statement of profit and loss for the year ended March 31, 2018

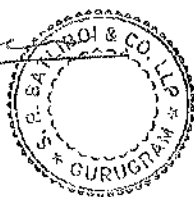
	Notes	For the year ended March 31, 2018	(Rs. in Lakhs) For the year ended March 31, 2017
Continuing operations			
Income			
Revenue from operations	20	1,72,913	1,60,826
Other income	21	856	691
Finance income	22	4,549	3,546
Total income		1,78,318	1,65,063
Expenses			
Purchase of pharmacy, drugs, consumables and implants		43,105	42,300
(Increase)/decrease in inventories of pharmacy, drugs, consumables and implants		(515)	10
Cost of construction		2,349	-
Employee benefits expense	23	42,291	35,347
Finance costs	24	9,937	9,968
Depreciation and amortization expense	25	9,442	9,551
Other expenses	26	74,358	69,136
Total expenses		1,80,967	1,66,312
Loss before tax from continuing operations		(2,649)	(1,249)
Tax expenses	16		
Current tax		1,037	1,237
Adjustment of tax relating to earlier periods		83	(28)
Deferred tax		262	(1,111)
MAT credit entitlement		(387)	(1,207)
Total tax expenses		995	(1,109)
Loss for the year from continuing operations		(3,644)	(140)
Discontinued operations			
Profit before tax for the year from discontinued operations	27	1,129	1,719
Tax expenses of discontinued operations		-	-
Profit after tax from discontinued operations		1,129	1,719
Profit/(loss) for the year		(2,515)	1,579
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	29.2	5	(111)
Income tax effect		-	-
Other comprehensive income/(loss) for the year net of tax		5	(111)
Non controlling interest		(337)	37
Total comprehensive income/ (loss) for the year, net of tax attributable to equity shareholder		(2,847)	1,505
Earnings per equity share for continuing operations (Nominal value of share Rs.10/-) (refer note 29.9)			
Basic & diluted (Rs.) to equity holders of the parent		(0.52)	(0.03)
Earnings per equity share for discontinued operations (Nominal value of share Rs.10/-) (refer note 29.9)			
Basic & diluted (Rs.) to equity holders of the parent		0.21	0.32
Earnings per equity share for continuing and discontinued operations (Nominal value of share Rs.10/-) (refer note 29.9)			
Basic & diluted (Rs.) to equity holders of the parent		(0.53)	0.30
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	28		
Other notes to accounts	29		

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/B300005

Per Atul Seksaria
Partner
Membership Number: 086370



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

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

Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

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

Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 08, 2018

Place : New Delhi
Date : May 08, 2018

Max Healthcare Institute Limited
Consolidated statement of changes in equity for the year ended March 31, 2018

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2016	53,34,08,098	53,341
Add: Equity share issued (refer note 11)	38,36,230	383
As at March 31, 2017	53,72,44,328	53,724
Add: Equity share issued (refer note 11)	-	-
As at March 31, 2018	53,72,44,328	53,724

b) Other equity

Particulars	Reserves and surplus					Total equity
	Capital reserve (refer note 12)	Capital reserve on merger with Max Medical Services Limited (refer note 12)	Securities premium account (refer note 12)	Employee stock outstanding (refer note 12)	Retained earnings (refer note 12)	
As at April 1, 2016	1	-	1,05,475	6	(44,295)	61,187
Profit for the year	-	-	-	-	1,579	1,579
Other comprehensive income for the year	-	-	-	-	(111)	(111)
Addition on equity shares issued	-	-	2,203	-	-	2,203
Capital reserve on merger with Max Medical Services Limited	-	(660)	-	-	-	(660)
Reversal of deferred tax liability on account of merger	-	-	-	-	1,285	1,285
Loss share of non controlling interest	-	-	-	-	37	37
ESOP forfeited during the year (refer note 29.4 A)	-	-	-	(6)	-	(6)
As at March 31, 2017	1	(660)	1,07,678	-	(41,505)	65,514
Loss for the year	-	-	-	-	(2,515)	(2,515)
Other comprehensive income for the year	-	-	-	-	5	5
Profit share of non controlling interest	-	-	-	-	(337)	(337)
As at March 31, 2018	1	(660)	1,07,678	-	(44,352)	62,667

Significant accounting policies	2
Contingent liabilities, commitments and litigations	28
Other notes to accounts	29

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003B/E300005

Per Atul Seksaria
Partner
Membership Number: 086370



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

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

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

Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 08, 2018

Place : New Delhi
Date : May 08, 2018

Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2018

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Loss before tax from continuing operations	(2,649)	(1,249)
Profit before tax from discontinued operations	1,129	1,719
Profit/(Loss) before tax	(1,520)	470
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment from continuing operations	7,429	7,540
Depreciation of property, plant and equipment from discontinued operations	294	1,197
Amortisation of intangible assets from continuing operations	2,013	2,011
Amortisation of intangible assets from discontinued operations	3	13
Employee stock option scheme expenses	-	36
Provision for doubtful debts and advances	(37)	643
Bad debts/ debit balances written off	730	717
Unclaimed balances & excess provisions written back	406	(428)
(Gain)/loss on foreign exchange fluctuation	141	(56)
Loss/(Gain) on sale /disposal of property, plant and equipment	(513)	59
Finance income (including fair value change in financial instruments)	(4,689)	(3,565)
Finance costs (including fair value change in financial instruments)	9,136	9,538
Operating profit before working capital changes	13,393	18,175
Working capital adjustments:		
Movements in provisions, gratuity and government grant	782	235
Increase in trade and other receivables and prepayments	(6,165)	(5,801)
Increase in trade and other payables	11,331	6,443
(Increase)/decrease in inventories	(515)	10
	18,826	19,062
Income tax paid	(2,255)	(3,455)
Net cash flows from operating activities (A)	16,571	15,607
Investing activities		
Purchase of property, plant and equipment including CWIP, capital advance and intangible assets	(6,552)	(11,502)
Investment in bank deposits	(7,332)	(554)
Loans given to other healthcare providers (net of repayment)	(3,218)	(1,889)
Interest income received	4,689	3,565
Net cash flows used in investing activities (B)	(12,413)	(10,380)
Financing activities		
Movement in non controlling interest and reserve	(6,277)	(2,423)
Proceeds from long term borrowings (net of repayment)	8,912	10,503
Proceeds from short-term borrowings (net of repayment)	1,731	(3,361)
Interest paid	(9,136)	(9,538)
Net cash flows used in financing activities (C)	(4,770)	(4,819)



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Max Healthcare Institute Limited
Consolidated cash flow statement for the year ended March 31, 2018

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Net increase in cash and cash equivalents (A+B+C)	(612)	408
Cash and cash equivalents at the beginning of the year	1,525	1,117
Cash and cash equivalents at year end	<u>913</u>	<u>1,525</u>

Components of cash and cash equivalents :-

	As at March 31, 2018	As at March 31, 2017
Balances with banks:		
On current accounts	472	647
Deposits with original maturity of less than three months	-	605
Cheques/ drafts on hand	355	171
Cash on hand	86	102
Total cash and cash equivalents (refer note 8)	<u>913</u>	<u>1,525</u>

Note: The above cash flow statement has been prepared under the ' Indirect Method' set out in Indian Accounting Standard-7, " Statement of cash flow"

Significant accounting policies	2
Contingent liabilities, commitments and litigations	28
Other notes to accounts	29

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Per Atul Selsaria
Partner
Membership Number: 086370

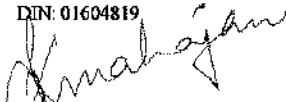


For and on behalf of the Board of Directors of
Max Healthcare Institute Limited


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


Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383


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


Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 08, 2018

Place : New Delhi
Date : May 08, 2018

1 Corporate Information

Max Healthcare Institute Limited (the "Company" or "MHIL") and its subsidiaries (collectively referred to as "the group") 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 registered office of the company is located at N-110, Panchsheel Park, South Delhi, New Delhi- 110017, India.

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.

The financial statements were authorised by the board of directors for issue in accordance with resolution passed on May 08, 2018.

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 section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standard) Rule, 2015, as amended from time to time and other relevant provision of the act.

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 measured at fair value (refer accounting policy regarding financial instruments)
- (iii) Defined benefit plans - plan assets

The amendments to IND AS 7 requires disclosure of change in liabilities arising from financial activities has been appropriately disclosed in the financial statement. Financial Statement are presented in INR and all values are rounded to nearest Lakhs (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 2018. 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 2018. 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



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, 2018	As at March 31, 2017	As at March 31, 2018		As at March 31, 2017		As at March 31, 2018		As at March 31, 2017	
				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%	1,24,247	109%	1,29,659	321%	(9,129)	-735%	(3,828)
Subsidiaries											
Hometrail Estate Private Limited (HEPL)	India	100%	100%	2%	2,370	0.49%	589	-70%	2,004	255%	2,116
Hometrail Buildtech Private Limited (HBPL)	India	100%	100%	-13%	(15,146)	-11%	(13,002)	56%	(1,589)	-216%	(1,793)
Alps Hospital Limited (ALPS)	India	100%	100%	3%	2,958	1%	1,170	-127%	3,604	361%	3,003
Crosslay Remedies Limited	India	77.95%*	78.35%*	2%	2,498	2%	2,366	-54%	1,530	309%	2,566
Saket City Hospitals Private Limited	India	51%	51%	-0.47%	(546)	-1%	(1,543)	-26%	733	-67%	(559)
Total				100%	1,16,391	100%	1,19,239	100%	(2,847)	100%	1,505
Non controlling interest					(13,274)		(7,335)		337		(37)
Gross total					1,03,117		1,11,904		(2,510)		1,468

Notes:

* % holding on fully diluted basis

Business combination and goodwill

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 proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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 date 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 in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard. (iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right

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 be 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

Property, Plant and equipment including capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit, VAT credit availed and Goods and Service Tax credit (GST) 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.



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
Leasehold improvements	Shorter of the estimated useful life of tangible asset or respective lease term
Building	5 - 60 Years
Medical equipment	13 Years
Other surgical instruments	4 - 5 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

On the basis of technical assessment made by the management, it believes that useful lives given above are realistic and reflect fair approximation of the period over which the assets are likely to be used.

c. Intangible assets

Separately acquired intangible assets

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

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 asset is derecognised.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 2-90 years.

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 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 over the period of expected future benefit. Amortisation expenses is recognised in the profit and loss unless such expenditure forms part of carrying value of another assets. During the period of development, the asset is tested for impairment annually.

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) fair value less cost of disposal 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 fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

For assets excluding goodwill, 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, and
- (ii) Cash flow characteristics test : The asset's contractual cash flows represent sole payment of principal and interest (SPPI).

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

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
- 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

- 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 analysed.

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.

(B) 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

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 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 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)/ Goods and Service Tax (GST) 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, value added taxes (VAT) and Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the 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 income

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 "Service exports from India Scheme" and "Export promotion capital goods scheme" are 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 either over the period allowed under the Govt grant scheme or upto completion of obligation of Government grant.

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: when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- (i) The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- (ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- (iii) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (i) Represents a separate major line of business or geographical area of operations,
- (ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations



(iii) is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 27. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

l. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and charged to profit and loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the 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.

m. 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.

n. 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.

o. 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 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. 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.

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.

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.

p. 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.

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 29.4A. 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.

q. 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.

r. 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.

s. 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).



Forward exchange contracts entered into hedge foreign currency risk of an existing assets/liabilities. The premium on discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the period in which the exchange rate changes. Any profit or loss arising on cancellation of such forwards exchange contract is also recognised as income or expense for the period.

t. 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).

u. 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.

v. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The operating segments have been identified on the basis of the nature of products/services. Further:

- 1) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter - segment revenue.
- 2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditures.
- 3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- 4) Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.
- 5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- 6) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

2.4 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 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 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.

(b) Assessment of lease contracts

Significant judgement is required to apply lease accounting treatment under Appendix C to IND AS 17 determining whether an arrangement contains a lease, in assessing the applicability to arrangements entered into by the company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant issues and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17

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 29.2.

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The 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 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 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 29.4A.

2.5 Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

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

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

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

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

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

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

b) IND AS 115 Revenue from Contracts with Customers:

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

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

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

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

c) IND AS 12 Recognition of deferred tax assets for unrealised losses:

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference.

Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The Company is in the process of assessing the impact of this amendment and a reliable estimate of the quantitative impact on the financial statements will be possible once the implementation project gets completed.



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3. Property, plant and equipment (PPE)

	(Rs in Lakhs)											Total	Capital work in progress
	Land	Buildings	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	
Gross carrying amount (at Cost)													
As at April 1, 2016	13,896	38,000	4,776	39,472	22	8,420	656	2,651	600	763	2,484	1,574	1,114
Additions	6	1,095	720	4,138	-	104	229	228	787	781	58	380	4,772
Disposals	-	-	144	606	-	49	-	47	195	263	24	343	1,403
As at March 31, 2017	13,896	39,095	5,352	33,964	22	8,475	848	2,832	1,192	1,283	2,518	1,411	4,483
Additions	-	4,031	826	6,018	8	989	257	369	428	429	485	491	3,147
Disposals	-	319	8,510	-	-	691	118	154	130	89	57	319	4,129
As at March 31, 2018	13,896	42,807	6,178	31,462	30	8,773	987	2,987	1,490	1,623	2,946	1,583	3,501
Accumulated depreciation													
As at April 1, 2016	-	1,134	366	2,798	14	926	247	490	76	323	385	503	-
Additions	-	760	638	3,849	4	1,077	238	452	170	339	371	756	-
Additions in purchase price allocation	-	83	-	-	-	-	-	-	-	-	-	-	83
Disposals	-	-	144	281	-	27	35	44	135	263	22	352	-
As at March 31, 2017	-	1,977	860	6,366	18	1,976	450	898	111	450	734	907	-
Additions (note 3.09)	-	698	435	3,448	3	993	144	488	218	416	385	412	-
Additions in purchase price allocation	-	83	-	-	-	-	-	-	-	-	-	-	83
Disposals	-	319	-	2,452	-	323	99	118	56	89	29	262	-
As at March 31, 2018	-	2,439	1,295	7,362	21	2,646	495	1,268	273	726	1,090	1,057	-
Net carrying amount													
As at March 31, 2018	13,896	40,368	4,883	24,100	9	6,127	492	1,719	1,217	897	1,856	526	3,501
As at March 31, 2017	13,896	37,118	4,492	27,588	4	6,499	398	1,934	1,081	867	1,784	504	4,483

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 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 is for healthcare facility.

3.03 Land measuring 3.15 acres each Mohali and Bhiainda have been provided by Punjab Government on long term lease of 50 years without consideration.

3.04 Land in Saket City Hospitals Private Limited is freehold and mortgaged to bank.

	(Rs in Lakhs)	
Medical equipments includes medical equipment taken on finance lease	March 31, 2018	March 31, 2017
Gross block	1,541	1,541
Depreciation charge for the year	215	215
Accumulated depreciation	616	401
Net book value (PPE)	925	1,140

3.06 PPE given as security
PPE are subject to charge to secure the group's secured long term borrowings as disclosed in note 13.

3.07 Medical equipment & Other fixed assets of Saket City Hospitals Private Limited were given on operating lease to Gujralal Modi Hospital & Research Centre for Medical Sciences and during the year the same have been sold out on slump sale basis.

3.08 On July 10, 2015 the group acquired 77.95% of share capital of Crossley Remedies Limited and accordingly leasehold land and building of Rs. 5,730 lakhs and Rs. 4,448 lakhs has been recognised in the transaction upon business combinations as per IND AS 103.

3.09 Includes depreciation of tangible assets of Rs.294 lakhs assets relating to discontinued operations. (refer note 27)



4. Intangible assets

	(Rs in Lakhs)			
	Other intangible assets			Intangible assets under development
	Computer software	Non compete fee	Service agreement	Total
Gross carrying amount (at Cost)				
As at April 1, 2016	2,704	1,646	98,066	1,02,416
Additions	435	-	-	435
Disposals	1	-	-	1
As at March 31, 2017	3,138	1,646	98,066	1,02,850
Additions	432	-	-	432
Disposals	151	-	-	151
As at March 31, 2018	3,419	1,646	98,066	1,03,131
Accumulated amortization				
As at April 1, 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
Additions (note 4.6)	694	179	-	873
Acquisition through business combination	-	54	1,089	1,143
Disposals	121	-	-	121
As at March 31, 2018	1,849	639	2,554	5,042
Net carrying amount				
At at March 31, 2018	1,570	1,007	95,512	98,089
At at March 31, 2017	1,862	1,240	96,601	99,703

- 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 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 lakhs has been recognised in the transaction upon bussiness combination as per IND AS 103.
- 4.3 On July 10, 2015 the group acquired 77.95% of share capital of Crosslay Remedies Limited and accordingly non compete fee of Rs. 381 lakhs has been recognised in the transaction upon bussiness combination as per IND AS 103.
- 4.4 Computer software of Saket City Hospitals Private Limited were given on operating lease to Gujarmal Modi Hospital & Research Centre for Medical Sciences and during the year the same have been sold out on slump sale basis.
- 4.5 Intangible assets under development includes computer software.
- 4.6 Includes depreciation of intangible assets of Rs.3 lakhs assets relating to discontinued operations. (refer note 27)



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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs. in Lakhs)	
	As at	As at
	March 31, 2018	March 31, 2017
5. Non-current financial assets		
i) Loans (Valued at amortized cost) (Unsecured considered good)		
Loans to other healthcare service providers	1,550	1,100
Security deposits	20,501	17,913
	<u>22,051</u>	<u>19,013</u>
ii) Trade receivables (Unsecured considered good)		
Trade receivables - considered good	12,979	7,592
	<u>12,979</u>	<u>7,592</u>
Trade receivables are usually non interest bearing.		
No trade or receivables are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members.		
As at December 10, 2001, Max Medical Services Limited (merged with the Max Healthcare Institute 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 lakhs. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, Max Healthcare Institute Limited has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 lakhs. 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. 145 lakhs (March 31, 2017 : Rs. 72 lakhs), 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 Rs.1,027 lakhs (March 31, 2017 : Rs.1,038 lakhs) as interest income on fair valuation of this contract revenue under "Finance income".		
iii) Other bank balances		
Deposit		
(I) Fixed deposits under lien #	-	1
(II) Margin money deposits #	-	1
	<u>-</u>	<u>2</u>
# Margin money deposits given as security		
Rs. Nil (March 31,2017: Rs.1 lakhs) bank guarantee given to Sales Tax Department, Gurgaon		
Rs. Nil (March 31, 2017 : Rs.1 lakhs) bank guarantee given to Sales Tax Department.		
6. Tax assets		
Non current		
Tax deducted at source recoverable	9,224	7,197
	<u>9,224</u>	<u>7,197</u>
Current		
Tax deducted at source recoverable	424	1,260
	<u>424</u>	<u>1,260</u>
7. Inventories		
Stock of pharmacy, drugs, consumables and implants (at lower of cost and net realisable value)	2,827	2,312
	<u>2,827</u>	<u>2,312</u>
8. Current financial assets		
i) Loan (Valued at amortized cost) (Unsecured considered good)		
Loans to other healthcare service provider	1,256	1,359
Loans to others (refer note 29.10)	352	-
Security deposits	14	73
Less: Provision for doubtful advances	(10)	-
	<u>1,612</u>	<u>1,432</u>



Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs. in Lakhs)	
	As at	As at
	March 31, 2018	March 31, 2017
ii) Trade receivables (Unsecured considered good)		
Trade receivables - considered good	27,948	23,482
Trade receivables - considered doubtful	4,310	4,357
Trade receivable from related parties-considered good (refer note 29.7)	8	-
Less : Impairment allowance (allowance for bad and doubtful debts)	(4,310)	(4,357)
	<u>27,956</u>	<u>23,482</u>

Trade receivables are usually non interest bearing.

No trade or receivables are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members.

iii) Cash and cash equivalents

Balances with banks:		
On current accounts	472	647
Deposits with original maturity of less than three months	-	605
Cheques/ drafts on hand	355	171
Cash on hand	86	102
	<u>913</u>	<u>1,525</u>

Changes in liabilities arising from financing activities			(Rs. in Lakhs)
Particulars	April 01, 2017	Cash Flow	March 31, 2018
Current borrowings	8,705	1,731	10,436
Non current borrowings	77,187	7,670	84,857
Current maturity of non current borrowings	1,425	1,232	2,657
Current maturity of finance lease obligation	92	10	102
Total liabilities from financial activities	<u>87,409</u>	<u>10,643</u>	<u>98,052</u>

			(Rs. in Lakhs)
Particulars	April 01, 2016	Cash Flow	March 31, 2017
Current borrowings	12,066	(3,361)	8,705
Non current borrowings	64,880	12,307	77,187
Current maturity of non current borrowings	2,632	(1,207)	1,425
Current maturity of finance lease obligation	690	(598)	92
Total liabilities from financial activities	<u>80,268</u>	<u>7,141</u>	<u>87,409</u>

iv) Other bank balances

Deposits:		
(I) Escrow accounts (refer note 29.10)	7,873	323
(II) Fixed deposits under lien #	10	9
(III) Margin money deposit #	201	418
	<u>8,084</u>	<u>750</u>

Margin money deposits given as security

Rs. 201 lakhs (March 31, 2017: Rs. 418 lakhs) to secure bank guarantee issued / letter of credit Issued for EPCG Licenses / Govt Authorities

Rs. 5 lakhs (March 31, 2017: Rs.4 lakhs) is pledged with sale tax authorities.

Rs. 5 lakhs (March 31, 2017: Rs.5 lakhs) to secure bank guarantee in favour of CGHS/DGHS/ESIC/NDMC

v) Derivative instruments at fair value through profit and loss

Foreign exchange forward contracts	1	39
	<u>1</u>	<u>39</u>

vi) Other financial assets (Valued at amortized cost)

Unbilled revenue	1,073	1,076
	<u>1,073</u>	<u>1,076</u>



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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs. in Lakhs)	
	As at	As at
	March 31, 2018	March 31, 2017
9. Other assets		
Non current (unsecured considered goods unless otherwise stated)		
Capital advances	3,916	3,000
Others		
Prepaid expense	9,431	13,299
Balance with statutory authorities	57	57
Licence receivable	93	-
	<u>13,497</u>	<u>16,356</u>
Current (unsecured considered goods unless otherwise stated)		
Other advances:-		
Unsecured, considered good	1,044	1,102
Unsecured, considered doubtful	2,085	2,090
Less: Provision for doubtful advances	(2,085)	(2,090)
Balance with statutory authorities	35	25
Prepaid expenses	1,359	1,734
Receivable under duty credit scheme	44	175
Licence receivable	11	-
	<u>2,493</u>	<u>3,036</u>
10. Assets classified as held for sale*		
	-	30
	<u>-</u>	<u>30</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 has completed the sale during the financial year 2017-18.



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11. Equity share capital

	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
a) Authorised		
960,000,000 (March 31, 2017: 960,000,000) equity shares of Rs.10/- each	96,000	96,000
125,000,000 (March 31, 2017: 125,000,000) cumulative preference shares of Rs.10/- each	12,500	12,500
	<u>1,08,500</u>	<u>1,08,500</u>
Issued, subscribed and fully paid-up		
537,244,328 (March 31, 2017: 537,244,328) equity shares of Rs.10/- each	53,724	53,724
Total issued, subscribed and fully paid-up share capital	<u>53,724</u>	<u>53,724</u>

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

Equity shares	March 31, 2018		March 31, 2017	
	No. of shares	(Rs in Lakhs)	No. of shares	(Rs in Lakhs)
At the beginning of the year	53,72,44,328	53,724	53,34,08,098	53,341
Issued during the year				
- Right Issue #	-	-	38,36,230	383
Outstanding at the end of the year	<u>53,72,44,328</u>	<u>53,724</u>	<u>53,72,44,328</u>	<u>53,724</u>

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 lakhs 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, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid				
Max India Limited	26,69,97,937	49.70%	24,68,48,537	45.95%
Life Healthcare International (Pty) Limited	26,69,97,937	49.70%	24,68,48,537	45.95%
International Finance Corporation, USA (IFC)*	-	-	4,02,98,799	7.50%

* In terms of the share sale agreement dated July 10, 2017, executed amongst Max India Limited ("Max India"), Life Healthcare International (Pty) Limited ("LHC"), International Financial Corporation ("IFC") and the Company (collectively referred to as "parties") and amendment agreement dated August 11, 2017 executed amongst the parties, on August 18, 2017, Max India and LHC have acquired entire equity stake held by IFC in the Company (i.e. 40,298,799 fully paid up ordinary equity shares of face value of Rs.10 each).

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. 29.4A.

f) Aggregate number of shares issued for consideration other than cash

22,955,268 (March 31, 2017: 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 Nil (March 31, 2017 : 9,500,000) 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

12. Other equity

	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Capital reserve (refer note a below)	1	1
Capital reserve on merger with Max Medical Services Limited (refer note b below)	(660)	(660)
Securities premium account (refer note c below)	1,07,678	1,07,678
Employee stock options outstanding (refer note d below)	-	-
Retained earnings (refer note e below)	(44,352)	(41,505)
	<u>62,667</u>	<u>65,514</u>
a) Capital reserves	<u>1</u>	<u>1</u>
	1	1
b) Capital reserve on merger with Max Medical Services Limited	<u>(660)</u>	<u>(660)</u>
	(660)	(660)
c) Securities premium account		
At the beginning of the year	1,07,678	1,05,475
Add: premium on issue of equity shares	-	2,206
Less: share issue expenses	-	(3)
	<u>1,07,678</u>	<u>1,07,678</u>
d) Employee stock options outstanding		
At the beginning of the year	-	6
Less: lapsed during the year	-	(6)
	<u>-</u>	<u>-</u>
e) Retained earnings		
At the beginning of the year	(41,505)	(44,295)
Reversal of deferred tax liability on account of merger	-	1,285
Profit/(Loss) for the year	(2,515)	1,579
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	5	(111)
Non controlling interest	(337)	37
	<u>(44,352)</u>	<u>(41,505)</u>



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13. Non-current borrowings

	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Term loan (secured)		
From bank	78,177	70,266
From non banking financial company	5,844	6,109
Finance lease obligation (secured)		
Long term maturities of finance lease obligation	251	351
Deferred payment liability (secured)	159	-
Vehicle loans (secured)	426	461
Current borrowings:-		
Term loan		
From bank	1,992	714
From non-banking financial company	297	441
Current maturities of finance lease obligation (secured)	101	92
Deferred payment liability (secured)	30	-
Deferred payment liability (unsecured)	91	87
Vehicle loans (secured)	248	183
	<u>87,616</u>	<u>78,704</u>
Less: Amount clubbed under "other current financial liabilities" [refer note 18.(iii)]	<u>2,759</u>	<u>1,517</u>
	<u>84,857</u>	<u>77,187</u>
Aggregate Secured Loan	87,525	78,617
Aggregate Unsecured Loan	91	87

13.1. Term loan from Banks

- (i) Rs.Nil (March 31, 2017 : Rs. 82 lakhs) 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 lakhs.
 - Pledge of the Company's 26% shareholding in its subsidiary, namely Alps Hospital Limited.
- (ii) (i) Rs. 23,475 lakhs (March 31, 2017 : Rs. 19,265 lakhs) 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 Company 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 Company, 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.
 - 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 lakhs in aggregate).
 - A first charge on the entire intangible assets of the borrower, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.



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 7500 lakhs

Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of up to INR 34000 lakhs

- (iii) Rs. 2,968 lakhs (March 31, 2017 : Rs. NIL) from Indusind Bank Limited repayable in 159 monthly installments from June, 2019 is secured by way of :
- Charge on the entire current assets, both present and future, subject to the first prior charge of only working capital facility lenders to the extent of Rs. 7500 lakhs of the borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Ltd.
 - 1st pari passu charge on the movable fixed asset (excluding vehicles specifically charged to lenders who have financed those assets) including medical equipment (except medical equipment specifically charged to lenders who have financed those assets), movable plant and machinery, spares etc. of the borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Ltd.
 - 1st pari passu charge on the intangible asset of the borrower but not limited to Goodwill and uncalled capital, intellectual property, both present and future of the borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Ltd.
 - 1st pari passu charge by the way of mortgage on the entire immovable fixed assets of the borrower situated at Max Saket Hospital and Max Shalimar Bagh Hospital both present and future of the borrower with IDFC Bank Ltd and IDFC Infrastructure Finance Ltd.
- (iv) Rs. 1497 lakhs (March 31, 2017 : Rs. 1498 lakhs) from HDFC Bank Limited repayable in 20 structured quarterly installments.
- The above loan is secured by way of :
- First charge by way of hypothecation in favor of the lender, in a form satisfactory to the lender, of all the borrower's 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.
 - First charge on borrower's current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill uncalled capital, present and future, pari passu with the working capital facility of Rs. 1900 Lakhs.
 - Corporate guarantee by the Holding Company.
- (v) Rs. 5,050/- lakhs (March 31, 2016: Rs. 5,055 lakhs), from IDFC Bank Limited repayable in 52 structured quarterly instalments from June 2018. The above Loan is secured by:
- 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;
 - 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.
 - 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;
 - 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;
 - an irrevocable and unconditional corporate guarantee of the Guarantor.
 - 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 lakhs.
 - 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 lakhs.
- (vi) (a) Rs. 5764 lakhs (March 31, 2017 : Rs. 5,771 lakhs) from IDFC Bank Limited repayable in 52 quarterly installments from June, 2018 is secured by way of :
- 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;
 - 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;
 - 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;
 - 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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- f) an irrevocable and unconditional corporate guarantee of the Guarantor.
- g) Security Interest set out in sub clause (e) shall be subject to the first prior charge of only working capital facility lenders to the extent of Rs. 1,000 lakhs.
- h) Security Interest set out in sub clause (b), (d) and (e) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of upto Rs. 9,500 lakhs.
- (vii) Rs. 13,455 lakhs (March 31, 2017 : Rs. 12,425 lakhs) Term Loan from Axis bank are secured by:
- a) first charge on all the movable/ immovable fixed asset of the company property, both present and future, excluding vehicles specifically charged to other lenders, both present and future.
- b) first charge on all the current assets of the Company both present and future.
- c) Collaterally secured by way of corporate guarantee of Max Healthcare Institute Limited.
- d) The term loan is having a moratorium of 2.25 years, repayable quarterly from Dec 31, 2017 in 9 year and 6 months.
- (viii) Rs. 13,553 lakhs (March 31, 2017: Rs. 12,473 lakhs) from Axis Bank Limited repayable in 52 structured quarterly installment from January, 2019. The loan is secured by way of:
- a) A first pari passu charge on borrower's all 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" Gujarmal Modi Hospital and Research Centre For Medical Sciences 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 25.5% 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) Corporate guarantee by Max Healthcare Institute Limited.
- (ix) Rs. 14,407 lakhs (March 31, 2017: Rs. 14,411 lakhs) from Yes Bank Limited repayable in 48 structured quarterly instalment from March, 2019. 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 on first pari passu basis.
- 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.
- 13.2 Term loan from non-banking financial company**
- (i) Rs. 4,564 lakhs (March 31, 2017 : Rs. 4,574 lakhs) 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 Company 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 PPE (except the movable current assets) of the Company, 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 lakhs in aggregate).
- d) A first charge on the entire intangible assets of the borrower, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
- e) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- Security interest set out in sub clause (e) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 7500 lakhs
- Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of up to INR 34000 lakhs
- (ii) Rs. 124 lakhs (March 31, 2017: Rs. 397 lakhs) 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.



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- (iii) Rs. 33 lakhs (March 31, 2017: Rs. 90 lakhs) 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.
- (iv) Rs. 36 lakhs (March 31, 2017: Rs. 102 lakhs) 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. 1,384 lakhs (March 31, 2017 : Rs.1,387 lakhs) 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 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) an irrevocable and unconditional corporate guarantee of the guarantor.

f) 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 lakhs.

g) 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 lakhs.

13.3 Finance lease obligations:-

Finance lease obligation of Max Healthcare Institute Limited, Home Estate Private Limited and Hometrail Buildtech Private Limited are 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 April. 25, 2014 for 84 months with compulsory buy back at the end of tenure.

13.4 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.

13.5 Deferred payment liabilities of Max Healthcare Institute Limited is secured by hypothecation of medical equipment and repayable in 20 quarterly installments from June 2018.



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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lakhs)	
	As at	As at
	March 31, 2018	March 31, 2017
14. Other non current financial liabilities		
Provision for deferred compensation (refer note 29.4B)	153	210
	<u>153</u>	<u>210</u>
15. Provisions		
Non current		
Provision for rehabilitation under public private partnership	236	193
Provision for gratuity (refer note 29.2)	1,328	1,067
	<u>1,564</u>	<u>1,260</u>
Current		
Provision for income tax(net of advance tax)	-	99
Provision for leave encashment	1,138	966
Provision for gratuity (refer note 29.2)	305	285
	<u>1,443</u>	<u>1,350</u>



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		(Rs in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
16. Income taxes			
16 A. Deferred tax assets			
Statement of profit and loss:			
(a) Income tax expense in the statement of profit and loss comprises :			
Relation to other origination/reversal of temporary differences*	147	(1,398)	
Income tax expense reported in the statement of profit and loss	147	(1,398)	
(b) Other comprehensive income			
Re-measurement (gain) / losses on defined benefit plans	-	-	
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	913	502	
Applicable tax rate**	29.120%	34.608%	
Computed tax expense	266	174	
Provision on account of doubtful debts not considered for deferred tax purpose	(358)	387	
Reversal of Losses lapsed due to take over of business	-	(1,974)	
Impact due to change in tax rate	222	-	
Others	17	15	
Income tax reported in the statement of profit and loss	147	(1,398)	
(d) Deferred tax :			
Deferred tax relates to the following:			
Deferred tax liability :			
Accelerated depreciation for tax purpose	2,040	2,334	
Others	31	42	
Deferred tax asset			
Expenses allowed on payment basis	(147)	(99)	
Impairment allowance (allowance for bad and doubtful receivable)	(358)	(1)	
Unabsorbed business losses / depreciation	(2,811)	(3,674)	
Others	(6)	-	
MAT credit entitlement	(470)	(470)	
Net deferred tax liabilities/(asset)	(1,721)	(1,868)	
			(Rs in Lakhs)
			Profit and loss
			For the year ended March 31, 2018
			For the year ended March 31, 2017
Deferred tax liability :			
Unused tax losses & depreciation	(294)	2,334	
Accelerated depreciation for tax purpose	(11)	42	
Others			
Deferred tax assets :			
Expenses allowed on payment basis	(48)	(99)	
Impairment allowance (allowance for bad and doubtful receivable)	(357)	(1)	
Unabsorbed business losses / depreciation	863	(3,674)	
Others	(6)	-	
Deferred tax expense/ (income)	147	(1,398)	
			(Rs in Lakhs)
			As at March 31, 2018
			As at March 31, 2017
(e) Reconciliation of deferred tax liabilities (net)			
Opening balance	(1,868)	-	
Tax (income)/expense during the period recognised in profit or loss	147	(1,398)	
Gross Deferred Tax Asset	(1,721)	(1,398)	
MAT credit entitlement***	-	(470)	
Closing balance	(1,721)	(1,868)	

* a) 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 on loss and unabsorbed depreciation as a major component for as at March 31, 2018 and March 31, 2017. However, deferred tax asset has been considered as it has been recognized only to the extent of deferred tax liability/mat credit entitlement 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.

** b) The Group follows Ind AS 12 "Accounting for Income Taxes", as notified by Companies Indian Accounting Standards Rules, 2015. The Subsidiaries company has followed tax rate 25% for FY 2017-18 (tax rate enacted by Finance Act 2018) where the turnover or gross receipts of the company in the previous year 2016-17 doesn't exceed Rs. 250 Crore. In case of holding company as Turnover exceeds Rs.250 crores, tax rate 30% has been followed for FY 2017-18.

*** c) The Group has till date recognised Rs.nil (March 31, 2017 Rs. 470 lakhs) 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.



		(Rs in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
16 B. Deferred tax liabilities			
Statement of profit and loss:			
(a)	Income tax expense in the statement of profit and loss comprises :		
	Current income tax charge	1,037	1,235
	Adjustment on tax relating to earlier period	83	(28)
	On account of MAT credit	(387)	(1,205)
	Relation to other origination/reversal of temporary differences*	115	287
	Income tax expense reported in the statement of profit and loss	848	289
(b)	Other comprehensive income		
	Re-measurement (gain) / losses on defined benefit plans	1	(1)
	Income tax related to item recognised in OCI during the year	1	(1)
(c)	Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :		
	Accounting profit before tax	2,517	3,235
	Applicable tax rate**	26.48%	34.60%
	Computed tax expense	667	1,120
	Deferred tax asset not created in respect of unabsorbed losses	1	(221)
	Impact of unrecognised deferred tax asset on previous years unabsorbed losses/depreciation	-	(694)
	Impact of provision of interest on preference shares at amortised cost	90	97
	Loss on sales of fixed assets not considered for tax purpose	-	2
	Corporate social responsibilities expense not considered for tax purpose	16	5
	Section 14 A disallowance	66	-
	Impact due to change in tax rate	(8)	-
	Others	16	(20)
	Income tax reported in the statement of profit and loss	848	289
(Rs in Lakhs)			
Balance Sheet			
(d)	Deferred tax :	As at	As at
	Deferred tax relates to the followings:	March 31, 2018	March 31, 2017
	Deferred tax liability :		
	Accelerated depreciation for tax purpose	1,594	1,873
	Others	5	36
	Deferred tax asset		
	On account of purchase price allocation	34,599	35,023
	Expenses allowed on payment basis	(111)	(191)
	Impairment allowance (allowance for bad and doubtful receivable)	(142)	(191)
	Unabsorbed business losses / depreciation	-	(815)
	Unabsorbed business losses / depreciation (restricted to deferred tax liability) *	(77)	-
	Adhoo Provision	(18)	-
	MAT credit entitlement	(1,132)	(1,319)
	Less : MAT credit adjustment previous year	(419)	-
	Net deferred tax liabilities/(asset)	34,299	34,416
(Rs in Lakhs)			
Profit and loss			
	Deferred tax liability :	For the year ended	For the year ended
	Accelerated depreciation for tax purpose	March 31, 2018	March 31, 2017
	Others	(279)	102
		(31)	16
	Deferred tax assets :		
	On account of purchase price allocation	(424)	-
	Expenses allowed on payment basis	80	(109)
	Impairment allowance (allowance for bad and doubtful receivable)	49	(56)
	Unabsorbed business losses / depreciation	815	1,451
	Unabsorbed business losses / depreciation (restricted to deferred tax liability) *	(77)	(693)
	Others	-	-
	Adhoo Provision	(18)	-
	MAT credit entitlement	(387)	(1,207)
	Less : MAT credit adjustment previous year	155	-
	Deferred tax expense/(income)	(117)	(496)
(Rs in Lakhs)			
Reconciliation of deferred tax liabilities (net)			
(e)		As at	As at
		March 31, 2018	March 31, 2017
	Opening balance	34,416	34,995
	Tax (income)/expense during the period recognised in profit or loss	115	287
	Gross Deferred Tax Asset	34,531	35,282
	MAT credit utilisation (entitlement)***	(387)	(533)
	MAT credit adjustment previous year	155	(333)
	Closing balance	34,299	34,416

* a) 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, 2018 and March 31, 2017. 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.

** b) The Group follows Ind AS 12 "Accounting for Income Taxes", as notified by Companies Indian Accounting Standards Rules, 2015. The Subsidiaries company has followed tax rate 25% for FY 2017-18 (tax rate enacted by Finance Act 2018) as turnover or gross receipts of the company in the previous year 2016-17 doesn't exceed Rs. 250 Crore.

*** c) The Group has till date recognized Rs.306 lakhs (March 31, 2017 Rs. 533 lakhs) 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

	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
17. Other non current liabilities		
Put call option liabilities	58,585	52,308
Lease equalisation reserve	786	549
	59,371	52,857
18. Current financial liabilities		
(i) Current borrowings		
Cash credit from banks (secured)	9,695	8,705
Short term loan from bank (secured)	741	-
	10,436	8,705

(i) Cash Credit Loan of Rs. 613 lakhs (March 31, 2017: Rs. 310 lakhs) from Yes Bank Ltd. Is secured by way of:

- First Pari Passu charge over all movable fixed assets (both present & future) and immoveable (if any acquired in future) of the Borrower.
- First pari passu charge over all current assets (both present & 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 (MHIL) to remain valid during entire tenor of facilities.
- Assignment of all borrower's rights under the service agreement and any other such agreement for providing any other services to Saket City Hospital, letter of credit, guarantee, or performance bond provided by any party for any contract related to the hospital project in favour of the borrower on first pari passu basis.

f) Assignments 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.

(ii) Cash Credit Loan of Rs. 76 Lakhs (March 31, 2017: Rs. Nil) from Axis Bank Limited. Is secured by way of:

- First pari passu charge on all borrower's movables and immovables (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, 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 "Gujarmal Modi Hospital and Research Centre for Medical Sciences" 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) Corporate guarantee by Max Healthcare Institute Limited (MHIL).

(iii) Cash credit facilities from bank for the company Homtrail Estate Private Limited and Homtrail Buildtech Private Limited is secured by:

a) 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.

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

(iv) The cash credits of ALPS Hospital Limited are repayable on demand. Cash credit from Indusind Bank is secured by way :-

a) 1st pari passu charge on the entire current assets with HDFC bank (term loan facility of Rs. 1500 lakhs)

b) 1st pari passu charge on the entire movable fixed Assets (except vehicles and assets charged exclusively to lenders) with HDFC bank (term loan facility of Rs. 1500 lakhs)

(v) Loan of Rs. 741 lakhs (March 31, 2017 : Nil) from Indusind Bank Limited repayable by July 25,2018.

The above loan is secured by way of:

a) 1st pari passu charge on the entire current assets with HDFC bank (term loan facility of Rs. 1500 lakhs)

b) 1st pari passu charge on the entire movable fixed Assets (except vehicles and assets charged exclusively to lenders) with HDFC bank (term loan facility of Rs. 1500 lakhs)



Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

(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 favour 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 lakhs) to the extent of Rs. 1,646 lakhs (March 31, 2017 : Rs. 1,481 lakhs) 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.

	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(ii) Trade payables		
Total outstanding dues of micro and small enterprises*	-	-
Total outstanding dues other than of micro and small enterprises	25,862	21,073
Trade payables to related parties (refer note 29.7)	634	298
	<u>26,496</u>	<u>21,371</u>

Trade payables are usually not interest bearing and all unsecured.

*** 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.

(iii) Other financial liabilities

Current maturity of non current borrowings (refer note 13)	2,658	1,425
Current maturity of finance lease obligation (refer note 13)	101	92
Concessional fee payable	489	503
Provision for deferred payment liability (refer note 29.4B)	136	289
Capital creditors	3,042	1,942
Security deposits	329	253
Others	146	-
	<u>6,901</u>	<u>4,504</u>

19. Other current liabilities

Other advances	72	54
Advance from patients	453	640
Statutory dues	1,853	1,485
	<u>2,378</u>	<u>2,179</u>



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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
20. Revenue from operations		
Sale of products		
Pharmacy and pharmaceuticals supplies	15,283	14,815
Total sale of products	<u>15,283</u>	<u>14,815</u>
Revenue from healthcare services (net)	1,53,296	1,44,595
Other operating income		
- from hospital advisory services	4	-
- Sponsorship and educational income	857	488
- Income from ancillary activities	559	528
- Income from service exports from India scheme	330	400
- Income from construction service	2,584	-
	<u>1,72,913</u>	<u>1,60,826</u>
21. Other income		
Foreign exchange fluctuation gain	-	56
Income from deferred credit	145	72
Unclaimed balances & excess provisions written back	406	428
Deferred income under EPCG	115	19
Other non-operating income	190	116
	<u>856</u>	<u>691</u>
22. Finance income		
Interest Income on		
Bank deposits	226	39
Security deposits	74	65
Interest income on fair valuation of contract revenue	1,027	1,038
Loans to other healthcare service providers	2,880	2,122
Income tax refund	315	282
Others	27	-
	<u>4,549</u>	<u>3,546</u>



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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

	(Rs in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
23. Employee benefits expense		
Salaries, wages and bonus	38,246	31,971
Contribution to provident and other funds	1,641	1,251
Employee stock option scheme (refer note 29.4A)	-	36
Gratuity expense (refer note 29.2)	405	345
Staff welfare expenses	1,999	1,744
	42,291	35,347
24. Finance costs		
Interest on debts and borrowings	9,136	9,538
Bank charges	801	430
	9,937	9,968
25. Depreciation and amortization expense		
Depreciation of tangible assets (refer note 3)	7,429	7,540
Amortization of intangible assets (refer note 4)	2,013	2,011
	9,442	9,551
26. Other expenses		
Professional and consultancy fee	37,323	35,308
Outside lab investigation	1,279	1,066
Concessional fee	1,454	1,486
Patient catering expenses	1,646	1,732
Rent	4,128	3,589
Insurance	826	777
Rates and taxes	681	389
Facility maintenance expenses	3,021	2,721
Power and fuel	4,136	4,090
Repairs and maintenance:		
Building	511	498
Plant and equipments	2,242	2,064
Others	880	939
Printing and stationery	666	610
Travelling and conveyance	1,441	1,253
Communication	519	481
Legal and professional	6,011	5,042
IT support expense	1,451	1,123
Watch and ward	903	737
Directors' sitting fee	64	62
Advertisement and publicity	3,195	2,911
Software expenses	4	3
Recruitment expenses	191	108
Charity and donation	2	67
Equipment hiring charges	330	281
Provision for doubtful debts	(47)	588
Provision for doubtful advances	10	55
Bad debts written off	724	714
Debit balances written off	6	3
Net loss on sale/disposal of property, plant and equipment	15	59
Foreign exchange fluctuation loss	141	-
Corporate social responsibility contribution (refer note 29.8)	55	37
Expenses for medical treatment of weaker section	65	-
Miscellaneous expenses	485	343
	74,358	69,136
Payment to auditor (included in legal and professional fee) (including taxes)		
As auditor:		
Audit fee	95	88
Other services (certification fees)	1	2
Reimbursement of expenses	8	9
	104	99



27 Discontinued operations

In view of the emerging scenario and other commercial consideration, the management of the group think appropriate to focus on the healthcare facilities business going forward and invest the resources of the group in this direction. In the opinion of the board of the group, the equipment leasing business of the group shall require a lot of capital to grow the business and in view of potential profitability it will be in the best interest of the group to exit the equipment leasing business and invest and focus on healthcare facilities business. The Group has thus decided to discontinue operations of the business of equipment leasing division.

During the year, pursuant to the approval of the shareholders and other authorities as required Max Healthcare Institute Limited has entered into a business transfer agreement (BTA) dated June 30, 2017 with "Devki Devi Foundation" to sell its leasing division business by way of slump sale on going concern basis at an agreed consideration of Rs. 4,509 lakhs. At June 30, 2017, the Group has classified the lease division business as a discontinued operation. Lease division which is transferred to Devki Devi Foundation relates to Max Medical Services Limited which got merged in the Max Healthcare Institute Limited vide court order dated October 4, 2017 with effect from 1st October, 2016.

During the year, pursuant to the approval of the Shareholders and other authorities as required Saket City Hospitals Private Limited has entered into a business transfer agreement (BTA) dated June 30, 2017 with "Gujaral Modi hospital & Research Centre for Medical Sciences" to sell its leasing division business by way of slump sale on going concern basis at an agreed consideration of Rs. 3,700 lakhs. At June 30, 2017, the Group has classified the lease division business as a discontinued operation.

The result of the lease division for the year are presented below:-

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations		
Other operating Income		
- Income from leasing activities	764	2913
	764	2913
Other Income		
Other non-operating income		
- Gain on disposal of assets attributable to the discontinuing operations	528	-
Finance Income		
Interest Income on		
Loans to other healthcare service providers	140	19
Total income	1,432	2,932
Expenses		
Employee benefits expense		
Salaries, wages and bonus	1	3
Depreciation and amortization expense		
Depreciation of tangible assets	294	1197
Amortization of intangible assets	3	13
Other expenses		
Legal and professional	5	-
Total expenses	303	1213
Profit before tax from discontinued operation	1129	1719
Tax Income/(expenses) of discontinued operations	-	-
Profit after tax from discontinued operation	1129	1719

The net cash flows attributable to discontinuing operations:

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating activities	1,286	2910
Investing activities	132	(97)
Financing activities	-	-
Net cash inflow	1,418	2,813

The following statement shows the carrying amounts of the assets disposed off and the liabilities settled as on :

	(Rs. in Lakhs)
	As at June 30, 2017
Assets	
Non current assets	
Property plant and equipment	6,359
Financial assets	
Loans	810
Trade receivable	1,126
Total assets (a)	8,295
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	613
Current liabilities	
Other current liabilities	1
Total liabilities (b)	614
Net assets directly associated with leasing division (a-b)	7,681
Consideration paid	8,209
Gain on disposal	528



28. Contingent liabilities, commitments and litigations

A. Commitments and contingencies

		(Rs. in Lakhs)	
S. No.	Particulars	As at	As at
		March 31, 2018	March 31, 2017
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. (refer note a below)	82,875	80,398
b	Claims against the Company not acknowledged as debts		
-	Civil Cases (refer note b below)	12,969	8,958
-	VAT cases	374	247
-	Service tax cases	-	1,242
-	Income Tax cases (refer note c below)	25	-
c	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.	685	1,183
d	Guarantee/letter of credit given by banks (deposit of Rs 180 Lakhs (March 3, 2017 Rs 390 Lakhs) held by bank as margin shown under the head " Other bank balances")	968	1,089

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

C. Income tax cases

(Rs. in Lakhs)

Assessment year	Pending before ITAT		Disallowances pending before CIT(A)	Disallowances pending- as at March 31, 2018	Disallowances pending - as at March 31, 2017	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, 2018	As at March 31, 2017
2003-04	941	213	-	1,154	1,154	-	-
2004-05	641	-	-	641	641	-	-
2005-06	598	-	-	598	598	-	-
2006-07	462	-	-	462	462	-	-
2007-08	907	-	-	907	907	-	-
2008-09	239	-	-	239	239	-	-
2009-10	201	-	-	201	201	-	-
2010-11	411	-	-	411	410	-	-
2011-12	547	-	450	997	547	-	-
2012-13	-	1,191	455	1,646	711	-	-
2013-14	114	395	473	982	982	-	-
2014-15	-	-	708	708	708	25	-
2015-16	-	-	1,573	1,573	-	-	-
	5,061	1,799	3,659	10,519	7,560	25	-

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.

d. "Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi had, on 8 December 2017, issued an order under Section 7 of the Delhi Nursing Home Registration Act, 1953 for cancelling the registration of Max Super Speciality Hospital, Shalimar Bagh ("Hospital") with immediate effect and further directed to refrain from admitting any IPD Patients in the Hospital. Against this Cancellation Order, the Company had filed an appeal bearing no. 335/2017 before the Hon'ble Financial Commissioner, Govt. Of Delhi ("Appellate Authority") on 13 December, 2017. On 19th December, 2017, the Appellate Authority stayed the operation of the said cancellation Order, which is in force as on the date of this 31st March, 2018 financial statement/auditor report 8th May, 2018 Accordingly, Max Super Speciality Hospital, Shalimar Bagh has resumed its operations on 20 December, 2017.

The Company is of the view that the said Cancellation Order was passed by DGHS in contravention of the provisions of Section 8 of Delhi Nursing Home Registration Act and violates the principles of natural justice and due process prescribed under the Act. The Company is confident that the Appellate Authority(ies) will set aside the Cancellation Order dated 8 December, 2017 and uphold its view in the matter"



B. Capital commitment

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

	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account	12,777	18,233
Less: Capital advances	3,916	3,000
Balance value of contracts	8,861	15,233

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:

	(Rs. in Lakhs)			
Particulars	March 31, 2018		March 31, 2017	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	126	101	123	92
After one year but not more than five years	277	251	403	351
More than five years	-	-	-	-
Total minimum lease payments	403	352	526	443

(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) The Group had entered into a leases for 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. 4084 lakhs (March 31, 2017 is Rs. 3379 lakhs).

(c) Future minimum lease payments and the payment profile of non-cancellable operating leases are as

	(Rs. in Lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	2,385	2,254
Later than one year and not later than five year	7,013	7,764
Later than five year	15,350	16,810
Total	24,748	26,828

(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.

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Lease rent received	218	877

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 Lakhs)	
	Duty Saved Amount	Export Obligaion
	332	285



29. Other notes to accounts

29.1 Capitalization of expenditure

During the year, the 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 Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Opening	172	11
Add:		
Salaries, wages and bonus	53	74
Rent	8	67
Power and fuel	34	17
Interest	136	45
Miscellaneous expenses	-	8
Total	403	222
Less: Capitalized during the year	239	50
Preoperative expenses pending capitalization	164	172



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29.2 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, 2018	Year ended March 31, 2017
		(Rs. in Lakhs)
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	1,455	1,265
Interest expense	100	95
Current service cost	315	255
Benefit paid	(122)	(272)
Acquisition adjustment (Employees transferred from holding company)	-	1
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	24	14
Actuarial changes arising from changes in financial assumptions	(58)	55
Actuarial changes arising from changes in experience adjustments	29	42
Defined benefit obligation at year end	1,743	1,455
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	105	91
Expected return on plan assets	5	7
Employer contribution	-	5
Remeasurement of (gain)/loss in other comprehensive income	-	2
Fair value of plan assets at year end	110	105
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	(1,743)	(1,457)
Fair value of plan assets	110	105
Amount recognized in balance sheet- asset / (liability)	(1,633)	(1,352)
d) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	315	256
Interest cost on benefit obligation	95	94
Expected return on plan assets	(5)	(3)
Net actuarial(gain) / loss recognized in the year	-	(2)
Net defined benefit expense debited to statement of profit and loss	405	345
e) Other comprehensive income		
Change in demographic assumptions	23	14
Change in financial assumptions	(58)	57
Experience variance	29	43
Return on plan assets, excluding amount recognized in net interest expense	1	(3)
Net other comprehensive income	(5)	111
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, 2018	As At March 31, 2017
Discount rate	7.12%	6.60%
Salary escalation rate	8.00%	8.00%
Mortality rate	100.00%	100.00%
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%	(93)	(69)
Decrease by 1.00%	103	77
Salary growth rate		
Increase by 1.00%	102	70
Decrease by 1.00%	(93)	(64)
Attrition rate		
Increase by 50%	(83)	(85)
Decrease by 50%	134	148



		(Rs. in Lakhs)
	Year ended March 31, 2018	Year ended March 31, 2017
i) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	326	306
Between 2 and 5 years	913	698
Between 5 and 10 years	692	547
More than 10 years	915	637
Total expected payments	2,846	2,188
j) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 Years (March 31, 2017 : 6 years)		
k) The plan assets are maintained with LIC of India		
l) The Company expects to contribute Rs.1,474 lakhs (March 31, 2017 : Rs.1,204 lakhs) to the plan 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.		



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29.3. Provident fund

The group 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, 2018 as per the actuarial valuation of active members are as follows:

	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets at year end at fair value	8,628	6,837
Present value of defined benefit obligation at year end	8,509	6,734
Surplus as per actuarial certificate	119	103
Shortfall recognised in balance sheet	-	-
Active members as at year end (Nos)	3,791	3,437

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

	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.18%	7.51%
Withdrawal rate	5.00%	5.00%
Yield on existing funds	8.94%	8.79%
Expected guaranteed interest rate	8.55%	8.65%

Contribution to defined benefit plan, recognized as expense for the year is as under:

	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution towards provident fund (PF)	510	441
	510	441



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29.4 A 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 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 10% 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 years 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, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	41,33,324	53	39,37,340	51.48
Granted during the Year	-	-	7,54,234	54.40
Forfeited during the year	-	-	5,58,250	41.29
Exercised during the year	-	-	-	-
Lapsed during the year	41,33,324	-	-	-
Outstanding at the end of the year	-	-	41,33,324	53.45
Exercisable at the end of the year	-	-	7,00,000	38.31

The weighted average fair value of stock options granted during the year was Rs. Nil (March 31, 2017: Rs 54.40)



In terms of Clause 18(i) of Employee Stock Option Scheme – 2006 ("ESOP 2006"), in case, the Company could not achieve listing of its shares before the vesting date and an employee opts to exit from the stock options granted by the Company in full or part, he or she can opt for deferred compensation for such stocks, which will be the difference between the option price and the share valuation price relevant on that date, subject to applicable taxes. All options granted by the Company to each optionee shall lapse immediately after the Company pays the deferred compensation to the concerned employee.

As on March 31, 2018, all options vested up to that date, have been exercised and employees have been opted for the deferred compensation, which has also been paid to them. Further, in view of the Company's plan to not list the stock, all the grantees have irrevocably opted for deferred compensation plan ("Phantom Stock Plan") for the unvested part of Employee Stock Options issued earlier. Consequently, there are no outstanding stock options as on date and no new grants have been granted or proposed to be granted under ESOP 2006 Scheme.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 are as follows:

Date of grant	March 31, 2018		March 31, 2017	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
01-Mar-12	-	-	2,20,000	4.14 Years
25-Mar-15	-	-	8,93,000	6.25 Years
01-Jul-15	-	-	13,26,818	6.33 Years
01-Aug-15	-	-	5,08,626	6.44 Years
25-Aug-15	-	-	1,50,646	6.50 Years
01-Mar-16	-	-	2,80,000	4.92 Years
01-Apr-16	-	-	7,54,234	8.28 Years
01-Sep-17	-	-	-	-

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, 2018	March 31, 2017			
		Inputs used for diff Grant Dates for Black Scholes Valuation of Option Granted			
		01-Jul-15	01-Aug-15	25-Aug-15	01-Apr-16
A. Stock Price Now (in Rupees)	-	73.54	73.54	73.54	73.54
B. Exercise Price (X) (in Rupees)	-	54.4	54.4	54.4	54.4
C. Expected Volatility (Standard Dev - Annual)	-	33.63%	33.63%	33.63%	33.63%
D. Historical Volatility	-				
E. Expected Life of the options granted (Vesting and exercise period) in years	-	5.82 Years	5.90 Years	5.97 Years	7.57 Years
F. Expected Dividend	-	Nil	Nil	Nil	Nil
G. Average Risk- Free Interest Rate	-	7.38%	7.39%	7.39%	7.53%
H. Expected Dividend Rate	-	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.

29.4 B Employee phantom stock plan 2017

Employee Phantom Stock Plan, 2017 (the Scheme) are cash settled rights where the employees are entitled to get cash compensation based on the Company's fair value, provided certain conditions as laid out in the Scheme are met. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss as detail given below :-

Particulars	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Opening balance	-	-
Add: Expenses during the year	289	-
Less : Lapsed/forfeited during the year	-	-
Closing balance	289	-

During FY 2017 -18, the Company has granted phantom stock options to certain employees, the details of the grant/issue as at March 31, 2018 are given below:

Particulars	No. of options
Outstanding as at April 1, 2017	Nil
Granted during the year	18,41,362 (Eighteen Lacs Forty One Thousand Three Hundred Sixty Two)
Date of grant	August 1, 2017
Grant price per unit	INR 84 per unit
Vested during the year	Nil
Exercised during the year	Nil
Lapsed/ forfeited/ surrendered during the year	Nil
Outstanding as at 31st March, 2018	18,41,362 (Eighteen Lacs Forty One Thousand Three Hundred Sixty Two)
Exercisable as at 31st March, 2018	18,41,362 (Eighteen Lacs Forty One Thousand Three Hundred Sixty Two)
Vesting period	30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months.
Exercise period	Within 12 months of the vesting period, unless extension approved by the NRC
Exercise price	The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the scheme and subject to applicable laws.
Settlement of phantom stock options	Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant exercise notice.



29.5. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

A. Financial instruments

(Rs. in lakhs)

Category	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1) Financial assets at amortized cost				
Loans (current / non current)	23,663	20,445	23,663	20,445
Trade receivables (current / non current)	40,935	31,074	40,935	31,074
Other financial assets (current)	1,073	1,076	1,073	1,076
Cash and cash equivalents	913	1,525	913	1,525
Other bank balances (current / non current)	8,084	752	8,084	752
Derivative instruments	1	39	1	39
2) Financial Liabilities at amortized cost				
Trade payables	26,496	21,372	26,496	21,372
Borrowings (current / non current)	95,293	85,892	95,293	85,892
Other financial liabilities (current / non current)	7,054	4,714	7,054	4,714

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 Group 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.



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B. Fair value hierarchy

The Group 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, 2018

Quantitative disclosures of fair value measurement hierarchy for financial assets, liability, as on March 31, 2018				
Particulars	Carrying Value	Fair Value		
	March 31, 2018	Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	23,663	-	-	23,663
Trade receivables (current / non current)	40,935	-	-	40,935
Other financial assets (current)	1,073	-	-	1,073
Cash and cash equivalents	913	-	-	913
Derivative instruments	1	1	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	26,496	-	-	26,496
Borrowings (current / non current)	95,293	-	-	95,293
Other financial liabilities (current / non current)	7,054	-	-	7,054

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2017

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2017				
		(Rs. in lakhs)		
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)	20,445	-	-	20,445
Trade receivables (current / non current)	31,074	-	-	31,074
Other financial assets (current)	1,076	-	-	1,076
Cash and cash equivalents	1,525	-	-	1,525
Other bank balances (current / non current)	752	-	-	752
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

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities are approximate their carrying amounts largely due to the short-term maturities of these instruments.



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29.6 Financial risk management objectives and policies

The group 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 13 and 18, cash and cash equivalents disclosed in note 8 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 debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBITDA, Net Debt is divided by the Normalised EBITDA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items, 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 2016-17 and FY 2017-18 stood at 0.69 & 0.84. Similarly, the Net Debt to EBITDA ratio of The Group stood at 3.64 for FY 2016-17 and 4.78 for FY 2017-18.

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 Debt for computation of Debt Equity Ratio.

b) 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 maturity profile of Group's financial liabilities at the end of March 31, 2017 and March 31, 2018 based on contractual undiscounted payments:-

(Rs. In Lakhs)				
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer Note I below)	10,280	15,209	62,733	88,242
Trade payable	21,372	-	-	21,372
Other financial liabilities (refer Note II below)	3,197	-	-	3,197
% to Total	31%	13%	56%	100%
March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer Note I below)	13,129	21,835	64,036	99,000
Trade payable	26,496	-	-	26,496
Other financial liabilities (refer Note II below)	4,295	-	-	4,295
% to Total	34%	17%	49%	100%

Notes :

I) Interest bearing borrowings

(Rs. In Lakhs)				
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer note 13 & 18)	8,747	14,784	62,361	85,892
Add: Loan processing fee amortisation impact	16	425	392	833
Add: Current maturity of borrowings	1,517	-	-	1,517
Total of Interest bearing borrowings	10,280	15,209	62,753	88,242
March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer note 13 & 18)	10,264	21,364	63,665	95,293
Add: Loan processing fee amortisation impact	106	471	371	948
Add: Current maturity of borrowings	2,759	-	-	2,759
Total of Interest bearing borrowings	13,129	21,835	64,036	99,000

II) Other financial liabilities

(Rs. In Lakhs)				
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Other financial liabilities (refer note 14 & 18 (iii))	4,714	-	-	4,714
Less: Current maturity of borrowings	1,517	-	-	1,517
Other financial liabilities	3,197	-	-	3,197
March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Other financial liabilities (refer note 14 & 18 (iii))	7,054	-	-	7,054
Less: Current maturity of borrowings	2,759	-	-	2,759
Other financial liabilities	4,295	-	-	4,295

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 Group 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 Group's established policy, procedures and control relating to customer credit risk management. Management evaluates 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 Group 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 Group'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 Group has a written contract. Further the Group 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 Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Neither past due or impaired	13,706	7,453
0 to 180 days due past due date	10,020	13,019
More than 180 days due past due date	17,209	10,602
Total trade receivables	40,935	31,074

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	4,357	3,898
Provision during the year	182	645
Bad debts written off	224	158
Reversal of provision	(453)	(344)
At the end of the year	4,310	4,357

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group'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 Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017 is the carrying amounts as illustrated in note 29.5 (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 2018. 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, 2018.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group'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 Group 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 Group profit before tax is due to changes in the fair value of monetary assets and liabilities.

Unhedged foreign currency exposures recognized by the Group are as under:

Currency	(Rs. in Lakhs)		Increase/decrease in rate	Impact on profit before tax
	March 31, 2018 Foreign currency	March 31, 2018 Indian Rupees		
Payables in Euro	0.27	22.27	1%	0.22
Payables in USD	9.22	584.50	1%	5.80

Currency	(Rs. in Lakhs)		Increase/decrease in rate	Impact on profit before tax
	March 31, 2017 Foreign currency	March 31, 2017 Indian Rupees		
Payables in Euro	0.07	4.84	1%	0.05
Payables in JPY	0.65	0.40	1%	-
Payables in USD	7.95	468.93	1%	4.26

The Group 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:

Particulars	(Rs. in Lakhs)	
	March 31, 2018	March 31, 2017
Payables in USD	1,470	1,825

(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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group'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

Year	(Rs. in Lakhs)	
	Increase/decrease in Interest rate	Effect on profit before tax
March 31, 2018	0.50%	416
March 31, 2017	0.50%	344



29.7 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 (Pty) 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

Dr. Pradeep Kumar Chowbey, Executive Vice Chairman

Mr. Rajit Mehta, Managing Director & Chief Executive Officer

Dr. Ajit Singh Director

Mr. Yogesh Kumar Sarcon, 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 Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Healthcare services rendered		
Core Diagnostics Private Limited	14	-
Director KMP & their relative	8	-
Services received		
Max India Limited	591	150
Core Diagnostics Private Limited	55	81
Medecube Healthcare India Private Limited	145	108
Dr. Ajit Singh	50	122
Sale of property, plant and equipment		
Ruchi Mahajan	1	-
Director's remuneration		
Dr. Pradeep Chowbey (Key management personnel)	136	94
Mr. Rajit Mehta (Key management personnel)	595	446
Cost to cost reimbursement of expenses		
Life Healthcare International (Pty) Limited	14	-
Remuneration to director's relative		
Ms. Piyu Singh	4	-

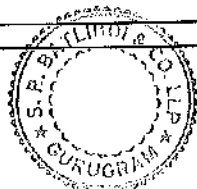
(D) Balances at the year end

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Trade payable		
Max India Limited	632	282
Life Healthcare International (Pty) Limited	14	-
Core Diagnostics Private Limited	2	14
Medecube Healthcare India Private Limited	1	2
Trade receivables		
Core Diagnostics Private Limited	8	-

29.8 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. 55 lakhs (March 31, 2017 : Rs. 35 lakhs) toward this cause and debited the same to the statement of profit and loss.

2013. The group has contributed a sum of Rs. 55 lakhs (March 31, 2017 : Rs. 55 lakhs) toward this cause and spent the same to the tune of Rs. 55 lakhs.		(Rs in Lakhs)			
		For the year end March 31, 2018	For the year end March 31, 2017		
Details of CSR expenditure :					
(a) Gross amount required to be spent by the group during the year		59	41		
(b) Amount spent during the year					
		Paid in cash	Yet to be paid in cash		
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
(i) Construction/acquisition of any asset		55	35	4	6
(ii) On purpose other than (i) above		55	35	4	6



29.9 Earnings per share (EPS)		(Rs. in Lakhs)	
		Year ended March 31, 2018	Year ended March 31, 2017
(A) Earning per share from continuing operations			
a) Basic earnings per share			
Numerator for earnings per share		(3,307)	(177)
Loss after taxation			
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year		5,372	5,366
Earnings per share-Basic (one equity share of Re. 10/- each)		(0.62)	(0.03)
b) Diluted earnings per share			
Numerator for earnings per share		(3,307)	(177)
Loss after taxation			
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year		5,380	5,411
Earnings per share- Diluted (one equity share of Re. 10/- each) *		(0.62)	(0.03)
(B) Earning per share from discontinued operations			
a) Basic earnings per share			
Numerator for earnings per share		1,129	1,719
Profit after taxation			
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year		5,372	5,366
Earnings per share-Basic (one equity share of Re. 10/- each)		0.21	0.32
b) Diluted earnings per share			
Numerator for earnings per share		1,129	1,719
Profit after taxation			
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year		5,380	5,411
Earnings per share- Diluted (one equity share of Re. 10/- each)		0.21	0.32
(C) Earning per share from continuing and discontinued operations			
a) Basic earnings per share			
Numerator for earnings per share		(2,852)	1,616
Profit/(Loss) after taxation			
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year		5,372	5,366
Earnings per share-Basic (one equity share of Re. 10/- each)		(0.53)	0.30
b) Diluted earnings per share			
Numerator for earnings per share		(2,852)	1,616
Profit/(Loss) after taxation			
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year		5,380	5,411
Earnings per share- Diluted (one equity share of Re. 10/- each)		(0.53)	0.30

* The conversion effect of potential equity shares is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

29.10 Deal with Vikuj Healthcare Private Limited

During the current year, the ALPS Hospital Limited ("ALPS") has entered into a agreement with Vikuj Healthcare Private Limited ("VHPL") to acquire its 100% equity share capital. ALPS has purchased 26% stake in VHPL for Rs.26,000 and for remaining 74% stake, ALPS has deposited Rs.7289 lakhs in an escrow account which will get credited to VHPL when the required clearances from DDA to build hospital on that land will be received by VHPL.

Further, the ALPS has given a loan of Rs.325 lakhs at interest rate of 12% to Varun Chopra, director of VHPL as a financial help for obtaining clearances. This payment will get adjusted/refunded when the above transaction gets materialised.

The DDA approval for restoration of land is still awaited and Chopra family is in process of getting the same. ALPS is in discussion with the shareholders of VHPL and trustees of Vikrant Foundation to resolve the matters. As on date the matter is still pending and there is no outcome of the matter.

Though ALPS owns 26,000 shares (26%) of VHPL, but whether these shares will be held in future or not will depend on whether DDA restores back the deed in favour of trust. In case of unfavourable outcome ALPS will resale back the shares to VHPL, hence treated the money paid as an advance to VHPL in financial statements. In case the deal is not materialised ALPS will receive back the deposits amounts lying in escrow account.



29.11 Scheme of merger between Hometrail Buildtech Private Limited [HBPL] and Hometrail Estate Private Limited [HEPL]

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 HEPL into HBPL. 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 and Regional Director and /or official liquidator has submitted their reply on the letter issued to them by NCLT and matter is list for hearing before NCLT on May 22, 2018.

29.12 Capital management

For the purpose of the Group's capital management, capital includes issued equity attributable to the equity shareholders of the Group, 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 20% and 50%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Borrowings (refer note 13,18)	98,052	87,409
Less: cash and cash equivalents (refer note 8)	(913)	(1,525)
Net debt	97,139	85,884
Equity (refer note 11 and 12)	1,03,117	1,11,904
Total capital and net debt	2,00,256	1,97,788
Gearing ratio	48.51%	43.42%

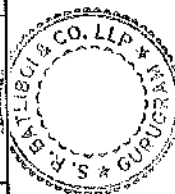


29.13 Segment reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purpose, the Company is organised into business units based on its products and services and has five reportable segments as follows:

- Operating Segments: Construction and other than construction.
- Identification of segments: The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of services and have been identified as per the quantitative criteria specified in the Ind AS.
- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".
- There is no transfer of products between operating segments.
- There are no customers having revenue exceeding 10% of total revenues.
- The company operates in single geographical segment.

Summary of segmental information:- (Rs in Lakhs)						
Particulars	Construction		Other than construction		Total	
	for the year ended March 31, 2018	for the year ended March 31, 2017	for the year ended March 31, 2018	for the year ended March 31, 2017	for the year ended March 31, 2018	for the year ended March 31, 2017
1. Revenue						
Revenue from operations	2,584	-	1,70,329	1,60,826	1,72,913	1,60,826
Other income					-	-
Finance income	2,584	-	1,70,329	1,60,826	1,72,913	1,60,826
Total revenue						
2. Results						
Segment results	235	-	77,719	70,578	77,954	70,578
Unallocated expenses (net of income)	-	-	-	-	70,666	61,859
Operating profit	235	-	77,719	70,578	7,288	8,719
Interest expense and finance cost					9,937	9,968
Profit before tax					(2,649)	(1,249)
Provision for taxation					995	(1,109)
Net (loss) after tax from continuing operations					(3,644)	(140)
Net profit after tax from discontinued operations					1,129	1,719
Net profit/(loss) from continuing & discontinued operations					(2,515)	1,579
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
3. Other information						
A. Assets						
Segment assets	3,007	-	2,93,364	2,85,238	2,96,371	2,85,238
Assets of discontinued operation	-	-	-	-	-	10,862
Unallocated assets	-	-	-	-	35,032	19,908
Total assets	3,007	-	2,93,364	2,85,238	3,31,403	3,16,008
B. Liabilities						
Segment liabilities	444	-	1,29,790	1,16,695	1,30,234	1,16,695
Liabilities of discontinued operation	-	-	-	-	-	958
Unallocated liabilities	-	-	-	-	98,052	86,451
Total liabilities	444	-	1,29,790	1,16,695	2,28,286	2,04,104
C. Others						
Capital expenditure	-	-	14,703	8,961	14,703	8,961
Depreciation and amortisation expense	-	-	9,442	9,551	9,442	9,551



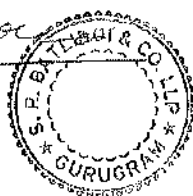
29.14 Figures relating to March 31, 2017 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

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

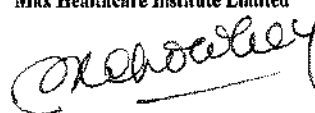
As per our report of even date attached

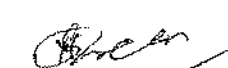
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

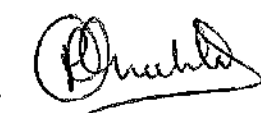

Per Atul Seksaria
Partner
Membership Number: 086370

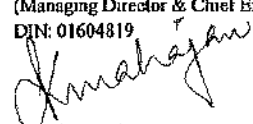


For and on behalf of the Board of Directors of
Max Healthcare Institute Limited


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


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


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


Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 08, 2018

Place : New Delhi
Date : May 08, 2018

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").

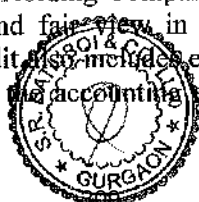
Management's Responsibility for the Consolidated Financial Statements

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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 26 to the consolidated Ind AS financial statements;



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- 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.27.12 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: **Gurgaon**

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.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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



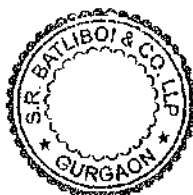
per **Atul Seksaria**

Partner

Membership Number: 086370

Place of Signature: **Gurgaon**

Date: **MAY 23, 2017**



Max Healthcare Institute Limited
Consolidated Balance Sheet as at March 31, 2017

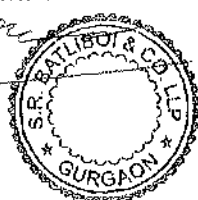
			(Rs. in Lacs)
	Notes	As at March 31, 2017	As at March 31, 2016 As at April 1, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	3	96,182	96,798
Capital work-in-progress	3	4,483	1,114
Goodwill		29,189	29,189
Intangible assets	4	99,703	1,01,293
Intangible assets under development	4	131	52
Financial assets	5		
(i) Loans		1,100	907
(ii) Trade receivables		7,592	7,690
(iii) Other financial assets		17,913	17,632
(iv) Other bank balances		2	2
Other non current assets	6	23,553	20,785
		<u>2,79,848</u>	<u>2,75,462</u>
Current assets			
Inventories	7	2,312	2,322
Financial assets	8		
(i) Loans		1,359	-
(ii) Trade receivables		23,482	20,858
(iii) Other investments		-	-
(iv) Other financial assets		1,149	1,198
(v) Cash and cash equivalents		1,848	1,117
(vi) Other bank balances		427	196
(vii) Derivative instruments		39	-
Other current assets	9	4,240	3,357
		<u>34,856</u>	<u>29,048</u>
Assets classified as held for sale	9A	30	-
		<u>34,886</u>	<u>29,048</u>
TOTAL ASSETS		<u>3,14,734</u>	<u>3,04,510</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	53,724	53,341
Other equity	11	64,205	61,177
Change in valuation for put options granted to NCI in subsidiaries		(7,334)	(1,696)
Total equity		<u>1,10,595</u>	<u>1,12,822</u>
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12	77,187	64,880
(ii) Other financial liabilities	13	210	238
Government grant		64	18
Long term provisions	14	1,260	1,019
Deferred tax liabilities (not)	6A	34,292	36,142
Other non-current liabilities	15	52,857	47,178
		<u>1,65,870</u>	<u>1,49,475</u>
Current liabilities			
Financial liabilities	16		
(i) Borrowings		8,705	12,066
(ii) Trade payables		21,372	21,706
(iii) Other financial liabilities		4,504	5,384
Other current liabilities	17	2,179	2,058
Short term provisions	18	1,509	999
		<u>38,269</u>	<u>42,213</u>
TOTAL LIABILITIES		<u>2,04,139</u>	<u>1,91,688</u>
TOTAL EQUITY AND LIABILITIES		<u>3,14,734</u>	<u>3,04,510</u>
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

per Atul Seksaria
Partner

Membership Number: 086370



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

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

Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

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

Ruchi Mahajan
(Company Secretary)
Membership Number F5671

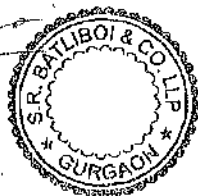
Max Healthcare Institute Limited
Consolidated Statement of profit and loss for the year ended March 31, 2017

		(Rs. in Lacs)	
	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	19	1,62,675	1,43,413
Other income	20	1,571	1,580
Finance income	21	3,565	2,061
Total income		1,67,811	1,47,054
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		1,67,341	1,48,950
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:			
Re-measurement losses on defined benefit plans	27.2	(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

per Anil Seksaria
Partner
Membership Number: 086370



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

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

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

Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

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 changes in equity for the year ended March 31, 2017

a) Equity share capital

Particulars	Nos.	(Rs. in Lacs)
As at April 1, 2015	48,88,13,654	48,881
Add: Equity share issued (refer note 10)	4,45,94,444	4,460
As at March 31, 2016	53,34,08,098	53,341
Add: Equity share issued (refer note 10)	38,36,230	383
As at March 31, 2017	53,72,44,328	53,724

b) Other equity

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	1,05,475	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	1,07,678	-	(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

[Signature]
per Atul Seksaria
Partner
Membership Number: 086370



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

[Signature]
Dr. Pradeep Kumar Chowbey
(Whole-Time Director)
DIN:01141637

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

[Signature]
Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

[Signature]
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	12,376
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	16,556	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	(12,498)	(1,60,557)
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	(10,370)	(1,34,011)
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 :-

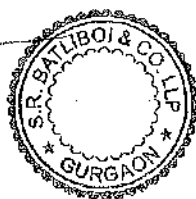
	(Rs. in Lacs)	
	As at	As at
	March 31, 2017	March 31, 2016
Balances with banks:		
On current accounts	647	540
On escrow accounts	323	340
Deposits with original maturity of less than three months	605	-
Cheques/ drafts on hand	171	101
Cash on hand	102	136
	<u>1,848</u>	<u>1,117</u>

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

per Atul Settsaria
Partner
Membership Number: 86370



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

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

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

Yogesh Kumar Sareen
(Chief Financial Officer)
ICAI Membership Number 087383

Ruchi Mahajan
(Company Secretary)
Membership Number F5671

Place : Gurugram
Date : May 23, 2017

Place : New Delhi
Date : May 23, 2017

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 Laacs (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



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%	1,26,170	111%	1,27,566	118%	1,01,870	-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
HomeRail Estate Private Limited (HEPL)	India	100%	100%	100%	0%	589	-1%	(1,418)	-4%	(3,407)	255%	2,116	-109%	1,989
HomeRail 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%	1,17,930	100%	1,14,518	100%	86,295	100%	831	100%	(1,820)
Non controlling interest						(7,335)		(1,696)		-		(37)		(459)
Gross total						1,10,595		1,12,822		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 proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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 in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard. (iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right

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 be 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

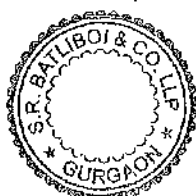
Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Group has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant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



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

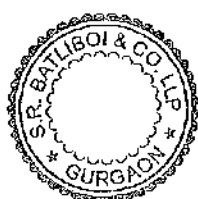
- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

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 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 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.



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.



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 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 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.



(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.

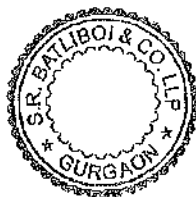
(e) Impairment of non-Financial assets

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 asset's recoverable amount is the higher of an asset's CGUS 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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Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

3. Property, plant and equipments (PPE)

(Rs in Lacs)

	Landhold land	Building	Landhold improvement	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	26,306	4,653	20,657	22	5,407	493	1,953	530	574	2,308	1,133	70,292	689
Additions	-	257	123	2,096	-	169	69	84	133	132	170	506	3,801	1,727
Acquisition through business combination	5,720	4,448	-	-	-	-	-	-	-	-	-	-	10,178	-
Acquisition of subsidiary	1,904	6,949	-	8,096	-	2,923	151	663	68	52	8	-	20,814	594
Deposals	-	-	-	427	-	79	57	49	133	13	2	265	1,025	1,896
As at March 31, 2016	13,890	34,000	4,776	30,432	22	8,430	656	2,651	600	765	2,484	1,574	1,04,060	1,114
Additions	6	1,095	720	4,138	-	104	229	228	781	781	58	380	8,525	4,772
Deposals	-	-	144	606	-	49	37	47	195	263	24	343	1,708	1,403
As at March 31, 2017	13,896	35,095	5,322	35,954	22	8,475	848	2,872	1,192	1,283	2,518	1,411	1,10,878	4,483
Depreciation														
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	1,073	366	3,042	14	984	289	319	129	335	387	768	7,996	-
Acquisition through business combination	-	61	-	-	-	-	-	-	-	-	-	-	20,814	-
Deposals	-	-	-	244	-	58	42	29	53	12	2	265	705	-
As at March 31, 2016	-	1,134	366	2,798	14	926	347	490	76	323	385	503	7,262	-
Additions	-	780	638	3,849	4	1,077	238	452	170	339	371	766	8,654	-
Additions in purchase price allocation	-	83	-	-	-	-	-	-	-	-	-	-	83	-
Deposals	-	-	144	281	-	27	35	44	135	263	22	332	1,303	-
As at March 31, 2017	-	1,917	860	6,366	18	1,976	450	898	111	399	734	807	14,696	-
Net carrying amount														
As at March 31, 2017	13,896	37,112	4,492	27,598	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	2,092	871	96,798	1,114
As at April 1, 2015	6,256	26,306	4,653	20,657	22	8,407	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 is for healthcare facility.

3.04 Land measuring 3.15 acres each Mohali and Bhiwani 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)	1,140	1,355	1,541

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	-	
680	333	-	
3,069	2,863	3,250	



4. Intangible assets

	(Rs in Lacs)			
	Computer software	Non compete fee	Service agreement	Total
At cost				
Deemed cost as at April 1, 2015	1,313	-	-	1,313
Additions	1,331	1,265	-	2,596
Acquisition through business combination	-	381	98,066	98,447
Acquisition of subsidiary	108	-	-	108
Disposals	48	-	-	48
As at March 31, 2016	2,704	1,646	98,066	1,02,416
Additions	435	-	-	435
Additions in purchase price allocation	-	-	-	-
Disposals	1	-	-	1
As at March 31, 2017	3,138	1,646	98,066	1,02,850
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
At at March 31, 2016	2,128	1,475	97,690	1,01,293
As at April 1, 2015	1,313	-	-	1,313

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

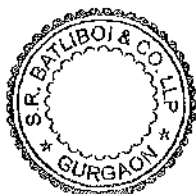
4.3 On November 27, 2015 the group acquired 51% of share capital of Saket City Hospitals Private Limited and accordingly service agreement of Rs. 98,066 lacs has been recognised in the transaction upon bussiness combination as per IND AS 103

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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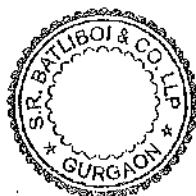
	(Rs in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Non-current financial assets			
i) Loans (Valued at amortized cost) (Unsecured considered good)			
Loans to other healthcare service providers	1,100	907	10,179
	<u>1,100</u>	<u>907</u>	<u>10,179</u>
ii) Trade receivables (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) Vaid 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 Gujarnal 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) Loans (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	(4,157)	(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



	(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 Secure 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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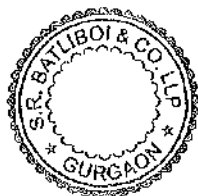


	(Rs in Lacs)	
	As at March 31, 2017	As at March 31, 2016
6A Income taxes		
Statement of profit and loss:		
(a) Income tax expense in the statement of profit and loss comprises:		
Current income tax charge	1454	(592)
Deferred tax	-	-
On account of MAT credit	(1,363)	590
Relation to other origination/reversal of temporary differences*	(528)	367
Income tax expense reported in the statement of profit and loss**	(435)	365
(b) Other comprehensive income		
Re-measurement (gain) / losses on defined benefit plans (refer note 27.2)	-	-
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**	470	(1,896)
Applicable tax rate	34,808	34,808
Computed tax expense	163	(656)
Deferred tax asset not created in respect of unabsorbed losses	1,573	2,152
Provision on account of doubtful debts not considered for deferred tax purpose	388	-
Reversal of Losses lapsed due to take over of business	(1,973)	-
Impact of unrecognised deferred tax asset on previous years unabsorbed losses/depreciation	(693)	(1,333)
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 expense not considered for tax purpose	2	-
Others	6	33
Income tax reported in the statement of profit and loss	(435)	365
(d) Deferred tax:		
Deferred tax relates to the followings	As at March 31, 2017	As at March 31, 2016
Deferred tax liability:		
Accelerated depreciation for tax purpose	4,702	2,407
Others	1,471	1,353
Deferred tax asset		
On account of purchase price allocation	35,023	35,447
Expenses allowed on payment basis	(309)	(101)
Impairment allowance (allowance for bad and doubtful receivable)	(192)	(139)
Unabsorbed business losses / depreciation	(4,489)	(2,927)
Unabsorbed business losses / depreciation (restricted to deferred tax liability) *	-	692
MAT credit entitlement	(1,943)	(590)
Less: MAT credit adjustment previous year	29	-
Net deferred tax liabilities/(asset)	34,292	36,142
		(Rs in Lacs)
		As at April 1, 2015
Deferred tax liability:		
Accelerated depreciation for tax purpose		2,419
Others		1,286
Deferred tax assets:		
On account of purchase price allocation		-
Expenses allowed on payment basis		(64)
Impairment allowance (allowance for bad and doubtful receivable)		(190)
Unabsorbed business losses / depreciation		(4,686)
Unabsorbed business losses / depreciation (restricted to deferred tax liability) *		1,988
MAT credit entitlement		-
Less: MAT credit adjustment previous year		-
Net deferred tax liabilities/(asset)		753
		Profit and loss
	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax liability:		
Accelerated depreciation for tax purpose	2,295	(1,585)
Others	118	65
Deferred tax assets:		
On account of purchase price allocation	(424)	(365)
Expenses allowed on payment basis	(208)	39
Impairment allowance (allowance for bad and doubtful receivable)	(52)	51
Unabsorbed business losses / depreciation	(1,562)	6,604
Unabsorbed business losses / depreciation (restricted to deferred tax liability) *	(693)	(1,295)
MAT credit entitlement	(1,353)	(590)
Less: MAT credit adjustment previous year	29	-
Deferred tax expense/(income)	(1,850)	3,124
(e) Reconciliation of deferred tax liabilities (net)		
Opening balance	36,142	753
Tax (income)/expense during the period recognised in profit or loss	(526)	35,979
MAT credit entitlement***	(1,353)	(590)
MAT credit adjustment previous year	29	-
Closing balance	34,292	36,142

* a) 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.

** In the consolidated financial statements of financial year 2015-16, profit of Saket City Hospital Private Limited and Crossley Remedies Limited has been taken from the date of acquisition, only whereas in standalone financial statements of respective entities profit has been considered for entire financial year. Further in Crossley Remedies Limited, deferred tax which was reversed in standalone financial statement in financial year 2015-16 has not been considered in consolidated financial statement as profit of prior to the date of acquisition has also not been considered.

*** b) The Group has till date recognised Rs.1,353 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.



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
	<u>1,05,000</u>	<u>1,05,000</u>	<u>1,05,000</u>
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	<u>53,724</u>	<u>53,341</u>	<u>48,881</u>

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	53,34,08,098	53,341	48,88,13,654	48,881
Issued during the year				
- Right Issue #	38,36,230	383	4,44,44,444	4,445
- ESOP	-	-	1,50,000	15
Outstanding at the end of the year	<u>53,72,44,328</u>	<u>53,724</u>	<u>53,34,08,098</u>	<u>53,341</u>

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	24,68,48,537	45.95%	24,68,48,537	46.28%	22,46,26,315	45.95%
Life Healthcare International (Proprietary) Limited	24,68,48,537	45.95%	24,68,48,537	46.28%	22,46,26,315	45.95%
International Finance Corporation, USA (IFC)	4,02,98,799	7.50%	3,66,61,024	6.87%	3,66,61,024	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 9,50,000 (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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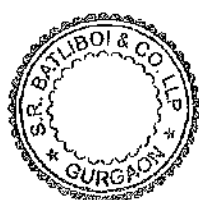


Max Healthcare Institute Limited
Notes forming part of consolidated financial statements

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)	1,07,678	1,05,475	79,891
Employee stock options outstanding (refer note c below)	-	6	7
Retained earnings (refer note d below)	(43,474)	(44,305)	(42,485)
	<u>64,285</u>	<u>61,177</u>	<u>37,414</u>
 a) Capital reserves	 <u>1</u>	 <u>1</u>	
 b) Securities premium account			
At the beginning of the year	1,05,475	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)	
	<u>1,07,678</u>	<u>1,05,475</u>	
 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)	
	<u>-</u>	<u>6</u>	
 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	
	<u>(43,474)</u>	<u>(44,305)</u>	

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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
	<u>78,704</u>	<u>68,202</u>	<u>37,215</u>
Less: Amount clubbed under "other current financial liabilities" refer note 16.(iii)]	<u>1,517</u>	<u>3,322</u>	<u>4,338</u>
	<u>77,187</u>	<u>64,880</u>	<u>32,877</u>
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

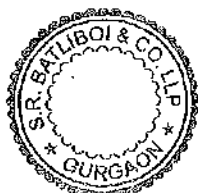
- (i) Loan of Rs.82 lacs (March 31, 2016 : Rs. 6,822 lacs) (April 1, 2015: Rs.7,180 lacs) from ICICI Bank Limited repayable in 36 quarterly installments from June 2014 is secured by way of:
 - a) Exclusive charge over the immovable property of the company located at Shalimar Bagh.
 - b) First pari-passu 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.



- 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, 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 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 what so ever 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;



- 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/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 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/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;
- 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, guarantees, 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) 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 out of CDR Scheme.



- (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 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.
- (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:
- 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.
- 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 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 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
 - 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).
 - 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.
 - 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.
 - 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
 - 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.
 - 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
 - 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 instalments 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:
- Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
 - 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.
 - 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).
 - 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 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 and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans;
 - 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.
 - 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;
 - 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;
 - 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;
 - An irrevocable and unconditional corporate guarantee of the guarantor.
 - 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.
 - 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)
- Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
 - 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.
 - 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).
 - First charge on all intangibles.
 - 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.



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 Laacs)		
	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
	<u>210</u>	<u>238</u>	<u>51</u>
14. Long term provisions			
Provision for leave encasement	-	47	-
Provision for rehabilitation under purchase price allocation	193	-	-
Provision for gratuity (refer note 27.2)	1,067	972	530
	<u>1,260</u>	<u>1,019</u>	<u>530</u>
15. Other non current liabilities			
Put call option liabilities	52,308	46,705	-
Lease Equalisation Reserve	549	473	199
	<u>52,857</u>	<u>47,178</u>	<u>199</u>
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	-
	<u>8,705</u>	<u>12,066</u>	<u>4,617</u>

(i) Cash credit loan of Rs.310 Laacs (March 31, 2016: Rs.604 Laacs) (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 back 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.

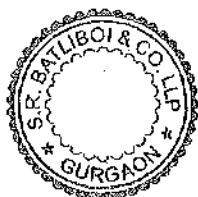
(ii) Cash credit loan of Rs. Nil (March 31, 2016: Rs.745 Laacs) (April 1, 2015 : Nil) from Axis Bank Limited base rate plus 1.95% i.e presently @ 11.20% payable monthly and is secured by way of :

- 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 of
- 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 laacs) (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 Hometrail 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
	<u>21,372</u>	<u>21,706</u>	<u>15,519</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 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
	<u>4,504</u>	<u>5,384</u>	<u>5,818</u>

17. Other current liabilities

Other advances	54	22	14
Advance from patients	640	732	493
Statutory dues	1,485	1,304	890
	<u>2,179</u>	<u>2,058</u>	<u>1,397</u>

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
	<u>1,509</u>	<u>999</u>	<u>895</u>

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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 pharmaceutical supplies	14,815	14,544
Total sale of products	14,815	14,544
Revenue from healthcare services (net)	1,43,795	1,25,682
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
	1,62,675	1,43,413
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 Laacs)	
	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



26. Contingent liabilities, commitments and litigations

A. Commitments and contingencies

S. No.	Particulars	(Rs. in Lacs)		
		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	1,316	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

Income tax cases

Assessment year	Pending before ITAT		Disallowances 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	547	547	-	-	-
2012-13	-	-	711	711	1,646	1,646	-	-	19
2013-14	-	-	982	982	982	-	-	-	-
2014-15	-	-	708	708	-	-	-	-	-
2010-11*	-	-	-	-	-	-	-	9	-
2012-13**	-	-	-	-	-	-	-	-	9
	4,946	213	2,401	7,560	8,237	7,315	-	9	28

Note: -

* Appeal before ITAT for Withholding taxes.

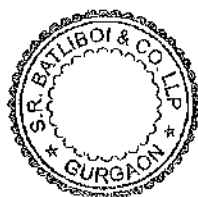
** Appeal before CIT (Appeals) for Withholding taxes.

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 Lacs)		
	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	3,683
Balance value of contracts	15,234	4,493	11,666



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 Laacs)		
	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 Laacs)		
	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).

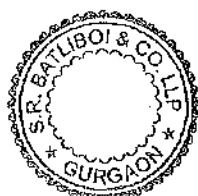
(v) One of the subsidiary, Max Medical Services Limited, had entered into a lease on December 10, 2001 and further amendments thereto with a healthcare service provider to make them available medical & other equipments and fixtures for a term of 30 years. As per the terms, lease rentals are based on 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 Obligation
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

	(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	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	256	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	Year ended March 31, 2017	Year ended March 31, 2016
Discount rate		
Increase by 1.00%	(69)	(49)
Decrease by 1.00%	77	54
Salary growth rate		
Increase by 1.00%	70	48
Decrease by 1.00%	(64)	(45)
Attrition rate		
Increase by 50%	(85)	(62)
Decrease by 50%	148	109



j) 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

	(Rs. in Laacs)
Year ended March 31, 2017	Year ended March 31, 2016
306	217
698	784
547	483
637	362
2,188	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 Laacs (March 31, 2016 : Rs. 1007 laacs) 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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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 Laacs)	
	Year ended March 31, 2017	Year ended 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 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 Laacs)	
	Year ended March 31, 2017	Year ended 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 Laacs)	
	Year ended March 31, 2017	Year ended 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 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.

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	39,37,340	51.48	16,13,000	48.32
Granted during the Year	7,54,234	54.40	25,24,340	51.69
Forfeited during the year	5,58,250	41.29	-	-
Exercised during the year	-	-	2,00,000	28.75
Outstanding at the end of the year	41,33,324	53.45	39,37,340	51.48
Exercisable at the end of the year	7,00,000	38.31	2,30,000	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
01-Mar-12	2,20,000	4.14 Years	2,20,000	5.14 Years
01-Oct-12	-	-	3,00,000	5.84 Years
25-Mar-15	8,93,000	6.25 Years	8,93,000	7.25 Years
01-Jul-15	13,26,818	6.35 Years	15,85,070	7.35 Years
01-Aug-15	5,08,626	6.44 Years	5,08,626	7.44 Years
25-Aug-15	1,50,646	6.50 Years	1,50,646	7.50 Years
01-Mar-16	2,80,000	4.92 Years	2,80,000	1.92 Years
01-Apr-16	7,54,234	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			
		01-Jul-15	01-Aug-15	25-Aug-15	01-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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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

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on April 01, 2015				
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	-	-	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				

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on April 01, 2015

(Rs. in lacs)				
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	-	-	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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27.6 Financial risk management objectives and policies

The group 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 3 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 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 0.59 & 0.69. Similarly, the Net Debt to EBITDA ratio of The Group stood at 4.79 for FY 2015-16 and 3.63 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	7,433	9,502	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	11,246	987
Total trade receivables	31,074	28,948	25,150



Max Healthcare Institute Limited
Notes to consolidated financial statements for the year ended March 31, 2017.

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

(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,

(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 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 Lacs)				
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 Lacs)				
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 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%	344
March 31, 2016	0.50%	185
April 1, 2015	0.50%	139

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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 Malajau, Company Secretary (additional related parties as per Companies Act, 2013)

(C) 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
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		
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

(Rs. in Lacs)

Particulars	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 March 2017	31 March 2016
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	35	6
	35	6



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)

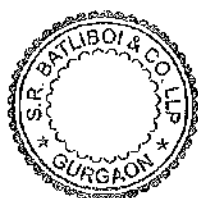
* The conversion effect of potential equity shares is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

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27.10A Reconciliation statement of equity as previously reported under IGAAP to Ind AS

		(Rs. in Laacs)		
	Footnotes	Balance sheet as at April 1, 2015		
		IGAAP	Adjustment	Ind AS
ASSETS				
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)				
		1,05,804	4,694	1,09,898
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		1,43,260	5,691	1,48,951
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		1,43,260	5,691	1,48,951



27.10B Reconciliation statement of equity as previously reported under IGAAP to Ind AS

	Footnotes	(Rs. in Lacs)		
		Balance sheet as at March 31, 2016		Ind AS
		IGAAP	Adjustment	
ASSETS				
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	1,01,293
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)	-
		<u>1,94,369</u>	<u>81,093</u>	<u>2,75,462</u>
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
		<u>29,387</u>	<u>(339)</u>	<u>29,048</u>
TOTAL ASSETS		<u>2,23,756</u>	<u>80,754</u>	<u>3,04,510</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital		53,128	213	53,341
Other Equity	8,9	57,257	3,920	61,177
Total Equity		<u>1,10,385</u>	<u>4,133</u>	<u>1,14,518</u>
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
Government 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
		<u>72,483</u>	<u>76,992</u>	<u>1,49,475</u>
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
		<u>40,010</u>	<u>2,203</u>	<u>42,213</u>
TOTAL LIABILITIES		<u>1,12,493</u>	<u>79,195</u>	<u>1,91,688</u>
Total equity and liabilities		<u>2,23,756</u>	<u>80,754</u>	<u>3,04,510</u>



27.10 C Reconciliation statement of equity as previously reported under IGAAP to Ind AS

	Footnotes	(Rs. in Laes)		
		Year ended March 31, 2016		Ind AS
		IGAAP	Adjustment	
INCOME				
Revenue from operations	11	1,44,540	(1,127)	1,43,413
Other income	12	658	922	1,580
Finance income	2	2,021	40	2,061
Total income		1,47,219	(165)	1,47,054
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		1,48,648	382	1,48,950
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) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements 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 remeasurements were forming part of the profit or loss for the

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 remeasurements 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 India 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:

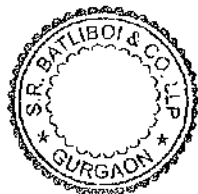
(Rs. in Laacs)			
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	4,177	355	4,532
+ Permitted Receipts**	189	1,558	1,747
(-) Permitted Payments	-	86	86
Amount Deposited in Banks**	4,366	1,407	5,773
Closing cash in hand as on 30.12.2016	-	420	420

Note** It excludes Cash deposited by Customers directly in our bank accounts amounting to Rs.203 Laacs

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.



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	
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



27.15 Capital management

For the purpose of the Group's capital management, capital includes issued equity attributable to the equity shareholders of the Group, 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 20% and 50%. The Group includes within net debt, interest bearing loans and borrowings, 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	41,832
Less: cash and cash equivalents (refer note 3)	(1,848)	(1,117)	(2,545)
Net debt	85,561	79,151	39,287
Equity (refer note 10 and 11)	1,10,595	1,12,822	86,295
Total capital	1,10,595	1,12,822	86,295
Total capital and net debt	1,96,157	1,91,972	1,25,582
Gearing ratio	43.62%	41.23%	31.28%

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. MSSH 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.

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Max Healthcare Institute Limited

Notes to Consolidated financial statements for the year ended March 31, 2017

- 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

per Atul Saksaria
Partner
Membership Number: 086370



Place: Gurgaon

Date: 23rd May 2017

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

Dr. Pradeep Kumar Chowhey
(Whole Time Director)
DIN: 01141637

Yogesh Kumar Sargen
(Chief Financial Officer)
ICAI Membership Number: 087383

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

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place: New Delhi

Date: May 23, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements as at, and for each of the Fiscal Years ended March 31, 2018, 2019 and 2020, including the notes thereto and the report thereon, which appear elsewhere in this Information Memorandum. You should also read the section "Risk Factors" on page 17, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on Audited Consolidated IND AS Financial Statements.

Our audited consolidated financial statements, which are included in this Information Memorandum under "Financial Information", have been prepared in accordance with Ind AS. Our fiscal year ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please refer to sections "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation" on page 9.

This discussion contains forward-looking statements and reflects our current plans and expectations. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed in "Forward-Looking Statements", "Risk Factors" and "Our Business" on pages 11, 17 and 62, respectively.

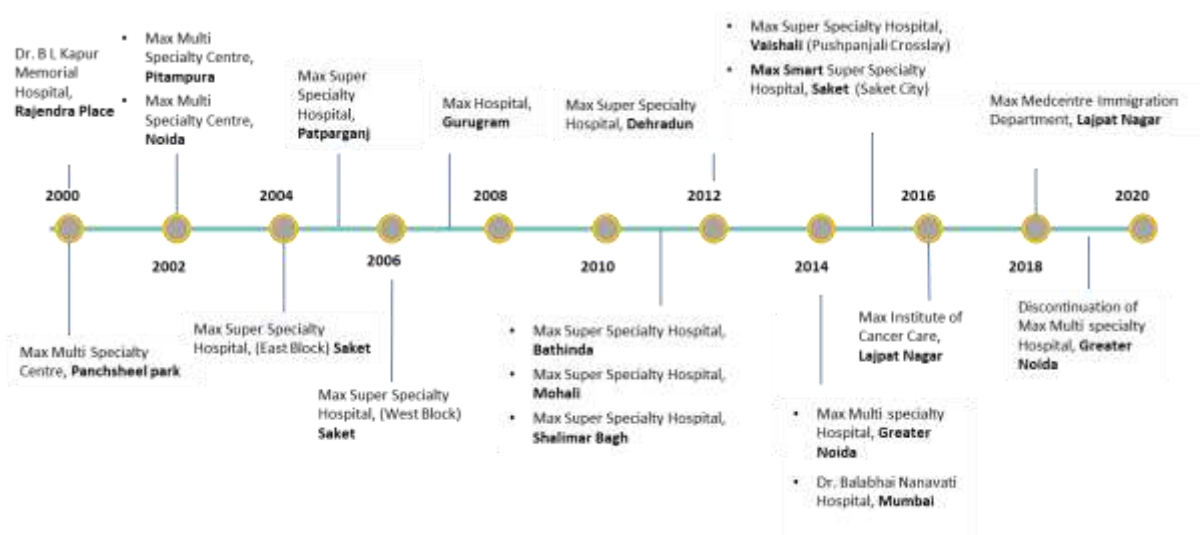
Overview

We are one of the leading hospital chains in India with major concentration in north India consisting of a network of 17 Network Healthcare Facilities, which includes BLK Hospital (currently operated and managed by our Company pursuant to the Scheme) and BNH Hospital (operated by our Company through Radiant Mumbai pursuant to the Scheme). We provide healthcare services across the secondary and tertiary care specialties with key focus on our centres of excellence i.e. oncology, neurosciences, cardiac sciences, orthopaedics, renal sciences, liver and biliary sciences and minimal access metabolic and bariatric surgery ("**MAMBS**").

In addition to the core hospital business, we have two SBUs, namely, Max@Home and MaxLab. Max@Home is a platform that provides health and wellness services at home. It has 12 service lines, including pathology, pharmacy delivery, physiotherapy and critical care nursing. MaxLab offers pathology services to patients outside of our hospitals through a variety of channels including third party hospital laboratory management.

As of the date of this Information Memorandum, out of the Network Healthcare Facilities, eight hospitals and five medical centres are located in Delhi and the NCR, and the others are located in the cities of Mumbai, Mohali, Bathinda and Dehradun. We provide diagnostic, pathology, radiology, radiation oncology and clinical services in select specialties / departments through deployment of our doctors and other medical staff in four Partner Healthcare Facilities. We also provide operation and management services to our Partner Healthcare Facilities and Managed Healthcare Facilities in terms of the medical services agreements or the operations and management agreements entered into with the societies and trusts. The super speciality hospitals in Mohali and Bathinda are operated under a public private partnership arrangement with the Government of Punjab. Additionally, we have established a representative office in Nairobi, Kenya under the name 'True Max Healthcare' which helps us in partnering with local hospitals, conducting OPDs, assisting the potential patients with medical visas and pre – travel preparation and participating in local events to build our brand internationally.

We commenced operations in 2000, with our first hospital, Max Medcentre in Panchsheel Park, and have expanded our operations by opening more multi-speciality hospitals and entering into arrangements with societies and trusts. Set out below is a chart* outlining our network growth since incorporation:



*Radiant Life Care Private Limited entered into an operations and management agreement with LHS in 2000 and Radiant Life Care Mumbai Private Limited entered into an operations and management agreement with Dr. Balabhai Nanavati Hospital in 2014 with Dr. Balabhai Nanavati Hospital in 2014. Pursuant to the Scheme of Arrangement, BLK Hospital and BNH Hospital are now under the purview of our Company and our subsidiaries.

*The IPD operations at Max Multi Specialty, Noida were discontinued in 2019 and then it was converted into a medical centre in 2019.

*The operations at Max Multi Specialty Centre, Pitampura were discontinued in 2016 and resumed operations in 2018. For details refer to Max Multi Specialty Centre, Pitampura on page 68.

Note: The chart includes the Partner Healthcare Facilities and Managed Healthcare Facilities which are not owned by the Company or Subsidiaries.

We believe that our long standing operations, quality of medical care and track record of building long-term relationships with our doctors and other medical professionals has enabled us to build a strong brand. We also believe that our brands, reputation, strong and stable management team, investment in medical technology and commitment to medical training and education will help us ride the next wave of growth.

The quality of medical care we provide is evidenced by the number of quality certifications and various rewards and recognition that have been conferred upon our Network Healthcare Facilities locally and internationally. We have received accreditations such as JCI, NABH, NABL and Green OT certifications and are recipient of DL Shah National Award on 'Economics of Quality', 'FICCI Excellence Awards - Operational Excellence' and 'Business World Healthcare Award in Patient Experience & Safety' to name a few.

Our total revenues from operations was ₹1,73,677 lakh, ₹1,69,102 lakh and ₹1,88,446 lakh for Fiscal 2018*, 2019 and 2020, respectively. Of our total revenues from operations for Fiscals 2018, 2019 and 2020, sale of pharmacy and pharmaceuticals supplies accounted for 8.8%, 4.8%, and 4.3% respectively. Our operations in India, which primarily consist of hospitals and medical centres, accounted for 100% of our total revenues from operations for Fiscal 2020. Further, our revenue for Fiscal 2020 included an income of ₹22,865 lakh derived from the Partner Healthcare Facilities.

*Numbers for discontinued business operations are included for Fiscal 2018

Significant Factors Affecting Our Results of Operations and Financial Condition

A number of factors affect our results of operations and financial condition, of which, the following are particularly significant:

The impact of CoVID-19 on our results of operations and financial condition

Our business may be materially adversely affected due to any pandemic. Recently the World Health Organization declared the CoVID-19 disease (commonly known as "coronavirus") outbreak a "Public Health Emergency of International Concern", and it was, thereafter, declared as a pandemic. Between January 2020 and the date of this

Information Memorandum, CoVID-19 has spread from China to many other countries, with a number of reported cases and related deaths increasing daily and, in many countries including India, exponentially. Several countries' governments and numerous companies have imposed increasingly stringent restrictions to help avoid, or slow down, the spread of CoVID-19, including restrictions on international and local travel, public gatherings, physical participation in meetings, as well as closure of universities, schools, stores and restaurants. Certain countries, including India have also imposed strict curfews and lockdowns.

The global health and economic implications of this pandemic has had, and could continue to have, a significant impact on our business, operations and financial performance. Although, the healthcare sector is at the forefront, our business has been substantially impacted due to the reduction in footfalls at our Network Healthcare Facilities and consequent, reduction of revenue. For details with respect to the other impacts of this pandemic on our business, operations and future financial performance include, please refer to '*Risk Factors - Our business may be materially adversely affected due to any pandemic. CoVID-19 has significantly impacted our revenue and we are currently unable to accurately predict the near-term or long-term impact of the CoVID-19 pandemic on our business*' on page 18.

Acquisition and expansion

The growth of our business depends on our ability to develop, acquire and manage our Network Healthcare Facilities. We maintain a flexible approach to the expansion of our healthcare facilities owned by us and the Managed Healthcare Facilities and seek to identify suitable sites for new healthcare facilities, acquisition candidates or healthcare facility management opportunities. As on the date of this Information Memorandum, we are engaged into the following acquisitions:

- Our Company acquired 82.18% stake in CRL, pursuant to which it became our subsidiary.
- Our Company acquired 57.2% stake in SCHPL, pursuant to which it became our subsidiary.

Patient volumes, admissions and average revenue per occupied bed

Patient volumes are driven by, among other things, the hospital image and brand reputation, the competitive cost of treatment, the type of services offered, the economic and social conditions of local communities, the degree of competition from other healthcare facilities, seasonal illness cycles, climate and weather conditions, the clinical reputation of our doctors, doctor retention and attrition, negotiations or terminations of corporate contracts / empanelment in respect of employee healthcare needs and spending ability. Our inpatient income is highly dependent on the occupancy rates at our hospitals. Our occupancy rates are critical to optimising profitability at our hospitals and form an integral part of our management information system. In addition to the occupancy rates, the case mix and payor mix also influence our profitability. Higher surgical load and complex surgical procedures tend to generate higher revenue per occupied bed day. Similarly, international, cash walk-in and third party private and public insured patients tend to provide higher average revenue per patient for similar procedures compared to central, state government and local body patients, due to tariff differences.

We believe that the important factors influencing the overall utilisation of a healthcare facility include the quality and market position of the healthcare facility and the number, quality and specialties of doctors providing patient care within the facility. Generally, we believe that the ability of a healthcare facility to meet the healthcare needs of its community is determined by its breadth of services, level of technology, emphasis on quality of care and convenience for patients and doctors. Other factors which impact utilisation include the growth in local population, connectivity with up country markets and local economic conditions. Utilisation across the healthcare industry is also affected by improved treatment protocols as a result of advances in medical technology and pharmacology.

Highly regulated nature of business

We operate in a highly regulated industry and are subject to extensive regulation which may affect our results of operations materially. Any increase in the levels of monitoring that our Company is required to perform, including on account of regulatory changes, may impose or result in increased compliance costs for our Company. Further,

any failure or non compliance to adequately monitor compliance may subject us to penalties, fines, suspension of any of our hospitals' license.

Our ability to comply with applicable laws and rules may largely depend on our ability to establish and maintain appropriate systems and procedures as well as our ability to attract and retain qualified personnel and professionals. Further, any changes in regulations issued by any regulatory or governmental authority could affect the operations of our Network Healthcare Facilities. For further details, see *“Risk Factors – We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition”* on page 24.

Competition

We face competition in all of our main business lines. We compete with government-owned hospitals, other private hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organisations and hospitals affiliated with medical colleges. We will also have to compete with any future healthcare facilities located in the regions in which we operate. Due to increased competition, we could experience downward pressure on prices, lower demand for our services, reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which may have an adverse impact on our business, results of operations, financial condition and prospects. For further details, see *“Risk Factors – Various challenges currently faced by the healthcare industry in India may also adversely affect our business, results of operations and financial condition.”* on page 32.

People Costs: Employee benefit expenses and professional fees to the doctors

Employee benefit expenses and legal and professional costs constitute a large part in our financial statements and these jointly constitute people costs. Healthcare industry is labour intensive and therefore our ability to attract and retain talent is key to our success. People costs tend to show an upward trend in the healthcare industry where high competition is around hiring of doctors and other skilled medical and non-medical staff. Further, in inflationary economy like that of India, the rate of the wages increase is generally higher than that of pricing leading to pressure on profitability and increased focus on productivity. In addition, the wage increases for certain segment of our direct and indirect people costs is driven by the minimum wages fixed by the State and Central Government.

In future, we expect the people costs to increase in absolute terms and in some places in % terms too as a result of expansion, upward pressure on salaries and compensation in healthcare industry and interventions by the State in terms of fixation of minimum wage level for certain category of skilled and unskilled manpower etc.

Key Performance Indicators (Occupancy / OPD footfalls and IPD admissions)

Key performance indicators	Fiscal 2020	Fiscal 2019	Fiscal 2018
Occupancy %	72.2%	71.4%	69.8%
IP ARPOB (₹ '000)	32,973	30,148	30,623
Patient Transactions (no. of procedures) in lacs			
Inpatient procedures	1.3	1.1	1.1
Day care Procedures	0.3	0.2	0.3
Outpatient episodes	41.3	39.2	38.5
Total	42.9	40.5	39.9

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators are not intended to be considered in isolation or as a substitute for the Audited Consolidated IND AS Financial Statements, and other financial and operational information included in this Information Memorandum.

We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations as analytical tools. Further, these key performance indicators may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an

alternative to our financial statements or as an indicator of our operating performance, liquidity, profitability or results of operation.

(₹ in lakh)

Key performance indicators	Fiscal 2020	Fiscal 2019	Fiscal 2018 [#]
Revenue from operations	1,88,446	1,69,102	1,73,677
Total Revenue	1,95,685	1,74,807	1,79,750
EBITDA*	36,148	21,223	18,156
Cash Profit (PAT+DEP)	21,508	10,245	7,224
Profit before Tax	8,908	832	(1,520)
Profit/(Loss) after Tax (Before OCI)	9,534	(19)	(2,515)
Profit/(Loss) after Tax (After OCI)	9,140	(53)	(2,510)
Cash & Cash equivalents	27,479	760	913
Gross debt	1,30,124	1,00,275	98,052
EBITDA % to total revenue**	18%	12%	10%

Numbers for discontinued business operations are included for Fiscal 2018

*EBITDA = (Profit/(Loss) before tax + Finance Costs + Depreciation & Amortisation Expense)

**EBITDA percentage to total revenue has increased for Fiscal 2020 due to first time adoption of Ind AS 116 "Lease Accounting" w.e.f April 1, 2019. As per Ind AS 116 rental expenses of ₹ 3,048 lakh paid during Fiscal 2020 has been adjusted with lease liability repayment and interest on lease liability, which resulted in increase of EBITDA % to total revenue by 1.56%.

Financial Parameters of our Partner Healthcare Facilities

Set out below are certain financial parameters of our Partner Healthcare Facilities which are run by charitable societies and hence there is no tax applicable on their surplus / profit:

(i) Max Super Speciality Hospital, Patparganj (a unit of BMDRC)

(₹ in lakh)

	March 31, 2020	March 31, 2019	March 31, 2018
IGAAP Financial Numbers			
Revenue from operations	45,675	43,696	41,997
Other income	221	136	92
Finance income	168	8	119
Total Income	46,064	43,840	42,208
Total Operating Expenses	39,960	40,156	39,279
EBITDA	6,103	3,684	2,929
Finance costs	1,842	1,708	1,798
Depreciation and amortization expense	2,258	1,886	1,289
Profit (Loss) before tax	2,002	89	(158)
Average inpatient operational beds	402	402	410
Occupancy (%)	82%	84%	82%
IP ARR (Rs. '000)	33,945	31,486	30,528
Outpatient Episodes	10,33,394	10,65,507	10,75,616

(ii) Max Super Speciality Hospital, Saket (a unit of DDF) and Max Institute of Cancer Care, Lajpat Nagar (a unit of DDF)

(₹ in lakh)

	March 31, 2020	March 31, 2019	March 31, 2018
IGAAP Financial Numbers			
Revenue from operations	55,496	50,523	50,613
Other income	671	353	445
Finance income	315	4	1
Total Income	56,482	50,879	51,058
Total Operating Expenses	50,606	48,662	46,644
EBITDA	5,876	2,217	4,415
Finance costs	3,131	3,011	2,699
Depreciation and amortization expense	1,822	1,872	1,488
Profit (Loss) before tax	924	(2,667)	228

	March 31, 2020	March 31, 2019	March 31, 2018
Average inpatient operational beds	320	320	320
Occupancy (%)	73%	74%	75%
IP ARR (Rs. '000)	45,128	41,603	39,029
Outpatient Episodes	7,93,906	7,90,261	7,63,590

(iii) *Max Smart Super Speciality Hospital, Saket (a unit of GMHRC)*

(₹ in lakh)

	March 31, 2020	March 31, 2019	March 31, 2018
IGAAP Financial Numbers			
Revenue from operations	27,570	26,482	26,252
Other income	481	102	414
Finance income	17	117	9
Total Income	28,068	26,700	26,675
Total Operating Expenses	25,213	24,894	24,938
EBITDA	2,856	1,806	1,737
Finance costs	2,690	2,464	2,278
Depreciation and amortization expense	1,151	1,193	1,249
Profit (Loss) before tax	(985)	(1,850)	(1,791)
Average inpatient operational beds	250	250	227
Occupancy (%)	70%	76%	83%
IP ARR (Rs. '000)	35,261	30,902	30,221
Outpatient Episodes	11,60,960	10,83,134	10,41,083

Notes:

- 1) The financial numbers are based on IGAAP
- 2) EBITDA is computed as Net Income + Taxes + Interest + Depreciation

Significant Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following are what our management believes to be the significant accounting policies and related judgments and estimates used in the preparation of the Audited Consolidated IND AS Financial Statements.

1. Basis of preparation of the consolidated financial statements
2. Basis of consolidation
3. Current versus non – current
4. Property, plants and equipments
5. Intangible assets
6. Impairment of non – financial assets
7. Financial instruments
8. Revenue
9. Inventories
10. Government grants
11. Taxes
12. Non – current assets held for sale and discontinued operations
13. Borrowing costs
14. Leases

15. Provisions
16. Employment benefits
17. Share-based payments
18. Cash and cash equivalents
19. Earning per share
20. Foreign currencies
21. Derivative financial instruments and hedge accounting
22. Fair value measurement
23. Segment accounting

Principal Components of Income and Expenses

The following is a brief description of the principal line items that are included in our Audited Consolidated IND AS Financial Statements of profit and losses:

Income

Revenue from operations

Revenue from operations include amongst others revenue from contracts with customers, Network Healthcare Facilities, other healthcare providers, other operating revenue, revenue from healthcare services, sale of pharmacy and pharmaceutical supplies, income from construction services, income from tele radiology, home care services, academic courses and medical education programs run by our Company.

Other income

Other income includes income from deferred credit, unclaimed balances and excess provisions written back, deferred income under EPCG and other non – operating income.

Finance income

Finance income includes interest income on bank deposits, security deposits, interest income on fair valuation of contract revenue, loans to other healthcare service providers, income tax refund and others.

Expenses

Cost of pharmacy, drugs, consumables and implant consumed or used

This includes the values of drugs, consumables, implants and medical or non – medical items utilised or sold in the course of our operations.

Employee benefit expenses

Employee benefit expenses include salaries, wages and bonus, contribution to provident and other funds, gratuity expense and staff welfare expenses.

Finance costs

Finance costs include interest, processing fees, upfront fees on debts and borrowings and bank charges.

Depreciation and amortisation expense

Depreciation and amortisation includes depreciation of property, plant and equipment and amortisation of intangible assets.

Other expenses

Other expenses include professional and consultancy fee (including those paid to the doctors), outside lab investigation, concessional fee, patient catering expenses, rent, insurance, rates and taxes, facility maintenance expenses, power and fuel, repairs and maintenance, printing and stationery, travelling and conveyance, communication, legal and professional, IT support expense, watch and ward, directors sitting fee, advertisement and publicity, software expenses, recruitment expenses, charity and donation, equipment hiring charges, bad debts written off, provision of doubtful debts and advances, debit balances written off, net loss on sale/disposal of property, plant and equipment, foreign exchange fluctuation loss, corporate social responsibility contribution, expenses for medical treatment of weaker section and miscellaneous expenses.

Our Results of Operations

The following table summarizes our results of operations for financial year ended March 31, 2020, March 31, 2019 and March 31, 2018:

Particulars	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	(₹ in lakh)	% of total income	(₹ in lakh)	% of total income	(₹ in lakh)	% of total income
Revenue from operations	1,88,446	96.3%	1,69,102	96.7%	1,72,913	97.0%
Finance income	5,498	2.8%	4,849	2.8%	4,549	2.6%
Other income	1,741	0.9%	856	0.5%	856	0.5%
Total income	1,95,685	100%	1,74,807	100%	1,78,318	100%
Expenses						
Other expenses	75,435	38.5%	72,983	41.8%	74,358	41.7%
Purchase of pharmacy, drugs, consumables and implants	40,914	20.9%	36,220	20.7%	43,105	24.2%
Increase / decrease in inventories of pharmacy, drugs, consumables and implants	(1,736)	(0.9)%	226	0.1%	(515)	(0.29)%
Employee benefits expense	44,924	23.0%	44,055	25.2%	42,291	23.7%
Depreciation and amortisation expense	11,974	6.1%	10,264	5.9%	9,442	5.3%
Finance cost	15,266	7.8%	10,127	5.8%	9,937	5.6%
Cost of construction	-	-	100	0.1%	2,349	1.3%
Total expenses	1,86,777	95.4%	1,73,975	99.5%	1,80,967	101.5%
Profit / (loss) before tax from continuing operations	8,908	4.6%	832	0.5%	(2,649)	(1.5)%
Current tax	451	0.2%	632	0.4%	1,037	0.6%
Mat credit entitlement	-	-	-	0.0%	(387)	(0.2)%
Deferred tax charged / (credit)	(1,060)	(0.5)%	(274)	(0.2)%	262	0.1%
Adjustment of tax relating to earlier periods	(17)	0.0%	(45)	0.0%	83	0.0%
Mat credit relating to earlier	-	-	538	0.3%	-	0.0%

Particulars	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	(₹ in lakh)	% of total income	(₹ in lakh)	% of total income	(₹ in lakh)	% of total income
periods						
Total tax expenses	(626)	(0.3%)	851	0.5%	995	0.6%
Profit / (loss) after tax from continuing operations	9,534	4.9%	(19)	0.0%	(3,644)	(2.0)%
Discontinued operations[#]						
Profit before tax for the year from discontinued operations	-	-	-	0.0%	1,129	0.6%
Tax expenses of discontinued operations	-	-	-	0.0%	-	0.0%
Profit after tax from discontinued operations	-	-	-	0.0%	1,129	0.6%
Profit / (loss) after tax for the year / period from continued business and discontinued business attributable to	9,534	4.9%	(19)	0.0%	(2,515)	(1.4)%
- Owners of the Company	9,534	4.9%	(301)	(0.2)%	(2,852)	(1.6)%
- Non-controlling interests	-	-	282	0.2%	337	0.2%
Other comprehensive income/(loss) for the year / period, net of tax	(394)	(0.2)%	(34)	0.0%	5	0.0%
Total comprehensive income attributable to	9,140	4.7%	(53)	0.0%	(2,510)	(1.4)%
- Owners of the Company	9,140	4.7%	(339)	(0.2)%	(2,847)	(1.6)%
- Non-controlling interests	-	-	286	0.2%	337	0.2%

[#]During the financial year 2017-18 our Company and its Subsidiaries sold its leasing division business on slump sale to the trust owned hospital and presented the revenue and expenses related to the leasing division business under a separate head 'discontinued operations' in the statement of profit and loss for the year ended March 31, 2018.

Fiscal 2020 compared to Fiscal 2019

Our total revenue increased by ₹ 20,878 lakh to ₹ 1,95,685 lakh for Fiscal Year 2020 from ₹ 1,74,807 lakh for Fiscal Year 2019. The increase was primarily due to increase in revenue from healthcare services by 12.15%.

Revenue from operations: Revenue from operations increased by ₹ 19,344 lakh to ₹ 1,88,446 lakh for Fiscal Year 2020 from ₹ 1,69,102 lakh for Fiscal Year 2019. The increase was primarily due to increase in the healthcare

services by ₹ 19,299 lakh and increase of revenue by ₹ 312 lakh due to sponsorship and educational income.

Other income: Other income increased by ₹ 885 lakh to ₹ 1,741 lakh for Fiscal Year 2020 from ₹ 856 lakh for Fiscal Year 2019. The increase was primarily due to unclaimed balances and excess provisions written back of ₹ 694 lakh.

Finance income: Finance income increased by ₹649 lakh to ₹5,498 for Fiscal Year 2020 from ₹4,849 lakh for Fiscal Year 2019. This was primarily due to increase in the interest on fixed deposit by ₹ 425 lakh and on interests by ₹ 170 lakh interests on income tax refund.

Employee benefit expenses: Employee benefits expenses increased by ₹ 869 lakh to ₹ 44,924 lakh for Fiscal Year 2020 from ₹ 44,055 lakh for Fiscal Year 2019. The increase was primarily due to yearly salary increments and additional manpower hired for the new SBU's of Max Lab.

Other expenses: Other expenses increased by ₹ 2,452 lakh to ₹ 75,435 lakh for Fiscal Year 2020 from ₹ 72,983 lakh for Fiscal Year 2019, or an increase of 3.36%. The increase was primarily due to (i) professional and consultancy fee by ₹ 3,941 lakh in line with the growth in healthcare revenue, (ii) provision for doubtful debts and advances / bad debts written off by ₹ 967 lakh, (iii) rate and tax on adoption of Ind AS 116 by ₹ 466 lakh, (iv) repair and maintenance of building by ₹ 438 lakh, (v) advertisement and publicity due to revamp of sales channel by ₹ 374 lakh and (vi) decreased in rental expenses by ₹ 3,239 lakh primary due to adoption of Ind AS 116 as compared to Fiscal Year 2019.

Finance costs: Finance costs increased by ₹ 5,139 lakh to ₹ 15,266 lakh for Fiscal Year 2020 from ₹ 10,127 lakh for Fiscal Year 2019, or an increase of 50.75%. The increase was primarily due to interest on lease liability on adoption of Ind AS 116 with effect from April 1, 2019 by ₹ 2,207 lakh and increase due to loan from shareholder by ₹ 2,428 lakh and additional borrowing by ₹ 459 lakh as compared to Fiscal year 2019.

Depreciation and amortization expense: Depreciation and amortization expense increased by ₹ 1,710 lakh to ₹ 11,974 lakh for Fiscal Year 2020 from ₹ 10,264 lakh for Fiscal Year 2019, or an increase of 16.66%. The increase was primarily due to depreciation of right of use assets on adoption of Ind AS 116 with effect from April 1, 2019 as compared to Fiscal year 2019.

Tax expenses: Tax expenses decreased by ₹ 1,477 lakh to ₹626 lakh tax income for Fiscal Year 2020 as compared to tax expenses of ₹ 851 lakh for Fiscal Year 2019. The decrease was primarily due to deferred tax assets created by one of the subsidiaries by ₹1,325 lakh and current tax reduced in one of subsidiary by ₹ 181 lakh.

Net profit after tax: Due to the reasons mentioned above, our net profit after tax increased by ₹ 9,553 lakh to ₹ 9,534 lakh for Fiscal Year 2020 from net loss after tax of ₹19 lakh for Fiscal Year 2019.

Fiscal 2019 compared to Fiscal 2018

Our total revenue decreased by ₹ 3,511 lakh to ₹ 1,74,807 lakh for Fiscal Year 2019 from ₹ 1,78,318 lakh for Fiscal Year 2018, or a decrease of 1.97%. The decrease was primarily due to no income from construction activities and decrease in the sale of pharmacy and pharmaceuticals supplies due to direct purchase started by major customers.

Revenue from operations: Revenue from operations decreased by ₹ 3,811 lakh to ₹ 1,69,102 lakh for Fiscal Year 2019 from ₹ 1,72,913 lakh for Fiscal Year 2018, or a decrease of 2.20%. The decrease was primarily due to no income from construction activities and decrease in sale of pharmacy and pharmaceuticals supplies due to direct purchase start by major customers. Additionally, our Company had temporarily closed its facility at Noida for the purpose of renovations in April 2018 and revamped one of its sales channel in Fiscal 2019 to improve its efficacy and costs to revenue ratios.

Other income: Other income of ₹ 856 lakh remains the same for Fiscal Year 2019 and Fiscal Year 2018.

Finance income: Finance income increased by ₹ 300 lakh to ₹ 4,849 lakh for Fiscal Year 2019 from ₹ 4,549 lakh for Fiscal Year 2018, or an increase of 6.59%. The increase of ₹ 141 lakh was primarily due to reversal of Ind AS

adjustment on security deposit given to the trust owned hospital, interest income of ₹339 lakh on additional loan given, outstanding balance of slump sale payable by trust owned hospital and decrease in bank interest by ₹ (154) lakh due to maturity of deposit with escrow account.

Employee benefit expenses: Employee benefits expenses increased by ₹ 1,764 lakh to ₹ 44,055 lakh for Fiscal Year 2019 from ₹ 42,291 lakh for Fiscal Year 2018, or an increase of 4.17 %. The increase was primarily due to yearly salary increments and additional manpower hired for the new SBU's of Max Lab and Max Home Care.

Other expenses: Other expenses decreased by ₹ 1,375 lakh to ₹ 72,983 lakh for Fiscal Year 2019 from ₹ 74,358 lakh for Fiscal Year 2018, or a decrease of 1.85%. The decreases were primarily due to lower expenses on advertisement and publicity partly due to revamp of sales channel and also decrease in legal and professional expenses as compared to Fiscal Year 2018.

Finance costs: Finance costs increased by ₹ 190 lakh to ₹ 10,127 lakh for Fiscal Year 2019 from ₹ 9,937 lakh for Fiscal Year 2018, or an increase of 1.91 %. The increase was primarily due to additional borrowing and also fee paid to International Finance Corporation towards the commitment fees.

Tax expenses: Tax expenses decreased by ₹ 144 lakh to ₹ 851 lakh for Fiscal Year 2019 from ₹ 995 lakh for Fiscal Year 2018, or a decrease of 14.47 %. The decrease was primarily due to merger of Hometrail Estate Private Limited with Hometrail Buildtech Private Limited.

Net profit after tax: Due to the reasons mentioned above, our net loss after tax decreased by ₹ 2,496 lakh to ₹ 19 lakh for Fiscal Year 2019 from ₹ 2,515 lakh for Fiscal Year 2018, or a decrease of 99.24 %.

Assets

The following table sets forth the principal components of the assets as at March 31, 2018, 2019 and 2020:

(in ₹ lakh)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Non-Current Assets			
Property, plant and equipment	1,00,969	93,847	96,090
Right of use assets	13,311	-	-
Capital work-in-progress	549	8,569	3,501
Goodwill	28,539	28,539	28,539
Other intangible assets	95,153	96,851	98,089
Intangible assets under development	17	133	329
Financial assets			
(i) investments	51	51	-
(ii) trade receivables	8,287	13,677	12,979
(iii) loans	33,520	23,758	22,051
(iv) other financial assets/Other bank balances	72	53	-
Income tax assets	12,802	12,581	9,224
Deferred tax assets (net)	2,047	1,108	1,721
Other non-current assets	10,289	12,665	13,497
Total non-current assets	3,05,606	2,91,832	2,86,020
Current Assets			
Inventories	4,337	2,601	2,827
Financial assets			
(i) trade receivables	41,116	36,261	27,956
(ii) cash and cash equivalents	27,479	760	913
(iii) other bank balances	600	404	8,084
(iv) loans	208	1,511	1,612
(v) derivative instruments	-	1	1
(vi) other financial assets	727	1,162	1,073
Income tax assets	847	103	424
Other current assets	1,518	1,927	2,493
Total current assets	76,832	44,730	45,383
Assets classified as held for sale	-	-	-

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
TOTAL ASSETS	3,82,438	3,36,562	3,31,403

Our total assets increased from ₹ 3,14,734 lakh as at March 31, 2017 to ₹ 331,403 lakh as at March 31, 2018. This increase was on account of increase in trade receivables due to slump sale of leasing division and increase in other bank balances for purchase of stake in Vikunj healthcare. Further, our total assets were ₹ 3,36,562 lakh as at March 31, 2019 as compared to ₹ 3,31,403 lakh as at March 31, 2018. The increase in total assets as at March 31, 2019 as compared to March 31, 2018 was primarily on account of capital work in progress in Crosslay Remedies Limited relating to construction of Tower B and increase in trade receivable from trust and PSU and the loan given to other healthcare service provider. Our total assets increased from ₹ 3,36,562 lakh as at March 31, 2019 to ₹ 3,82,438 lakh as at March 31, 2020. This increase was a result of ₹ 13,311 lakh due to Right of use assets on adoption Ind AS 116, ₹ 8,459 lakh due to loan given to other healthcare service provider, ₹ 26,719 lakh due to fixed deposits with bank, ₹ 1,736 lakh due to increase in inventories.

Our property, plant and equipment assets decreased from ₹ 96,182 lakh as at March 31, 2017 to ₹ 96,090 lakh as at March 31, 2018. This decrease were a result of depreciation charged during fiscal 2018 and assets sold in slump sale of leasing division and also increase in fixed assets due to addition during the fiscal 2018. Further, our property, plant and equipment assets were ₹ 93,847 lakh as at March 31, 2019 as compared to ₹ 96,090 as at March 31, 2018. The decrease as at March 31, 2019 as compared to March 31, 2018 was primarily on account of depreciation charges during the Fiscal Year 2019 which were higher than the addition in property, plant and equipment. Our property, plant and equipment assets increased from ₹ 93,847 lakh as at March 31, 2019 to ₹ 1,00,969 lakh as at March 31, 2020. This increase was a result of construction of new tower in Max Super speciality Hospital Vaishali.

Equity and Liabilities

The following table sets forth a summary of our equity and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018:

(₹ in lakh)

Equity and Liabilities	Fiscal 2020	Fiscal 2019	Fiscal 2018
EQUITY			
Equity share capital	53,724	53,724	53,724
Other equity	64,618	62,611	62,667
Change in valuation for put options granted to NCI in subsidiaries	(19,601)	(20,016)	(13,274)
Total Equity	98,741	96,319	1,03,117
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	78,988	89,006	84,857
-Lease liabilities	20,323	-	-
-Other Financial liabilities	303	69	153
Government grant	-	103	388
Provisions	2,315	1,733	1,564
Deferred tax liabilities (net)	34,163	34,473	34,299
Other non – current liabilities	163	856	786
Other non – current liabilities - put / call option liabilities	-	-	58,585
Total non-current liabilities	1,36,255	1,26,240	1,80,632
Current Liabilities			
Financial liabilities			
- Borrowings	50,452	7,368	10,436
- Trade payables	-	-	-
Total Outstanding dues of micro enterprises and small enterprises	67	95	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	29,285	29,064	26,496
-Lease liabilities	1,195	-	-
- Other financial liabilities	61,803	7,791	6,901

Equity and Liabilities	Fiscal 2020	Fiscal 2019	Fiscal 2018
Other current liabilities	2,610	2,461	2,378
Other current liabilities – Put / call option liabilities	-	65,614	-
Provisions	2,030	1,610	1,443
Total current liabilities	1,47,442	1,14,003	47,654
Total Liabilities	2,83,697	2,40,243	2,28,286
Total Equity and Liabilities	3,82,438	3,36,562	3,31,403

Change in valuation for put options granted to NCI in subsidiaries increased from ₹ (7,334) lakh as at March 31, 2017 to ₹ (13,274) lakh as at March 31, 2018. This increase was due to the interest accrued on put / call option liabilities by ₹ (6,277) lakh and ₹ 337 lakh against share of profit of minority interest. Further change in valuation for put options granted to NCI in subsidiaries increased from ₹ (13,274) lakh as at March 31, 2018 to ₹ (20,016) lakh as at March 31, 2019. This increase was result of interest accrued on put / call option liabilities by ₹ (7,029) lakh and ₹ 287 lakh of share of profit for minority interest. Change in valuation for put option granted to NCI in subsidiaries was ₹ (19,601) lakh as at March 31, 2020. This decrease was due to reversal of interest accrued on put / calls option liabilities by ₹543 lakh and increase by ₹128 lakh due to adjustment on account of change in holding without change in control.

Other equity was ₹ 64,618 lakh as at March 31, 2020 as compared to ₹ 62,611 lakh for the financial year ended March 31, 2019. This decrease by ₹ 7,261 lakh was due to first time adoption of new accounting standard of lease accounting “Ind-AS 116” with effect from April 1, 2019. Our Company and its Subsidiaries adopted Ind AS 116 using the modified retrospective approach with the date of initial application of April 1, 2019. The cumulative effect of initially applying Ind AS 116 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 17. Other equity increase by ₹ 9,268 lakh was due to the profit earned by our Company during the fiscal year 2020.

Our total non – current liabilities increased from ₹ 1,65,870 lakh as at March 31, 2017 to ₹ 1,80,632 lakh as at March 31, 2018. These increases was a result of additional borrowing for routine capex and expansion of bed capacity in Shalimar Bagh and Vaishali hospital and also increase in put call option liability. Further, our total non – current liabilities were ₹ 1,26,240 lakh as at March 31, 2019 as compared to ₹ 1,80,632 lakh as at March 31, 2018. The decrease as at March 31, 2019 as compared to March 31, 2018 was primarily on account of current maturity of put call option liability. Our total non – current liabilities increased from ₹ 1,26,240 lakh as at March 31, 2019 to ₹ 1,36,255 lakh as at March 31, 2020. This was due to the recognition of lease liabilities on implementation of lease accounting under Ind – AS 116.

Liquidity and Capital Resources

Liquidity refers to the ability of a company to generate adequate amounts of cash from its normal operations, in order to meet its financial commitments. The liquidity needs of our operations are generally affected by capital expenditure, acquisitions, technical upgrades of our medical equipment and other technological systems, and working capital. We fund these capital requirements through a variety of sources, including cash from operations and short – term and long – term loans from banks and financial institutions. Our ability to rely on these sources of funding could be affected by our results of operations and financial position, conditions in the local and global financial markets, changes in policies of the RBI or the Government of India, or an inability to obtain funds from external sources on acceptable terms or in a timely manner.

Cash flows

The following table sets forth certain information about our cash flows, as restated for the periods indicated.

Particulars	As of March 31,		
	2020	2019	2018
Cash and cash equivalents at beginning of year	760	913	1,525

(₹ in lakh)

Particulars	As of March 31,		
	2020	2019	2018
Net cash from / (used in) operating activities (A)	24,982	8,581	16,571
Net cash from / (used in) investing activities (B)	(12,668)	(1,339)	(12,413)
Net cash from / (used in) financing activities (C)	14,405	(7,395)	(4,770)
Net increase /(decrease) (A+B+C)	26,719	(153)	(612)
Cash and cash equivalents at end of year	27,479	760	913

Fiscal Year ended March 31, 2020

As at March 31, 2020, we had cash and cash equivalents of ₹ 27,479 lakh.

Net cash from operating activities:

Our Company generated cash of ₹24,982 lakh as result of operating profit of ₹30,947 lakh and cash outflow due to change in working capital by (₹4,694) lakh and increase in TDS receivable by (₹1,271) lakh. Change in working capital is caused by decrease in trade receivable, other financial assets and other current assets by ₹ 1,403 lakh, decrease in trade payable and other payable by ₹(4,939) lakh, change in inventories, provision, gratuity and government grant of (₹ 1,158) lakh.

Net cash from investing activities:

Cash outflow of (₹12,668) lakh is result of capital expenditure of (₹8,874) lakh, loan given to other healthcare service provider (₹8,593) lakh, cash generated from interest received by ₹5,014 lakh, Investment in bank deposits (₹215) lakh, cash out flow of (₹8,874) for capital expenditure majorly due to upgradation in technology of medical equipment and expansion of Max Super Speciality Hospital, Vaishali.

Net cash from financing activities:

Cash inflow of ₹14,405 lakh as result of repayments of long term borrowing of ₹ (12,983) lakh, increase in short term borrowing by ₹43,084 lakh, principal repayment of lease liability (₹ 984) lakh and interest payment of (₹ 14,712) lakh.

Fiscal Year ended March 31, 2019

As at March 31, 2019, we had cash and cash equivalents of ₹ 760 lakh.

Net cash from operating activities:

Our Company generated cash of ₹ 8,581 lakh as result of operating profit of ₹16,207 lakh and cash outflow due to change in working capital by (₹ 4,813) lakh and increase in TDS receivable by (₹ 2,813) lakh. Change in working capital is caused by increase in trade receivable and other receivable by (₹ 7,780) lakh, increase in trade payable and other payable by ₹ 2,812 lakh, change in inventories, provision, gratuity and government grant of ₹ 155 lakh.

Net cash from investing activities:

Cash outflow of (₹1,339) lakh is result of capital expenditure of (₹ 11,573) lakh, loan given to other healthcare service provider (₹ 2,191) lakh, investment in shares of other company by (₹ 51) lakh, cash generated from interest received by ₹ 4,849 lakh, maturity of bank deposits by ₹ 7,627 lakh, cash out flow of (₹ 11,573) for capital expenditure majorly due to upgradation in technology of medical equipment and expansion of Max Super Speciality Hospital, Vaishali, loan of (₹ 2,191) lakh given to other healthcare service provider, (₹ 51) lakh due to share purchase in Sandhya Hydro, cash generated from maturity of bank deposit by ₹ 7,627 lakh due to non materialization of Vikuj Healthcare Private Limited deal, interest received of ₹ 4,849 lakh from other healthcare service provider, bank deposit and interest on income tax refund.

Net cash from financing activities:

Cash outflow of (₹ 7,395) lakh as result of additional long term borrowing of ₹ 5,291 lakh (net of repayment), decrease in short term borrowing by (₹ 3,068) lakh and interest payment of (₹ 9,618) lakh.

Fiscal Year ended March 31, 2018

As at March 31, 2018, we had cash and cash equivalents of ₹ 913 lakh.

Net cash from operating activities:

Our Company generated cash of ₹ 16,571 lakh as result of operating profit of ₹ 13,393 lakh, cash inflow due to change in working capital by ₹ 5,433 lakh and increase in TDS receivable by (₹ 2,255) lakh. Change in working capital consists of increase in trade and other receivables of (₹ 6,165) lakh, increase in trade and other payable by ₹ 11,331 lakh, change in inventories, provision, gratuity and government grant by ₹ 267 lakh.

Net cash from investing activities:

Our Company used cash of (₹ 12,413) lakh as result of capital expenditure of (₹ 6,552) lakh, loan given to other healthcare service provider of (₹ 3,218) lakh, investment in bank deposits of (₹ 7,332) lakh, interest received of ₹ 4,689 lakh, cash out flow of (₹ 6,552) lakh for capital expenditure majorly due to expansion of Max Super Speciality Hospital, Shalimar Bagh, loan of (₹ 3,218) lakh loan given to G. M. Modi Hospitals & Research Centre for Medical Science and Mr. Varun Chopra and security deposit interest bearing Ind AS adjustment impact.

Net cash from financing activities:

Our Company used cash of (₹ 4,770) lakh as result of additional long term borrowing of ₹ 8,912 lakh (net of repayment), increase in short term borrowing by ₹ 1,731 lakh, interest paid of (₹ 9,136) lakh, movement in non-controlling interest and reserve by (₹ 6,277) lakh.

Indebtedness, contractual obligations and commitments

The following table summarizes our indebtedness, contractual obligations and commitments to make future payments as of March 31, 2020, and the effect that such obligation and commitments are expected to have on liquidity and cash flow in future periods.

(₹ in lakh)			
Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Borrowings*	1,30,124	1,00,275	98,052
Capital Commitments	4,711	4,666	8,861
Lease Commitments**	21,518	32,851	24,748
Total Contractual Obligations	1,56,353	1,37,792	1,31,661

*Borrowings include finance lease obligation in all Fiscal Years except for Fiscal 2020 due to the first time adoption of Ind-As 116 'Lease Accounting' with effect from April 1, 2019.

** Finance lease obligation included in Fiscal Year 2020 only and not in any previous Fiscal Years.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are accounted for in respect of present obligations arising out of past events where it is probable that an outflow of resources will be required to settle the obligation and the amounts of which can be reliably estimated. Provisions are determined on the basis of best estimate of the outflow of economic benefits required to settle the obligation as at the date of the relevant balance sheet. Where no reliable estimate can be made, a disclosure is made as contingent liability.

Contingent liabilities

Contingent liabilities are disclosed in respect of (a) possible obligations arising out of past events, but their existence or otherwise would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within our control or (b) present obligations that arise from past events, which are not recognised because of remote probability that an outflow of resources embodying economic benefits will be required to settle the obligations or a reliable estimate of the amounts of the obligations cannot be made.

The table below sets forth our contingent liabilities as at March 31, 2020.

As at March 31, 2020, we had the following contingent liabilities which have not been provided for in our financial information.

(₹ in lakh)	
Particulars	As of March 31, 2020
Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by other healthcare service providers.	21,199
Claims against the Company not acknowledged as debts	
- Civil cases	25,178
- VAT cases	621
- Income Tax cases	25

Contingent assets

Contingent assets are neither accounted for nor disclosed in our financial statements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, intercompany loans, lease or purchase of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see "Related Party Transactions" on page 138.

Qualitative Disclosure about Risk and Risk Management

Market Risks

Interest Rate Risk

We are exposed to interest rate risk on our bank borrowings and deposits with banks. The interest rate on our financial instruments is based on market rates. We monitor the movement of interest rates on an ongoing basis.

Exchange Rate Risk

We are exposed to foreign exchange rate risk through our revenue for services provided and sales of goods and purchases from overseas suppliers in various foreign currencies. Our exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows, payables, foreign currency loans and borrowings.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Credit Risk

We suffer the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from customers and insurance companies. For our hospital operations, we generally do not grant credit to non-corporate customers. Normally, a non-corporate customer is requested to place an initial deposit at the time of admission to the hospital. An additional deposit is requested from the customer when the hospital charges exceed a certain level.

Off-Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Significant developments after March 31, 2020 that may affect our future results of operations

Except as disclosed in the sections *‘History and Certain Corporate Matters – Details of material acquisition or divestments’* and *‘Risk Factors – Our business may be materially adversely affected due to any pandemic. CoVID-19 has significantly impacted our revenue and we are currently unable to accurately predict the near-term or long-term impact of the CoVID-19 pandemic on our business.’* on pages 89 and 18, we believe that there are no other developments or circumstances that have arisen subsequent to March 31, 2020 which have material and adverse effect or are likely to affect the trading or profitability of our Company, or the value of assets or our ability to pay liabilities within 12 months from the date of this Information Memorandum.

Unusual or infrequent events or transactions

Except for the mergers and slump sale of certain hospitals, there have been no unusual or infrequent transactions that have taken place during the last three Fiscals. For details regarding the mergers, see section *‘History and Certain Corporate Matters – Mergers or amalgamation’* on page 90.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed in the section *“Risk Factors”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*, on pages 17 and 368, respectively, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

Other than as described in the section *“Risk Factors”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* on pages 17 and 368, respectively, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in the section *“Risk Factors”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* on pages 17 and 368, respectively, there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in income from operations during the last three Fiscal Years are as explained in this section *“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”* on page 368.

Total turnover of each major industry segment in which the issuer operates

For details of the total turnover, please refer to the section “*Financial Statements*” on page 141.

New products or business segment

Except as stated in the section “*Our Business*” on page 62, we have not entered into any agreements for new products or business segments or publicly announced introduction of any new products or services.

Seasonality of business

Our business is not seasonal in nature.

Significant dependence on single supplier /customer

See “*Risk Factors – Our operations are majorly concentrated in north India, and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition*” on page 20, respectively.

Competitive conditions

For details of our competitors, please refer to the discussions of our competition in the sections “*Risk Factors*” and “*Our Business*” on pages 17 and 62, respectively.

SECTION VII: LEGAL INFORMATION

OUTSTANDING LITIGATIONS AND OTHER MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding (1) criminal proceedings involving our Company, Directors, Promoters and Subsidiaries; (2) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters and Subsidiaries; (3) claims involving our Company, Directors, Promoters and Subsidiaries for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); (4) proceedings involving our Company, Directors, Promoters and Subsidiaries (other than proceedings covered under (1) to (3) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below); and (5) litigation involving the Group Companies which has a material impact on our Company. Further, except as discussed in this chapter, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years including any outstanding action.

In terms of the Materiality Policy dated February 6, 2020, de minimis monetary threshold for litigations, other than outstanding criminal proceedings, statutory or regulatory actions including outstanding actions, disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years and claims for any direct or indirect tax liabilities disclosed in point (1) to (3) above:

- (i) involving our Company, Directors, Promoters and Subsidiaries:
- (ii) where the aggregate monetary claim made by, or against, our Company, Directors, Promoters and Subsidiaries in any such pending litigation proceeding is in excess of 1% of our Company's total revenue for the most recent audited period as per the Audited Consolidated IND AS Financial Statements, i.e. ₹19,56,85,000; and
- (iii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (ii) above, but the outcome of which could, nonetheless, have a material adverse effect on the position, business, operations, prospects or reputation of our Company shall be considered "material" and accordingly have been disclosed in this Information Memorandum.

For the purposes of the above, pre-litigation notices received by our Company, Directors, Promoters and Subsidiaries from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by the Board, be considered as litigation until such time that any of our Company, Directors, Promoters and Subsidiaries, as the case may be, is impleaded as a defendant in litigation before any judicial/arbitral forum or governmental authority.

Further, creditors of our Company to whom dues owed by our Company exceed 5% of our Company's total dues owed to creditors as of the end of the most recent period covered in the Audited Consolidated IND AS Financial Statements, would be considered as material creditors.

For the purposes of this section, "our Company" includes hospitals and medical centers owned and operated by us and the Managed Healthcare Facilities.

Unless stated to the contrary, the information provided below is as of the date of this Information Memorandum.

A. Litigation involving our Company

I. Litigation initiated against our Company

a. Criminal proceedings

1. An FIR was filed by the managing director, branch manager and contractor of the Sewer STP Plant, against one of our hospitals, Max Super Speciality Hospital, Dehradun, under Section 304 of the Indian

Penal Code, 1860. The complainants have alleged that an accident had occurred at Max Super Speciality Hospital, Malsi, Mussoorie, Estate Diversion Road, Dehradun on December 2, 2013 resulting in the death of three persons. The Complainants have claimed a sum of ₹23,00,000 as compensation. The matter is currently pending before the Judicial Magistrate (First Class), Dehradun.

- An FIR was filed by Ashish against Max Super Speciality Hospital, Shalimar Bagh and others under Section 308 of the Indian Penal Code, 1860 before the District Court, Rohini, New Delhi, for alleged medical negligence in declaring one of his twin babies as deceased on birth. No summons has been issued against the hospital and the matter is currently pending.

b. Actions by regulatory or statutory authorities

- A complaint was filed by Vivek Sharma before the CCI, against Becton Dickinson India Private Limited and one of our hospitals, Max Super Speciality Hospital, Patparganj, alleging, amongst other things, that higher MRP has been printed on disposable syringes, manufactured by Becton Dickinson India Private Limited and in-house patients have been compelled to buy the same from the in-house pharmacy of Max Super Speciality Hospital, Patparganj. The CCI directed that the scope of investigation should be broadened by covering all aftermarket healthcare products and services provided by super speciality hospitals across Delhi to their in patients. As a result, notices seeking information and data were sent to the units/hospitals at Panchsheel, Saket West, Shalimar Bagh and Pitampura. The Director General CCI is currently investigating further into the matter and the same is pending.
- The Directorate General of Health Services, Government of N.C.T. of Delhi by way of its order dated December 8, 2017, cancelled the registration of Max Super Speciality Hospital, Shalimar Bagh, Delhi, due to alleged non-compliance with certain guidelines and alleged medical negligence in relation to the death of premature twin babies. Our Company filed an appeal against the said order before the Financial Commissioner, Government of N.C.T. of Delhi (“**Financial Commissioner**”). A stay order dated December 19, 2017, on the cancellation order, was granted by the Financial Commissioner and the appeal is currently pending.

c. Other pending proceedings

- A complaint was filed by Amarjeet Singh against Max Super Speciality Hospital, West Block Saket and others before the National Consumer Disputes Redressal Commission for alleged medical negligence which caused the complainant to become immobile post a hip replacement surgery. The complainant has claimed ₹22,00,00,000 as compensation. The matter is currently pending.

d. Claims related to direct and indirect taxes (in a consolidated manner)

Sr. no.	Direct/indirect tax	No. of cases	Amount involved (in ₹ lakh)*
1.	Direct tax	12	-
2.	Indirect tax	31	114.59
Total		43	114.59

*To the extent quantifiable

II. Litigation initiated by our Company

a. Criminal proceedings

- Our Company has filed eight complaints under Section 138 of the Negotiable Instruments Act, 1881, before various forums for dishonour of cheques amounting to ₹81,92,031. The matters are currently pending.
- Max Super Speciality Hospital, West Block Saket has filed five complaints under Section 138 of the Negotiable Instruments Act, 1881, before various forums for dishonour of cheque amounting to ₹13,72,148. The matters are currently pending.

b. Other pending proceedings

1. A writ petition was filed by the Association of Healthcare Providers (India), which represented a majority of healthcare providers in India, including our Company and BLK Hospital, before the Delhi High Court, in relation to an order dated June 25, 2018, issued by the Director General Health Services (“DGHS”), Government of N.C.T. of Delhi, mandating that all private hospitals / nursing homes in Delhi comply with the recommendations of the expert committee, constituted pursuant to the Supreme Court order dated January 29, 2016, in Civil Writ Petition No. 527 of 2011, regarding improvement in working conditions and pay of nurses in private hospitals and nursing homes. The Delhi High Court, on July 24, 2019, upheld this order of DGHS and directed mandatory compliance by all the private hospitals / nursing homes, which has been appealed by way of LPA No. 657/2019, before the Division Bench of the Delhi High Court. The Government of N.C.T. of Delhi has given an oral undertaking before the Delhi High Court, that pending appeal, no coercive action will be taken in relation to implementation of the DGHS order dated June 25, 2018. The matter is currently pending.

B. Litigation involving our Subsidiaries

1) Alps Hospital Limited (“AHL”)

I. Litigation initiated against AHL

a. Criminal proceedings

1. A complaint was filed by Monisha Sharma against AHL before the District Court, Gurugram, for alleged medical negligence in the treatment of her deceased father. The patient was admitted to the hospital with respiratory discomfort. The Complainant has alleged that her father’s previous medical history of pneumonia was ignored during the course of treatment. The case is currently pending.

b. Other pending proceedings

1. Chiranjiv Charitable Trust (“CCT”) had issued a notice for termination of the lease agreement dated November 24, 1989 of the Max Gurgaon Hospital and consequently, filed an arbitration petition against AHL claiming ₹1,15,00,00,000 for loss due to alleged unpaid dues and rent and for eviction. AHL has denied the claims of CCT and raised a preliminary objection challenging the jurisdiction of the arbitral tribunal. On the basis of the same, the arbitral tribunal has directed CCT to forego its claims relating to lease termination and re-possession of leased premises. The matter is currently pending disposal.
2. Chiranjiv Charitable Trust (“CCT”) has filed a petition under the Haryana Urban (Control of Rent and Eviction) Act, 1973 for eviction and mesne profits against AHL and our Company. CCT has also sought that the lease dated November 24, 1989 be declared as duly terminated. The matter is currently pending.

c. Claims related to direct and indirect taxes

Sr. No.	Direct/Indirect tax	No. of Cases	Amount involved (in ₹ lakh)
1.	Direct tax	3	-
2.	Indirect tax	1	16.05
Total		4	16.05

II. Litigation initiated by AHL

a. Criminal proceedings

1. AHL filed two complaints under Section 138 of the Negotiable Instruments Act, 1881 before various forums for dishonor of cheques amounting to ₹3,52,28,767. The matters are currently pending.

2. Max Super Speciality Hospital, Gurugram has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate, District Court Gurugram, for dishonor of cheque amounting to ₹3,00,000. The matter is currently pending.

2) Crosslay Remedies Limited (“CRL”)

I. Litigation initiated against CRL

a. Criminal proceedings

1. Ghaziabad Development Authority has filed a complaint against CRL and Dr. Vinay Aggarwal before the Chief Judicial Magistrate, Ghaziabad, alleging non-payment of ₹37,451 (revised amount) with respect to certain additional land allotted by the Ghaziabad Development Authority to CRL. The amount has been duly paid and the matter is currently pending disposal.

b. Claims related to direct and indirect taxes

Sr. No.	Direct/Indirect tax	No. of Cases	Amount involved (in ₹ lakh)*
1.	Direct tax	1	19.21
2.	Indirect tax	3	227.58
Total		4	246.80

*To the extent quantifiable

II. Litigation initiated by CRL

a. Criminal proceedings

1. Max Super Speciality Hospital, Vaishali has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the District Court, Ghaziabad against G. Senthil Kumar for dishonour of cheque amounting to ₹2,50,637. The matter is currently at the stage of cross-examination.
2. CRL has filed three complaints under Section 138 of the Negotiable Instruments Act, 1881 before the District Court, Ghaziabad for dishonor of cheques amounting to ₹7,00,637. The matters are currently pending.

3) Hometrail Buildtech Private Limited (“HBPL”)

I. Litigation initiated against HBPL

a. Criminal proceedings

1. A complaint was filed by Pooja Gupta against Max Super Speciality Hospital, Mohali and HBPL (“**Complaint**”) before the Chief Judicial Magistrate, S. A. S. Nagar, Mohali for alleged medical negligence in the treatment of her deceased father who had suffered from certain cardiac problems. Max Super Speciality Hospital, Mohali has filed a petition before the High Court of Punjab for quashing of the Complaint. The matter is currently pending.

b. Claims related to direct and indirect taxes

Sr. No.	Direct/Indirect tax	No. of Cases	Amount involved (in ₹ lakh)
1.	Direct tax	2	4.42
2.	Indirect tax	3	241.95
Total		5	246.37

II. Litigation initiated by HBPL

a. *Criminal proceedings*

1. Max Super Speciality Hospital, Mohali and HBPL, has filed a petition before the Punjab & Haryana High Court for quashing a criminal complaint filed by Pooja Gupta, the summon order passed by the Chief Judicial Magistrate, S. A. S. Nagar, Mohali, Punjab and to stay the proceedings before the court where Pooja Gupta, has lodged a complaint alleging medical negligence against the treating physician and the hospital management of Max Super Speciality Hospital, Mohali, in the matter of treatment of her father. The matter has been posted for arguments and is currently pending.

4) Saket City Hospitals Private Limited (“SCHPL”)

I. Litigation initiated against SCHPL

a. *Claims related to direct and indirect taxes*

Sr. No.	Direct/Indirect tax	No. of Cases	Amount involved (in ₹)*
1.	Direct tax	1	-
Total		1	-

*To the extent quantifiable

II. Litigation initiated by SCHPL

a. *Criminal proceedings*

1. SCHPL has filed a petition before the Delhi High Court (CRL LP 561/2019) for restoration of complaint filed under Section 138 of the Negotiable Instruments Act, 1881 before the district court against Global Equipment Hospitality Products Private Limited for dishonor of cheque amounting to ₹10,20,000 which was presented to SCHPL towards refund of advance paid due to failure to supply materials.

5) Radiant Life Care Mumbai Private Limited (“RLCM”)

I. Litigation initiated against RLCM

a. *Criminal proceedings*

1. A complaint was filed by the Assistant Charity Commissioner against BNH Hospital under Section 66B of the Bombay Public Trusts Act, 1950 before the Additional Chief Metropolitan Magistrate’s Court, Bandra for alleged discrepancies in implementation of the scheme laid down by the High Court of Bombay, for medical treatment of indigent patients and patients belonging to financially weaker section of society. The matter is currently pending.
2. An FIR has been filed on the complaint of Mr. Ramchandra Khobarekar (“**Complainant**”) against the trustees of BNH Hospital and Mr. Abhay Soi. The Complainant, deputed for verification at BNH Hospital as per an order by the Additional Municipal Commissioner, Western Suburbs in view of COVID-19, has alleged over charging and non-compliance with a circular dated May 21, 2020, issued by the Principal Secretary to Government of Maharashtra.

b. *Actions by regulatory or statutory authorities*

1. A complaint was filed by the Joint Charity Commissioner against BNH Hospital, before the Joint Charity Commissioner. The Charity Commissioner paid a surprise visit to the hospital and in his observations, alleged violation of the scheme laid down by the Bombay High Court for medical treatment of indigent patients and those belonging to financially weaker sections of society. Thereafter, a show cause notice was issued to the hospital, which was responded to. Disregarding the submissions made by the hospital, the

Charity Commissioner has directed the Joint Charity Commissioner to investigate the transaction of the BNH Hospital trust entering into an operation and management arrangement with RLCM. The matter is currently pending.

c. Claims related to direct and indirect taxes (in a consolidated manner)

Sr. no.	Direct/indirect tax	No. of cases	Amount involved (in ₹ lakh)
1.	Direct tax	2	50.56
2.	Indirect tax	-	-
Total		2	50.56

II. Litigation initiated by RLCM

a. Criminal proceedings

1. BNH Hospital has filed two complaints under S. 138 of the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate's Court, Andheri for dishonour of cheques amounting to ₹6,60,000. The matter is currently pending.

C. Litigation involving our Directors

a. Criminal proceedings

For details regarding criminal proceedings involving Mr. Abhay Soi, see "*Litigation involving our Subsidiaries – Litigation initiated against RLCM – Criminal proceedings – point 2*" on page 390.

b. Actions by statutory or regulatory authorities

For details regarding actions by statutory or regulatory authorities involving Mr. Abhay Soi, see "*Litigation involving our Group Companies which has a material impact on our Company – point 2*" on page 392.

D. Litigation involving our Group Companies which has a material impact on our Company

1. A complaint dated March 27, 2019 was filed by the Assistant Director, Enforcement Directorate, before the Special Director, Central Region, Directorate of Enforcement, Adjudicating Authority, New Delhi, against Radiant, Mr. Prakash Lal Kapur, Mr. Arun Kapoor and Mr. Sanjay Sood (earlier Directors of Radiant, then known as Integrated Health and Healthcare Services India Private Limited), which was received by representative of Radiant on February 21, 2020. The aforesaid complaint alleges: (i) the advancement of a loan of ₹ 195,07,00,000 to Lahore Hospital Society/ B. L. Kapur Hospital in contravention of Section 6(3)(b) of Foreign Exchange Management Act, 1999 ("**FEMA**") read with Section 13(1) and Section 42 of FEMA along with Regulations 4 and 6 of Foreign Exchange Management (Borrowing and Lending in Rupees) Regulation, 2000 and Regulation 3 of Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulation, 2000; and (ii) delay in reporting of remittances and delay in allotment of shares resulting in contravention of provisions of para 9(1)(A) and para 9(1)(B) of Schedule I to FEMA Notification No. 20/2000 dated May 3, 2000, as amended for not timely reporting of inward remittances of ₹ 79,77,91,763.30 and also delay in reporting in FCGPR form in respect of inward remittances of ₹ 1,74,12,15,538 in the stipulated period to the RBI by Radiant and its directors. Based on this complaint, the Special Director, Directorate of Enforcement issued a show cause notice bearing memo no. F. No. T-4/02/FEMA/CR/2019/SDE(CR)55/3 dated July 19, 2019 ("**SCN-1**") to Radiant, Mr. Prakash Lal Kapur, Mr. Arun Kapoor and Mr. Sanjay Sood. Radiant is currently in the process of responding to the SCN-1 and has requested, amongst other things,: (a) for time to respond to the SCN-1; (b) that no inquiry be initiated against Radiant without it being provided an opportunity to respond to the SCN-1; and (c) further, on account of COVID-19, Radiant has requested that personal hearings not be held until the situation normalizes.

2. A complaint dated June 21, 2019 was filed by the Assistant Director, Enforcement Directorate, before the Special Director, Central Region, Directorate of Enforcement, Adjudicating Authority, New Delhi, against Radiant and Mr. Abhay Soi, which was received by Radiant on February 17, 2020. The aforesaid complaint alleges the advancement of a loan of ₹ 92,85,65,229 to Lahore Hospital Society/ B. L. Kapur Hospital in contravention of Section 6(3)(b) of FEMA, read with Section 13(1) and Section 42 of FEMA along with Regulations 4 and 6 of Foreign Exchange Management (Borrowing and Lending in Rupees) Regulation, 2000 and Regulation 3 of Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulation, 2000, during the period of July 2010 to February 2014. Based on this complaint, the Special Director, the Directorate of Enforcement issued a show cause notice bearing memo no. F. No. T-4/03/FEMA/CR/2020/SDE(CR)/15424 dated February 7, 2020 (“SCN-2”) to Radiant and Mr. Abhay Soi. Radiant is currently in the process of responding to the SCN-2 and has requested, amongst other things,: (a) for time to respond to the SCN-2; (b) that no inquiry be initiated against Radiant without it being provided an opportunity to respond to the SCN-2 in writing; and (c) further, on account of COVID-19, Radiant has requested that personal hearings not be held until the situation normalizes.
3. On July 10, 2020, Radiant has filed a compounding application with Reserve Bank of India in relation to delay in reporting of remittances and delay in filing of form FC-GPR as stated under SCN-1.
4. For details regarding legal proceedings initiated by Radiant Life Care Private Limited, please see “*Litigation initiated by our Company – Other pending proceedings – point 1*” on page 388.

E. Litigation involving our Promoters

a. Criminal proceedings

For details regarding criminal proceedings involving Mr. Abhay Soi, see “*Litigation involving our Subsidiaries – Litigation initiated against RLCM – Criminal proceedings – point 2*” on page 390.

b. Pending action by statutory or regulatory authorities against our Promoters and disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 Financial Years

1. For details regarding actions by statutory or regulatory authorities against Mr. Abhay Soi, please also see “*Litigation involving our Group Companies which has a material impact on our Company – point 2*” on page 392.

c. Other pending proceedings

1. A recovery suit has been filed by the Punjab & Sind Bank against Montari Industries Limited, Manjit Singh and Late Dr. Bhai Mohan Singh, before the Debt Recovery Tribunal, Delhi. Manjit Singh and Late Dr. Bhai Mohan Singh had furnished personal guarantees for the loan availed by Montari Industries Limited. The bank has claimed ₹40,00,00,000 as the principal amount plus interest. Analjit Singh has been impleaded as a party to the suit after the demise of Dr. Bhai Mohan Singh as one of his legal heirs and in his personal capacity as a mortgagor of the property at 28A, Prithviraj Road, New Delhi 110 011. The matter is currently pending before the Debt Recovery Appellate Tribunal, Delhi.

d. Claims related to direct and indirect taxes

Sr. No.	Promoter	Direct/Indirect tax	Number of cases	Amount involved (in ₹ lakh)
1.	Analjit Singh	Direct tax	1	38,008.00
		Indirect tax	1	3,609.00
2.	Neelu Analjit Singh	Direct tax	2	764.00
3.	Max Ventures	Direct tax	9	81.00
Total			13	42,462.00

I. Litigation initiated by our Promoters

a. Other pending proceedings

1. Surinder Madan Singh had instituted a suit for injunction against Dinesh Kumar and others before the Third Additional Civil Judge (Senior Division), Dehradun. Surinder Singh was the owner of the property bearing No. 222/200, Rajpur Road, Dehradun, presently owned by Max Estates Limited. The plaintiff had filed a suit for injunction to restrain the defendants from interfering in the peaceful possession of the plaintiff over the suit property. The application was allowed and Trophy Estates Private Limited, Mr. Analjit Singh HUF and Mr. Analjit Singh are impleaded as parties. Evidence by way of affidavit on behalf of Trophy Estates Private Limited was filed on December 9, 2019. Due to outbreak of Covid – 19, no next date has been provided. Analjit Singh HUF and Analjit Singh have filed an application to be impleaded as plaintiffs in the said suit. The matter is currently pending.

F. Outstanding dues to creditors

Particulars	Number of creditors	Amount involved (in ₹ lakh)
Dues to micro, small and medium enterprises	12	60
Dues to material creditors	-	-
Dues to other creditors	2,426	19,684
Total	2,438	19,744

For details of outstanding dues to the material creditors on a standalone basis (referenced above) as on March 31, 2020, see www.maxhealthcare.in/investors.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business activities and operations of our Company or our Material Subsidiaries. In the event any of the approvals and licenses that are required for our business operations expires in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Information Memorandum. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies in India” on page 76.

Material approvals in relation to our business and operations

1. Registration certificate of importer – exporter code issued by Directorate General of Foreign Trade, Ministry of Commerce and Industry.
2. Authorisation for handling and managing bio-medical waste under the Bio-Medical Waste Management Rules, 2016, issued by the respective State Pollution Control Board and combined consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, wherever applicable.
3. Registration under the Clinical Establishments (Registration and Regulation) Act, 2010 or under the respective State clinical establishment legislation and the rules thereunder, as applicable, issued by the appropriate State authority, wherever applicable.
4. Registration of mental health establishment under the Mental Health Act, 2017 and the rules thereunder, issued by the relevant State licensing authority, wherever applicable.
5. Registration under the Transplantation of Human Organs Act, 1994 and the rules thereunder, issued by the appropriate State authority, wherever applicable.
6. License to operate under the Atomic Energy Act, 1962 and the rules thereunder, issued by the Atomic Energy Regulatory Board (Government of India), wherever applicable.
7. Certificate of approval under the Medical Termination of Pregnancy Act, 1971 and the rules thereunder, issued by the Chief Medical Officer of the respective State, wherever applicable.
8. Certificate of registration under the Pre-conception and Pre-natal Diagnostic Techniques Act, 1994 and the rules thereunder, issued by the appropriate State authority, wherever applicable.
9. Licenses to sell, stock, exhibit, offer for sale or distribute drugs (wholesale and retail) under the Drugs and Cosmetics Act, 1940 and the rules thereunder, issued by the appropriate State drug licensing authority, wherever applicable.
10. Certificate of recognition under the Narcotic Drugs and Psychotropic Substances Act, 1985 and the rules made thereunder, issued by the Controller of Drugs of the respective State, wherever applicable.
11. Blood bank license under the Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945, issued by the respective State drug licensing authority and approved by the Central Licensing Approving Authority, wherever applicable.

Material labour / employment related approvals

1. Registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees’ Provident Fund Organisation.

2. Registration under the Employees' State Insurance Act, 1948, issued by the Regional Office, Employees State Insurance Corporation of different States.
3. Registration under the applicable shops and establishments legislation for our network facilities, issued by the ministry or department of labour of relevant State government, wherever applicable.
4. Certificate under the Regulation of Contract Labour (Regulation and Abolition) Act, 1970, issued by the department of labour of the relevant State government, wherever applicable.

Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registration issued by the GoI under the Goods and Service Tax Act, 2017.
4. Registration on excise and customs issued by the Central Board of Excise and Customs under the Customs Act, 1962.

Material approvals in relation to the business and operations of our Material Subsidiaries

1. Authorisation for handling and managing bio-medical waste under the Bio-Medical Waste Management Rules, 2016, issued by the respective State Pollution Control Board and combined consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, wherever applicable.
2. Registration under the Clinical Establishments (Registration and Regulation) Act, 2010 or under the respective State clinical establishment legislation and the rules thereunder, as applicable, issued by the appropriate State authority, wherever applicable.
3. Registration under the Transplantation of Human Organs Act, 1994 and the rules thereunder, issued by the appropriate State authority, wherever applicable.
4. License to operate under the Atomic Energy Act, 1962 and the rules thereunder, issued by the Atomic Energy Regulatory Board (Government of India), wherever applicable.
5. Certificate of approval under the Medical Termination of Pregnancy Act, 1971 and the rules thereunder, issued by the Chief Medical Officer of the respective State, wherever applicable.
6. Certificate of registration under the Pre-conception and Pre-natal Diagnostic Techniques Act, 1994 and the rules thereunder, issued by the appropriate State authority, wherever applicable.
7. Licenses to sell, stock, exhibit, offer for sale or distribute drugs (wholesale and retail) under the Drugs and Cosmetics Act, 1940 and the rules thereunder, issued by the appropriate State drug licensing authority, wherever applicable.
8. Certificate of recognition under the Narcotic Drugs and Psychotropic Substances Act, 1985 and the rules made thereunder, issued by the Controller of Drugs of the respective State, wherever applicable.
9. Blood bank license under the Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945, issued by the respective State drug licensing authority and approved by the Central Licensing Approving Authority, wherever applicable.

Material labour / employment related approvals of our Material Subsidiaries

1. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees' Provident Fund Organisation.
2. Registration under the Employees' State Insurance Act, 1948, issued by the Regional Office, Employees State Insurance Corporation of different States.
3. Registration under the applicable shops and establishments legislation, issued by the ministry or department of labour of relevant State government, wherever applicable.
4. Certificate under the Regulation of Contract Labour (Regulation and Abolition) Act, 1970, issued by the department of labour of the relevant State government, wherever applicable.

Tax related approvals of our Material Subsidiaries

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registration issued by the GoI under the Goods and Service Tax Act, 2017.
4. Registration on excise and customs issued by the Central Board of Excise and Customs under the Customs Act, 1962.

Material approvals of the Company and Material Subsidiaries for which no fresh or renewal applications have been made

None of the material approvals have expired for which no fresh / renewal applications have been made.

Material approvals of the Company and Material Subsidiaries which have expired and for which renewal applications have been made

Nature of approval	Issuing authority	Date of acknowledgement of renewal application / Date of renewal application
Narcotic drug license under Narcotic Drugs and Psychotropic Substances Act, 1985 for Max Super Speciality Hospital, Dehradun	Collector District Excise Department, Dehradun/Drug Licensing Authority	March 3, 2020
License for psychiatric hospital / nursing home under the Mental Health Act, 2017 and the rules thereunder, for Max Super Speciality Hospital, West Block Saket	State Mental Health Authority, Government of NCT of Delhi	July 2, 2019
Blood bank license under the Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945 for Max Super Speciality Hospital, Vaishali	Drug Licensing Authority, Department of Drugs Control, Government of NCT of Delhi	November 1, 2019
License to sell, stock or exhibit (or offer) for sale or distribute by retail drugs specified in Schedules C and C(1) (excluding those specified in Schedule X) and license to sell, stock or exhibit (or offer) for sale or distribute by retail drugs other than those specified in Schedules C, C (1) and X, for two OP Pharmacy(ies), one IP Pharmacy and one Local Surgical Store and License to sell, stock or exhibit (or offer) for sale or distribute by retail drugs specified in Schedules X for one IP Pharmacy, under the Drugs and Cosmetics Act, 1940 and the rules thereunder for Max Super Speciality Hospital, Bhatinda	Drug Inspector, Civil Hospital Bathinda	February 18, 2020
Certificate of registration under the Contract Labour	Assistant Labour Commissioner	January 8, 2020

Nature of approval	Issuing authority	Date of acknowledgement of renewal application / Date of renewal application
(Registration and Abolition) Act, 1970, and Punjab Contract Labour (Regulation and Abolition) Rules, 1973, for Max Super Speciality Hospital, Bhatinda		
Nursing home registration under Delhi Nursing Home Registration Act, 1953 for Max Multi Speciality Centre, N-110, Panchsheel Park	Directorate of Health Services, Government of National Capital Territory of Delhi	January 20, 2020
Nursing home registration under Delhi Nursing Home Registration Act, 1953 for Max Super Speciality Hospital, West Block Saket	Directorate of Health Services, Government of National Capital Territory of Delhi	January 22, 2020
Nursing home registration under Delhi Nursing Home Registration Act, 1953 for Max Super Speciality Hospital, Shalimar Bagh	Directorate of Health Services, Government of National Capital Territory of Delhi	January 20, 2020
Nursing home registration under Delhi Nursing Home Registration Act, 1953 for Max Multi Speciality Centre, Pitampura	Directorate of Health Services, Government of National Capital Territory of Delhi	January 20, 2020
Consent to establish for expansion – Max Super Speciality Hospital, Shalimar Bagh	Directorate of Health Services, Government of National Capital Territory of Delhi	April 8, 2020
License for psychiatric hospital / nursing home under the Mental Health Act, 2017 and the rules thereunder for BLK Hospital	State Mental Health Authority, Government of NCT of Delhi	July 22, 2019
Narcotic Drugs and Psychotropic Substances Act 1985 License for Narcotics (Dangerous Drugs Act)-Pethidine for BLK Hospital	Commissioner of Excise, Govt. of NCT of Delhi	February 18, 2020
Delhi Excise Act, 2009 for spirit license for BLK Hospital	Commissioner of Excise, Govt. of NCT of Delhi	February 18, 2020
Registration under Nursing Homes and Hospital Act for BLK Hospital	Directorate of Health Services(DHS)	January 23, 2020
Certificate of registration under the Contract Labour (Registration and Abolition) Act, 1970 for BLK Hospital	Labour Commissioner, New Delhi	March 21, 2020
Factory permit for laundry service and cleaning, bleaching and dry cleaning under the Mumbai Municipal Corporation Act, 1888 for BNH Hospital	Municipal Corporation of Greater Mumbai	February 25, 2020
Factory permit for manufacturing of textile goods Such as wearing apparels under the Mumbai Municipal Corporation Act, 1888 for BNH Hospital	Municipal Corporation of Greater Mumbai	February 25, 2020
Factory permit for manufacturing of all types of fabrication work metal cutting under the Mumbai Municipal Corporation Act, 1888 for BNH Hospital.	Municipal Corporation of Greater Mumbai	February 25, 2020

Intellectual property rights

Our Company has its logo registered under class 42 of the Trade Marks Act, 1999, with the Registrar of Trademarks and is using the logo ‘Max’ pursuant to a brand agreement dated December 24, 2018 entered into between Erstwhile Max India and our Company, read with the deed of adherence dated June 1, 2020 executed by Max India (*formerly known as Advaita Allied Health Services Limited*). For further details, refer to ‘*History and Certain Corporate Matters – Material and Other Agreements*’ on page 95. Our Company also has 31 trademark registrations under class 16, class 35, class 41, class 42 or class 44 of the Trade Marks Act, 1999 from the Registrar of Trademarks.

Additionally, our Company has applied for the following trademarks under the Trade Marks Act, 1999 to the Registrar of Trademarks:

Trademark	Class	Application Number
Eager To Get You Home	35	3263221
Max Pharmacy	35	3309403
Max Pharmacy	44	3309404
Max Medical	35	3309405

Trademark	Class	Application Number
Max Medicines	35	3309407
Max Medicines	44	3309408
Max Institute of Medical Sciences	35	3485218
Max Institute of Medical Sciences	41	3485219
Max Institute of Medical Sciences	44	3485220
Max Pathology	44	3502778
Max Path Lab	44	3502780
Max Lab	44	4376945
WellWise	44	4375628
Shubh Lab	44	4375627
Max X-Ray And Ultrasound Centre	35	3502783
Kmax Digi Care	35	3502787
Max Health Circle	44	3502790
Max Clinics	35	3502791
Max Clinics	44	3502792
Max Care Plus	35	3502793
Max Care Plus	44	3502794
Max Ambulance	35	3502795
Max Ambulance	44	3502796
Max Emergency	44	3502798
Max Trauma Centre	35	3502801
Max Trauma Centre	44	3502802
	44	3622104

Pursuant to the Scheme, the trademarks forming part of Demerged Undertaking 2 are vested and transferred to our Company. For risks in relation to the intellectual property of our Company, see “*Risk Factors – Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business*” on page 31.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for listing

Our Board of Directors had approved the Scheme at their meeting held on December 24, 2018. The National Company Law Tribunal, Mumbai bench, vide its order dated January 17, 2020 approved the Scheme. For further details, see “*History and Certain Corporate Matters*” and “*Scheme of Arrangement*” on pages 81 and 97, respectively.

In accordance with the Scheme, the Equity Shares of our Company, issued pursuant to the Scheme, shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

Eligibility criteria

The eligibility criteria prescribed under the SEBI ICDR Regulations is not applicable since this is not an initial public offering or a rights issue. Our Company submitted the Draft Information Memorandum and this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE. The Information Memorandum shall be made publicly available through the respective websites of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com and through our website on www.maxhealthcare.in. Our Company will publish an advertisement on or before August 18, 2020, in the newspapers containing its details as per the SEBI Circular with the details required in terms of Annexure A Part III (A) para 2 sub – clause 5 of the SEBI Circular.

Pursuant to the SEBI Circular, our Company has obtained an exemption on August 10, 2020 from SEBI, with respect to the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of the Equity Shares of our Company, subject to our Company duly complying with the following:

- (a) There is no variance or deviation from conditions of the Scheme sanctioned by the NCLT.
- (b) There is no re-classification of promoters/ promoter groups into public or vice versa except for as provided in the Scheme.
- (c) There is no change in the information / facts submitted in the application till the date of listing of the Equity Shares of our Company.
- (d) Clause 5 and 7 of the SEBI circular dated January 3, 2018, if applicable.

Prohibition by Securities and Exchange Board of India

Our Company, Directors, Promoters, Promoter Group and the persons in control of Kayak and Max Ventures are not prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, none of our Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

Fugitive Economic Offences

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

Except for Upendra Kumar Sinha, who was the former chairman of SEBI, none of our Directors are associated with the securities market in any manner. No action has been initiated by SEBI against him during the five years preceding the date of this Information Memorandum.

Identification as wilful defaulter

Our Company, Promoters and Directors have not been identified as wilful defaulters by any bank and/or financial institution in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Disclaimer Clause of BSE

BSE *vide* its letter dated August 26, 2019 approved the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in the Draft Information Memorandum and this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to BSE.

Disclaimer Clause of NSE

NSE has *vide* its letter dated August 27, 2019 approved the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in the Draft Information Memorandum and this Information Memorandum as one of the stock exchanges on which this Company's Equity securities are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to NSE.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement which will be published on or before August 18, 2020 in terms of Annexure A Part III (A) para 2 sub- clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares.

Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

Listing Approval from BSE and NSE

Our Company has obtained in – principle listing approvals from BSE and NSE on August 4, 2020 and August 6, 2020, respectively. Our Company shall make the applications for final listing and trading approvals from BSE and NSE.

Demat Credit

The ISIN number of our Company is INE027H01010. Our Company has executed tripartite agreements with the depositories i.e. NSDL and CDSL dated February 21, 2020 and February 19, 2020, respectively for admitting our Equity Shares in demat form, pursuant to the change in our Registrar and Share Transfer Agent.

Pursuant to the Scheme, our Company has on June 19, 2020, issued and allotted 26,62,41,995 Equity Shares of our Company to all the eligible shareholders (holding shares both in physical and demat form) of Erstwhile Max India on the Record Date i.e. June 15, 2020 in demat form. Further, pursuant to the Scheme, our Company has on June 19, 2020, issued and allotted 63,50,42,075 Equity Shares of our Company to all the eligible shareholders of Radiant on the Record Date, i.e. June 1, 2020, in demat form.

As per the Companies (Prospectus and Allotment of Securities) (Third Amendment) Rules, 2018, our Company is required to issue securities in dematerialized form only. Accordingly, our Company will be unable to allot physical Equity Shares to certain shareholders holding shares in physical form.

In respect of those shareholders who were holding shares in Erstwhile Max India in physical form as on Record Date, our Company has transferred the relevant Equity Shares allotted to these shareholders in the Max Healthcare Institute Limited- Physical Shareholders' Demat Account of the Company. We further confirm / undertake that as soon as these shareholders dematerialise their physical shares, we shall immediately credit the eligible shares of our Company into the demat account of the concerned shareholder, from the Max Healthcare Institute Limited- Physical Shareholders' Demat Account, as mentioned above. For this purpose, all such shareholders are requested to approach the share department or the Registrar and Share Transfer Agent of our Company, by forwarding a request letter duly signed by such shareholders furnishing their complete postal address along with PIN code, a copy of PAN card and proof of address, for the delivery in the demat form, a copy of Demat Account – Client Master Report duly certified by the depository participant and a recent demat account statement, to enable our Company to release the said Equity Shares to the rightful owner.

Additionally, our Company has, by way of an advertisement dated June 6, 2020, published in the English edition of Business Standard and Marathi edition of Navshakti the treatment of the Equity Shares to the shareholders of Erstwhile Max India holding Equity Shares in physical form.

Fractional Entitlement

Our Company, for the purposes of the Scheme, has appointed Link Intime India Private Limited, as the fractional entitlement trustee who shall hold fractional Equity Shares of our Company with all additions or accretions thereto, in a trust, for the benefit of shareholders of Erstwhile Max India and Radiant. The process of allotment of Equity Shares includes an exchange ratio (i.e. 99 Equity Shares issued and allotted for every 100 equity shares having a face value of ₹ 2 each of Erstwhile Max India, as on June 15, 2020), and as per share entitlement ratio (i.e. 9,074 Equity Shares of ₹ 10 each for every 10 equity shares having a face value of ₹ 10 each of Radiant, as on June 1, 2020).

Expert Opinions

We have not obtained any expert opinions.

Dispatch of Share Certificates

In accordance with the Scheme, Equity Shares have been issued and allotted to the eligible shareholders of Erstwhile Max India as on June 15, 2020 and to the eligible shareholders of Radiant as on June 1, 2020. Our Company has credited such Equity Shares to the depository participant accounts of the eligible shareholders at different dates and accordingly, no share certificates have been dispatched by our Company.

Previous rights and public issues

Since incorporation, our Company has not issued any Equity Shares to the public. Further, for details regarding the

rights issue by our Company, see “*Capital Structure*” on page 41.

Capital issuances in the last three years

For details of the issuances of Equity Shares by our Company since incorporation, see “*Capital Structure – Notes to Capital Structure*” at page 41.

Performance vis-a-vis objects

Since incorporation, our Company has not issued any Equity Shares to public. The Equity Shares of our Company will be listed on the Stock Exchanges pursuant to the Scheme.

Issuances for consideration other than cash

For details in relation to the allotment of Equity Shares for consideration other than cash, see “*Capital Structure*” on page 41.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Stock Market Data for Equity Shares of our Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Disposal of Investor Grievances by our Company

Our Company has the following platforms for addressing investors’ grievances:

E-mail id: investors@maxhealthcare.com

Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (common portal introduced by SEBI). Our Company is registered on the SCORES portal. Further, the Shareholders can also raise their grievances with our Company Secretary and Compliance Officer. As on the date of this Information Memorandum, our Company has not received any investor complaints since incorporation.

Company Secretary and Compliance Officer

Ruchi Mahajan is the Company Secretary and Compliance Officer our Company. Her contact details are as follows:

Address: 6th Floor, Tower – A, DLF Center Court, DLF City, Phase – V, Sector – 42, Golf Course Road, Gurugram, Haryana 122 002, India

Tel No: 012 4620 7777

E-mail: investors@maxhealthcare.com

Capitalisation of reserves or profits or revaluation of assets

Other than pursuant to the Scheme, there has been no capitalization of our reserves or profits. Further, except as disclosed in the section “*History and Certain Corporate Matters*” on page 81, there has been no revaluation of our assets since incorporation.

SECTION VIII: OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles. Further, our Articles were approved by our Board at the meeting held on June 19, 2020 and approved by the shareholders' by way of postal ballot on July 30, 2020.

The Articles of Association of the Company comprise two parts, Part I and Part II.

Part I is based on Table-F of the Companies Act, 2013, which sets out the models Articles of Association for a Company limited by shares, incorporating the provisions relating to general management of affairs of the Company as per Table F with exception.

Part II incorporates provisions relating to inter-se rights and obligations between Kayak Investments and Abhay Soi as well as with the Company and the management and operations of the Company, as agreed by the Company under deed of accession and adherence dated June 1, 2020 executed in terms of the shareholders' agreement dated December 24, 2018 between Kayak and Abhay Soi.

Parts I and II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of any inconsistency or contradiction, conflict or overlap between Part I and Part II, the provisions of Part II shall, to the extent of such inconsistency, contradiction, conflict or overlap, subject to applicable law, prevail and be applicable.

PART I

TABLE 'F' EXCLUDED

- (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

Interpretation

(1) In these Articles –

- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
- (b) "Articles" means these articles of association of the Company or as altered from time to time.
- (c) "Board of Directors" or "Board", means the collective body of the directors of the Company.
- (d) "Company" means Max Healthcare Institute Limited.

- (e) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- (f) “seal” means the common seal of the Company.
- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

Share capital and variation of rights

1. Shares under control of Board

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the applicable provisions of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company at a general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board may think fit.

2. Directors may allot shares otherwise than for cash

Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company, on payment or part payment, for any property, or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business, and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. Provided that option or right to call on shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

3. Kinds of Share Capital

The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

- (a) Equity share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (b) Preference share capital

4. (1) Issue of certificate

Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment, unless the conditions of issue thereof otherwise provide, or within one month from the date of receipt by the Company of the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be, or within a period of six months from the date of allotment in the case of any allotment of debenture, to: –

- (a) one or more certificates in marketable lots for all his / her shares of each class or denomination registered in his/ her name, or if the directors so approve (upon paying such fee as the directors so time determine) without payment of any charges; or

- (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

(2) Certificate to bear seal

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(3) One certificate for shares held jointly

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(4) Certificates on sub-division / consolidation

- a. The Company may sub-divide and consolidate certificates and letters of allotment into denominations other than the market lot.
- b. The Board of Directors may, at their absolute discretion, refuse applications for the subdivision of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such subdivision is required to be made to comply with a statutory provision or an order of a competent court of law.

5. Option to receive share certificate or hold shares with depository

The Company or a person subscribing to shares offered by the Company, shall have the option either to issue, deal in, receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

Further, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996, as amended from time to time, or any statutory modification thereto or re-enactment thereof.

6. Issue of new certificate in place of one defaced, lost or destroyed

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, being given, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board, or on payment of such fees (not exceeding Rs. 20 (Indian Rupees Twenty) for each certificate) as the Board shall prescribe.

Provided that notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

7. Provisions as to issue of certificates to apply *mutatis mutandis* to debentures, etc.

The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

8. Power to pay commission in connection with securities issued

- (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (1) Variation of members' rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(2) Provisions as to general meetings to apply *mutatis mutandis* to each meeting

To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

10. Issue of further shares not to affect rights of existing members

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

11. Power to issue redeemable preference shares

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

12. (1) Further issue of share capital

The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to :

- (a) persons who, at the date of offer, are holders of equity shares of the Company; in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely :
 - i. The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time, subject to applicable law, not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - ii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to above shall contain a statement of this right;
 - iii. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the

Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.

- (b) To employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed by law; or
- (c) To any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in sub-clause (a) and (b) above, either in cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the provisions of the Act.

(2) Mode of further issue of shares

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to debentures issued or loans raised by the Company:
- (a) To convert such debentures or loans into shares in the Company ; or
 - (b) To subscribe for shares in the Company.

- (4) The provisions contained in this Article shall be subject to the applicable provisions of the Rules and the Act.

(5) Term of issue of debenture or other securities

Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may be issued with an option to convert into shares of any denomination, if permissible in Law at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

Lien

13. (1) Company's lien on shares

The fully paid shares of the Company will be free from all lien.

The Company shall have a first and paramount lien-

- (a) on every share (not being a fully paid share / debentures), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debentures; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(2) Lien to extend to dividends, etc.

No equitable interest in any share/ debenture shall be created except upon the footing and condition that this Article will have full effect and such Company's lien, if any, on a share / debenture shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(3) Waiver of lien in case of registration

Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

14. As to enforcing lien by sale

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

15. (1) Validity of sale

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) Purchaser to be registered holder

The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) Validity of Company's receipt

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(4) Purchaser not affected

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

16. (1) Application of proceeds of sale

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(2) Payment of residual money

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

17. Outsider's lien not to affect Company's lien

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

18. Provisions as to lien to apply *mutatis mutandis* to debenture etc.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Calls on shares

19. (1) Board may make calls

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

The option or right to call on shares shall not be given to any person except with the sanction of the Company in general meeting.

(2) Notice of call

Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(3) Board may extend time for payment

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

Any amount paid-up in advance of calls on any share may carry interest but shall not, subject to applicable law, entitle the holder of the share to participate in respect thereof, in dividend subsequently declared.

(4) Revocation or postponement of call

A call may be revoked or postponed at the discretion of the Board.

20. Call to take effect from date of resolution

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

21. **Liability of Joint shareholders**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

22. **(1) When interest on call or instalment payable**

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) Board may waive interest

The Board shall be at liberty to waive payment of any such interest wholly or in part.

23. **(1) Sums deemed to be calls**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) Effect of non-payments of sums

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

24. **(1) Payment in anticipation of calls may carry interest**

The Board may, if it thinks fit, subject to the applicable provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

- (a) That upon all or any of the monies so paid and satisfied in advanced, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. The directors may at any time repay the amount so advanced.
- (b) Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
- (c) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the company.

25. **Instalments on shares to be duly paid**

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

26. **Calls on shares of same class to be on uniform basis**

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

27. **Partial payment not to preclude forfeiture**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

28. **Provisions as to calls to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transfer of shares

29. **Instrument of transfer to be executed by transferor and transferee**

The Company shall use a common form of transfer.

The instrument of transfer of any share in the Company shall be in writing and all applicable provisions of the Act, including any statutory modification thereof, shall be duly complied with in respect of all transfer of shares and registration thereof and it shall be duly executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

30. **No fee on transfer or transmission**

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

31. **Board may refuse to register**

The Board may, subject to the right of appeal conferred by the Act decline to register –

- a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- b. any transfer of shares on which the Company has a lien.

Provided that, registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

33. **Board may decline to recognise instrument of transfer**

In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –

- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

34. **Transfer of shares when suspended**

On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

35. **Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.**

The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transmission of shares

36. **(1) Title to shares on death of a member**

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(2) Board's right unaffected

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(3) Indemnity to the Company

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

37. **(1) Transmission Clause**

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made

(2) Board's right unaffected

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(3) Indemnity to the Company

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

38. **(1) Right to election of holder of share**

If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) Manner of testifying election

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) Limitations applicable to notice

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

39. Claimant to be entitled to same advantage

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

40. Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Forfeiture of shares

41. If call or instalment not paid notice must be given

If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

42. Form of notice

- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

43. In default of payment of shares to be forfeited

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

44. Receipt of part amount or grant of indulgence not to affect forfeiture

Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

45. Entry of forfeiture in register of members

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

46. Effect of forfeiture

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

47. (1) Forfeited shares may be sold, etc

A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

(2) Cancellation of forfeiture

At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

48. (1) Members still liable to pay money owing at the time of forfeiture

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(2) Member still liable to pay money owing at time of forfeiture and interest

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

(3) Cesser of liability

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

49. (1) Certificate of forfeiture

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(2) Title of purchaser and transferee of forfeited shares

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(3) Transferee to be registered as holder

The transferee shall thereupon be registered as the holder of the share; and

(4) Transferee not affected

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

50. Validity of sales

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

51. Cancellation of share certificate in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

52. Surrender of share certificates

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

53. Sums deemed to be calls

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

54. Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Alteration of capital

55. Power to alter share capital

Subject to the provisions of the Act, the Company may, by ordinary resolution –

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

56. Shares may be converted into stock

a. Where shares are converted into stock:

the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

b. Right of Stockholders

the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

- c. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.

57. Reduction of capital

The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

58. Borrowing Powers

a. Power to borrow

Subject to the provision of the Act and these Article and without prejudice to the other powers conferred by these Article, the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purpose of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by the company (apart from temporary loans obtained

from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed aggregate of its paid-up share capital, free reserves and securities premium.

b. Conditions on which money may be borrowed

Subject to the provisions of the Act and these Articles, the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think for and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

c. Bonds, debentures etc. to be subject to control of Directors.

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

d. Securities may be assignable free from equities.

Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Joint Holders

59. Joint Holders

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

(a) Liability of Joint- holders

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share

(b) Death of one or more joint-holders

On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(c) Receipt of one sufficient

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) Delivery of certificate and giving of notice to first named holder

Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

(e) (i) **Vote of joint- holders**

Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

(ii) **Executors or administrators as joint holders**

Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

(f) **Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.**

The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

Capitalisation of profits

60. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - B. paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

61. (1) **Powers of the Board for Capitalisation**

Whenever such a resolution as aforesaid shall have been passed, the Board shall —

- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (b) generally do all acts and things required to give effect thereto.

(2) **Board's power to issue fractional certificate/coupon etc.**

The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(3) Agreement binding on members

Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

62. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General meetings

63. Extraordinary general meeting

All general meetings other than annual general meeting shall be called extraordinary general meeting.

64. Powers of Board to call extraordinary general meeting

The Board may, whenever it thinks fit, call an extraordinary general meeting

Proceedings at general meeting

65. (1) Presence of Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(2) Business confined to election of Chairperson whilst chair vacant

No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

(3) Quorum for general meeting

The quorum for a general meeting shall be as provided in the Act.

66. Chairperson of the meetings

The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company

67. Directors to elect a Chairperson

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

68. Members to elect a Chairperson

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

69. Casting vote of Chairperson at general meeting

On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

70. (1) Minutes of proceedings of meetings and resolutions passed by postal ballot

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Certain matters not to be included in Minutes

There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

(a) is, or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

(3) Discretion of Chairperson in relation to Minutes

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(4) Minutes to be evidence

The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

71. (1) Inspection of minute books of general meeting

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

(a) be kept at the registered office of the Company; and

(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(2) Members may obtain copy of minutes

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

72. Powers to arrange security at meetings

The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Adjournment of meeting

73. (1) Chairperson may adjourn the meeting

The Chairman of a General Meeting may adjourn the meeting from time to time and from place to place,

If the quorum is not present within half an hour of the appointed time, then the meeting shall be adjourned to the same day next week at the same time and place or such other time and place as the Board may determine.

if the general meeting is called by requisitionists under section 100 then in case the quorum is not present within half an hour, then the meeting will stand cancelled.

(2) Business at adjourned meeting

No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) Notice of adjourned meeting

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting

(4) Notice of adjourned meeting not required

Save as aforesaid, and save as provided in the Act or any other rules and regulations applicable to the Company, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

74. Entitlement to vote on show of hands and on poll

Subject to any rights or restrictions for the time being attached to any class or classes of shares –

- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

75. Voting through electronic means

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

76. (1) Vote of joint holders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders

(2) Seniority of names

For this purpose, seniority shall be determined by the order in which the names stand in the register of members

77. How members *non compos mentis* and minor may vote

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

78. Votes in respect of shares of deceased or insolvent members, etc.

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

79. Business may proceed pending poll

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

80. Restriction on voting rights

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

81. Restriction on exercise of voting rights in other cases to be void

A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

82. Equal rights of members

Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

83. (1) Member may vote in person or otherwise

Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(2) Proxies when to be deposited

The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

84. Form of proxy

An instrument appointing a proxy shall be in the form as prescribed in the Rules.

85. Proxy to be valid notwithstanding death of the principal

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

86. The Board of the Company shall comprise of 7 (seven) Directors or such other number of directors as determined by the Board, of which: (i) the number of independent directors on the Board shall be as required under applicable laws; (ii) Kayak Investments Holding Pte. Ltd and its Affiliates shall have the right to nominate the majority of the non-independent Directors to the Board of the Company; and (iii) Abhay Soi shall have the right to nominate the balance of the non-independent directors on the Board (including the right to nominate himself as a Director).

87. (1) Directors not liable to retire by rotation

The Managing Director shall be a director not liable to retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(2) Same individual may be Chairperson and Managing Director/Chief Executive Officer

Subject to applicable requirement, the same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

88. (1) Remuneration of directors

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day or as may be decided by the Board.

(2) Remuneration to require members' consent

The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a resolution passed by the Company in general meeting.

(3) Travelling and other expenses

In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all

travelling, hotel and other expenses properly incurred by them:

- a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- b. in connection with the business of the Company.

89. Execution of negotiable instruments

All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

90. (1) Appointment of additional directors

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(2) Duration of office of additional director

Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

91. (1) Appointment of alternate director

The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) Duration of office of alternate director

An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India

(3) Re-appointment provisions applicable to Original Director

If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

92. (1) Appointment of director to fill a casual vacancy

If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board

(2) Duration of office of Director appointed to fill casual vacancy

The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated

Powers of Board

93. General powers of the Company vested in Board

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Proceedings of the Board

94. (1) When meeting to be convened

The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit

(2) Who may summon Board meeting

Save as otherwise expressly provided in the Act or rules / regulations applicable to the Company, the Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(3) Quorum for Board meetings

The quorum for a Board meeting shall be as provided in the Act.

(4) Participation at the Board Meeting

The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

95. (1) Questions at Board meeting how decided

Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(2) Casting vote of Chairperson at Board meeting

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

96. Directors not to act when number falls below minimum

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

97. (1) Who to preside at meetings of the Board

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(2) Directors to elect a Chairperson

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting

98. (1) Delegation of powers

The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Committee to conform to Board regulations

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(3) Participation at Committee meetings

The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

99. (1) Chairperson of Committee

A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(2) Who to preside at meetings of Committee

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

100.(1) Committee to meet

A Committee may meet and adjourn as it thinks fit.

(2) Questions at Committee meeting how decided

Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

(3) Casting vote of Chairperson at Committee meeting

In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

101. Acts of Board or Committee valid notwithstanding defect of appointment

All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were

disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

102. Passing of resolution by circulation

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

103.(a) Chief Executive Officer, etc.

Subject to the provisions of the Act,—

A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

(b) Director may be chief executive officer, etc.

A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Registers

104. Statutory registers

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

105. Register of members

The Company shall cause to be kept a register and index of members in accordance with the applicable provisions of the Act, the Rules and the Depositories Act, 1996, with details of shares held in physical and dematerialised forms, in any medium as may be permitted by law, including in any electronic medium.

106. Foreign register

(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

The Seal

107.(1) The seal, its custody and use

The Board shall provide for the safe custody of the seal.

(2) Affixation of seal

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

108. Company in general meeting may declare dividends

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

109. Interim dividends

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

110. (1) Dividends only to be paid out of profits

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) Carry forward of profits

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

111.(1) Division of profits

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) Payments in advance

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(3) Dividends to be apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

112.(1) No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(2) Retention of dividends

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

113.(1) Dividend how remitted

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Instrument of payment

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Discharge to Company

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

(4) Unpaid or unclaimed dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank.

Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act, and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

(5) Forfeiture of unclaimed dividends

That there will be no forfeiture of unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

114. Receipt of one holder sufficient

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

115.No interest on dividends

No dividend shall bear interest against the Company

116.Waiver of dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Accounts

117.(1) Inspection by Directors

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(2) Restriction on inspection by members

No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

Winding up

118.Subject to the applicable provisions of the Act and the Rules made thereunder-

- a. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

119.Directors and officers right to indemnity

- (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(c) Insurance

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

120. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

PART II

Unless the context otherwise requires, words or expressions contained in this Part II shall have the meanings as provided below. Provided that any terms and expressions used but not defined specifically in this Part II shall have the same meaning as ascribed to them in Part I or in the Act or any statutory modification thereof. Other terms may be defined elsewhere in the text of these Articles and, unless otherwise indicated, shall have such meaning throughout these Articles.

"1956 Act" means the Indian Companies Act, 1956 and any rules, regulations, notifications and clarifications made thereunder by a Governmental Authority to the extent not repealed;

"2013 Act" means the Indian Companies Act, 2013 as may be amended or supplemented from time to time, and any rules, regulations, notifications and clarifications made thereunder by a Governmental Authority;

"Act" means the 1956 Act and the 2013 Act (to the extent notified), and shall include all rules and regulations issued thereunder as amended, modified or re-enacted from time to time.

"Affiliate(s)" means with respect to any Party, any Person that, alone or together with any other Person, directly or indirectly Controls, is Controlled by, or is under common Control with, such Party and in case of a Party being a natural person, shall, in addition, also include a "relative" (as such term is defined in the Companies Act) of such Person and any Person Controlled by such "relative". It is hereby clarified that "Affiliate", in respect of the Investor, shall be deemed to include, any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other investment vehicle or any subsidiary or affiliate of any of the foregoing, which is managed or Controlled by Kohlberg Kravis

Roberts & Co. L.P., or a subsidiary thereof whether on the date of the Shareholders' Agreement or in the future, but shall be deemed to exclude the Promoter, the Company, the Subsidiaries and all other portfolio companies of the Investor and/or its affiliates;

“Aggregate Investment Amount” means the aggregate of the following: (a) the amounts received by Radiant from the Investor towards subscription of Shares of Radiant up to the Effective Date, and the amounts received by the Promoter / his Affiliates from the Investor towards purchase of the Shares of Radiant up to the Effective Date; (b) the amounts received by the Company from the Investor for subscription to Securities of the Company to be issued to the Investor after the Effective Date; (c) amounts paid as the Purchase Consideration under the BAS SPA; (d) any costs, expenses and fees incurred by the Investor in relation to (a), (b) and (c); and (e) any costs and expenses incurred by the Investor in Transferring its Shares of the Company;

“ALPS” means ALPS Hospitals Limited, a company incorporated under Companies Act, 1956, having its registered office at N-110, Panchsheel Park, New Delhi – 110017;

"AGM" shall mean the annual general meeting of a company convened and held in accordance with the Act;

“Anti-Bribery Laws” shall mean any anti-bribery and anti-corruption Laws applicable to the relevant Person and its operations from time to time, directly or indirectly, including any Laws that prohibit the payment, giving, offer, promise, or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official, commercial entity, or any other Person to obtain or retain any undue business advantage, including but not limited to the Indian Prevention of Corruption Act, 1988, the U.S. Foreign Corrupt Practices Act of 1977, and the UK Bribery Act 2010, in each case as amended from time to time; ;

“Anti-Money Laundering Laws” shall mean any Laws and codes of practice related to money laundering and terrorism financing which are applicable to the relevant Person and its operations from time to time, directly and indirectly, including the Indian Prevention of Money Laundering Act, 2002, the USA PATRIOT Act, and the Bank Secrecy Act of 1970, in each case as amended from time to time as may be amended from time to time;

“Applicable Law” or **“Law”** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, governmental resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;

“Approvals” means all allocations, awards, approvals, clearances, licenses, permits, consents, permissions, orders, warrants, decrees, confirmations, permissions, certificates, authorizations, authentications, registrations, qualifications, designations, declarations, notifications, exemptions or any ruling to or from any Governmental Authority, required under Applicable Laws (including but not limited to approval from the labour commissioner, consent for conversion of zoning and land use (if applicable), approval of master plan and building plans, occupation certificates and other relevant approvals from the relevant municipal corporation, public works department and other department of the applicable Government/ Governmental Authority);

“Assets” means shall mean assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person, including cash, cash equivalents, receivables, Securities, accounts and notes receivable, real estate, plant and machinery, equipment, trademarks, brands, other intellectual property, raw materials, inventory, finished goods, furniture, fixtures and insurance;

"Articles" or "Articles of Association" shall mean the articles of association of a company, as amended from time to time;

“**BAS**” means Mr. Analjit Singh, having passport number Z4965333, aged 64;

“**BAS SPA**” means the share purchase agreement entered into on even date hereof, by and between Mr. Analjit Singh and the Investor, pursuant to which the Investor has *inter alia* agreed to purchase 4.99% (four point nine nine per cent) Shares of the Company from Mr. Analjit Singh;

“**Balaji**” means shall mean Balaji Medical and Diagnostic and Research Center;

“**Big 4 Firm**” shall mean any of the Indian affiliates or associates of: (a) Deloitte Touche Tohmatsu; (b) KPMG; (c) PricewaterhouseCoopers; or (d) Ernst & Young LLP;

“**Board**” or “**Board of Directors**” means the board of Directors of a company, as may be appointed from time to time;

“**Business**” means the business of owning, running and/ or managing owned or third party nursing homes, clinics, surgical centers, diagnostic centers, hospitals, healthcare centers and other medical facilities including pathology, imaging facilities and pharmacies for treatment, prevention, detection and cure of diseases or ailments of all kinds and shall include all healthcare services offered or to be offered by the Company and the Subsidiaries and undertaking any activities in the hospital or healthcare sectors;

“**Business Day**” means a day on which scheduled commercial banks are open for business in New Delhi, India, Mumbai, India, New York, and Singapore;

“**CRL**” means Crosslay Remedies Limited, a company incorporated under Companies Act, 1956, having its registered office at -N-110, Panchsheel Park, New Delhi-110017, India;

“**Catch-up IRR**” means the Investor achieving an IRR of 18% (eighteen percent), in respect of the investment made by the Investor towards subscription of Promoter Entitlement Securities actually purchased by the Promoter pursuant to a Catch-up Infusion Event, for the Catch-up IRR Payment Period (net of costs, expenses incurred and Taxes payable by the Investor in this regard);

“**Catch-up IRR Payment Period**” means the period starting from the date immediately after the expiry of 9 (nine) months from the date of Catch-up Infusion Event till the date the Promoter purchases the Promoter Entitlement Securities in accordance with Article VI of these Articles;

“**Catch-up Infusion Event**” means either of the following events: (a) Expansion of the parking spaces for the Max Super Speciality Hospital, Patparganj; (b) Expansion of the Max Super Speciality Hospital, Shalimar Bagh parking space; (c) Expansion of the parking space for the Max Super Speciality Hospital, Saket, a unit of Devki Devi; (d) Any capital expenditure identified and invested till the financial year ending March 31, 2020 for the replacement of old machinery, other than already budgeted in business plan shared with Investor; (e) Investment required to cure past non-compliances arising before the Closing Date, other than the above; and/ or (f) Funding of any expense or liability pertaining to the period prior to the closing date under the Share Subscription Agreement which is not possible to fund through internal accruals of the Company.

“**Cause**” shall have the meaning ascribed to the term under the MD Employment Agreement;

“**Chairman**” shall have the meaning assigned to such term in Article 4.1;

“**Charter Documents**” means the memorandum of association and articles of association of a company;

“**Closing Date**” shall have the meaning ascribed to it under the MHIL SPA;

“**Company/MHIL**” shall mean Max Healthcare Institute Limited, a company incorporated under the laws of India and having its registered office at 167, Floor 1, Plot-167 A, Ready Money Mansion, Dr. Annie

Besant Road, Worli, Mumbai-400 018;

“Companies Act” means the Companies Act, 2013 and to the extent the same is in force, the provisions of the Companies Act, 1956 (and any amendments or modifications thereto);

"Company Competitor" shall mean any Person Engaged in a business competing with the Business in India, and/ or an Affiliate of such Person;

“Competitor” means (a) any Person owning, constructing, establishing, managing, operating and/ or developing hospitals, clinics, nursing homes, health centers, medical centers in primary/ secondary/ tertiary/ quaternary care, and providing healthcare and medical services, provision of healthcare services 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); and/ or (b) their respective ‘promoter’ (as defined under Companies Act)/ ‘promoter group’ (as defined under the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009) and the Subsidiaries of the entities set out in sub-articles (a) and (b); and/ or (c) shareholders holding more than 50% (fifty percent) Shares in the entities set out in sub-article (a); and/ or (d) Shareholders having right to appoint majority Directors of the entities set out in sub-article (a);

“Consolidated Historical Accounts” shall mean the consolidated Financial Statements of the MHC Network for the Financial Year ended on March 31, 2018;

“Contract” shall mean, with respect to a Person, any written agreement, contract, promise, undertaking, subcontract, understanding, or legally binding commitment or undertaking of any nature entered into by such Person;

"Control" with respect to any Person, means directly or indirectly, either acting individually or acting in concert with other Persons, whether by way of shareholding or management rights or contracts: (a) ownership or control of more than 50% (fifty percent) of the Share Capital and/or voting rights of the controlled entity; or (b) control of, or the power to control, the composition of the Board of the controlled entity; or (c) the right to appoint majority of the Directors to the Board of the controlled entity; or (d) the ability to control the management or policy decisions of the controlled entity including by virtue of any affirmative/veto rights, and the terms **“Controlling”** and **“Controlled”** shall be correspondingly construed;

“Cost Saving Entities” means the MHC Network, Radiant and its subsidiaries (before the Merger), and Radiant Hospitals;

“Costs and Expenses” means all the costs and expenses in relation to the Cost Saving Entities, other than depreciation, amortization and interest expenses;

“Cost Saving Threshold” means the difference between: (i) the aggregate Costs and Expenses incurred by the Cost Saving Entities as is derived from the FY 21 Consolidated Management Accounts; and (ii) the aggregate Costs and Expenses incurred by the Cost Saving Entities as is derived from the FY 19 Consolidated Management Accounts, which difference being an amount equal to or more than INR 140,00,00,000 (Indian Rupees One Hundred Forty Crores only), but which shall exclude those cost savings which have been realized from the initiatives implemented by the Cost Saving Entities on or prior to March 31, 2019;

"Deed of Adherence" means the deed of adherence in the form provided in Schedule 2 to the Shareholders' Agreement;

“Deed of Accession and Adherence” means the deed in the form set out in Schedule 6 to the Shareholders' Agreement;

“Devki Devi” means Devki Devi Foundation;

"Director" means a director on the Board of a company;

"Disability" shall mean a physical or mental condition arising from injury, sickness, disease or trauma, which incapacitates the Promoter and has a long term adverse effect on the ability of the Promoter to carry on his duties under the Shareholders' Agreement and/or the MD Employment Agreement;

"Drag Along Notice" shall have the meaning assigned to such term in Article 1.4 (a);

"Drag Along Right" shall have the meaning assigned to such term in Article 1.4 (a);

"Drag Price" shall have the meaning assigned to such term in Article 1.4 (a);

"Drag Securities" shall have the meaning assigned to such term in Article 1.4 (a);

"EBITDA" shall have the meaning assigned to such term under the Share Purchase Agreement;

"Effective Date" shall mean the date on which the Merger has become effective pursuant to the Scheme.

"Encumbrance" means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind, securing or conferring any priority of payment in respect of any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) any voting agreement, interest, option, right of first offer, right of first refusal, call right, put right, tag along right, drag along right, or other transfer restriction in favour of any Person or any restrictions on use, or exercise of any attribute of ownership, any right of set-off; and (iii) any adverse claim as to title, possession or use or any title retention agreement and **"Encumber"** shall be construed accordingly;

"Engaged" shall mean setting up, promoting, or investing, directly or indirectly, more than 10% interest in a business, venture, activity or company by a Person or conducting, operating or managing any business, venture, activity or company;

"ESOPs" shall mean the employee stock ownership plans maintained by a company;

"Equity Securities" shall mean the equity capital, membership interests, partnership interests, registered capital, joint venture or other ownership interests or any instruments, options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, the equity capital, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued) and shall include convertible debentures and convertible preference shares. For the avoidance of doubt, where the term Equity Securities appears in the context of the Company and/or the Subsidiaries, such terms shall include the Equity Shares;

"Equity Share Capital" shall mean the total issued and paid-up equity share capital of a company on a Fully Diluted Basis;

"Equity Shares" shall mean the ordinary voting equity shares of a company;

"EGM" shall mean the extra ordinary meeting of a company convened and held in accordance with the Act;

"FSF" means M/s. Four Seasons Foundation;

"FY 19 Consolidated Management Accounts" means the combined Financial Statements of the Cost Saving Entities for the Financial Year ending on March 31, 2019 and prepared using the same accounting principles as used for preparing respectively (i) the audited consolidated Financial Statements of

Radiant and Radiant Subsidiaries for the Financial Year ending on March 31, 2018; (ii) the audited Financial Statements of Radiant Hospitals for the Financial Year ending on March 31, 2018 and (iii) the Consolidated Historical Accounts.

It is clarified that combined Financial Statements for this purpose would mean the aggregation of (i) audited consolidated Financial Statements of Radiant and Radiant Subsidiaries; (ii) audited Financial Statements of Radiant Hospitals and (iii) consolidated Financial Statements of MHC Network and after eliminating any impact of any inter-se transactions between Radiant, Radiant Subsidiaries, Radiant Hospitals and MHC Network;

“FY 21 Consolidated Management Accounts” means:

- (a) if the Closing Date is on or before March 31, 2019, then, the combined Financial Statements of the Cost Saving Entities for the Financial Year ending on March 31, 2021 and prepared using the same accounting principles as used for preparing respectively (i) the audited Financial Statements of Radiant Hospitals for the Financial Year ending on March 31, 2018 and (ii) the Consolidated Historical Accounts;
- (b) if the Closing Date is after March 31, 2019 but before May 31, 2019, then, the combined Financial Statements of the Cost Saving Entities for the FY 21 Period and prepared using the same accounting principles as used for preparing respectively (i) the audited Financial Statements of Radiant Hospitals for the Financial Year ending on March 31, 2018 and (ii) the Consolidated Historical Accounts;

It is clarified that: (a) in case the Closing Date is after May 31, 2019, then, the Investor and the Promoter shall mutually decide the Financial Statements which shall be used for determination of FY 21 Consolidated Management Accounts; and (b) combined Financial Statements for this purpose would mean the aggregation of (i) audited Financial Statements of Radiant Hospitals and (ii) consolidated Financial Statements of MHC Network and after eliminating any impact of any inter-se transactions between Radiant Hospitals and MHC Network.

“FY 21 Period” the period between the 1st (first) anniversary of the Closing Date and ending on the 2nd (second) anniversary of the Closing Date

"Fair Market Value" shall mean the price per Equity Share as determined by the Independent Investment Bank in accordance with the valuation guidelines set out in the Shareholders Agreement;

“Family Emergency” means any unexpected and adverse physical or mental condition of an Immediate Relative, arising from injury, sickness, disease or trauma of an Immediate Relative, which is grave and serious enough for the Promoter to devote significant time in order to provide support/ care to any Immediate Relative;

"Financial Statements" shall mean the following standalone and consolidated financial statements: (a) the balance sheet, (b) the related statement of income, (c) the cash flow statement (as applicable), together with (d) notes and schedules thereto (as applicable), and prepared in accordance with the relevant accounting standards;

"Financial Year" means the period of 12 (Twelve) months commencing from the 1st of April of a calendar year and ending on the 31st of March of the following calendar year, or any other period adopted by the relevant Person as its accounting year;

"Fully Diluted Basis" means the assumption that the exercise, and as may be applicable, the conversion of any options (including employee stock options), warrants, contracts and instruments convertible into Shares (whether or not compulsorily convertible), outstanding on the date of calculation, have been exercised or exchanged for or converted into Shares and all Shares issuable pursuant to contractual or other obligations have been issued;

"General Meetings" shall mean either an EGM and/ or an AGM, as the case may be;

"Government" or **"Governmental Authority(ies)"** means any government, state or political subdivision thereof, national or supranational body, court, agency, tribunal or any Person exercising executive, legislative, judicial, regulatory (including a stock exchange or other self-regulatory body) or administrative functions on behalf of any of them;

"Government Entity" shall mean any (a) Governmental Authority, (b) political party, (c) public international organization, such as the World Bank, (d) agency, division, bureau, department or other sector of any Governmental Authority, public international organization or political party, or (e) any company, business, enterprise, instrumentality or other entity owned or controlled by any entity described in the foregoing sub-articles (a) to (d) of this definition;

"Government Official" shall mean any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Government Entity or political party, or any candidate for political office;

"HBPL" means Hometrail Buildtech Private Limited, a company incorporated under the provisions of Companies Act, 1956, having its registered address at N-110, Panchsheel Park New Delhi South Delhi 110017, India;

"Hospitals" means together: (i) Dr. B.L. Kapur Memorial Hospital, Delhi, (ii) Dr. Balabhai Nanavati Hospital, Mumbai, (iii) Max Super Speciality Hospital, Shalimar Bagh, (iv) Max Super Speciality Hospital, Patparganj, (v) Max Super Speciality Hospital, East Block Saket, (vi) Max Smart Super Speciality Hospital, Saket, (vii) Max Super Speciality Hospital, Vaishali, (viii) Max Super Speciality Hospital, Bhatinda, (ix) Max Super Speciality Hospital, Mohali, (x) Max Super Speciality Hospital, Noida, (xi) Max Multi Speciality Hospital, Greater Noida, (xii) Max Hospital, Pitampura, (xiii) Max Super Speciality Hospital, Dehradun, (xiv) Max Hospital, Gurgaon, (xv) Max Multi Speciality Centre, Panchsheel Park, (xvi) Max Institute of Cancer Care, Lajpat Nagar, and shall include any other hospitals acquired, or rights relating to which are acquired by the Company and/or any of the Subsidiaries after the date of the Shareholders' Agreement;

"IBC" means the Insolvency and Bankruptcy Code, 2016;

"INR" or **"Rupees"** or **"Rs."** shall mean Indian rupees, being the lawful currency of India;

"Immediate Relative" of an individual means the mother, wife and children of such individual;

"Implementation Agreement" means the agreement entered into inter alia between Radiant, Investor and the Promoter of even date, setting out the inter se rights and obligations between the Parties thereto pending the effectiveness of the Scheme;

"Independent Investment Bank" shall have the meaning assigned to it in the Shareholders Agreement

"Indian GAAP" means the generally accepted accounting principles applicable in India, consistently applied throughout the specified period;

"Infrahealth" means Infrahealth Pte Ltd., a company incorporated under the laws of Singapore and having its registered office at 77A, Boat Quay, Singapore – 049865;

"Insolvency Event" in relation to any Person shall mean, any corporate action, legal proceedings or other procedure or step taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Person and such action has been admitted by a court of competent jurisdiction;
- (b) a composition, compromise, assignment or arrangement with any creditor of the Person;

- (c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Person or any of their respective assets by the competent Governmental Authority;
- (d) attachment, enforcement or distress of any security interest over any assets of the Person;
- (e) initiation or commission of an act of insolvency (including a petition or application for insolvency being admitted) in relation to the Person, and such initiation or commission is admitted by a court of competent jurisdiction;
- (f) any analogous procedure is taken in any jurisdiction, or any other event occurs which would, under any Applicable Law, have a substantially similar effect to any of the events listed in sub-paragraphs (i) to (v) above.
- (g) The service of a demand notice or invoice demanding payment by an operational creditor (as defined in the IBC) on the Person under section 8 of the IBC which is:
 - (a) not settled fully and unconditionally; or
 - (b) in respect of which the Person has not demonstrated the existence of a pre-existing dispute in accordance with the provisions of the IBC; or
 - (c) the Person provides a confirmation that the same is being disputed in good faith, within 7 (seven) days of receipt of such notice;
- (h) The admission of any application by the National Company Law Tribunal to initiate corporate insolvency resolution process against the Person;
- (i) The passage of a resolution by the members of the Person to initiate a voluntary liquidation process in relation to the Person under the IBC;

“Investor” shall mean Kayak Investments Holding Pte. Ltd., a company incorporated under the laws of Singapore and having its registered office at 10 Changi Business Park Central 2, 05-01 Hansapoint@Cbp, 486030 Singapore and the term **“Investor”** unless repugnant to or inconsistent with the context or the meaning thereof, be deemed to mean and include its successors and permitted assigns;

“Investor Director” means any Director nominated to the Board of the Company and/or any Subsidiary by the Investor;

“IRR” means the internal rate of return, computed on the Aggregate Investment Amount, in accordance with the XIRR function of Microsoft Excel;

“Investor IRR Shares” means Shares of the Company subscribed to and/or purchased by the Investor (including the Shares of the Company issued to the Investor pursuant to the Merger), pursuant to payment of / infusion of the Aggregate Investment Amount;

“Key Personnel” means the key managerial personnel of the Company and/ or the Subsidiaries i.e. the Chief Financial Officer, Chief Operating Officer, Head of Legal and Compliance/ Company Secretary, all the direct reportees to the Managing Director and such other senior level management personnel as may be identified by the Investor and the Promoter;

“KKR Fund Advisor” means Kohlberg Kravis Roberts & Co. L.P. and its fund advisory Affiliates;

“LHS” means Lahore Hospital Society, a society registered under the Societies Registration Act, 1860 on February 12, 1949;

"Law" or "Laws" shall mean and include all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, board, court or recognised stock exchanges, as may be applicable;

“Loss” or “Losses” shall have the meaning assigned to the term under the Share Subscription Agreement;

“MD Employment Agreement” means the employment agreement to be executed by and between the Company and the Promoter on the Closing Date, the form and format of which is set forth in Schedule 7 of

the Shareholders' Agreement;

"Management Agreements" means (i) the BLK Management Agreement, (ii) the Nanavati Management Agreement, and (iii) Clinical Services Agreement between Devki Devi and the Company dated June 30, 2004, as modified by amendment agreements dated January 11, 2010, July 24, 2013, October 1, 2015 and February 17, 2016 (iv) Medical Services Agreement between Balaji and the Company dated May 12, 2005 as modified by amendment agreements dated January 19, 2012 and December 29, 2012 (v) Medical Service Agreement between FSF and the Company dated July 18, 2014; (vi) Medical Services Agreement between Gujarmal Modi and SCHPL dated November 27, 2015 along with Addendum Agreement of the same date (executed with SCHPL), any other agreement that the Company and/or any of the Subsidiaries enter into in relation to operation and management of any Hospital;

"Managing Director" shall have the meaning assigned to the term under the Companies Act;

"Majority Shareholder Party" shall mean a Shareholder who (along with its Affiliates) holds in excess of 50% of the Equity Share Capital;

"Material Contracts" shall mean: (a) the Medical Services Agreements; and (b) the Management Agreements; and (c) any Contracts executed by the Company and/or any of the Subsidiaries with any lender including lenders to the Hospital Owners (including any Guarantees executed in this regard by the Company and/or any of the Subsidiaries) where the sanctioned borrowing amounts exceed Rs. 10,00,00,000 (Indian Rupees Ten Crores); and (d) Contracts executed by the Company and/or any of the Subsidiaries in relation to the acquisition of any business, undertaking and/or Shares of a company and/or stake in any Person; and (e) any Contracts or letter of allotments or lease deeds executed with any Hospital Owners, Governmental Authorities or otherwise in relation to the Hospitals or the immovable properties associated with any Hospitals; (f) any Contracts or series of related Contracts under which the Company and/or any of the Subsidiaries is respectively entitled to receive at least Rs. 25,00,00,000 (India Rupees Twenty Five Crores) per Financial Year; and (g) any Contracts or series of related Contracts (including hospital equipment or drug supply Contracts and outsourcing Contracts) under which the Company and/or any of the Subsidiaries is respectively liable to pay at least Rs. 10,00,00,000 (Indian Rupees Ten Crores) per Financial Year; and (h) any Contracts that contain covenants limiting in any way the freedom of the Company and/or any of the Subsidiaries and/or any of their respective Affiliates, to sell or otherwise dispose of its Assets, operate at any location or compete with any Person; and (i) any Contracts which grant management, operational or voting rights in the Company and/or any of the Subsidiaries to any Person; and (j) any Contracts that are outside the ordinary course of business of the Company and/or any of the Subsidiaries and not on arm's length terms; and (k) any Contracts pursuant to which the Company and/or the Subsidiaries grant any loan or provide any credit to any Person (including by way of any Guarantee) other than in the ordinary course of business; and (l) any Contracts pursuant to which the Company and/or the Subsidiaries grant exclusivity, or 'most favoured nation' terms, to any Person; and (m) any Contracts involving revenue/cost/profit/loss sharing between the Company and/or any other Person;

"Medical Services Agreements" shall mean (a) Clinical Services Agreement between Devki Devi and the Company dated June 30, 2004, as modified by amendment agreements dated January 11, 2010, July 24, 2013, October 1, 2015 and February 17, 2016 (b) Medical Services Agreement between Balaji and the Company dated May 12, 2005 as modified by amendment agreements dated January 19, 2012 and December 29, 2012 (c) Medical Service Agreement between FSF and the Company dated July 18, 2014; (d) Medical Services Agreement between Gujarmal Modi and SCHPL dated November 27, 2015 along with addendum to the Agreement of the same date (executed with SCHPL); (e) Pathology Lab and Radiology Services Agreement dated May 22, 2014 between Devki Devi and the Company as modified by the first amendment dated May 23, 2015 and second addendum dated May 05, 2018; (f) Pathology Service Agreement dated January 18, 2016 between Gujarmal Modi and the Company; (g) Agreement dated April 01, 2017, between Balaji and the Company for diagnostic and laboratory services; (h) Radiology Services Agreement dated May 22, 2014 between Devki Devi and the Company as modified by the first amendment dated May 23, 2015 and second addendum dated May 05, 2018; (i) Patient Service Agreement executed on November 01, 2016 between Max Smart Super Specialty Hospital, Saket and the Company; (j) Construction Agreement dated January 23, 2017 between Gujarmal Modi and SCHPL; and (k) and any

other agreement that the Company and/or any of the Subsidiaries enter into after the Execution Date, in relation to operation and management of any Hospital;

"Memorandum" shall mean the memorandum of association of a company, as amended from time to time;

"Scheme" shall mean the composite scheme in relation to the Merger, as has been approved by the NCLT in accordance with Applicable Law;

"MHC Network" shall mean collectively: (a) the Company; (b) each of the Subsidiaries; and (c) each of the Network Hospitals;

"MHIL Appointment Date" means the date on which the Promoter is appointed as the chairman of the Board of the Company;

"MHIL SPA" means the share purchase agreement of even date hereof entered into between Radiant, MHIL and Life Healthcare International Proprietary Limited;

"MIL" means Max India Limited, a company incorporated under the laws of India and having its registered office at 167, Floor 1, Plot - 167, Ready Money Terrace Dr. Annie Besant Road, Worli, Mumbai Mumbai City MH 400018 IN;

"Minimum Equity Holding" shall mean 10% of the Equity Share Capital;

"Minority Shareholder Party" shall, where there is a Majority Shareholder Party, mean a Shareholder who (along with its Affiliates) holds less than 50% of the Equity Share Capital;

"Nanavati Management Agreement" means the Operation and Management Agreement dated July 16, 2014 entered into between Nanavati Trust and Radiant Mumbai;

"Net Debt" shall have the meaning assigned to such term under the Share Purchase Agreement;

"Network Hospitals" shall mean: (a) Max Super Speciality Hospital, Saket, a unit of Devki Devi; (b) Max Super Speciality Hospital, Patparganj; a unit of Balaji; (c) Max Smart Super Speciality Hospital, Mandir Marg, Saket, a unit of Gujarmal Modi; and (d) Max Multi Speciality Hospital Greater Noida, a unit of FSF;

"Nominee Director(s)" means the Promoter Director and/or the Investor Directors;

"PMLA" means Indian Prevention of Money Laundering Act, 2002, any rules and regulations framed thereunder (and any amendments or modifications thereto);

"POCA" means the Indian Prevention of Corruption Act, 1988 any rules and regulations framed thereunder (and any amendments or modifications thereto);

"Performance Committee" means a committee of 3 (three) members which shall include the following: 1 (one) Promoter Director, 1 (one) Investor Director and 1 (one) non-executive Director of the Company who is nominated by the Promoter;

"Person" means any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government or any agency, political subdivision, department, authority or subdivision thereof or any other entity that may be treated as a person under Applicable Law, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being;

"Promoter" means **MR. ABHAY SOI**, an individual resident of India having address at 4W, 4th Floor, Haribhavan Chs, 64, Peddar Road, Mumbai - 400 026, aged 47 years and son of Mr. Ashok Soi

“Promoter Director” means any Director nominated to the Board of the Company and/or any Subsidiary by the Promoter (which may include the Promoter himself);

“Promoter Role Split Date” means the last date on which Applicable Law prohibits the Company from having the same individual as its Managing Director and the chairman of its Board;

“Merger” shall mean scheme of arrangement involving the following transactions:

- (i) merger of MIL (post demerger of MIL’s non healthcare business into a new company) into the Company, where the Company is the resultant entity; and
- (ii) demerger of the healthcare undertaking of Radiant into the Company, as provided under the Scheme.

“Radiant” means Radiant Life Care Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai Mumbai City, Maharashtra 400056;

“Radiant Foundation” means Radiant Life Care Foundation, a company incorporated under the Companies Act, 2013 and having its registered office address at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai Mumbai City, Maharashtra 400056;

“Radiant Hospitals” means together Dr. B.L. Kapur Memorial Hospital, Delhi and Dr. Balabhai Nanavati Hospital, Mumbai;

“Radiant Investment” has the meaning given to the term in Recital (F) to the Shareholders’ Agreement;

“Radiant Lucknow” means Radiant Life Care Lucknow Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office address at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai Mumbai City, Maharashtra 400056;

“Radiant Mumbai” means Radiant Life Care Mumbai Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office address at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai Mumbai City, Maharashtra 400056;

“Radiant Subsidiaries” means Radiant Mumbai (only up to the period prior to the Merger), Radiant Lucknow and Radiant Foundation;

“Regulatory Approvals” includes all approvals, permissions, authorisations, and/or consents and/or notifications from any Governmental Authority, as may be applicable;

“Relative” shall have the meaning as provided in Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification Of Definitions Details) Rules, 2014;

“Restated Charter Documents” means the amended and restated articles of the Company and/or the Subsidiaries incorporating certain provisions of the Shareholders’ Agreement in the form agreed between the Parties;

“ROFO Offer Period” shall have the meaning assigned to such term in Article 1.2 (a);

“SCHPL” means Saket City Hospitals Private Limited, a company incorporated under the provisions of Companies Act, 1956, having its registered address at N-110, Panchsheel Park New Delhi South Delhi, 110017, India;

“SEBI” shall mean the Securities and Exchange Board of India;

“SEBI Takeover Regulations” shall mean the SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended from time to time;

“**SPA**” shall have the meaning assigned to such term under the Shareholders Agreement;

“**Sanctioned Person**” means a Person that is at any time (a) subject to or the target of Sanctions, including any person listed on the “Specially Designated Nationals and Blocked Persons” list maintained by the U.S. Treasury Department’s Office of Foreign Assets Control, the Consolidated List of Financial Sanctions Targets and the Investment Bank List maintained by Her Majesty’s Treasury of the United Kingdom, or any similar list maintained by, or public announcement of Sanctions designation made by, any other national economic sanctions authority; (b) located in or organised under the Laws of a country or territory which is subject to country- or territory-wide Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan, Syria or the Crimea region); or (c) owned 50% (fifty percent) or more or controlled by any of the foregoing;

“**Sanctions**” shall mean all trade, economic and financial sanctions, Laws, regulations, embargoes, and restrictive measures administered, enacted or enforced from time to time by (a) the United States Government (including, without limitation, the U.S. Department of Treasury Office of Foreign Assets Control); (b) the European Union; (c) the United Nations; (d) Her Majesty’s Treasury of the United Kingdom; or (e) any other similar governmental bodies with regulatory authority over the Company from time to time;

“**Sanctions Laws**” shall mean (a) any of the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, or the Syria Accountability and Lebanese Sovereignty Act, all as amended, or regulations of the US Treasury Department Office of Foreign Assets Controls, or any export control law or regulation applicable to U.S.-origin goods, or any enabling legislation or executive order relating to any of the above, as collectively interpreted and applied by the U.S. Government at the prevailing point in time, (b) any U.S. sanctions related to or administered by the Department of State or the Department of Commerce, and (c) any sanctions laws, measures or embargos imposed by the United Nations, Her Majesty’s Treasury, the European Union or any other relevant sanctions authority;

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list maintained by the U.S. Treasury Department’s Office of Foreign Assets Control, the Consolidated List of Financial Sanctions Targets and the Investment Bank List maintained by Her Majesty’s Treasury of the United Kingdom, or any similar list maintained by, or public announcement of Sanctions designation made by, any other national economic sanctions authority;

“**Sanctions Target**” shall mean (a) any country or territory or counterparty that is subject to or the target of Sanctions Laws, including Al Qaida, Burma, Belarus, Cuba, Central African Republic, Côte d’Ivoire, Crimea, Democratic People’s Republic of Korea, Democratic Republic of the Congo, Egypt, Eritrea, Iran, Iraq, Lebanon, Liberia, Libya, Russia, Sierra Leone, Somalia, South Sudan, Sudan, Syria, the Taliban, Tunisia, Ukraine, Yemen, and Zimbabwe; (b) a Person that is on the lists of Specially Designated Nationals and Blocked Persons, Foreign Sanctions Evaders, or Sectoral Sanctions Identifications published by Office of Foreign Assets Controls, or any equivalent list of sanctioned Persons issued by the U.S. Department of State, the U.S. Department of Commerce, the United Nations, the United Kingdom, the European Union or any other relevant sanctions authority; (c) a Person that is located in or organized under the laws of a country or territory that is a Sanctions Target; or (d) a Person that is owned fifty percent or more, or Controlled, by any of the foregoing;

“**Seller**” means Life Healthcare International Proprietary Limited, a company incorporated under the laws of South Africa and having its registered office at Oxford Manor, 21 Chaplin Road, Illovo, 2196, South Africa;

“**Securities**” means Shares or other securities of any class or nature, including convertible debt, which are mandatorily or optionally convertible into Shares and each of them shall be referred to as a “**Security**”;

“**Share Capital**” means and refers to the total fully paid up equity share capital of a company determined

on a Fully Diluted Basis;

"Shareholder(s)" means any Person who legally and/or beneficially holds any Securities of a company;

"Shareholders' Agreement" means the shareholders' agreement of December 24, 2018, entered into between the Investor and the Promoter;

"Shareholder Party(ies)" means (i) Radiant (and its Affiliates holding Equity Securities of the Company and having executed the Deed of Adherence, and any valid third-party transferee); and (ii) Max India (and its Affiliates holding Equity Securities of the Company and having executed the Deed of Adherence, and any valid third party transferee);

"Share Purchase Agreement" shall mean the share purchase agreement dated December 24, 2018 executed amongst the Company, the Seller, Max India and Radiant;

"Share Subscription Agreement" means the share subscription agreement of even date, entered into between the Promoter, Radiant and the Investor, in order to record the terms and conditions governing the Radiant Investment;

"Shares" means the equity shares of a company;

"Stock Exchange(s)" means BSE Limited and/or the National Stock Exchange of India Limited;

"Subsidiaries" means Radiant Mumbai (post the Merger), ALPS, HBPL, CRL, SCHPL and MHC Global Healthcare (Nigeria) Limited and any other company (whether incorporated under the Companies Act or not) which would qualify as a subsidiary of the Company under the Companies Act, and **"Subsidiary"** means any one of them;

"Tax", "Taxes" or "Taxation" means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person;

"Term" shall have the meaning assigned to such term under the Shareholders Agreement;

"Transaction Documents" means:

- (a) The Shareholders' Agreement;
- (b) Share Subscription Agreement;
- (c) MHIL SPA;
- (d) Implementation Agreement;
- (e) Scheme; and
- (f) the Restated Charter Documents;

"Transfer" (including with correlative meaning, the terms **"Transferred"**, **"Transferring"**, **"Transferred by"** and **"Transferability"**) means to, directly or indirectly, sell, gift, give, assign, transfer, transfer of any interest in trust, mortgage, alienate, hypothecate, pledge, Encumber, grant a security interest in, or suffer to exist (whether by operation of Law otherwise) any Encumbrance on, any Securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, provided

that, with respect to the Investor, “Transfer” shall not include any fund level transfers, provided that, transfer of Shares of the Investor shall be considered as Transfer for the purposes of these Articles;

“**Undesirable Person**” means:

- (a) any Person who or whose respective Affiliates, Directors, officers, employees, representatives, as applicable, and any agents or any other similar Person associated with or acting for or on behalf of the foregoing, have been engaged in or have been charged with, either directly or by authorizing any Person, any conduct that would constitute a violation of applicable Anti-Bribery Laws, Anti-Money Laundering Laws, Sanctions Laws and other equivalent Laws;
- (b) any Person that is a Sanctioned Person or is acting for or on behalf of any Sanctioned Person.

To the extent capitalized words and expressions are used herein but not specifically defined, such capitalized words and expressions shall have the same meaning as ascribed to them under the Shareholders Agreement and/or the Share Purchase Agreement, as amended from time to time.

1. In these Articles, unless repugnant to the subject or the context words importing singular shall include plural and vice versa.

ARTICLE 1 – TRANSFER OF SHARES

1.1 Restrictions on Transfer

- (a) The Promoter shall not, without the prior written approval of the Investor, Transfer any Securities in the Company to a Competitor. Provided however, that such restriction shall not (subject to the other provisions of this Article 1) be applicable to, a sale of his Securities on the floor of the Stock Exchanges so long as such sale is not made, directly or indirectly, by way of a negotiated or a synchronized transaction to an identified transferee who is a Competitor. Subject to the above and Article 1.2 below, the Promoter will be permitted to Transfer any/ all of the Securities held by him in the Company, and assign all rights attached to such Securities and all rights granted to him under these Articles, to any Person, other than his right to be appointed as the Chairman / Managing Director of the Company and/or the Subsidiaries.
- (b) Further, the Promoter shall not, without the prior written approval of the Investor, Transfer any Securities in the Company such that following such Transfer, the shareholding of the Promoter falls below 15% (fifteen percent) of the Share Capital of the Company on a Fully Diluted Basis (“**Minimum Promoter Shareholding Threshold**”). Provided however, (i) in case of death of the Promoter or his Disability, the Minimum Promoter Shareholding Threshold shall stand reduced to 10% (ten percent) of the Share Capital of the Company on a Fully Diluted Basis; (ii) solely to the extent that such Transfer is a creation of pledge by the Promoter to borrow funds for purposes of acquiring additional Securities of the Company/ Subsidiaries, the Minimum Promoter Shareholding Threshold shall be deemed to be reduced to 10% (ten percent) of the Share Capital of the Company on a Fully Diluted Basis; and (iii) upon expiry of 4 (four) years from the MHIL Appointment Date, the Minimum Promoter Shareholding Threshold shall stand reduced to 10% (ten percent) of the Share Capital of the Company on a Fully Diluted Basis. Notwithstanding anything contained in these Articles, the Promoter is permitted to Transfer any/ all the Securities (along with all the rights attached to such Securities) he holds in the Company to his Affiliates, provided: (a) his Affiliates execute the Deed of Adherence and are subject to the same obligations as that of the Promoter in his capacity as a Shareholder of the Company; and (b) the Promoter will continue to be solely responsible to exercise his rights and comply with all his obligations under these Articles associated with his executive role with the Company. The Company hereby agrees and undertakes that it shall not recognize and/or record any Transfer, purported Transfer or attempt to Transfer the Equity Securities of the Company that is not in accordance with the terms of these Articles.
- (c) The Investor shall have the right to Transfer any or all of the Securities held by it in the Company, and assign all rights attached to such Securities and all rights granted to it under these Article

- (d) to any Person, provided that: (a) the Investor shall not, without the prior written consent of the Promoter, Transfer any of its Securities to a Competitor until the earlier of: (A) expiry of a period of 4 (four) years from the MHIL Appointment Date; or (B) expiry of a period of 3 (three) years from the Effective Date; or (C) pursuant to Article X (Events of Default); (b) the Investor shall not, for a period of 4 (four) years from the MHIL Appointment Date, without the prior written approval of the Promoter, Transfer any Securities in the Company such that following such Transfer, the shareholding of the Investor falls below 35.1% (thirty five point one percent) of the Share Capital of the Company on a Fully Diluted Basis (“Minimum Investor Shareholding Threshold”), provided however, the Investor shall have an unfettered right to transfer its Shares to any Person including a Competitor, upon the occurrence of any Promoter Event of Default (as defined in Article X). For avoidance of doubt, it is clarified that upon expiry of the earlier of: (a) 4 (four) years from the MHIL Appointment Date; or (b) 3 (three) years from the Effective Date, the Investor shall have the right to Transfer part or all of his Securities to any Person (including a Competitor) as it may deem fit.
- (e) Any Person to whom the Investor and/or the Promoter Transfers the Securities held by them in the Company, shall execute a Deed of Adherence. Further, notwithstanding anything contained in these Articles, neither the Investor nor the Promoter shall sell the Securities held by them in the Company and/or assign their rights under these Articles to any Undesirable Person.
- (f) **Promoter’s Tag Along Right.** Subject to Article 1.1 (c), if the Investor wishes to sell all or part of the Securities held by the Investor in the Company (the “**Investor Transfer Securities**”) to any third party, the Investor shall notify the Promoter in writing of such proposed sale (“**Promoter Tag Offer Notice**”). The Promoter Tag Offer Notice shall specify the terms of the proposed sale including the purchase price, details of the proposed purchaser and the proposed Transfer date and specify whether such Transfer by the Investor will result in the transferee acquiring Control of the Company. The Promoter shall, within 15 (fifteen) days from receipt of the Promoter Tag Offer Notice have the right to deliver a written notice to the Investor (a “**Promoter Tag Acceptance Notice**”), specifying the number of Securities of the Company held by the Promoter that it desires to be included in the proposed sale of Securities of the Company (the “**Promoter Tag Along Securities**”), and in this regard if: (x) such sale of Securities by the Investor in the Company shall result in the Investor holding less than 35.1% of the Share Capital of the Company on a Fully Diluted Basis (“**Promoter Shareholding Trigger**”), the Promoter shall have the right to require the Investor that up to all the Securities held by the Promoter of the Company as on the date of the Promoter Tag Acceptance Notice be purchased by the Person proposing to acquire the Investor Transfer Securities; or (y) such sale of Securities of the Company by the Investor shall not result in the Promoter Shareholding Trigger, the Promoter shall have the right to require the Investor up to such number of Securities of the Company held by the Promoter as on the date of the Promoter Tag Acceptance Notice be transferred to the proposed acquirer of the Investor Transfer Securities, as is proportional to the percentage of the Investor’s shareholding in the Company as represented by the Investor Transfer Securities (the “**Promoter Tag Along Right**”). If no Promoter Tag Acceptance Notice is received by the Investor within the aforementioned period, the Promoter will be deemed to have elected not to participate in the proposed Transfer of Investor Transfer Securities. If a Promoter Tag Acceptance Notice is received by the Investor, then the Investor shall not undertake the proposed Transfer unless the proposed transferee agrees to purchase all the Promoter Tag Along Securities, and the Transfer of the Securities of the Company by the Investor and the Promoter Tag Along Securities to the proposed transferee shall take place simultaneously and on the same terms and conditions (including direct and indirect consideration receivable by the Investor from the proposed transferee), with respect to payment, as set out in the Promoter Tag Offer Notice.

1.2 Transfer of Securities by the Promoter

- (a) Without prejudice to the restrictions on Transfers by the Promoter under Articles 1.1 (a) and 1.1(b), in the event the Promoter proposes to Transfer all or any of the Securities held by him in the Company (“**Promoter Transfer Securities**”), the Promoter shall notify the Investor in writing (“**Promoter Sale Notice**”) of the proposed sale of the Promoter Transfer Securities, the minimum price at which the Promoter intends to sell the Promoter Transfer Securities (“**Promoter Offer Price**”) and the other terms and conditions of such sale which shall at least comprise of the fundamental representations and warranties

(which will include at least title and capacity representations and warranties) offered, the caps and time periods offered for indemnities, non compete restrictions (being the time period, geography and business to which the non compete extends), payment terms (including any adjustment to consideration), and any other rights that the Promoter may seek to assign ("**Promoter Offer Terms**"). On receipt of an Promoter Sale Notice, the Investor may at its discretion make an offer in writing within a period of 45 (forty five) days from the date of receipt of the Promoter Sale Notice ("**ROFO Offer Period**") to the Promoter, to purchase all (but not less than all) of the Promoter Transfer Securities, at the Promoter Offer Price and on the Promoter Offer Terms ("**Investor Offer**").

- (b) In the event that the Promoter receives an Investor Offer, the Promoter shall be bound to accept the Investor Offer and within a period of 30 (thirty) days from the date of receipt by the Promoter of the Investor Offer, the Promoter shall sell to the Investor the Promoter Transfer Securities on the Promoter Offer Terms and the Investor shall pay the Promoter Offer Price to the Promoter.
- (c) In the event that the Investor does not make an Investor Offer within the ROFO Offer Period, the Promoter shall have the right to Transfer the Promoter Transfer Securities to any Person (not being an Undesirable Person) at a price that is equal to or higher than the Promoter Offer Price and on terms and conditions that are the same or more favorable to the Promoter (as compared to the Promoter Offer Terms), within a period of 90 (ninety) days from the expiry of the ROFO Offer Period ("**Ninety Day Sale Period**"), provided that the acquirer of such Securities shall execute a Deed of Adherence to the Shareholders' Agreement.
- (d) The Promoter shall repeat the process set out in this Article 1.2 (*Transfer of Securities by the Promoter*) if the sale of the Promoter Transfer Securities is not completed within the Ninety Day Sale Period.

The Parties agree that the Transfer restrictions in this Article 1 shall not be capable of being avoided by the holding of Shares through a company or other Person that can itself be Transferred in order to dispose of an interest in Shares free of such restrictions.

1.3 Investor's Right of First Refusal

- (e) In the event the Promoter intends to sell all the Securities of the Company held by him pursuant to Article 4.2(d)(iii) of these Articles, and in this regard, the Promoter receives a *bona fide* written offer from a third party ("**Third Party Purchaser**") for purchase of all the Securities of the Company held by the Promoter ("**Sale Securities**"), the Promoter shall offer to the Investor in writing the Sale Securities for purchase by the Investor on the same price and terms offered by the Third Party Purchaser ("**ROFR Notice**"). The ROFR Notice shall specify the identity of the Third Party Purchaser, the number of Sale Securities being offered for purchase, the price offered by the Third Party Purchaser, and the other terms and conditions offered by the Third Party Purchaser.
- (f) Upon receipt of the ROFR Notice, the Investor shall have the right (and not the obligation) to accept the offer to purchase all (but not less than all) the Sale Securities, which the Investor may either exercise by itself and/or with any Affiliate of the Investor. If the Investor decides to exercise its right in this regard, the Investor shall deliver a written notice to the Promoter prior to the end of the 30th (thirtieth) Business Day following the receipt by the Investor of the ROFR Notice ("**ROFR Acceptance Period**"), setting forth whether the Investor has decided to exercise its right in relation to all the Sale Securities ("**Notice of Acceptance**"). The sale and purchase of such Sale Securities shall be completed by the Promoter as promptly as reasonably practicable at the price and subject to the terms set out in the ROFR Notice, and in any event within 30 (thirty) Business Days of issuance by the Investor of the Notice of Acceptance.
- (g) If within the ROFR Acceptance Period: (i) the Investor communicates in writing to the Promoter that the Investor does not intend to purchase all the Sale Securities, or (ii) the Investor does not issue the Notice of Acceptance, then the Sale Securities not agreed to be purchased by the Investor, may be sold by the Promoter to the Third Party Purchaser at a price equal to and on terms which are the same as those set out in the ROFR Notice. The Third Party Purchaser shall, upon purchase of all the Sale Securities, execute the Deed of Adherence, and such Third Party Purchaser shall not have any rights that are additional or superior to the rights of the Promoter, unless otherwise agreed to by the Investor in writing. The transfer of all the

Sale Securities to the Third Party Purchaser in accordance with this Article 1.3 (c) shall be completed by the Promoter within a period of 30 (thirty) Business Days after the earlier of: (i) expiry of the ROFR Acceptance Period, and (ii) receipt by the Promoter of a written notice from the Investor declining to exercise its right to purchase the Sale Securities, failing which, the right of the Promoter to make the proposed Transfer shall lapse, and the provisions of this Article 1.3 (c) shall once again apply to such proposed Transfer.

1.4 Investor's Drag-Along Right

- (a) The Investor shall, upon the earlier of: (i) expiry of a period of 4 (four) years from the MHIL Appointment Date; and (ii) expiry of a period of 3 (three) years from the Effective Date, have the right to, as part of a sale of all the Securities of the Company then held by the Investor to any third party (which may, for the avoidance of doubt, be to a Competitor), drag along and include all (and not less than all) the Securities of the Company then held by the Promoter ("**Drag Along Right**"). The Investor shall exercise the Drag Along Right by delivering to the Promoter, a notice (the "**Drag Along Notice**"), notifying the Promoter of the Investor's election to exercise its Drag Along Right on all Securities of the Company then held by the Promoter, which are required to be transferred by the Promoter (the "**Drag Securities**"), the price at which the Investor proposes to Transfer the Securities of the Company held by it ("**Drag Price**", which term, for the avoidance of doubt, shall include all direct and indirect considerations receivable by the Investor and/or its Affiliates from the proposed transferee), and the terms of proposed Transfer of the Drag Securities held by the Promoter, which shall be on the same terms as the Investor. Upon receipt of the Drag Along Notice, the Promoter shall be bound to Transfer the Drag Securities simultaneously with the Transfer of Securities of the Company by the Investor, at the Drag Price, and on the terms and conditions and to such Person(s) as set forth in the Drag Along Notice. For effecting such Transfer, the Investor shall not be required to provide any representations, warranties, covenants or indemnities other than in relation to the title of the Securities of the Company to be sold by the Investor. The Promoter shall provide representations in relation to the title of the Securities to be sold by the Promoter.
- (b) The Promoter and the Company shall cooperate with and provide all support as may be required by the Investor to enable the sale of the Securities of the Company held by the Investor and the Promoter, in accordance with this Article 1.4, including providing (without breaching any applicable insider trading Laws) assistance in connection with preparing and signing the relevant Transfer documents, providing all necessary information (including financial and other information) and documents necessary for preparing the Transfer documents and for due diligence by the proposed transferee(s) and access to the personnel, assets and properties, books and records and advisors of the Company or any of its Subsidiaries, assisting with the obtaining of such regulatory or other approvals as may be required, furnishing necessary undertakings and commitments and doing such further reasonable acts or deeds as may be necessary to effect such a sale by the Investor, all at the cost and expense of the Company.
- 1.5 If Applicable Laws require the shareholding of the 'promoters' of the Company to be locked in for a defined period ("**Lock In Period**"), the Promoter and the Investor agree that such number of Shares held by them in the Company that are in proportion to their inter-se shareholding in the Company, will be locked in for the duration of the Lock In Period.
- 1.6 Notwithstanding anything to the contrary contained in these Articles or the Shareholders' Agreement, none of the obligations and restrictions herein shall apply to any direct or indirect transfers of interests in the funds, vehicles and/or accounts managed or advised by and/or affiliated with any KKR Fund Advisor that collectively, directly or indirectly, hold all the equity interests in the Investor. Notwithstanding the above, the Transfer restrictions contained under the Shareholders' Agreement shall not be capable of being avoided by Transfer of any Shares of the Investor by the Shareholders of the Investor.

ARTICLE II – OTHER TRANSFER PROVISIONS

2.1 Maintenance of Minimum Public Shareholding in the Company

- (a) The Shareholders agree that, in the event the shareholding of public shareholders in the Company,

at any time within 12 (twelve) months of the effective date of the Merger, reduces to less than 25% (twenty five per cent) of the Share Capital of the Company or such other threshold for minimum public shareholding as may be prescribed under Applicable Law (“**Minimum Public Shareholding**”), and the aggregate number of Shares required to be issued/ sold to public Shareholders of the Company in order for the percentage of Share Capital held by public shareholders in the Company to be equal to or greater than the Minimum Public Shareholding the “**Required Sale Shares**”), then the Investor, the Promoter and BAS shall, respectively, sell to public shareholders of the Company such number of the Required Sale Shares that are in proportion to their respective inter-se shareholdings in the Share Capital of the Company as on the transfer dates. Provided that, if pursuant to the aforesaid reason, BAS intends to sell Shares in excess of his proportionate share of the number of Required Sale Shares (“**BAS Excess Shares**”), then, after obtaining the prior written consent of the Investor, BAS will notify the Investor and the Promoter of his intention to sell down the BAS Excess Shares (“**BAS Excess Shares Notification**”). The Investor and the Promoter shall respectively sell such number of Shares in aggregate, as are equal to the difference between the number of Required Sale Shares and the BAS Excess Shares (“**Balance Sell Down Shares**”), which sale of the Balance Sell Down Shares shall be completed by the Investor and the Promoter in proportion to their inter-se shareholding in the Share Capital of the Company.

- (b) Neither the Promoter and/ or person(s) acting in concert with the Promoter, nor the Investor and/ or person(s) acting in concert with the Investor, shall directly or indirectly, and whether in a single tranche or over multiple tranches, acquire any Shares of the Company or enter into any agreement to acquire Shares of the Company, that requires the Promoter (and/ or persons acting in concert with the Promoter)/ the Investor (and/ or persons acting in concert with the Investor) respectively to make an open offer under the SEBI Takeover Regulations and/or that results in the Minimum Public Shareholding being breached. However, in the event the public shareholding in the Company is in excess of the prescribed threshold for the Minimum Public Shareholding, both Promoter and the Investor shall have a right to acquire not more than such number of Shares in the Company in any Financial Year as are pro rata to their then inter-se shareholding in the Company on a Fully Diluted Basis, provided that such increase in their respective shareholding in the Company does not trigger an open offer under the SEBI Takeover Regulations. Notwithstanding anything to the contrary contained in this Article 2, none of the obligations and restrictions in this Article 2 shall apply to any funds, vehicles and/or accounts managed or advised by and/or affiliates with any KKR Fund Advisor that collectively, directly or indirectly, hold all the equity interests in the Investor.
- (c) In the event the Promoter or the Investor acquires 1% (one per cent) or more Shares of the Company, either by themselves or through their respective persons acting in concert, each of the Promoter and the Investor (as the case may be) shall intimate the other in writing of the same within 1 (one) day of such acquisition.

ARTICLE III – BOARD OF DIRECTORS

3.1 Composition of Board

- (a) The Board of the Company shall comprise of 7 (seven) Directors or such other number of directors as determined by the Board, of which: (i) the number of independent directors on the Board shall be as required under applicable laws; (ii) the Investor and its Affiliates shall have the right to nominate the majority of the non-independent Directors to the Board of the Company; and (iii) the Promoter shall have the right to nominate the balance of the non-independent directors on the Board (including the right to nominate himself as a Director).
- (b) The Investor may, in the event that there is no Investor Director appointed to the Board of the Company, nominate an observer to the Board of the Company who may attend all meetings of the Board of the Company. Such observer of the Investor will not have the right to vote at any meeting of the Board of the Company. The Promoter may, in the event that there is no Promoter Director appointed to the Board of the Company, nominate an observer to the Board of the

- Company who may attend all meetings of the Board of the Company. Such observer of the Promoter will not have the right to vote at any meeting of the Board of the Company.
- (c) The Nominee Directors of the Company shall not be required to hold any qualification Shares of the Company. If the Nominee Directors are required to retire by rotation as per Applicable Law, then, the Promoter and Investor shall exercise their voting rights in a manner such that Nominee Directors (if nominated again by the relevant Party) are reappointed to the Board of the Company.
 - (d) Each Party entitled to nominate Directors shall, at any time, be entitled to remove any or all of such Nominee Director(s) and to appoint another Nominee Director(s) instead. Subject to the above, neither Party shall take any action for the removal of a Nominee Director appointed by the other Party without the prior written consent of the other Party.
 - (e) In the event of any vacancy being caused in the office of a Nominee Director, such vacancy shall be filled by appointment thereto by the Board of the Company of a new nominee of such Party.
 - (f) Each Party shall be entitled to nominate alternate Directors to act in place of the Nominee Directors of that Party during the absence of such Directors, by notice in writing addressed to the Board of the Company, and the Board of the Company shall, on receipt of such notice, appoint such Nominee Directors as alternate Directors to those Directors.
 - (g) Any nomination, appointment or replacement of a Nominee Director by a Party shall be effected by notice in writing to the Board of the Company by the authorised representative of the respective Party and such notice shall be deemed to have been given on behalf of all constituents of that Party and shall take effect immediately upon delivery of such notice to the Board of the Company.

3.2 The Company agrees that:

- (a) The Investor Directors shall be non-executive Directors. The Investor Directors shall have no responsibility for the day-to-day management of the Company and/ or the Subsidiaries.
- (b) The Investor Directors shall not be classified as ‘officers in default’ of the Company and/or the Subsidiaries, or occupiers of premises used by the Company and/or the Subsidiaries under Applicable Laws. To the fullest extent permitted under Applicable Law and without prejudice to any indemnity to which such Person may otherwise be entitled, the Company and the Subsidiaries shall indemnify, defend and hold harmless every natural Person who is or was previously a Director of the Company or any of its Subsidiaries (the “Indemnified Person”) against all costs, charges, losses and liabilities incurred by such Indemnified Person (whether in connection with any negligence, default, breach of duty or breach of trust by such Indemnified Person or otherwise as a Director of the Company or its Subsidiaries) in relation to the Company or any of its Subsidiaries or their respective affairs, without requiring the Investor or its Affiliates or Promoter or his Affiliates (as applicable) to advance expenses to any Investor Director or any Promoter Director(s) (respectively) and without the need for any Investor Director or any Promoter Director (as applicable) making a claim against the Company and/or the Subsidiaries (as applicable). The Company and/ or the Subsidiaries shall, if requested by a Director, enter into an indemnification agreement with such Director substantially on the terms described in this Article 3.2(b). The Company and its Subsidiaries shall provide for provisions in their Charter Documents for the indemnification, to the fullest extent permitted by Applicable Law, of current and former Directors and officers of the Company in relation to the discharge of their respective duties, and shall not permit the amendment of any such provisions for a period of six (6) years after termination of the Shareholders’ Agreement, unless required by Applicable Laws.
- (c) Notwithstanding anything that may be expressed or implied in the Shareholders’ Agreement, no recourse or personal liability under the Shareholders’ Agreement or any other documents or instruments delivered in connection with the Shareholders’ Agreement shall be had against any current or future Director, officer, employee, general or limited partner or share/stockholder of the Investor or any of their respective Affiliates as such for any obligation of the Investor under the Shareholders’ Agreement or any other documents or instruments delivered in connection with the Shareholders’ Agreement.
- (d) To the fullest extent permitted by Applicable Law, the Company and the Subsidiaries shall, purchase and maintain at all times director liability insurance from a reputed insurance company for the benefit of all Indemnified Persons collectively, for an amount of at least US\$ 20,000,000 (United States Dollars Twenty Million) on an aggregate basis. The Board of the Company shall

consider from time to time increasing the insurance cover depending upon the growth of the business of the Company and the Subsidiaries and other relevant circumstances.

3.3 Committees

- (a) The Board of the Company may constitute one or more committees (each a “Board Committee”) with such powers as the Board of the Company may delegate to such Board Committees.
- (b) Unless otherwise required by Applicable Law, the proportion of representation of independent directors and nominee directors of the Investor and Promoter on the committees shall be in the same proportion as their right to nominate Directors to the Board of the Company, provided however, the Promoter shall have the right to appoint at least 1 member (including himself) to each such committee. Unless otherwise prohibited by Applicable Law and except for the audit committee, nomination and remuneration committee and risk management committee formed by the Company, the Promoter Director shall be the chairman of all Board Committees.
- (c) The Investor may, if there is no Investor Director on the Board of the Company, immediately nominate an observer to attend meetings of all Board Committee(s). Such observer of the Investor will not have the right to vote at any meeting of the Board Committee(s). The Promoter may, if there is no Promoter Director on the Board of the Company, immediately nominate an observer to attend meetings of all Board Committee(s). Such observer of the Promoter will not have the right to vote at any meeting of the Board Committee(s). All information and documents (including all meetings of the Board and/ or a Board Committee of the Company and the Subsidiaries, and the agenda thereto) that may be provided to any Director of the Company and/ or of any Subsidiary, shall be provided to the observer, if any appointed by the Investor and/or the Promoter.

3.4 Nomination and Remuneration Committee: The Board of the Company shall constitute a nomination and remuneration committee which shall comprise of one (1) Investor Director, two (2) independent directors and one (1) Promoter Director who is a non-executive Director of the Company, but not the Promoter. Provided however, if the Promoter ceases to be an executive Director for reasons other than on account of a for “cause” event of termination (in accordance with the MD Employment Agreement), he shall be entitled to be a member on the Nomination and Remuneration Committee of the Company.

3.5 The Board of the Company shall implement and monitor compliance by the Company and the Subsidiaries of all Compliance Policies and related procedures, accounting records and internal controls.

3.6 The Performance Committee shall be responsible, subject to the rights of the Investor and the Promoter under Article V below, for overseeing the cost saving initiatives undertaken by the Company and the Subsidiaries and matters pertaining to the removal of the Key Personnel as per Article 3.7 and Article 3.8 below. The Performance Committee shall also be entitled to consider, deliberate upon and take decisions relating to such other issues affecting the business and affairs of the Company and/or the Subsidiaries, as the members of the Performance Committee may deem fit or necessary. Notwithstanding anything contained herein, the decision-making powers of the Performance Committee shall be without prejudice to the rights of the Investor and the Promoter with respect to the Reserved Matters.

3.7 The Investor and the Promoter agree that the decisions of the Performance Committee to remove any Key Personnel of the Company and/or the Subsidiaries shall be binding on them, and upon identification of such Key Personnel(s) to be removed, their details shall be notified in writing by the Performance Committee to the Investor and the Promoter (“Personnel Removal Notice”).

3.8 Subject to the provisions of Article 3.7, within 7 (seven) days of receipt by the Investor and the Promoter, they will ensure that their respective Nominee Directors shall vote in meeting(s) of the Board(s) of the Company / Subsidiaries in a manner consistent with the instructions set out in the Personnel Removal Notice, and in this regard, they shall procure that their Nominee Directors vote in favour of any such resolutions proposing to terminate the services of any of the Key Personnel(s) identified in the Personnel Removal Notice. Provided that, any replacements of the Key Personnel(s) so removed pursuant to this Article 3.8 shall be identified jointly by the Investor and the Promoter and upon such identification, shall be

jointly notified by them to the Company and/or the Subsidiaries in writing ("Personnel Replacement Notice"). Within 7 (seven) days of receipt by the Company and/or the Subsidiaries of a Personnel Replacement Notice, their respective Board(s) shall convene meetings to decide whether to appoint the Key Personnel(s) identified in the Personnel Replacement Notice, which decision of the Board shall be subject to the rights of the Investor and the Promoter with respect to the Reserved Matters.

- 3.9 The Performance Committee shall meet at least once in every quarter (or such other shorter period as the members of the committee may decide). At any meeting of the Performance Committee, each member shall have 1 (one) vote. All decisions of the Performance Committee shall be taken on the basis of a simple majority of votes cast by the members present and voting at a meeting of the Performance Committee.

3.10 Rights applicable to Subsidiaries

- (a) The composition, decision making and other procedures with respect to the Board(s) of the Subsidiaries, as well as other voting, management and corporate governance matters shall be the same as set forth in respect of the Company in these Articles and the Shareholders' Agreement. The Parties shall procure that the Charter Documents of the Subsidiaries are prepared or amended to give full effect to the Clauses of the Shareholders' Agreement.
- (b) Notwithstanding anything contained in the Shareholders' Agreement, if the Investor does not exercise its right to nominate any Investor Director to the Board of the Company and/ or any Subsidiary, then, all rights exercisable by any Investor Director in any meeting of the Board and/or Board Committee of the Company and/or any Subsidiary, shall be exercisable by the relevant observer (appointed in accordance with the Shareholders' Agreement) except voting rights and the right to be counted towards quorum.

- 3.11 **Promoters:** As on the Effective Date, the Promoter, Mr. Analjit Singh and the Investor shall be categorized as 'promoters' of the Company (as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018).

ARTICLE IV – CHAIRMAN AND MANAGING DIRECTOR

4.1 Chairman of the Board

Subject to the terms of the Shareholders' Agreement, the MD Employment Agreement and this Article 4, the Promoter shall be the chairman of the Board ("**Chairman**") and the Managing Director. The Promoter shall preside over as Chairman over such Board meetings at which he is present. If the Promoter is not present at any meeting of the Board of the Company, the Directors present in such a Board meeting may in each case appoint one of themselves to act as Chairman for the purposes of such meeting. The Chairman shall not have a casting vote in such Board meetings. The Promoter shall continue to be Chairman of the Company until the Promoter Role Split Date. With effect from the Promoter Role Split Date, the Promoter shall no longer be the Chairman of the Company, but subject to the terms of these Articles, the Shareholders' Agreement and the MD Employment Agreement, continue to be the Managing Director of the Company and he will be designated by the Board of the Company as the Executive Vice Chairman of the Company. Further, the Promoter and the Investor shall jointly appoint the Chairman in such a scenario.

4.2 Managing Director

- (a) Removal of the Promoter as Chairman of the Company with effect from the Promoter Role Split Date, shall be without prejudice to his right to continue to be the Managing Director of the Company, subject to the terms of the Shareholders' Agreement, these Articles and the MD Employment Agreement.
- (b) The Promoter in his capacity as Managing Director shall manage the Company and the Subsidiaries in accordance with these Articles and the Shareholders' Agreement.
- (c) Other than the cessation of the employment of the Promoter pursuant to the Articles 4.2(d), 4.2(e) and 4.2(g) of these Articles, the Company shall render all necessary assistance as may be required

for re-appointment of the Promoter as the Managing Director of the Company upon expiry of the term of the Promoter as the Managing Director and the Investor shall favourably vote in Board and Shareholders' meetings to give effect to the same.

- (d) If the Promoter's appointment as the Chairman and Managing Director or as the Managing Director is terminated pursuant to the terms of the MD Employment Agreement for "cause" (as defined under the MD Employment Agreement), then:

- (i) all his rights set out in these Articles shall fall away from the date of such termination, other than the rights available to the Promoter as a shareholder under the Applicable Law and all obligations of the Promoter as a Shareholder shall continue whereas all obligations linked to his executive capacity with the Company/ Subsidiaries shall stand terminated.

- (ii) the Investor shall be entitled to purchase all the Securities of the Company then held by the Promoter in the following manner:

- i. Immediately 1 (one) internationally reputed bulge bracket investment bank shall be appointed by the Company as may be identified by the Investor from the list mentioned herewith: (i) Bank of America Merrill Lynch; (ii) Barclays Capital; (iii) Citibank; (iv) Credit Suisse; (v) Deutsche Bank; (vi) Goldman Sachs; (vii) JP Morgan; (viii) Morgan Stanley; and (ix) UBS (the "**Call Investment Bank**"). The terms of engagement finalized by the Company with the Call Investment Bank will specify as part of its mandate, that the Call Investment Bank shall determine the price per Security of the Company, as of a date to be specified in this regard by the Investor ("**Call Valuation Reference Date**") provided that such Call Valuation Reference Date shall not be a date later than 1 (one) month immediately following the appointment of the Call Investment Bank (unless the Promoter and the Investor has consented to any other date in writing). The Call Investment Bank shall undertake the valuation exercise in accordance with the following principles and assumptions: (a) that sale of a minority/ majority/ controlling stake of the Company is being undertaken depending on the nature of the stake then held by the Promoter; and (b) that a Promoter Event of Default has occurred. The Company and the Promoter shall cooperate with the Call Investment Bank in this regard (including, without limitation, providing all information and documents relating to the Company and the Subsidiaries) and access to the personnel, assets and properties, books and records and advisors of the Company or any of its Subsidiaries and shall provide all assistance to the Call Investment Bank to enable them to complete the valuation exercise on or prior to the Call Valuation Reference Date, including providing all necessary information (including financial and other information) and documents requested by the Call Investment Bank, and furnishing necessary undertakings and commitments, all at the cost and expense of the Company;

- ii. Upon the Call Investment Bank completing its valuation exercise, the Call Investment Bank shall notify to the Company, Promoter and the Investor the price per Security of the Company arrived at by it (the "**Call Equity Valuation**"). After the Call Investment Bank has certified the Call Equity Valuation, the Investor directly or through any Person (not being an Undesirable Person) shall have the right exercisable by issuing a written notice to the Promoter at least 20 (twenty) days prior to the expiry of 12 (twelve) months from the date of termination of employment of Promoter as the Chairman and Managing Director (the "**Call Promoter Purchase Notice**") to purchase all the Securities of the Company then held by the Promoter, subject to Applicable Law, at a price per Security of the Company computed at the Call Equity Valuation ("**Call Price**");

- iii. If the Promoter receives the Call Promoter Purchase Notice, the Promoter shall within a period of 10 (ten) Business Days transfer all the Securities of the Company then held by the Promoter and the Investor shall pay to the Promoter an aggregate consideration equal to the Call Price *multiplied by* the total number of Securities of the Company sold by the Promoter; and
 - iv. The Promoter shall provide all necessary cooperation and support for the completion of the Transfer of the Securities of the Company held by the Promoter in accordance with this Article 4.
 - v. The Transfer of Securities of the Company pursuant to this Article 4 between the Promoter and the Investor shall be in accordance with the relevant and applicable requirements of the SEBI Takeover Regulations and any other Applicable Law.
- (iii) The Promoter shall be entitled to sell all (but not less than all) his Securities in the Company to a Person (other than a Competitor and/or an Undesirable Person) subject to the Investor's Right of First Refusal as set out in Article 1.3, provided however, the restrictions prescribed on the Promoter under Article 1.1 (b) shall not be applicable in case of sale of Securities by the Promoter pursuant to this Article.
- (e) The Company shall not terminate the Promoter's appointment as the Chairman and Managing Director or as the Managing Director for any reason other than for "cause" (as defined under the MD Employment Agreement) within a period of 3 (three) years from the Effective Date. If the Promoter's appointment as the Chairman / Managing Director is terminated in accordance with Clause 11.2(a)(v) and/or 11.2(b)(vi) of the MD Employment Agreement, then:
 - (i) The Promoter's rights to serve as the Managing Director of the Company (and/or the right to be appointed in any executive or non-executive role vis-à-vis the Company and/or the Subsidiaries) shall fall away but all his other rights and obligations under these Articles shall continue to be in force, except for those obligations which are linked to his executive capacity with the Company/ Subsidiaries which shall stand terminated;
 - (ii) The Promoter shall be appointed as the non-executive Chairman of the Company with a revised remuneration package as maybe decided by the Board of the Company, provided that while the Promoter continues to be appointed as a non-executive Chairman of the Company, all his obligations under these Articles as a shareholder (excluding obligations linked to his executive capacity with the Company/ Subsidiaries) shall continue and the Company shall be entitled to remove him as the non-executive Chairman on the grounds on which, the Company would have been entitled to remove him as the Chairman or Managing Director, in accordance with the MD Employment Agreement;
 - (iii) The Investor shall make commercially reasonable efforts to assist the Promoter with any sale of all of his Securities in the Company to any Person other than a Competitor and/or an Undesirable Person, if the Promoter desires to sell all his Securities in the Company, subject to the Investor's Right of First Refusal as set out in Article 1.3, provided however, the restrictions prescribed on the Promoter under Article 1.1(b) shall not be applicable in case of sale of Securities by the Promoter pursuant to this Article.
- (f) If the Promoter ceases to be a Director on account of him being subject to any disqualification from serving as a Director under Applicable Law (other than any such disqualification that constitutes "cause" for termination pursuant to the terms of the MD Employment Agreement), then the Promoter shall cease to be either (a) the Chairman and Managing Director; or (b) Executive Vice Chairman of the Company and Managing Director; or (c) non-executive Chairman (as the case may), but shall have a right to nominate any of the Promoter Directors to be Chairman. If Promoter nominates any of the Promoter Directors to be Chairman, then such

decision shall be binding upon the Company and the Investor. Further, (a) the Parties agree that once the Promoter cures his disqualification under Applicable Law, he shall be entitled (in the following sequence) to be either (i) the Chairman and Managing Director (if permissible under Applicable Law); or (ii) Executive Vice Chairman of the Company and Managing Director; or (iii) non-executive Chairman (as the case may), and all Parties shall undertake necessary actions in this regard to reinstate the Promoter in such applicable position(s) as mentioned above. Until the Promoter cures his disqualification under Applicable Law, he shall continue to discharge his executive role in the Company.

- (g) If the Promoter ceases to be a Director on account of (i) the Promoter being an undischarged insolvent; or (ii) the Promoter being of unsound mind and stands so declared by a competent court; or (iii) the Promoter being convicted for an offence under the Applicable Law wherein the Promoter is sentenced for an imprisonment for a period of 6 (six) months or more, then, without prejudice to Article 4.2 (d) (as applicable), the Promoter shall (a) cease to be an employee of the Company and if applicable, the Subsidiaries and accordingly shall not be entitled to hold any executive position or non-executive position in the Company whether as a Chairman or Managing Director or non-executive Chairman or otherwise; (b) not have a veto on appointment of the Key Personnel or on the approval of business plans of the Company/ Subsidiaries; (c) not have the right to jointly appoint the Chairman along with the Investor; (d) cease to be the member of all Board Committees and the Performance Committee. For the avoidance of doubt, if the Promoter cures the conditions set out in sub-articles (i), (ii) or (iii) above (as applicable) the rights of the Promoter that are terminated under this Article 4.2 shall not be restored, and all the obligations of the Promoter linked to his executive capacity with the Company/ Subsidiaries will stand terminated.
- (h) If the Promoter voluntarily resigns (for any reason whatsoever except on account of Disability or Family Emergency) as the Managing Director within 3 (three) years from the Effective Date, then:
 - (i) all rights of the Promoter under these Articles and the Shareholders' Agreement shall fall away, and all the obligations of the Promoter linked to his executive capacity with the Company/ Subsidiaries will also stand terminated;
 - (ii) the Investor shall be entitled to purchase all the Securities of the Company then held by the Promoter in the manner specified in Article 4.2 (d) (ii); and
 - (iii) the Promoter shall be entitled to sell all the Securities held by him in the Company to a Person (other than a Competitor and/ or an Undesirable Person) subject to the Investor's Right of First Refusal as set out in Article 1.3, provided however, the restrictions prescribed on the Promoter under Article 1.1 (b) shall not be applicable in case of sale of Securities by the Promoter pursuant to this Article.
- (i) If the Promoter voluntarily resigns as the Managing Director post 3 (three) years from the Effective Date, or, the Promoter has been terminated as the Managing Director by the Company for a reason other than "cause" (where "cause" has the meaning as ascribed to it under the MD Employment Agreement), then the Promoter shall be appointed as the non-executive Chairman of the Company with a revised remuneration package as per the MD Employment Agreement.
- (j) Until the Promoter is an employee of the Company, the Promoter shall have a veto on the appointment and removal of the Key Personnel. Provided however, if the Promoter ceases to be an employee of the Company, the Promoter shall be consulted by the Investor in good faith prior to appointing or removal of any Person as a Key Personnel.
- (k) The Company and each Subsidiary shall comply with the delegation matrix for each of their respective Key Personnel, as determined by the Nomination and Remuneration Committee

ARTICLE V – RESERVED MATTERS

- 5.1 No action (whether by the Board, or any Board Committee or any delegate of the Board, or Shareholders or otherwise) in relation to the matters listed in **Schedule 1** to these Articles (each a “**Reserved Matter**”), shall be taken by or in connection with the Company or any of its Subsidiaries (whether pursuant to a general meeting, or a meeting of the Board or any Board Committee or by any circular resolution or by any management personnel on behalf of the Company or any of its Subsidiaries) without the prior written approval of the Investor and the Promoter. Provided that, the Reserved Matters set out in paragraphs 17 and 18 of **Schedule 1** shall be considered as Reserved Matters for the Investor and the Promoter only until the expiry of 3 years from the Effective Date, following which, the list of Reserved Matters in **Schedule 1** shall be deemed to have been amended to delete the aforesaid paragraphs 17 and 18. The Investor’s and Promoter’s prior written approval for any Reserved Matter shall be deemed to have been given if (a) an Investor Director and/or an Promoter Director (as applicable) at any meeting of the Board or any Board Committee, (b) the Investor and/or the Promoter (as applicable), as shareholders, or an Investor Director and/or an Promoter Director (as applicable), in writing in respect of the circular resolution, and/or (c) the Investor and/or Promoter (as applicable) or their authorized representative or proxy at any general meeting, votes in favor of or signs such circular resolution to approve such Reserved Matter.
- 5.2 No Reserved Matter shall be placed before the Shareholders of the Company and/ or the Subsidiaries unless their respective Boards have first approved such Reserved Matter. The Board or any Board Committee shall not take any action in relation to any Reserved Matter nor approve any Reserved Matter if the Investor and/or the Promoter or an Investor Director and/or Promoter Director has disapproved the Reserved Matter or have not voted in favour of such matter. Accordingly, neither the Board nor any Board Committee of the Company and/ or the Subsidiaries shall take any action in relation to a Reserved Matter nor approve any Reserved Matter if (A) where a meeting of the Board or a Board Committee of the Company and/ or the Subsidiaries is proposed to be held to approve such Reserved Matter: (i) prior to such meeting, the Investor and/or the Promoter has written to the Company and/or Subsidiaries and/or the respective Board(s) stating its disapproval of such Reserved Matter; or (ii) if an Investor Director and/or the Promoter at the meeting of the Board or the Board Committee of the Company and/ or the Subsidiaries votes against such matter or does not vote in favour of such matter; or (B) where the Board or the Board Committee of the Company and/ or the Subsidiaries has sought approval of the Reserved Matter by way of a circular resolution, and any of the Investor Directors and/or the Promoter vote against the resolution or does not vote in favour of the matter.
- 5.3 For the avoidance of doubt, it is hereby clarified that: (a) if the Investor or an Investor Director and/or the Promoter or a Promoter Director (as applicable) does not provide its written approval in relation to any of the Reserved Matters, such Reserved Matter shall be deemed to have been rejected by the Investor or the Promoter (as applicable); and (b) if the Promoter ceases to be an executive officer of the Company and the Subsidiaries, the Promoter shall not have a right to approve the Reserved Matter set out in paragraph 18 of **Schedule 1**.

ARTICLE VI – CATCH UP RIGHT

- 6.1 Upon the occurrence of any Catch-up Infusion Event, if the Promoter is not able to subscribe to additional Securities to maintain his shareholding in the Company on a Fully Diluted Basis vis-à-vis the Investor to the same extent as that existing prior to the Catch-up Infusion Event, then, the Promoter shall have the right (“**Catch up Right**”), exercisable within 12 (twelve) months of issuance of Securities of the Company to the Investor (“**Catch-up Period**”), to increase his percentage shareholding in the Share Capital of the Company on a Fully Diluted Basis to equal his shareholding in the Company immediately prior to the Catch-up Infusion Event on a Fully Diluted Basis. The Promoter may exercise his Catch up Right by purchasing from the Investor such number of Securities, such that upon completion of such purchase, the Promoter’s percentage shareholding in the Share Capital of the Company remains the same as it was immediately prior to the Catch-up Infusion Event (“**Promoter Entitlement Securities**”). The price per Security at which the Catch up Right shall be exercised by the Promoter will be as follows: (a) if the Catch up Right is exercised within 9 (nine) months from the date of Catch up Infusion Event, then, the same price

per Security at which Securities were issued to the Investor pursuant to the Catch up Infusion Event; and (b) if the Catch up Right is exercised after the expiry of 9 months following the date of Catch up Infusion Event, then, the price per Security shall be an amount such that the Investor achieves the Catch-up IRR following receipt of the consideration for such Transfer. The Company and the Investor shall offer all assistance and co-operation for exercise of the Catch up Right by the Promoter. Notwithstanding anything contained herein, the Catch up Right of the Promoter shall be subject to the following conditions

- 6.2 Such acquisition shall be completed at a price per Security, which is not lesser than the price paid by the Investor to acquire the Promoter Entitlement Securities and shall be in accordance with the Applicable Laws; and
- 6.3 in the event the Promoter is unable to exercise his Catch up Right (in full or in part) on or prior to the expiry of 12 (twelve) months following the Catch up Infusion Event because such exercise would trigger an open offer obligation under the SEBI Takeover Regulations (“**Open Offer Restriction**”), then the Promoter shall be entitled to exercise his Catch up Right within 15 (fifteen) Business Days following the date on which the Open Offer Restriction expires by paying to the Investor an amount such that the Investor achieves the Catch-up IRR.

ARTICLE VII – INCENTIVE PLAN

7.1 Cost Saving:

- (a) Within 2(two) Business Days of adoption of FY 21 Consolidated Management Accounts, the Company shall provide the FY 21 Consolidated Management Accounts and the FY 19 Consolidated Management Accounts to the Performance Committee for determination of the Cost Saving Threshold. Within 30 (thirty) Business Days of the FY21 Consolidated Management Accounts and the FY 19 Consolidated Management Accounts being provided to it, the Performance Committee shall intimate to the Investor and the Promoter the quantum of Cost Saving Threshold (“Cost Savings Determination”). The Cost Savings Determination of the Performance Committee shall be final and binding on the Parties. Within 15 (fifteen) Business Days from the date of the Cost Savings Determination, the Investor shall transfer such number of Shares as are equal to 1.50% (one point five zero per cent) of the number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) at the time of the proposed transfer to the Promoter (“**Cost Saving Incentive**”) at such price as may be intimated by the Promoter, provided that such price shall be in compliance with the pricing guidelines prescribed under applicable foreign exchange and securities Laws of India.
- (b) It is clarified that in case the Share Capital (or the number of Shares) of the Company is expanded / contracted between the Effective Date and the date of Transfer of Cost Saving Incentive, the number of Shares to be transferred to the Promoter (as the Cost Saving Incentive) shall be decreased/ increased (as applicable) pro-rata to take into account the change in the Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis which the number of Shares to be transferred as Cost Saving Initiative shall be increased / decreased have been set out illustratively below:

Illustratively, Cost Saving Incentive shall be computed as follows:

$$X \text{ (Cost Saving Incentive in number of Shares)} = B * ((1 - (C/B)) * D)$$

A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date: i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and ii) as increased by the number of Shares of the Company subscribed to by the Investor/ its Affiliates on any subsequent primary issuance of Securities by the Company.

B = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the date of transfer of the Cost Saving Incentive.

$$C = B - A$$

$$D = 1.50\%$$

7.2 Upside Sharing

- (a) In addition to the Cost Saving Incentive as set out in Article 7.1 above, if the Investor transfers all or any of the Investor IRR Shares (directly or indirectly through transfer of the Shares of the Investor), and in consideration of such transfer(s), the Investor receives a consideration (net of all Taxes) that amounts to an IRR on the Aggregate Investment Amount, post sharing of the Cost Saving Incentive and the Early Exit Upside Share and the Upside Share (if any), that is equal to or more than the respective IRR threshold(s) set out below, then the Investor shall, within 45 (forty five) Business Days of achieving the respective IRR threshold(s), pay to the Promoter the amount(s) (“**Upside Share**”) that are equal to: (x) the number of Shares that are equal to the percentage (set out against the relevant IRR threshold) of the total number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) at the time of such calculation; *multiplied by* (y) the average price per Share of the Company at which the Investor has transferred any/ all the Investor IRR Shares up to the date of fulfilment of the relevant IRR threshold (“**Weighted Average Price**”). It is clarified that: (i) the amount to be transferred to the Promoter as part of the Upside Share shall be corresponding to the IRR threshold determined on the basis of the second decimal place of the amount of IRR earned by the Investor on the Aggregate Investment Amount pursuant to the aforesaid terms (and the numbers appearing from the second decimal place onwards shall be ignored for determining the relevant IRR threshold); and (ii) in the event the Investor has already paid to the Promoter the amount of Upside Share that corresponds to a particular IRR threshold (upon the Investor having transferred a portion of the Investor IRR Shares), and thereafter the Investor earns any higher IRR amount(s) on the Aggregate Investment Amount upon subsequently transferring additional Investor IRR Shares, then the Investor shall be obliged to pay to the Promoter only an amount equal to: (x) the amount of Upside Share calculated on the basis of the higher IRR amount(s) earned by the Investor on the Aggregate Investment Amount pursuant to the subsequent transfer(s) of the Investor IRR Shares; *minus* (y) the amount of Upside Share previously paid by the Investor to the Promoter (i.e. the amount of Upside Share already paid by the Investor need not be paid to the Promoter again, upon the Investor earning a higher IRR pursuant to such subsequent transfer(s)).

IRR THRESHOLD TABLE

IRR earned by the Investor (in %)	% of the number of issued and outstanding Shares (on a Fully Diluted Basis)*
26.	1.48
26.	1.52
26.	1.56
26.	1.60
26.	1.64
26.	1.68
26.	1.72
26.	1.76
27.	1.80
27.	1.84
27.	1.88
27.	1.92
27.	1.96

27.	2.00
27.	2.04
27.	2.08
27.	2.12
27.	2.16
28.	2.20
28.	2.24
28.	2.28
28.	2.32
28.	2.36
28.	2.40
28.	2.44
28.	2.48
28.	2.52
28.	2.56
29.	2.60
29.	2.64
29.	2.68
29.	2.72
29.	2.76
29.	2.80
29.	2.84
29.	2.88
29.	2.92
29.	2.96
30.00 or more	3.00

* - If the IRR achieved by the Investor does not correspond to the exact thresholds mentioned above but falls in between any of the two thresholds mentioned, then, the Upside Share to be provided to the Promoter shall be proportionately increased.

- (b) It is clarified that in case the Share Capital (or the number of Shares) of the Company is expanded / contracted between the Effective Date and the date of payment of the Upside Share, the relevant percentage of the number of Shares of the Company (on the basis of which the amount of Upside Share payable shall be computed), shall be proportionately reduced / increased (as applicable), to take into account the change in the Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis of which the aforesaid increase / decrease shall be undertaken have been set out illustratively below:

Illustratively, Upside Share shall be computed as under:

$$X = ((B*(1-(C/B))*D)*E)$$

A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date; (i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and ii) as increased by the number of Shares of the Company subscribed to by the Investor/ its Affiliates on any subsequent primary issuance of Securities by the Company.

B = Number of issued and outstanding Shares (on a Fully Diluted Basis) as on the date of transfer of the Upside Share.

$$C = B - A$$

D (in %) = relevant IRR threshold

E = Weighted Average Price

7.3 Early Exit Upside Share

- (a) In the event that the Investor Transfers (directly, or indirectly through Transfer of the Shares of the Investor) all the Investor IRR Shares within 3 (three) years from the Effective Date and is entitled to receive in consideration an amount equal to or more than 3.0 (three) times the Aggregate Investment Amount paid by the Investor (net of all Taxes, and post sharing of the Cost Saving Incentive and the Early Exit Upside Share and the Upside Share, if any), the Investor shall pay to the Promoter, within 45 (forty five) Business Days of receiving the above-mentioned consideration, an amount ("Early Exit Upside Share") equivalent to: (x) the number of Shares that are equal to 4.50% (four decimal five zero percent) of the total number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) at the time of such calculation; *multiplied by* (y) the average price per Share of the Company at which the Investor has transferred any/ all the Investor IRR Shares ("**Weighted Average Price 1**").
- (b) It is clarified that in case the Share Capital (or the number of Shares) of the Company is expanded / contracted between the Effective Date and the date of payment of the Early Exit Upside Share, the number of Shares of the Company (on the basis of which the amount of Early Exit Upside Share payable shall be computed) shall be proportionately reduced / increased (as applicable) to take into account the change in Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis of which the aforesaid increase / decrease shall be undertaken have been set out illustratively below:

Illustratively, Early Exit Upside Share shall be computed as under:

$$X = ((B * (1 - (C/B))) * D) * E$$

A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date (i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and ii) as increased by the number of Shares of the Company subscribed to by the Investor/ its Affiliates on any subsequent primary issuance of Securities by the Company.

B = Number of issued and outstanding Shares (on a Fully Diluted Basis) as on the date of transfer of the Early Exit Upside Share

$$C = B - A$$

$$D = 4.50\%$$

E = Weighted Average Price 1

- (c) It is clarified that the entitlement of the Promoter to the Early Exit Upside Share as set out in this Article 7.3 hereto is not in addition to his entitlement to receive the Cost Saving Incentive in Article 7.1 and/ or the Upside Share in Article 7.2.

Illustratively: If the Promoter has been paid an aggregate amount equal to INR 100 as part of the Upside Share and Cost Saving Initiative; and the amount computed as Early Exit Upside Share pursuant to Article 7.3 is equal to INR 120, the Investor shall be liable to pay only INR 20 to the Promoter, which payment shall satisfy the obligation of the Investor to pay the Early Exit Upside Share amount to the Promoter under Article 7.3.

7.4 Taxes

The Investor and the Promoter shall be responsible for bearing their respective Taxes incurred in relation to all steps taken under Articles 7.1, 7.2 and 7.3 above. Notwithstanding the above, the payment of any amounts and/or Transfer of any Shares of the Company by the Investor to the Promoter pursuant to this Article VII shall be subject to receipt of necessary approvals required under Applicable Laws and the Parties will cooperate to obtain all such approvals.

ARTICLE VIII – FALL AWAY OF RIGHTS

8.1 Aggregation of shareholdings

- (a) For the purpose of determining the shareholding of the Investor or the Promoter under this Article VIII (*Fall Away of Rights*), the shareholding of any third party transferee who holds Securities of the Company pursuant to any Transfer by the Investor or the Promoter (as applicable) and/or its Affiliates in accordance with these Articles, shall be aggregated with the shareholding of the Investor or the Promoter (as applicable) in the Company, and the Investor or the Promoter (as applicable), its Affiliates and such third party transferee(s) shall exercise all rights available to them under these Articles and the Shareholders' Agreement as a single block, and not individually.
- (b) No Party who is permitted to transfer the Securities of the Company under these Articles and/ or the Shareholders' Agreement shall be permitted to provide any additional rights to the transferee of Securities of the Company other than those available to the Party under these Articles (i.e. no duplication of rights is permissible, whether directly or in any other manner). Further, it is clarified that all rights associated with the Securities of the Company can be transferred by the Promoter (other than the Promoter's right to be appointed as the Chairman and the Managing Director of the Company and/or the Subsidiaries) and the Investor subject to the following:
- (c) in case the Investor transfers its Securities of the Company in part or to more than one transferee, then, the rights of the Investor under the following Articles shall be exercised against the Company and Subsidiaries by the Investor and the transferees as a single block: (a) Article 3.1 (Composition of Board); (b) Article 3.3 (Committees); (c) Article V (Reserved Matter); (d) Article 1.3 (Investor's Drag Along Right); and (e) Article X (Events of Defaults);
- (d) in case the Promoter transfers his Securities of the Company in part or to more than one transferees, then, the rights of the Promoter under the following Articles shall be exercised against the Company and Subsidiaries by the Promoter and the transferees as a single block: (a) Article 3.1 (Composition of Board); (b) Article 3.3 (Committees); (c) Article V (Reserved Matter); and (d) Article X (Events of Defaults).

8.2 Fall Away of Investor's Rights

If the shareholding of the Investor falls below 10% (ten percent) of the Share Capital of the Company at any time or upon the occurrence of an Investor Event of Default, all rights of the Investor under these Articles shall fall away, provided that its obligations under this Articles will continue. Subject to the terms of these Articles (including Article 9.5 of these Articles), the right of the Investor to offer and Transfer the remaining Securities held by it shall not be restricted in any manner as a result of such fall away of the Investor's rights.

8.3 Fall Away of the Promoter's Rights

If (a) the shareholding of the Promoter and his Affiliates falls below 10% (ten percent) of the Share Capital of the Company at any time, or (b) the Promoter voluntarily resigns (for any reason whatsoever except on account of Disability or Family Emergency) as the Chairman and Managing Director of the Company within 3 (three) years from the Effective Date, then, all rights of the Promoter under these Articles shall fall away, but all his obligations shall continue (and in case of Article 56 (b), excluding those obligations linked to his executive capacity with the Company). Notwithstanding the above: (i) subject to the obligations of

the Promoter under these Articles and/ or the Shareholders' Agreement (excluding those obligations linked to the Promoter's executive capacity with the Company, in case of Article 56 (b) above), all the rights of the Promoter to offer and Transfer his Securities of the Company pursuant to these Articles and/ or the Shareholders' Agreement shall remain unaltered despite the occurrence of any of the aforesaid events; and (ii) in the event the Promoter resigns as the Chairman / from his executive position vis-à-vis the Company on account of a Disability relating to his mental incapacitation, and such incapacitation is not cured and he does not resume his executive role within a period of 6 (six) months from the date of his resignation, then, the Promoter's wife and/or children (after attaining the age of majority) shall thereafter be entitled to exercise the shareholder rights of the Promoter set out under these Articles. It is also clarified that if the Promoter's shareholding in the Company falls below 10% (ten percent) of the Share Capital on a Fully Diluted Basis other than on account of any breach by the Promoter of these Articles, then, subject to the terms of these Articles and/ or the Shareholders' Agreement, the Promoter shall, be entitled to transfer all the Securities held by him in the Company to any Person (other than to a Competitor and/or an Undesirable Person).

If (a) a Promoter Event of Default occurs, or (b) the Promoter's position as the Chairman and Managing Director is terminated pursuant to the terms of the MD Employment Agreement for "cause", all rights of the Promoter under these Articles shall fall away, but all his obligations shall continue (excluding those obligations linked to the Promoter's executive capacity with the Company).

8.4 Fall away of the Promoter's obligations

- (a) The obligations of the Promoter to cause the Company / the Subsidiaries to undertake the actions or perform the obligations set out in these Articles, shall, on and from the termination of the Promoter as the Chairman and Managing Director, be limited to the Promoter exercising its voting rights in relation to his Shares in the Company in a manner that is compliant with such obligations of the Company / Subsidiaries.
- (b) The obligations of the Promoter linked to his executive capacity with the Company under these Articles shall (i) fall away upon death of the Promoter and shall not be applicable to the heirs and successors of the Promoter; (ii) not be transferred to the transferee of the Promoter to whom the Promoter has transferred part or all his Securities.

ARTICLE IX – FURTHER FUNDING

9.1 Any additional funding required by the Company, shall be considered in the following order of priority:

- (a) internal accruals of the Company;
- (b) loans from banks, financial institutions and non-banking financial institutions;
- (c) Shareholders' debt to be provided pro rata to their respective shareholding in the Company on a Fully Diluted Basis, which Shareholders' debt shall be provided by the Shareholders, subject to receipt of (i) approvals from the respective board of directors of each of the Shareholders; and (ii) Regulatory Approvals (if any); and
- (d) capital contributions by the Shareholder Parties pro rata to their respective shareholding in the Company (including those of their respective Affiliates) on a Fully Diluted Basis, which contribution may be made at the option of the Shareholder Parties subject to receipt of (i) requisite approvals from the respective board of directors of each of the Shareholder Parties; and (ii) Regulatory Approvals (if any).
- (e) While evaluating the options for a fund raise in the order of priority specified in this Article IX, the Company shall ensure that the Net Debt to EBITDA ratio shall not exceed 10:1. Provided that, for funding expansion projects of the Company, the net debt to equity ratio for the Company shall be as may be agreed between the Investor and the Promoter in writing.

9.2 The Investor shall not be required to provide any guarantees/ security for any loan / facility to be availed by the Company from banks, financial institutions and/ or non-banking financial institutions. However, If any guarantee or any other security is to be provided by Shareholders as security for any loan/ facility to be

availed by the Company from banks, financial institutions and non-banking financial institutions, then the Investor shall on best effort basis (subject to receipt of necessary approvals from their respective board of directors and receipt of necessary Regulatory Approvals) provide such requisite guarantees/ security on the pro rata basis of their equity shareholding in the Company.

ARTICLE X – EVENTS OF DEFAULTS

10.1 An event of default by the Promoter (“**Promoter Event of Default**”) shall occur on the happening of any of the following events:

- (a) if the Promoter or any of his Affiliates are in breach of any term, covenant or obligation contained in Article III (*Board of Directors*), Article V (*Reserved Matters*), Article I (*Transfer of Securities*) and Article II (*Maintenance of Minimum Public Shareholding in the Company*) of these Articles and the said breach is not cured within a period of 30 (thirty) days from the occurrence of such breach.
- (b) if the Promoter’s employment with the Company as the Chairman and Managing Director is terminated for ‘cause’ as per the MD Employment Agreement or any of its Affiliates (who are holding Securities of the Company and/ or Subsidiaries) commits a fraudulent activity in relation to the Company and/or the Subsidiaries and/or the Hospitals (as determined in accordance with the process set out in the MD Employment Agreement); or
- (c) the occurrence of an Insolvency Event with respect to the Promoter or any of his Affiliates who are holding Securities in the Company; or
- (d) any action by a Governmental Authority which results in any of the Shares of the Company held by the Promoter or his Affiliates being attached by a Governmental Authority and the Promoter and/or his Affiliates not being able to vacate the attachment of such Shares within 90 (ninety) days of the attachment.

10.2 Upon the occurrence of any Promoter Event of Default:

- (i) The Investor shall have the right to, immediately after but no later than 30 (thirty) days after the occurrence of a Promoter Event of Default, appoint 1 (one) internationally reputed bulge bracket investment bank from the banks mentioned herewith: (i) Bank of America Merrill Lynch; (ii) Barclays Capital; (iii) Citibank; (iv) Credit Suisse; (v) Deutsche Bank; (vi) Goldman Sachs; (vii) JP Morgan; (viii) Morgan Stanley; and (ix) UBS (“**EOD Investment Bank**”) and also forthwith intimate the Promoter and the Company of such appointment as well. The terms of engagement finalized by the Investor with the EOD Investment Bank will specify as part of its mandate that the EOD Investment Bank shall determine the price per Security of the Company within a prescribed date (“**EOD Valuation Reference Date**”) provided that such EOD Valuation Reference Date shall not be a date later than 1 (one) month immediately following the appointment of the EOD Investment Bank (unless the Promoter and the Investor has consented to any other date in writing). The EOD Investment Bank shall undertake the valuation exercise in accordance with the principle and assumption that: (i) a sale of minority/ majority/ stake of the Company is being undertaken depending on the actual stake held by the Promoter; and (ii) an event of default has occurred. The Company and the Promoter shall, subject to Applicable Law, cooperate with the EOD Investment Bank in this regard (including, without limitation, providing all information and documents relating to the Company and the Subsidiaries) and access to the personnel, assets and properties, books and records and advisors of the Company or any of its Subsidiaries and shall provide all assistance to the EOD Investment Bank to enable them to complete the valuation exercise on or prior to the Call Valuation Reference Date, including providing all necessary information (including financial and other information) and documents requested for by the EOD Investment Bank, and furnishing necessary undertakings and commitments, all at the cost and expense of the Company.
- (ii) Upon the EOD Investment Bank completing its valuation exercise, the EOD Investment Bank shall notify to the Company and the Investor the price per Security of the Company arrived at by it (the “**EOD Equity Valuation**”). After the EOD Investment Bank has certified the EOD Equity Valuation, the Investor directly or through its nominee shall have the right (“**EOD Call Right**”)

- exercisable by issuing a written notice to the Promoter (“**EOD Promoter Purchase Notice**”) at least 20 (twenty) days prior to the expiry of 120 (one hundred and twenty days) from the date of occurrence of the Promoter Event of Default (“**EOD Buyout Period**”) to offer to purchase all (but not less than all) the Securities of the Company then held by the Promoter, subject to Applicable Law, at a price per Security of the Company equal to the EOD Equity Valuation.
- (iii) If the Investor sends the EOD Promoter Purchase Notice to the Promoter, then, the Investor shall (in any event) within the EOD Buyout Period, purchase from the Promoter all the Securities of the Company then held by the Promoter by paying to the Promoter an aggregate consideration equal to the EOD Equity Valuation *multiplied by* the total number of Securities of the Company sold by the Promoter; provided that the Promoter shall not be required to provide any representations, warranties, covenants or indemnities other than in relation to the title of the Securities of the Company to be sold by the Promoter. The Promoter shall provide cooperate with the Investor, should the Investor choose to exercise its EOD Call Right.
- 10.3 Upon the occurrence of any Promoter Event of Default, if the Investor does not choose to exercise its right under Article 10.2 (i) above, then:
- (a) The Investor shall have the right to sell all the Securities of the Company then held by the Investor to any Person without any restrictions (and for the avoidance of doubt, even to a Competitor), and as part of such sale, the Investor shall have the right to drag along and include all (and not less than all) the Securities of the Company then held by the Promoter (“**EOD Drag Along Right**”). The Investor shall exercise the EOD Drag Along Right by delivering to the Promoter, a notice (the “**EOD Drag Along Notice**”), notifying the Promoter of the Investor’s election to exercise its EOD Drag Along Right on all Securities of the Company then held by the Promoter, which are required to be transferred by the Promoter (the “**EOD Drag Securities**”), the price at which Investor proposes to Transfer the Securities of the Company held by it (“**EOD Drag Price**”, which term, for the avoidance of doubt, shall include all direct and indirect considerations receivable by the Investor and/ or its Affiliate from the proposed transferee), and the terms of proposed Transfer of the EOD Drag Securities held by the Promoter, which shall be on the same terms as the Investor. Upon receipt of the EOD Drag Along Notice, the Promoter shall be bound to Transfer the EOD Drag Securities simultaneously with the Transfer of Securities of the Company by the Investor, at the EOD Drag Price, and on the terms and conditions and to such Person(s) as set forth in the EOD Drag Along Notice. For effecting such Transfer, the Investor shall not be required to provide any representations, warranties, covenants or indemnities other than in relation to the title of the Securities of the Company to be sold by the Investor.
- (b) All rights of the Promoter shall fall away in accordance with Article 8.3.
- 10.4 Investor Event of Default: An event of default in relation to the Investor (“**Investor Event of Default**”) shall occur on the happening of any of the following events:
- (a) if the Investor or any of its Affiliates are in breach of any covenant or obligation of the Investor contained in Article III (*Board of Directors*), Article V (*Reserved Matters*), Article I (*Transfer of Shares*), Articles II (*Maintenance of Minimum Public Shareholding in the Company*), Article VI (*Catch Up Right*) and Article VII (*Incentive Plan*) of these Articles and the said breach is not cured within a period of 30 (thirty) days from the date the Promoter notifies the Investor;
- (b) if the Investor or any of its Affiliates (who are holding Securities of the Company and/ or Subsidiaries) commits fraud or willful misconduct or any of them is convicted of a serious criminal offence involving criminal imprisonment solely in connection with the conduct of the business of the Company and/or the Subsidiaries, which fraud or willful misconduct has been determined in a final non-appealable judgment of a court or arbitral tribunal of competent jurisdiction or which conviction becomes final and non-appealable; or
- (c) the occurrence of an Insolvency Event with respect to the Investor or any of its Affiliates who are holding Securities in the Company; or
- (d) any action by a Governmental Authority which results in any of the Shares of the Company held

by the Investor being attached by a Governmental Authority and the Investor not being able to vacate the attachment of such Shares within 90 (ninety) days of the attachment.

10.5 Upon the occurrence of any Investor Event of Default:

- (a) The Promoter shall have the right to, immediately after but not later than 30 (thirty) days after the occurrence of an Investor Event of Default, appoint 1 (one) EOD Investment Bank and also forthwith intimate the Investor and the Company of such appointment as well. The terms of engagement finalized by the Promoter with the EOD Investment Bank will specify as part of its mandate that the EOD Investment Bank shall determine the price per Security of the Company within a prescribed date (“**EOD Investor Valuation Reference Date**”) provided that such EOD Investor Valuation Reference Date shall not be a date later than 1 (one) month immediately following the appointment of the EOD Investment Bank (unless the Promoter and the Investor has consented to any other date in writing). The EOD Investment Bank shall undertake the valuation exercise in accordance with the principle and assumption that: (i) a sale of majority stake of the Company is being undertaken; and (ii) an event of default has occurred. The Company and the Investor shall cooperate with the EOD Investment Bank in this regard (including, without limitation, providing all information and documents relating to the Company and the Subsidiaries) and access to the personnel, assets and properties, books and records and advisors of the Company or any of its Subsidiaries and shall provide all assistance to the EOD Investment Bank to enable them to complete the valuation exercise on or prior to the Call Valuation Reference Date, including providing all necessary information (including financial and other information) and documents requested for by the EOD Investment Bank, and furnishing necessary undertakings and commitments, all at the cost and expense of the Company.
- (b) Upon the EOD Investment Bank completing its valuation exercise, the EOD Investment Bank shall notify to the Company and the Promoter the price per Security of the Company arrived at by it (the “**EOD Investor Equity Valuation**”). After the EOD Investment Bank has certified the EOD Investor Equity Valuation, the Promoter directly or through its nominee shall have the right (“**EOD Call Right**”) exercisable by issuing a written notice to the Investor (“**EOD Investor Purchase Notice**”) at least 20 (twenty) days prior to the expiry of 120 (one hundred and twenty days) from the date of occurrence of the Investor Event of Default (“**EOD Investor Buyout Period**”) to offer to purchase any or all of the Securities of the Company then held by the Investor, subject to Applicable Law, at a price per Security of the Company equal to EOD Investor Equity Valuation.
- (c) If the Promoter sends the EOD Investor Purchase Notice to the Investor, then, the Promoter shall (in any event) within the EOD Investor Buyout Period, purchase from the Investor all the Securities of the Company then held by the Investor by paying to the Investor an aggregate consideration equal to the EOD Investor Equity Valuation *multiplied by* the total number of Securities of the Company sold by the Investor; provided that the Investor shall not be required to provide any representations, warranties, covenants or indemnities other than in relation to the title of the Securities of the Company to be sold by the Investor. The Investor shall cooperate with the Promoter, should the Promoter choose to exercise its EOD Call Right.
- (d) Upon the occurrence of any Investor Event of Default, if the Promoter does not choose to exercise its right under Article 10.5 (a) above, then:
 - (i) The Promoter shall have the right to sell all the Securities of the Company then held by the Promoter to any Person without any restrictions (and for the avoidance of doubt, even to a Competitor), and as part of such sale, the Promoter shall have the right to drag along and include all (and not less than all) the Securities of the Company then held by the Investor and/or any other Shareholder(s) (“**Promoter EOD Drag Along Right**”). The Promoter shall exercise the Promoter EOD Drag Along Right by delivering to the Investor, a notice (the “**Promoter EOD Drag Along Notice**”), notifying the Investor of the

Promoter's election to exercise the Promoter EOD Drag Along Right on all Securities of the Company then held by the Investor, which are required to be transferred by the Investor (the "Investor EOD Drag Securities"), the price at which the Promoter proposes to Transfer the Securities of the Company held by it ("Promoter EOD Drag Price"), which term, for the avoidance of doubt, shall include all direct and indirect considerations receivable by the Promoter and/ or his Affiliate from the proposed transferee), and the terms of proposed Transfer of the Investor EOD Drag Securities held by the Investor, which shall be on the same terms as the Promoter. Upon receipt of the Promoter EOD Drag Along Notice, the Investor shall be bound to Transfer the Investor EOD Drag Securities simultaneously with the Transfer of Securities of the Company by the Promoter, at the Promoter EOD Drag Price, and on the terms and conditions and to such Person(s) as set forth in the Promoter EOD Drag Along Notice. For effecting such Transfer, the Investor shall not be required to provide any representations, warranties, covenants or indemnities other than in relation to the title of the Securities of the Company to be sold by the Investor;

- (ii) the Investor's rights shall fall away in accordance with Article 8.2.

ARTICLE XI – ADDITIONAL COVENANTS

11.1 The Company and the Subsidiaries shall:

(a) Compliance with Applicable Laws

- (i) take all steps to ensure that all Approvals relating to them and/or pertaining to the Hospitals are validly maintained, subsisting at all times and complied with in all material respects;
- (ii) carry on, in all material respects, their respective businesses in accordance with Applicable Laws and shall ensure that the operations of the Hospitals are carried on in accordance with all Applicable Laws in all material respects;
- (iii) ensure that the Hospitals strictly adhere to all norms and conditions stipulated by the Governmental Authorities in this behalf, in all material respects, and at all times, comply with all conditions imposed by any Governmental Authority for the continuance of any Approval, consent or license issued with respect to the Hospitals, in all material respects;
- (iv) ensure that the accreditations received from National Accreditation Board for Hospitals and Healthcare Providers, with respect to each Hospital, is valid and subsisting at all times. Provided that if at any time, any of such accreditations lapse or are revoked, the Company and/ or Subsidiaries shall be obliged to appoint such independent expert(s), as may be required by the Investor, until such accreditations are renewed or revived;
- (v) ensure that all insurance policies obtained by the Company and the Subsidiaries, and all insurance policies obtained in relation to the Hospitals, are in force with at least such coverages as are sufficient to cover all liabilities considered normal in the course of their businesses;
- (vi) pay, on a timely basis, all premium payments required to be made with respect to each such insurance policy. The Company and/ or the Subsidiaries shall not take any action or omit to take any action which would render any such insurance policy void or voidable. The Company and the Subsidiaries shall ensure that there is no default under such insurance policy, which could result in a material increase in the premium for any such insurance policy;
- (vii) continue to appoint either Ernst & Young or KPMG or Deloitte or PricewaterhouseCoopers their respective affiliates in India as the statutory auditor of the Company and the Subsidiaries and as the internal auditor of the Company and the Subsidiaries;
- (viii) at all times comply with their respective obligations under the Management Agreements;
- (ix) not enter into or agree to be bound by any shareholder agreements, voting trusts or arrangements of any kind with any Person with respect to the Securities of the Company

- or the Subsidiaries, other than in the manner contemplated hereunder;
 - (x) appoint such independent expert(s), as may be required by the Investor, to advise the Company and/ or the Subsidiaries in relation to adherence with the obligations set out in Article 11.1.

11.2 The Shareholders shall vote at any general meeting of the Company and shall cause their Nominee Directors on the Board(s) to exercise their voting rights in any Board meetings or meeting of any Board Committees of the Company and Subsidiaries, in accordance with the terms and provisions of the Shareholders' Agreement and to give full and complete effect to the provisions of the Shareholders' Agreement and take all other actions necessary, to give effect to the provisions of the Shareholders' Agreement.

11.3 Anti-Bribery, Anti-Money Laundering & Sanctions Laws

- (a) Each of the Company, the Investor and the Promoter, including their respective officers, directors and employees, shall not, and shall use commercially reasonable efforts to ensure that their respective agents, representatives and any other Person associated with or acting on their respective behalf or behalves (collectively, "Representatives") shall not, directly or indirectly, on behalf of the Company or any Subsidiary (i) make any bribe, rebate, payoff, influence payment, kickback, or any other payment, or take any act, that would violate any Anti-Bribery Law or (ii) offer, pay, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value, to any Government Official or to any Person under circumstances where the Company or any Subsidiary or any Representative knows or ought reasonably to know that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to a Person (A) for the purpose of (1) influencing any act or decision of any Government Official in his or her official capacity, (2) inducing any Government Official or Person to do or omit to do any act in violation of his or her lawful duties, (3) securing any improper advantage, including but not limited to the referral of patients to the Company or any Subsidiary, (4) inducing a Government Official to influence or affect any act or decision of any Governmental Entity or (5) assisting the Company or any Subsidiary or any Representative in obtaining or retaining business for or with, or directing business to, the Company or any Subsidiary or Representative, and (B) in a manner which would constitute or have the purpose or effect of violating any Anti-Bribery Laws or acceptance of, or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage.
- (b) The Promoter represents and warrants to the Investor that (i) it is not identified on any Sanctions List; (ii) it is not a Sanctioned Person or acting for or on behalf of any Sanctioned Person; (iii) no Subsidiary is identified on any Sanctions List; and (iv) no Subsidiary is a Sanctioned Person or acting for or on behalf of any Sanctioned Person.. The Promoter further represents and warrants that no monies used to fund its investment in the Company have been derived from any illegal activities, including but not limited to activity undertaken in violation of any Anti-Bribery Laws, Anti-Money Laundering Laws or Sanctions.
- (c) Each of the Company, the Investor and the Promoter, including to their knowledge their respective officers, directors and employees, shall not, and shall use commercially reasonable efforts to ensure that their respective Representatives shall not, take any action, directly or indirectly, that would result in a violation of Sanctions or knowingly (after reasonable enquiry) engage in any dealings or transactions with any Sanctioned Person.
- (d) Each of the Company, the Investor and the Promoter, including their respective officers, directors and employees, shall not, and shall use commercially reasonable efforts to ensure that their respective Representatives shall not, take any action, directly or indirectly, that would result in a violation of any Anti-Money Laundering Laws.
- (e) In no event shall the Company, the Subsidiaries or the Investor be required to take any action or omit to take any action that the Investor believes would cause it to violate Anti-Bribery Laws or Anti-Money Laundering Laws or otherwise to be in violation of any Laws and regulations

applicable to it.

- 11.4 The Company and the Subsidiaries shall, provide all reasonable assistance, to facilitate the Investor in making determination necessary for the Investor and its Affiliates to make all Tax related filings and/ or seek or maintain all applicable Tax credits, refunds, Tax elections, exemptions, treaty benefits or the like in all relevant jurisdictions. The Company is a corporation for U.S. federal income tax purposes and shall not make any election to be treated as anything other than a corporation for U.S. federal income tax purposes. The Company shall provide to the Investor such information regarding the Company and the Subsidiaries as the Investor may reasonably request at any time or from time to time in order to permit the Investor and any direct or indirect investor in the Investor to: (A) prepare and file its tax returns and conduct any tax audit or tax proceeding; (B) prepare claims for tax refunds, tax credits, tax treaty benefits and withholding tax exemptions; (C) determine whether the Company or any Subsidiary is or has been a “passive foreign investment company” or a “controlled foreign corporation” for U.S. federal income tax purposes and to determine the consequences to the Investor of such status; and (D) make or cause to be made and maintain any and all elections to minimize any adverse tax consequences related to the investment in the Company, including without limitation a “qualified electing fund” election under Section 1295 of the U.S. Internal Revenue Code 1986, as amended. Without limiting the foregoing, the Company shall to provide to the Investor, (x) within sixty-five (65) days after the end of each calendar quarter, with good faith estimates for such quarter of (i) any such Person’s pro rata share of Subpart F income (within the meaning of Section 951(a)(2) of the Code) of the Company and the Subsidiaries, (ii) any such Person’s global intangible low-taxed income (within the meaning of Section 951A(b) of the Code) of the Company and the Subsidiaries and (iii) any foreign taxes paid or accrued that are attributable to the amounts described in (i) and (ii), and (y) within ninety (90) days after the end of each calendar year, final information with respect to the items covered in article (x) above.
- 11.5 The Promoter or his Affiliates shall not enter into any transaction, contracts, agreements or other arrangements with any of the Company or the Subsidiaries without the prior written consent of the Investor, other than the MD Employment Agreement. Any transactions between the Promoter, his Affiliates, the Company or the Subsidiaries shall be entered into and carried out in the ordinary course of business and on an arm’s length basis. The Investor undertakes and agrees that on and from the Effective Date that the Investor or its Affiliates shall not enter into any transaction, contracts, agreements or other arrangements with any of the Company or the Subsidiaries without the prior written consent of the Promoter, provided that transactions with Related Parties of the Company / Subsidiaries involving other portfolio companies of the Investor / its Affiliates for transactions in the ordinary course of business and on an arm’s length basis shall not be prohibited by this Article 11.5. Any transactions between the Investor, its Affiliates, the Company or the Subsidiaries shall be entered into and carried out in the ordinary course of business and on an arm’s length basis. The Company shall maintain and update necessary registers as per Applicable Law for disclosing transactions with all related parties.
- 11.6 For the purposes of ensuring the compliances vis-à-vis the Company, Hospitals and/or the Subsidiaries under this Article 11.6, the operational head of each Hospital shall provide a certificate to the Board of the Company.

ARTICLE XII – GENERAL

- 12.1 The Promoter shall not, for and during the Non Compete Period, without the prior written approval of the Investor:
- (a) carry on or engage in, directly or indirectly, including through his Affiliates or through partnership or as a Shareholder, joint venture partner, collaborator, consultant, employee, director, or agent or in any other manner whatsoever, whether for profit or otherwise, in any business which competes with the whole or any part of the Business of the Company and/ or any Subsidiary or competes with the operations of any of the Hospitals; or
 - (b) on his own account or as an agent of any Person, canvass or solicit for any business or service similar to the Business or services provided by the Company and/ or the Subsidiaries and/or the

Hospitals (except on behalf of the Company and/ or the Subsidiaries and/or the Hospital Owners).

Provided that the restrictions contained in this Article 12.1 shall not apply to the following:

- (a) any investment made by the Promoter and/ or his Affiliates in a Competing Entity such that, pursuant to such investment, the Promoter holds not more than 5% (five percent) of the capital of such Competing Entity;
- (b) any investment made by the Promoter and/ or his Affiliates in a public listed company, such that pursuant to such investment, the Promoter holds not more than 5% (five percent) of the capital of such public listed company; and
- (c) any investment made by the Promoter and/ or his wife, children and/or brother in an entity which is not a Competing Entity, provided the Promoter does not devote time and/ efforts towards the entity in which the aforesaid investment is made.

Provided however, the aforesaid investments shall be passive financial investments in relation to which the Promoter and/ or his Affiliates shall not have any governance rights including any board seats.

- 12.2 During the Non Compete Period, the Promoter shall not directly or indirectly (including through his Affiliates, as an agent, contractor, consultant or in any other manner whatsoever, whether for profit or otherwise):
- (a) solicit, entice or attempt to solicit or entice any employees or consultants of the Investor and/or the Company and/ or the Subsidiaries and/ or the Hospitals for consulting and/or employment agreement;
 - (b) provide or accept in any manner, tender for, canvass or solicit or attempt to provide or accept in any manner, tender for, canvass or solicit the business of the Company and/ or the Subsidiaries and/ or any of the Hospitals; and/or
 - (c) induce or attempt to induce any supplier of the Company and/or the Subsidiaries and/or the Hospitals to cease to supply, or to restrict or vary the terms of supply, to the Company and/or the Subsidiaries and/ or to the Hospitals or otherwise interfere with the relationship between any supplier and the Company and/ or the Subsidiaries and/ or the Hospitals.
- 12.3 The restrictions set forth in this Article are primarily to secure the benefits of the Shareholders' Agreement and to protect the value of the Company, its Subsidiaries and the Hospitals, including their goodwill.
- 12.4 For the purposes of this Article 12, the term "Affiliate" shall mean with respect to any Party, any Person that, alone or together with any other Person, directly or indirectly Controls, is Controlled by, or is under common Control with, such Party and in case of a Party being a natural person, shall, in addition, also mean an "immediate relative" (being the spouse, children, and parents) of such Person and any Person Controlled by such "immediate relative".

ARTICLE XIII – INVESTOR OUTSIDE ACTIVITIES

- 13.1 The Investor and its Associated Persons and any Director of the Company or its Subsidiaries designated for appointment by the Investor may engage in or possess any interest in other investments, business ventures or Persons of any nature or description, independently or with others, similar or dissimilar to, or that competes with, the investments or business of the Company and its Subsidiaries, and may provide advice and other assistance to any such investment, business venture or Person, and the Company, the Promoter and any other Shareholder of the Company shall have no rights by virtue of the Shareholders' Agreement in and to such investments, business ventures or Persons or the income or profits derived therefrom. The pursuit of any such investment or venture, even if competitive with the business of the Company and its Subsidiaries, shall not be deemed wrongful or improper and shall not constitute a conflict of interest or breach of fiduciary or other duty in respect of the Company or its Subsidiaries or the Promoter or any other

Shareholder. None of the Investor and its Associated Persons and any Director designated for appointment by the Investor shall be obligated to present any particular investment or business opportunity to the Company or its Subsidiaries even if such opportunity is of a character that, if presented to the Company or such Subsidiary, could be pursued by the Company or such Subsidiary and the Investor and its Associated Persons and any Director designated for appointment by the Investor shall have the right to pursue for its own account (individually or as a partner or a fiduciary) or to recommend to any other Person any such investment opportunity. For the purpose of this Article 13.1 (Investor Outside Activities), the term “Associated Person” means, with respect to any Person, such Person’s Affiliates and any other Person over whom such first Person exercises a level of influence which, though it is not Control, is demonstrably significant as pertains to the management and policies of such Person.

13.2 Certain Value Added Activities

Subject to the proviso mentioned in Article 13.1 (Investor Outside Activities), each of the Promoter and the Company (for itself and on behalf of its Subsidiaries) hereby acknowledges and agrees that the Company and its Subsidiaries benefit from the portfolio company oversight provided by the KKR Fund Advisors and the ability of the KKR Fund Advisors to share internally portfolio company information and, accordingly consents to the Directors designated for appointment by the Investor sharing any information such Persons receive from the Company and its relevant Subsidiaries with officers, directors, members, employees and representatives of the KKR Fund Advisors and their Affiliates (other than other portfolio companies) and to the internal use the KKR Fund Advisors and their Affiliates of any information received from the Company and its relevant Subsidiaries, subject, however, to such Persons maintaining adequate procedures to prevent such information from being used in violation of Applicable Law or securities exchange regulations including in connection with the purchase or sale of Securities of the Company and its relevant Subsidiaries in violation of Applicable Law.

SCHEDULE 1

LIST OF RESERVED MATTERS

- 1) Undertaking any new business or any change in the nature of the business being carried on by the Company and/ or any Subsidiary, including acquisition of new hospitals or rights relating to them.
- 2) Approval of any capital expenditure in excess of Rs. 12,00,00,000 (Rupees twelve crores).
- 3) Any acquisition of Securities or business by the Company and/ or any Subsidiary including the terms thereof.
- 4) Disposition or Transfer of any kind of assets of the Company and/ or any Subsidiary (including any disinvestment decision with respect to Shares or Securities held by the Company and/or any Subsidiary), other than where the asset is written down equipment and the value of such written down equipment being disposed or Transferred is not less than Rs. 10,00,00,000 (Rupees ten crore), in a Financial Year.
- 5) Merger, demerger, amalgamation, reorganisation, consolidation, restructuring or acquisition of Control of the Company and/ or any Subsidiary, by any Person other than by virtue of sale by the Promoter and/or the Investor of their Shares in the Company, respectively, to such Person.
- 6) Any modification or amendment of the Charter Documents of the Company and/or any Subsidiary, any of the Transaction Documents.
- 7) Effect a change to the Company's and/ or any Subsidiary's capital structure including but not limited to any change to the terms of any Securities, or creating, issuing, purchasing or redeeming any Shares or any other equity or convertible securities in its capital, creating a new class of shares in its Share Capital including granting any option rights in respect of the same or otherwise changing its authorised or issued Share Capital, the consolidation, sub-division, conversion or cancellation of any Share Capital in the Company and/ or any Subsidiary, any right to subscribe for, acquire or convert any Security into Share Capital of the Company and/ or any Subsidiary, issuances of Shares (or issuance of other instruments convertible into equity) to any Person including the terms and conditions on which such issuances are made.
- 8) Any action that would alter or change the rights or privileges, obligations or liabilities or dilute the ownership of any Shareholder in the Share Capital of the Company and/ or any Subsidiary other than as contemplated under the Transaction Documents.
- 9) Any changes to the existing contractual rights and/ or obligations of the Company and/or any Subsidiary under the Material Contracts, or the Company and/or any Subsidiary entering into, amendment to or termination of any Material Contract and/ or any waivers of any rights and/or obligations of the Company and/or any Subsidiary thereunder.
- 10) All related party transactions involving the Company and/ or any Subsidiary and/or any modifications, amendments or restructuring thereof and/ or any waivers of any rights and/or obligations of the Company and/or any Subsidiary thereunder. For the avoidance of doubt, this Article shall not apply to any transaction between the Company and its wholly owned Subsidiary and shall not cover transactions between the Company and/ or its Subsidiaries on the one hand and the Hospitals on the other hand.
- 11) Propose or take any steps to wind up or liquidate or dissolve the Company and/ or any Subsidiary or file for bankruptcy or insolvency or otherwise enter into or reschedule debt or extension of any credit or creation of any Encumbrance on any assets or Securities of the Company and/ or any Subsidiary, including any freehold or leasehold properties of the Company and/ or any Subsidiary. Provided however, if any borrowing has been approved by the Promoter and the Investor as part of the Reserved Matter, specific approval for creation of any Encumbrance on any assets or Securities of the Company and/ or any Subsidiary, including any freehold or leasehold properties of the Company and/ or any Subsidiary would not be required for such borrowing.

- 12) Raising by the Company and/ or any Subsidiary of debt or availing of any credit facilities, finance leases, or refinancing/ prepayment of existing debt, including, without limitation, raising of finance against the shares held by the Company in any Subsidiaries, securitization of receivables, debenture/bond issues or any other means of indebtedness not including financing of any equipment to be used in a Hospital where the amount of sanctioned borrowing is lower than Rs. 5,00,00,000 (Rupees five crore) per Financial Year.
- 13) Issuance by the Company and/ or any Subsidiary of any guarantee or assurance to be provided in respect of the obligations of any third person other than any guarantee or assurance provided by the Company and/or Subsidiary in relation to any loan obtained by the Company and/ or any Subsidiary and/or Hospitals.
- 14) Any matter pertaining to the Company and/ or any Subsidiary which is required to be approved by way of a special resolution to be passed by members in general meetings under the provisions of the Companies Act (or any equivalent applicable legislation).
- 15) Grant of any loans or advances by the Company and/ or any Subsidiary, or modification of terms of any existing loans granted by the Company and/ or the Subsidiary in this regard.
- 16) Making any change to the branding strategy in relation to Company and/or Subsidiaries and/or Hospitals including any of its logos, intellectual property.
- 17) Approval of business plans and operating budgets of the Company and/ or any of the Subsidiaries, and any amendments thereto.
- 18) Appointment of, renewal of appointment of, and appraisal of Key Personnel of the Company and / or the Subsidiaries and any change in the employment terms or employment agreement(s) in relation to the appointment of Key Personnel of the Company and / or the Subsidiaries.
- 19) Enter into any agreement, commitment or arrangement in respect of the above by any of the Parties to the Shareholders' Agreement.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by Company or contracts entered into more than two years before the date of this Information Memorandum) which are or may be deemed material have been entered or are to be entered into by Company. Copies of the following documents will be available for inspection on the website of our Company at <https://www.maxhealthcare.in/investors> for a period of seven Working Days from the date of filing of this Information Memorandum with the Stock Exchanges.

Material Documents for inspection:

- Memorandum and Articles of Association of the Company, as amended till date.
- Certification of incorporation of our Company dated June 18, 2001 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana.
- Approval letter of the Central Government under section 21 of the Companies Act, 1956, dated June 28, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana, approving the change of our Company name from Infinitum Technologies Private Limited to Max Healthcare Institute Private Limited.
- Fresh certificate of incorporation of our Company dated June 28, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana upon change of our Company name from Infinitum Technologies Private Limited to Max Healthcare Institute Private Limited.
- Fresh certificate of incorporation of our Company dated October 18, 2002, issued by the Registrar of Companies, N.C.T. of Delhi and Haryana consequent upon change of name on conversion of our Company to a public limited company.
- Certificate of registration of Regional Director's order for changing state dated March 20, 2019, issued by the RoC regarding the change of registered office of our Company from Delhi to Maharashtra.
- Scheme of arrangement entered into between Max Medical Services Limited and our Company, approved by the National Company Law Tribunal, New Delhi by order dated October 4, 2017.
- Consents from the bankers to our Company and the registrar and share transfer agent.
- Statement of special tax benefits dated April 6, 2020 issued by an independent chartered accountant.
- Audited Consolidated IND AS Financial Statements and the audit reports of our Company for the past three financial years.
- Composite Scheme of Arrangement.
- Resolution of our Board dated December 24, 2018, approving the Composite Scheme of Arrangement.
- Approval of the Competition Commission of India dated March 6, 2019.
- Order dated January 17, 2020 of the NCLT bench approving the Composite Scheme of Arrangement.
- Resolution of our Board dated June 19, 2020 approving the Draft Information Memorandum.
- Resolution of the Listing Committee of our Board dated August 15, 2020 approving this Information Memorandum.
- Letters issued by BSE and NSE under Regulation 37 of SEBI Listing Regulations, dated August 26, 2019 and August 27, 2019, respectively, approving the Scheme of Arrangement.

- BSE letter dated August 4, 2020, granting in-principle approval for listing.
- NSE letter dated August 6, 2020, granting in-principle approval for listing.
- SEBI approval dated August 10, 2020 granting exemption from the strict enforcement of the applicability of Rule 19(2)(b) of the SCRR.
- Tripartite Agreement dated February 21, 2020 with NSDL, Registrar and Share Transfer Agent and our Company.
- Tripartite Agreement dated February 19, 2020 with CDSL, Registrar and Share Transfer Agent and our Company.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders, subject to compliance with applicable law.

DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contract Regulation Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MAX HEALTHCARE INSTITUTE LIMITED



Abhay Soi
Chairman and Managing Director
(DIN: 00203597)

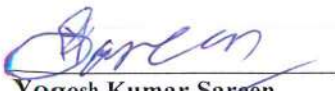
Place: Gurugram

Date: August 15, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contract Regulation Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER



Yogesh Kumar Sareen

Place: Gurugram

Date: August 15, 2020