

September 6, 2020

Listing Department,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E),  
MUMBAI - 400 051  
Scrip Code: MAXHEALTH

Listing Department,  
**BSE Limited**  
25<sup>th</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI - 400 001  
Scrip Code: 543220

**SUB: SUBMISSION OF ANNUAL REPORT OF THE MAX HEALTHCARE INSTITUTE LIMITED  
("THE COMPANY") FOR THE FINANCIAL YEAR 2019-20**

Dear Sir / Maám,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2019-20. Annual Report is also available on the website of the Company viz. [www.maxhealthcare.in](http://www.maxhealthcare.in)

Kindly take the above in your records and host on your website.

Thank you,

**For Max Healthcare Institute Limited**

**Ruchi Mahajan**  
**Company Secretary & Compliance Officer**

**Max Healthcare Institute Limited**


**Annual Report  
2019-20**



**MAX**  
Healthcare

## OUR NEW IDENTITY

Our commitment to the highest standards of clinical excellence and patient care supported by latest technology and cutting edge research is represented in the form of the four green ribbons that come together as a badge that has been historically used to celebrate excellence. The cross in white is symbolic of the medical field and represents the trust between the doctor and the patient, that's central to all healing. All these elements are embedded in the deep blue Max Healthcare crest that stands for an institution that is highly regarded and embodies our values. And one where every stakeholder lives up to a higher purpose: **To serve. To excel.**



We ask more  
of ourselves,  
so we can  
give more to  
our patients.

We push the boundaries of excellence in everything we do,  
so we can deliver the highest standards in patient-centred care.

# Our centres of excellence.

We have 6 centres of excellence, each focussing on a specialised field of medicine. But we believe, the real centres of excellence are our doctors.





We don't  
come to do  
a job each day.  
We come to  
honour a higher  
purpose.

The fight against COVID-19 hasn't been easy for anyone, not least for our staff, but despite the odds and challenges, our doctors and nursing staff have soldiered on bravely, supporting not just the patients but their families too.







# TO SERVE. TO EXCEL.

With unrelenting attention to medical excellence, an unwavering commitment to service and efficiency, and a responsive healing environment that puts the patient at the centre of everything, we deliver the highest standards of healthcare to those we serve.

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## Safe Harbour Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about Company's future growth drivers, product development, market position and expenditures are forward looking statements. Forward looking statements are based on certain assumptions and expectations for future events.

The Company may not guarantee that these assumptions and expectations are accurate and will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify, revise any forward-looking statements, on the basis of any subsequent developments, information and events.



## Corporate Information



## Board of Directors in terms of the Companies Act, 2013

### MR. ABHAY SOI

Chairman & Managing Director

### MS. ANANYA TRIPATHI

Non-Executive Director

### MR. SANJAY OMPRAKASH NAYAR

Non-Executive Director

### MR. UPENDRA KUMAR SINHA

Independent Director

### MR. MAHENDRA GUMANMALJI LODHA

Independent Director

### MR. KUMMAMURI NARASIMHA MURTHY

Independent Director

### MR. MICHAEL THOMAS NEEB

Independent Director

## Chief Financial Officer

### MR. YOGESH KUMAR SAREEN

Senior Director & Chief Financial Officer

## Company Secretary

### MS. RUCHI MAHAJAN

Vice President, Company Secretary  
& Compliance Officer

## Registered Office

167, Floor 1, Plot-167A, Ready Money Mansion,  
Dr. Annie Besant Road, Worli, Mumbai City,  
MH- 400018

## Corporate Office

5th and 6th Floor, Tower A, DLF Centre Court,  
Phase V, Sector - 42, Golf Course Road, Gurugram,  
HR- 122022

## Statutory Auditors

### M/s. S. R. BATLIBOI & CO. LLP

Chartered Accountants

Term Expiring on the date of this AGM

### M/s DELOITTE HASKINS & SELLS

Chartered Accountants

Proposed to be appointed at this AGM

## Secretarial Auditors

### FOR FY 2019-20

### JUS & ASSOCIATES

Company Secretaries, New Delhi

### FOR FY 2020-21

### M/s SANJAY GROVER & ASSOCIATES

Company Secretaries, New Delhi

## Cost Auditors

### M/s CHANDRA WADHWA & CO.

Cost Accountants, New Delhi

## Registrar & Transfer Agent

### 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

## Banks

### AXIS BANK LIMITED

### INDUSIND BANK LIMITED

### RBL BANK LIMITED

### HDFC BANK LIMITED

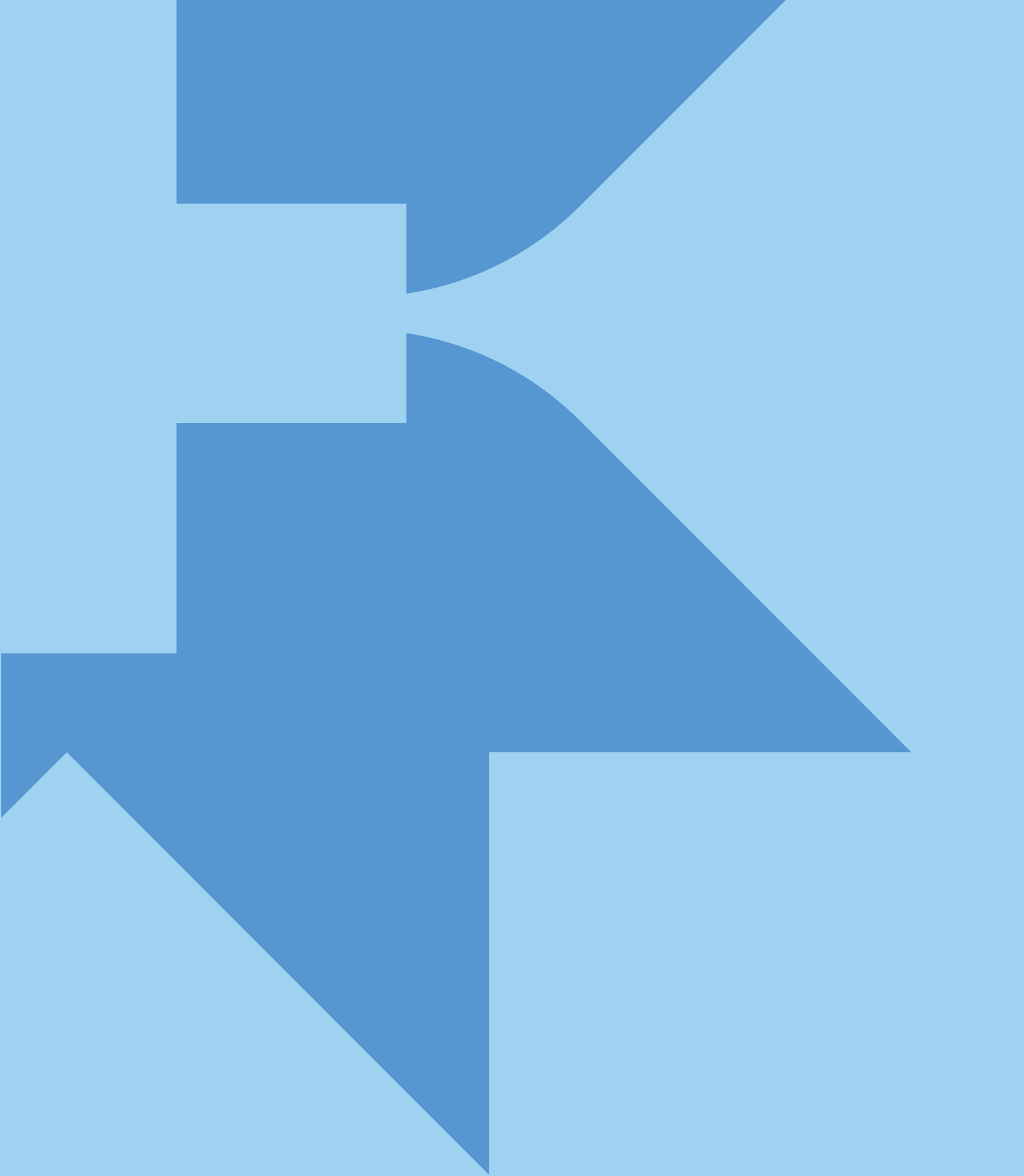
### IDFC FIRST BANK LIMITED

### PUNJAB NATIONAL BANK

### YES BANK LIMITED

### NIIF INFRASTRUCTURE FINANCE LIMITED

### STANDARD CHARTERED BANK KENYA LIMITED

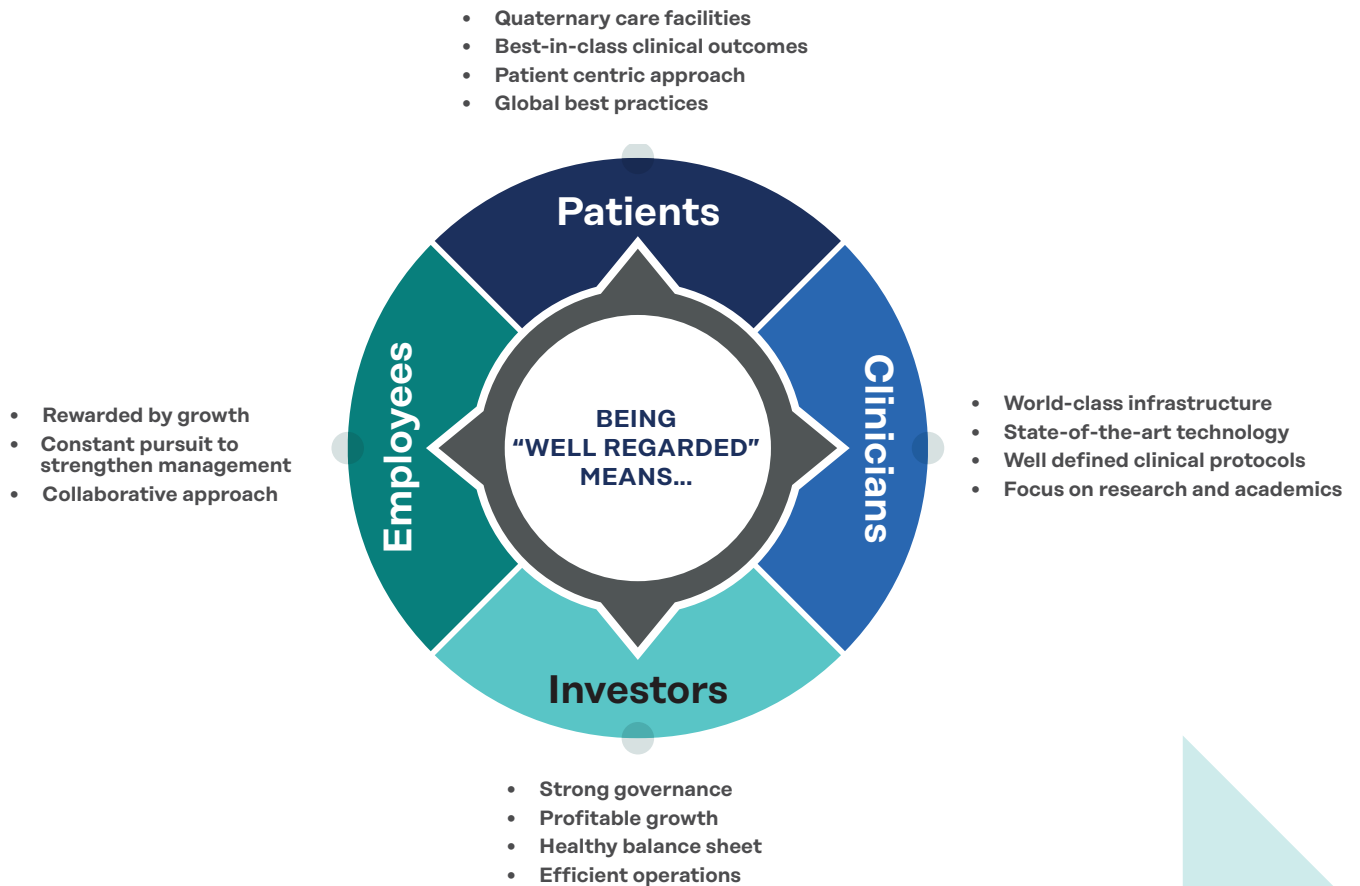


**Our Vision and Values**



## Our vision

**To be the most well regarded healthcare provider in India committed to the highest standards of clinical excellence and patient care, supported by latest technology and cutting edge research."**



## Our values



### COMPASSION

We have a deeper level of patient understanding and are always empathetic to their needs. This encourages a culture of providing a higher standard of patient-centred care. We respect each other and our patients, and ensure that their needs are met with dignity. We rise to the occasion each time for we recognise the positive social impact we can create.



### EXCELLENCE

We ask more of ourselves and are always passionate about achieving the highest standards of medical expertise and patient care. We understand that being the best is a continuous journey of becoming better versions of ourselves every day.



### CONSISTENCY

We always deliver on our commitment and ensure the highest level of patient care is met at every stage, every time. We believe that only through consistency can we achieve our patients' trust and fulfil our goals.



### EFFICIENCY

We create a responsive healing environment, by being nimble to the needs of our patients and delivering what they really need with precision and timing. We are focused yet fast, personal yet practical, advanced yet seamless in delivering the exact care our patients need.

## Chairman's message







Dear Shareholders,

The last year has been a momentous one in Max Healthcare's journey. We significantly expanded our bed capacity by way of merger of the two Radiant hospitals (~900 beds) into Max Healthcare in June 2020 and also commissioned a 100 bed Oncology Tower at Max Hospital, Vaishali.


We made some important additions to our clinical and non-clinical teams, improved productivity of resources deployed and strengthened our community connect, which helped us grow our revenues. Additionally, we also embarked upon a structural cost saving programme through the year, which enhanced the profitability of the organisation.

In FY20, we achieved 10% growth in network revenues and 66% growth in EBITDA. On a proforma consolidated basis including the demerged business of Radiant Life Care the gross revenue stood at INR 4,371 Crores and the operating EBITDA stood at INR 589.8 Crores (Post INDAS). With a very strong performance last year, we also emerged as amongst the industry leaders on many financial parameters. These results are a testimony to the successful implementation of our focused approach towards

unlocking value through operational efficiency and organisational reinforcement.

This year, we also embarked on an exercise to sharply define our purpose. What emerged was a reaffirmation of our values of Compassion, Excellence, Efficiency and Consistency with our motto 'To serve. To excel.' keeping the wellbeing of our patients, uppermost in mind.

The impetus on clinical research and academics has been hugely encouraging. There are over 80 on-going clinical research projects currently in partnership with various reputed institutes including Imperial College London and NIHR (National Institute of Health Research, UK) with over 15,000 research participants, Ohio State University (USA), Deakin University (Australia) and University of Antwerp (Belgium). Further, 12,000 trainees participated in various



**We have reaffirmed our position as Centres of Excellence for Oncology, Neurosciences, Cardiac sciences, Orthopaedics and Transplants across North India. I am proud to share that we are currently running the largest Oncology programme in North India and the largest Bone Marrow transplant programme in Asia.**

training programmes and exams, with over 350 post graduate students across 30 specialities. We have also kept a strong focus on research and academics, working on 5 Artificial Intelligence projects in FY20, along with 7 research projects funded by grant agencies, and conducting 39 clinical trials.

Our focus on driving efficiency and improving clinical services that has held us in good stead over the last year, will continue over the current year as well, as we realize synergies between Max and Radiant Hospitals. We have reaffirmed our position as Centres of Excellence for Oncology, Neurosciences, Cardiac sciences, Orthopaedics and Transplants across North India. I am proud to share that we are currently running the largest Oncology programme in North India and the largest Bone Marrow transplant programme in Asia. We would continue building high-end tertiary and quaternary programmes and invest in highly reputed clinicians while supporting and retaining existing clinicians and senior leadership. Our commitment to the highest standards of clinical excellence and patient care supported by latest technology and cutting-edge research will guide us to be the most well-regarded healthcare provider in India.

Our passion to excel and provide quality care is reflected in the JCI accreditation of three of our hospitals - Max Super Speciality Hospital, Saket (East & West Blocks) and BLK Super Speciality Hospital. Along with other NABH Accredited Max Healthcare units, Max Institute of Cancer Care, Lajpat Nagar also received the NABH accreditation. Nine of our laboratories are NABL accredited and six blood banks are NABH accredited.

Providing access to good health and a better life is another area of focus, and we want to bring it to those who need it the most. We made this a reality when we joined hands with NGOs including Goonj Foundation, Max India Foundation, Genesis Foundation and India Foundation Clinics. With our focus on villages, grams, and other developing areas, we looked into providing underprivileged women and children access to better nutrition and livelihood. As part of our obligations to the economically weaker sections of our society

we provided free of cost treatment amounting to approximately Rs 207.8 Crores. in the last financial year.

We are presently facing perhaps the greatest pandemic in living history. Being a leading healthcare player in the industry, we chose very early on to be at the forefront of this battle and were amongst the first to volunteer a 200-bed hospital in Delhi and 150 beds in our hospital in Mumbai, as COVID-19 facilities. We now have over 950 beds dedicated to treatment of COVID-19 patients and have so far treated 3800 COVID-19 patients. Further, we launched homecare services and also offered treatment at partner hotels for mild COVID-19 patients. We were one of the first private sector hospital labs to offer COVID-19 testing and have conducted over 50,000 tests, pioneered the first successful convalescent plasma treatment for COVID-19 in India and are currently conducting 40 research projects related to COVID-19.

We have over, the last few months, also scaled up our digital footprint and currently 15% of our consultations are now happening through video. Given the proliferation of digital media, due to the lockdown, the remote monitoring capabilities through home services got a huge impetus. We innovated to create a digital home-monitoring service which got a very enthusiastic response.

I take this opportunity to thank the clinical teams, management teams and all employees for coming together to deliver the improved performance for the year and continuing their efforts during these COVID-19 times. I would also like to take this opportunity to express my gratitude to our patients, shareholders, partners, bankers and all other stakeholders who have continued to support us during the transition phase.

**With my best wishes,**

**Abhay Soi**  
**Chairman and Managing Director**

## Company Overview





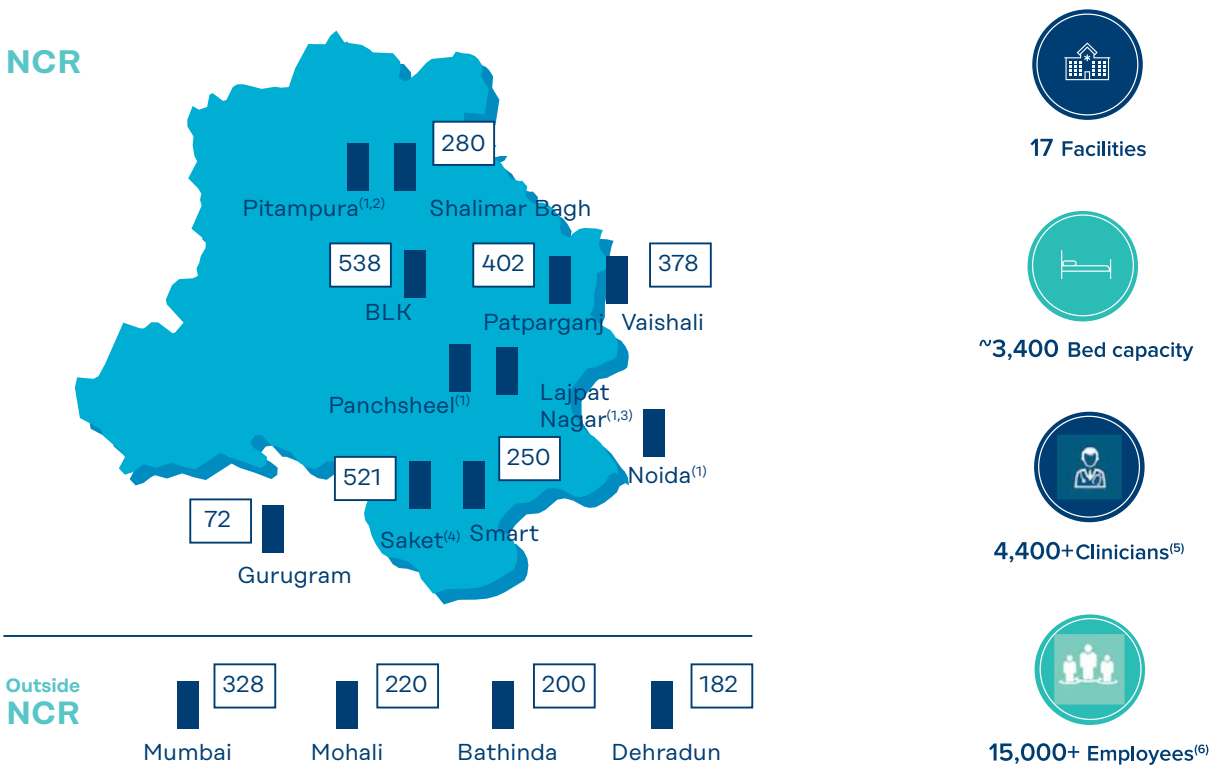
# About us

Max Healthcare is the second largest healthcare chain in India by revenue with a network of 17 Healthcare Facilities, including BLK Super Speciality Hospital and Nanavati Super Speciality Hospital (post de-merger of Radiant’s healthcare business into our Company). Our network includes four Partner Healthcare Facilities, to whom we provide healthcare services in key specialities pursuant to prevailing agreements. We have major concentration in north India with eight hospitals and five medical centres located in Delhi NCR and the others in the cities of Mumbai, Mohali, Bathinda and Dehradun.

We commenced operations in the year 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 specialities 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.

## NCR



(1) Standalone speciality clinics with outpatient and day care services  
(2) Pitampura facility is in the process of being shutdown  
(3) Two facilities – Max Institute of Cancer care; Max Medcentre (Immigration department)  
(4) Two facilities comprising of 320 beds in East Block and 201 in West Block  
(5) Includes visiting clinicians  
(6) Excludes contractual manpower

# Key strengths

## 1. LEADING HOSPITAL BRAND

Over the last 20 years, Max Healthcare has built a strong reputation for offering high-end quaternary care with best-in-class clinical programmes. We are among the leading hospitals in North India in all our focus specialities including Oncology, Neuro Sciences, Cardiac Sciences, Transplants and Orthopaedics. Our BMT and Oncology programmes have the distinction of being the largest such programmes in Asia and North India respectively. Further, all our hospitals are NABH accredited while all our labs are NABL accredited. Three of our facilities - Max Hospital, Saket (East and West blocks) and BLK also have the distinction of being JCI accredited. Our clinical excellence is well complemented by the state-of-the-art infrastructure comprising of the latest LINAC, CT machines and advanced robotics equipment.

We are also highly focused on clinical research and academics and have significant ongoing strategic partnerships with leading institutes of international repute such as Imperial College London and National Institute of Health Research (NIHR) in UK, Ohio State University in USA, Deakin University in Australia and University of Antwerp in Belgium. We've published 1,000+ high index journal publications in last 5 years and have attracted research grants from various institutes of national repute, including - Biotechnology Industry Research Assistance Council (BIRAC), Council of Scientific and Industrial Research (CSIR), Department of Biotechnology (DBT), Indian Council of Medical Research (ICMR), Indian National Science Academy (INSA), etc.

## 2. PRESENCE IN THE MOST ATTRACTIVE MARKETS

Large metros have always been attractive for healthcare services given the high density of population and a huge demand-supply gap. This is complemented with the inherent demographic advantages such as high per capita income, high insurance penetration, propensity to pay for high-end quaternary care facilities and availability of senior/statured clinical talent. Our metro-centric presence with high proportion (~85%) of our total beds located in metro cities of Delhi NCR and Mumbai, positions us for industry leading ARPOBs.

Further, these markets attract highest proportion of India's medical tourists - both from hinterland and overseas. Patients from hinterlands of North, Central and East India come to Delhi NCR for high-end tertiary and quaternary care where Max Healthcare is the largest healthcare chain. The world-class infrastructure and facilities with excellent reputation for high-end procedures, value proposition and global connectivity also make it an attractive destination for foreign medical tourists.

## 3. GROWTH OPPORTUNITY IN EXISTING FACILITIES

Our hospitals currently operate at an average occupancy of ~72% (FY20). This gives us significant headroom to grow in the near term without incremental capex. Further, there is an opportunity to improve profitability by optimising the speciality and payor mix.

## 4. EXTREMELY VALUABLE LAND BANK FOR FUTURE EXPANSION

We have access to very valuable land bank in the heart of both Delhi and Mumbai with the potential to build 1,700 beds alongside existing facilities. This coupled with the possibility of adding beds in existing facilities takes the total brownfield expansion potential to ~2,300 beds across our network facilities. These land banks offer expansion opportunity with lower capex, faster time to market and no ramp up period leading to high return on incremental capital employed

## 5. ABILITY TO BUILD ON CAPITAL LIGHT ADJACENCIES

Max Healthcare can leverage its established brand and clinical expertise to create and build on asset light adjacencies.

Currently, our non-captive pathology business, under the MaxLab brand, offers diagnostics services to patients outside Max Hospitals through 100+ collections centres, 120+ phlebotomists at site, 130+ pick up points and 15+ hospital lab management contracts. In last 3 years, it has achieved 8X revenue growth to become the third largest player in NCR, driven by 350+ active partner network across both B2B and B2C channels. Its hub and spoke model for retail business offers opportunity for cost efficiency and rapid scale up.

Similarly, our home healthcare SBU, Max@Home, provides high quality continued care at home through its 12 service offerings including critical care nursing, physiotherapy, x-ray at home etc. Since, inception in FY17, it has also grown 8X in revenue to become the largest provider of home healthcare services in the region.

Going forward, we plan to build on these two platforms and continue exploring other capital light adjacent opportunities.

## 6. EXPERIENCED AND DYNAMIC MANAGEMENT TEAM

Max Healthcare has one of the best and most experienced management teams in the industry. Our Chairman and MD, Mr. Abhay Soi, is an experienced investor and turnaround specialist with experience of commissioning, restructuring and unlocking value of healthcare assets. Complementing him are team members with either deep expertise in the healthcare industry or a deep functional expertise across industries adding to diversity in the leadership team.

## Our strategy

Over the next 2-3 years we plan to optimise our existing network while investing in growth and developing asset light adjacencies. All our strategic priorities have been aligned with these three pillars -



**Optimise Existing Network**

- Continue developing high-end tertiary and quaternary programmes
- Invest in top rated clinicians and retain existing clinicians and senior leadership
- Set up offices globally to facilitate direct to fly international business
- Strengthen upcountry outreach
- Continue focus on cost optimization



**Invest in Growth**

- Brownfield Expansion across key hospitals in metros
- Partner through asset-light models (e.g. O&Ms) to expand domestic and international reach
- Opportunistically look at inorganic expansion (large acquisition and/or string of pearls)



**Develop Asset Light Adjacencies**

- Scale up and unlock value of MaxLab - non-captive pathology business and Max@Home - the home healthcare platform at an appropriate time

# Awards & recognition

Owing to strong commitment towards the highest standards of clinical excellence and patient care focus, Max Healthcare has received several awards and accolades across service areas:

## 1. CLINICAL EXCELLENCE

- Max Super Speciality Hospital, Saket was awarded the 'Patient Safety Award' for 'Project Nursing Excellence' by the Federation of Indian Chambers of Commerce & Industry.
- Max Super Speciality Hospital, Patparganj was awarded Diamond Award for Stroke Ready Centre by the World Stroke Organisation.
- Max Smart Super Speciality Hospital, Saket won the Nursing Excellence Award at AHPI Healthcare Excellence Awards 2020.



**AHPI Award-recipient Max Smart Super Speciality Hospital, Saket**

- BLK Super Speciality Hospital, Pusa Road won the Best Hospital - Neurology (National) Best Hospital - Gastroenterology & Hepatology (North) Best Hospital - Orthopaedic (North), Best Multi-Speciality Hospital (North) and Best Hospital-Cardiology (North) 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.
- Nanavati Super Speciality Hospital, Mumbai was awarded 'Most Popular Multi-Speciality Hospital in India' by World Mental Health Congress & Awards.

## 2. OPERATIONAL EXCELLENCE

- FICCI Excellence Awards for 'Operational Excellence' was awarded to our Company by the Federation of Indian Chambers of Commerce and Industry.
- Max Super Speciality Hospital, Vaishali won the award for Quality Beyond Accreditation at AHPI Healthcare Excellence Awards 2020.



**Max Super Speciality Hospital, Saket won the Best Hi-Tech Hospital (National) at ET Healthworld Awards 2020**

- D.L. Shah National Award for 'Economics of Quality' was awarded to our Company by the Quality Council of India.
- BLK Super Speciality Hospital, Pusa Road won the Award for Quality Beyond Accreditation at AHPI Healthcare Excellence Awards 2020.
- Max Super Speciality Hospital, Saket won the Best Hi-Tech Hospital (National) at ET Healthworld Awards 2020.

## 3. OTHERS

- BLK Super Speciality Hospital, Pusa Road was recognised for patient experience technology innovation and awarded the 'Best Organisation for Staff/Employee Engagement for Patients' by the CRM Academy of Asia.
- Nanavati Super Speciality Hospital, Mumbai 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.
- Nanavati Super Speciality Hospital, Mumbai won the 2nd prize under the Hospital Innovation Awards at CAHOTECH, 2019, 4th International Healthcare Technology Conference held at Indian Institute of Technology - Madras Research Park.



**Nanavati Super Speciality Hospital, Mumbai receiving the Asia Pacific HIMSS-Elsevier Digital Healthcare Award 2019**



## Corporate governance

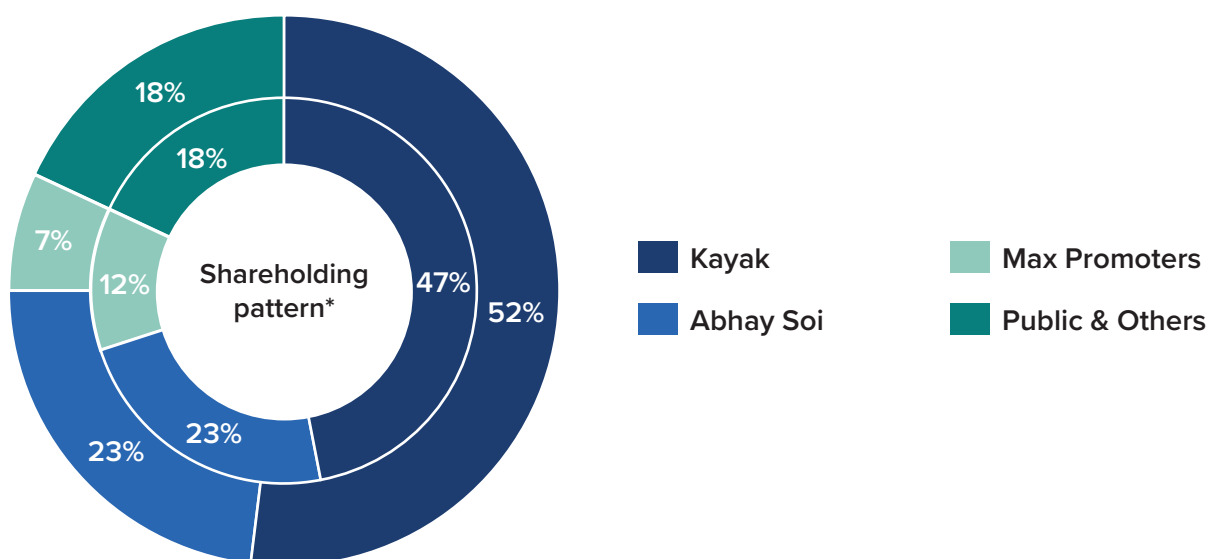
Max Healthcare is committed towards maintaining highest standards of corporate governance since its inception. We firmly believe that good corporate governance practices are powerful enablers for ensuring ethical business conduct and maximizing long term shareholder value. The company accords

high importance to transparency, accountability and integrity in its business dealings. Our philosophy for Corporate Governance is driven towards meeting stakeholders' aspirations and welfare and the Board of Directors remains committed towards this end.

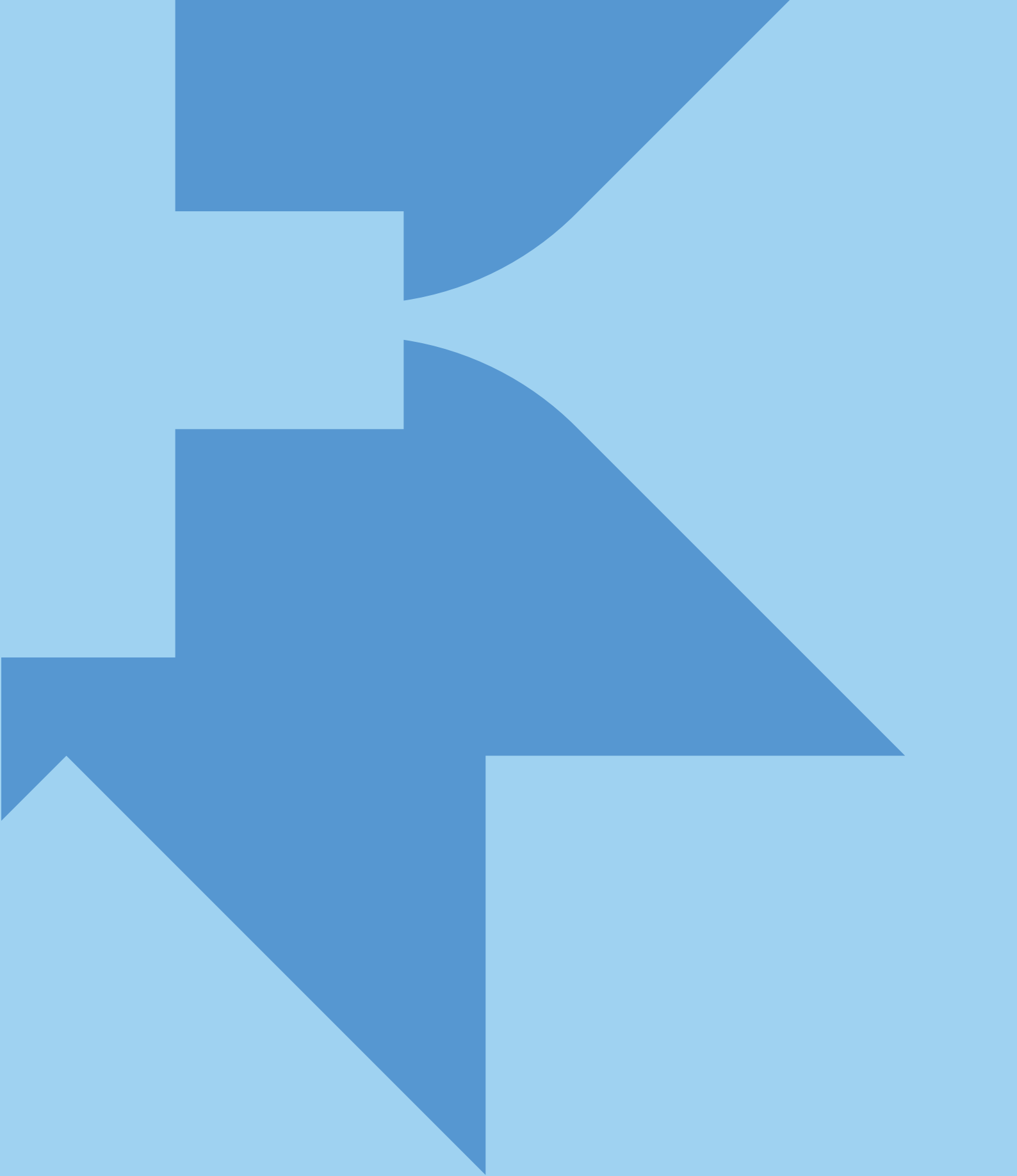
## Shareholding pattern

In FY19-20, Radiant in partnership with its funding firm Kohlberg Kravis Roberts ("KKR"), acquired stake in Max Healthcare Institute Limited ("Max Healthcare") through Kayak Investments Holding Pte Ltd ("Kayak") from the previous promoters.

- Going forward, Abhay Soi and Kayak will continue to be the promoters of Max Healthcare, while current Max promoters will be reclassified as public shareholders.
- Kayak will acquire 4.99% stake in Max Healthcare from Max Promoters.



\*Inner circle represents shareholding as of June 27, 2020; Outer circle represents shareholding post KKR's acquisition of 4.99% stake from Max Promoters

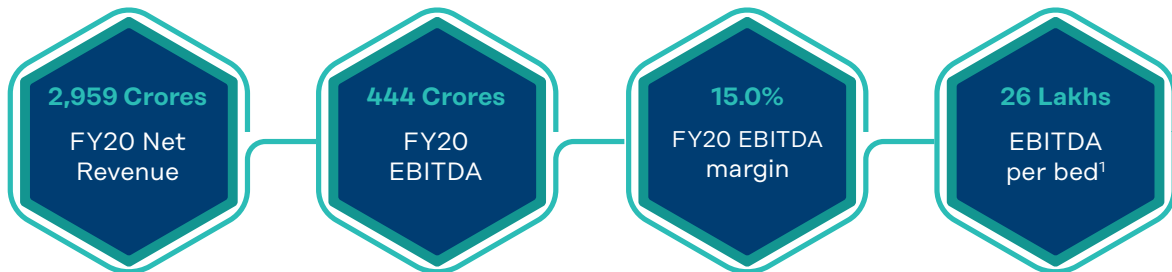


**The Year at a Glance**

The financial year 2019-20 was the year of turnaround for Max Healthcare. It witnessed a significant rise in profitability along with a steady growth in revenue driven by sustainable initiatives.

## Financial Highlights (Network)

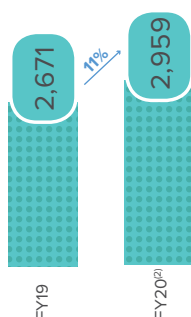
Post IND AS 116 numbers in INR



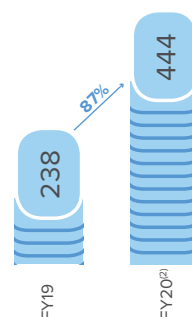
During the year, the company undertook a very successful performance improvement plan. The margins improved from 11.6% in Q1FY20 to industry leading 16.8% in Q4FY20, while maintaining the highest standards of medical quality and improving service experience for the patients. Some of the initiatives taken were:

- Revenue growth: Increased high-end tertiary and quaternary procedures with hiring of new senior clinical teams
- Material cost optimization: To minimise material cost and leverage on economies of scale, the company focused on standardising the type of drug or consumable used across the network, optimising procurement costs, consolidating our suppliers, and optimising the use of consumables by establishing guidelines for medical procedures across our network
- Facilities rationalisation: Company also took some strategic initiatives such as outsourcing or insourcing of certain facilities and closure of non-profitable facilities such as Greater Noida and Pitampura
- Manpower cost optimization: The Company undertook a detailed manpower study across the network to understand optimization opportunities. Processes were revamped, systems were put in place and roles and responsibilities were re-aligned to improve productivity of employees with greater emphasis on training and mentorship of employees
- Other indirect cost optimization: Company undertook initiatives focusing on increasing the productivity of spend, eliminating waste and better negotiations with vendors

### NET REVENUE (INR CRORES)



### EBITDA (INR CRORES)



Margin (%) FY19 : 8.9% | FY20 : 15.0%

The above charts include the Partner Healthcare Facilities which are not owned by the Company or Subsidiaries. Further, they exclude financials of BLK and Nanavati, since the merger was effective June 01, 2020.

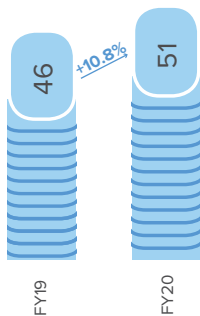
(1) EBITDA per bed is basis occupied bed

(2) Numbers are post IND AS 116. Pre IND AS 116 FY20 EBITDA - INR 410 Cr

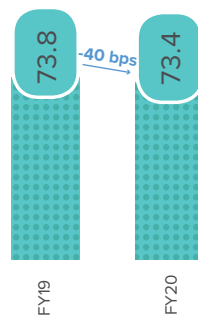
# Operational Highlights (Network)

## KEY PERFORMANCE INDICATORS

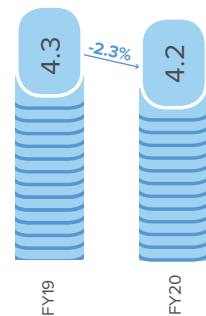
ARPOB<sup>(1)</sup> (INR/OBD) ('000)



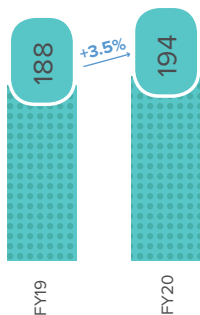
AVG. INPATIENT OCCUPANCY (%)



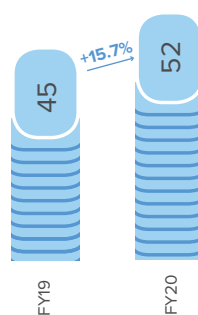
ALOS<sup>(2)</sup> (IN DAYS)



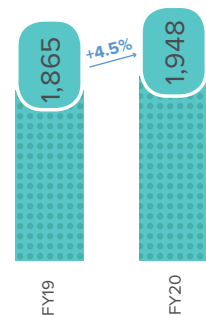
INPATIENT PROCEDURES ('000)



DAY CARE PROCEDURES ('000)



OUTPATIENT CONSULTS ('000)



(1) ARPOB calculated as Gross Revenue/Total OBD

(2) ALOS calculated for discharged IP patients only

**Note:** The charts include the Partner Healthcare Facilities which are not owned by the Company or Subsidiaries; Further, they exclude operational metrics for BLK and Nanavati, since the merger was effective June 01, 2020.

## FUNCTIONAL UPDATE

### Human Resources

In FY19-20, the HR function helped manage significant organisational changes and to facilitate a smooth transition to new management and successful reorganisation of different functions. In tandem, the team built on the following major initiatives to improve existing HR systems and processes and developed new tools and practices to enhance the employee experience:

- **Digital HR Programme** – Implemented Disha 2.0, a one-stop solution for all people transactions. The platform boasts of internet-based 24 X 7 mobile access from anywhere. The enhanced features equipped our employees with information that matters at their fingertips and simultaneously offered an intuitive interface for an improved digital experience.
- **Learning & Development** – With an intent to strengthen our people agenda, we firmed up our Learning and Development charter this year. Focusing on the immense need of well-trained nurses, we rolled out Daksh, an online learning platform. It offers the entire range of speciality skills and mandatory trainings for our Nursing

community. We revamped and launched the new hire orientation programme, Parichay - a 90-day holistic, structured onboarding programme focused on boosting engagement and optimising new hires' productivity across all cadres. The supervisory capability development programme was launched to train our people managers and supervisors for leading teams while building and maintaining trusting relationships.

- **Engagement and Recognition** – To create a happy workplace and continue our relentless focus on deep-rooted engagement with employees, we encourage open and regular dialogue between managers and their team members, conduct listening posts, and conduct dipstick surveys for employees at initial milestones – 60 & 120 days. This year, in addition to the existing awards categories, we introduced two new categories, Max Healthcare Badge of Honour and Samarthan, recognizing representatives from all cadres and all units irrespective of level, grade, and hierarchy for superior performance and for their commitment to the company's competence.
- **Governance** – During the year, we also put together a robust and flexible framework around Anti Bribery & Anti-corruption (ABAC) policy, committing to implementing internal regulations,

policies as well as ethical standards. Many of our existing policies like Domestic & International Travel Policy, Gift & Hospitality Policy, Third Party Management Policy, Supplier Code of Ethics, Conflict of Interest Policy and Whistle Blower Policy come under the purview of the ABAC framework. In 2020, our Consequence Management Framework was also introduced to help managers and employees understand the organization's expectations of employees and our approach to manage positive outcomes and negative consequences.

Most of our achievements and milestones in the past year restate that creating a stellar employee experience is critical for us. This year, we have an unwavering and relentless focus to create an effective employee experience framework. Our employees feel even more engaged and happy at every touchpoint throughout their journey with the organisation.

### Information Technology

As a company, we are constantly leveraging advancements in information technology to enable business to drive growth and enhance efficiency. In 2019-20, the focus was on technology interventions, which helped in improving patient safety, customer experience and bringing in process and cost efficiencies. Some of the key initiatives launched include –

- Migration of CRM platform to Salesforce to enhance features across modules at a lower cost. It has automated the tagging feature to create a 360 degree view of the customer for the call center.
- The MaxLab platform is going strong with expansion to new HLMs and increasing user base. The first phase is complete with 13 Max Healthcare labs operational on LIMS.
- Max@Home platform has enabled 100% end-to-end digital service delivery model. Five Home care services are now available on Mob/Tab/Web – Pathology, Nursing long stay, Nursing Procedures, GDA and Physiotherapy.
- RIS PACS 1.0 platform serves as a single repository for all radiology DICOM images with connected radiologists' workforce across Max Healthcare network. RIS PACS 2.0 is leveraging the platform capability to venture into Artificial Intelligence (AI). The company is collaborating to deploy AI driven Algorithms – not only shall it help in improving clinical accuracy and diagnosis but also in improving radiologists' productivity and reduction in turnaround time for reporting.
- The Blood Bank Management System platform successfully launched at all Max Healthcare hospitals, which completely automated the workflow from ordering to dispensing of blood and its components. This has resulted in ensuring regulatory compliance, minimizing chances of manual error, faster processing of blood requests and online status visibility of the requests thereby enhancing the quality of care and bringing down the turnaround time for requests. It has also enabled the donor



traceability on donor referrals and donor recalls for voluntary blood donation.

- The Nursing roster and deployment solution launched across Max Healthcare hospitals with aim of improving staff productivity. Digitisation of the monthly rostering and daily deployment of nurses across wards is basis the rules for required Nurse to Patient ratio, nurse skill category and patient criticality. The system provides real time visibility in the Nurse to Patient ratio across wards and units enabling optimal distribution of workload.
- EHR platform continues to be the main system for in patients. We have enhanced features to assist in clinical documentation and improve patient safety. EHR 2.0 shall include Web Application Transformation with improved user interface, better connectivity with clinicians and mobility with specialised modules.
- We are continuing our engagement with patients through our Patient portal and App 2.0 – One stop portal for healthcare services that serves as digital locker for all patient records. Patients have anytime anywhere access to their diagnostic reports and e-prescriptions.
- Launched a Video consult platform to connect patients and doctors remotely. The patients can book appointments, make payments and upload their documents using the mobile app. The doctors can review uploaded documents, conduct video consults, write, and share prescription on mobile/web app.
- We have maintained focus on the delivery of business analytics with release of various real time dashboards, consolidation of data establishing single source of truth to help the business and operations teams. Drishti – the BI tool provides comprehensive view of the data trends across units with role based access. It also helps in providing access to data to users via e-mail as per schedule.
- In view of increasing cyber security threats in healthcare segment, various initiatives were undertaken both for preventive as well as corrective action for strengthening the Cybersecurity Framework. These include regular penetration testing for internet facing web applications, controls on internal internet access, security of privileged accounts, regular review of firewall rules and monitoring of network traffic, endpoint cleaning and other hygiene activities.



**#MoreToHealthcare campaign highlighted the behind the scenes work that goes in a hospital while treating a patient**

## Marketing

Max Healthcare has been deeply invested in creating brand differentiation and recognition of key specialities in the Healthcare market in North India.

The flagship campaign of 'MoretoHealthcare' that worked upon highlighting the work that goes behind the scenes in a hospital while treating a patient, continued from the previous year with new communication. The campaign was extensively promoted online on various websites and on social media and led to significant gains and PR for Max Healthcare in the Physician community and general population. The Campaign also won the Economic Times Shark Award in the Best Campaign for Consumer Health and Fitness Category.

Oncology is one of the fastest growing verticals at Max Healthcare. We launched multiple initiatives across our hospitals to highlight excellence in cancer treatment including a 360 integrated campaign under the theme 'Nidarr hamesha' that celebrated the relentless and undying spirit of cancer patients and their caretakers to fight and beat this disease. Max Hospital, Vaishali launched a one of its kind Oncology Tower. Max Hospital, Noida was relaunched as Max Multi Speciality Centre, Noida with day care facilities for multiple sub verticals and a dedicated Chemotherapy Centre. Max Hospital, Gurgaon also launched a dedicated Chemotherapy Centre to provide chemotherapy care with comfort and easy access to the population of

Gurgaon. All launches and communication were accompanied with high visibility campaigns across outdoors, radio, digital media and ground activations including Raahgiri events for mass awareness and Cancer Screening buses across the region.

Neurosciences and Organ Transplant were the other focus areas. The campaign 'Dimaag ki Suno', a unique creative approach to promote the Neurosciences vertical was launched in digital media and outdoors and

aimed to educate masses about the most commonly occurring Neurological diseases. For the Organ Transplant vertical, one of the means to create visibility has been to promote the bigger cause of Organ donation across India. The campaign, in association with NGO Mohan Foundation, during the Christmas season with the theme – 'Selfless Wish' promoted organ donation. The campaign won 2 awards at Healthcare Ad Awards USA in the 'Impact Total Ad campaign without TV' category.

We were also involved in a number of social initiatives to support the community in preventive healthcare. Community outreach initiatives under 'Community First' were done in the form of health awareness programmes, cleanliness drives, local area beautification and special benefits to residents around the hospital. Over 40,000 people were enrolled in Customer programmes like Citizen Plus, Healthy Family offering various service and discount benefits. Over 1800 activities were conducted in the communities around the hospitals and through various customer programmes and over 45,000 people reached.

Focus on digital media became stronger this year. Planned activities around SEO building for the website ensured Max Healthcare ranks highest on search platforms like Google, for important speciality led keywords. In terms of campaigns we targeted various geographies with specific campaigns namely, International, Domestic and Upcountry.

The International Digital campaign was initiated to utilize opportunity of medical tourism in India. As part of the campaign search ads and different landing pages were prepared in different languages mainly Arabic, Persian, Russian and English. Countries that were targeted were Afghanistan, Nepal, Iraq, Turkmenistan, Nigeria, Fiji, Pakistan, USA, Sudan, Yemen, Iraq and Bangladesh.

In the domestic market, the focus through digital efforts has been to reach patients and consumers in all of North India by generating leads and appointments. The Appointment Campaign and Lead generation campaigns were targeted at people who were looking for appointments with Doctors online or searching for particular procedures and specialities. Digital Campaigns in Upcountry markets were to support regular OPDs conducted by our doctors in Tier 2 cities like Lucknow, Kanpur, Prayagraj, Meerut, Gwalior, Patna, Ranchi, Saharanpur etc.



**37th Healthcare Advertising Award won for #SelflessWish campaign**



## Clinical Excellence

We are committed to providing the highest standards of Medical excellence. Our constant endeavor is to establish Max Healthcare's clinical and safety outcomes at the highest level, comparable to the best known institutions around the globe. We serve as a role model in several areas of clinical care and are sought after by aspiring doctors, nurses & paramedical staff as a high quality organization to work for. The strengths of Medical excellence include accreditations (national & international), audits for continuous improvements, evidence based practices, clinical systems & protocols, patient safety goals & clinical indicators.

As a testimony to our commitment towards quality, three of our hospitals - Max Super Speciality Hospital Saket (East & West Blocks) & BLK Super Speciality Hospital are JCI Accredited. Max Super Speciality Hospital Saket has successfully achieved Joint Commission International (JCI) Re-accreditation in February 2020 and BLK Super Speciality Hospital is due for JCI Re-accreditation in April 2021. Along with other NABH Accredited Max Healthcare units, Max Institute of Cancer Care, Lajpat Nagar also received the NABH accreditation in first attempt in 2019. Nine laboratories are NABL accredited and six blood banks are NABH accredited including BLK Super Speciality Hospital, New Delhi & Nanavati Super Speciality Hospital, Mumbai, Maharashtra. Additionally, Dental Department, Max Multi Speciality Hospital, Panchsheel Park is also NABH accredited.

In order to measure the compliance to "Patient Safety Goals & other critical processes" on ground, a biannual internal baseline assessment using a pre-formed checklist was carried out across the network. There are about 33 policies & critical processes comprising of more than 200 checkpoints, for which target of 90% compliance was set, along with the IPSP goals audit. Total two rounds of assessments were carried out during FY 2019-20 and a compliance of 91.56% Pan Max Healthcare out of the set target of 90% was reported.

Further, to strengthen clinical risk management, we have successfully implemented new policies e.g. Management of Global Communicable Diseases, Point of Care Testing, Pre Construction Risk Assessment (PCRA), along with many new forms & checklists. All the policies were revised during FY 2019-20.

## Research & Academics

Maintaining our strong focus on research and academics, in FY20, we conducted 39 clinical trials and clinical research studies and worked on 7 research projects funded by grant agencies in addition to 5

Artificial Intelligence projects. We published close to 300 high index peer reviewed publications along with 7 books and book chapters. We trained over 11,200 participants across various programmes including Max Emergency Life support, internship, observorship and trainings in collaboration with American Heart Association, Royal college of Physicians UK, etc. Our internal medicine training in collaboration with Joint Royal College of Physicians Training Board (JRCTB), has recently been awarded the Level 3 Accreditation by JRCPTB-UK signifying equivalence to UK standards. We also maintained our distinction of conducting prestigious international examinations such as MRCP-UK PACES – the only center in North India and we hosted 4th successful examination this year. We are successfully running our Masters in Emergency Programme in collaboration with the George Washington University, USA. FY20 saw a successful, first time ever in North India roll signing ceremony of the Royal College of Physicians Edinburgh awardees from all over India jointly organized by Max Healthcare & RCPE.

## Free treatment for the underprivileged

Max Healthcare has always believed in extending a helping hand to those in need. Last year was no exception, where in we reached out to lakhs of patients who were treated free of cost at Max Healthcare facilities. The hospital partnered numerous NGO's working amongst the less fortunate and provided healthcare services to people in these communities.

We served over 4.68 Lakh indigent patients for free last year and provided medical services worth over INR 207.8 Crores to patients who couldn't afford treatment, at our network hospitals.

Max Healthcare considers supporting economically weaker sections of the society by providing world-class healthcare as an integral part of its responsibility towards local communities. Last year, we treated indigent patients free of cost in almost all medical specialties and performed advanced lifesaving surgeries including cardiac, neuro, orthopaedic and cancer surgeries. Many patients with kidney failure are on free dialysis at our hospitals.

During the early days of the COVID-19 outbreak and in the midst of an unprecedented lockdown and crisis, Max Healthcare opened its kitchens and served nutritious food to thousands of hungry people every-day. Over a period of 6 weeks we served over 3,00,000 meals all across Delhi NCR.

Max Healthcare has also regularly donated medicines to orphanages and shelter homes and treated their inmates at the hospital.



Max Institute of Medical Excellence - General Symposium

## COVID-19 Response



**Determined COVID-19 Doctors on duty**

The outbreak of COVID-19 has affected all businesses globally. As this pandemic started spreading rapidly in India in Q4FY20, we came to the forefront and volunteered our flagship facilities in both Delhi and Mumbai towards the cause. We were also one of the first private labs to start COVID-19 testing. As of June 27, 2020, we had treated 3,800+ patients and conducted 50,000+ tests. We were also the first to conduct convalescent plasma therapy trial for critically ill patients.

At the back end, infrastructure was re-designed to create isolation facilities, processes were strengthened, and policies on infection prevention and clinical management were rapidly developed and deployed. To ensure safety of our own employees, adequate supply of PPE kits were maintained at all times. Further, we implemented measures to conserve cash including material rate renegotiations,

deferment of discretionary expenses, salary reduction for senior and middle management, and focus on recoveries from CGHS, ECHS and other institutional partners.

Further, we strengthened our digital platforms by significantly ramping up tele-consultations and developing remote monitoring capabilities. We also initiated over 40 COVID-19 related clinical research projects to contribute towards global efforts in mitigating the spread of this pandemic. We were selected as a site in the prestigious WHO SOLIDARITY trial.

However, the worst seems to be past us. After initial drop in occupancy to 30-35% towards the end of March, 2020, gradual recovery has been seen across the network with occupancy recovering to ~60% levels towards the end of June, 2020.



**Doctors in action in COVID-19 wards at our hospitals**

## Board of Directors







**Mr. Abhay Soi**

Chairman and Managing Director

Mr. Abhay Soi is the Promoter, Chairman and Managing Director of Max Healthcare Institute Limited ("Max Healthcare"). Prior to the demerger of healthcare business of Radiant Life Care Private Limited ("Radiant Life") with Max Healthcare effective June 1, 2020, Mr. Soi was the Promoter, Chairman and Managing Director of Radiant Life. Post demerger, Max Healthcare as a combined entity has become the second largest healthcare delivery chain in India by revenue and has ~3,400 bed capacity across at 17 healthcare facilities including 12 hospitals and 5 day care centres.

Prior to Radiant Life, Mr. Soi co-founded USD 350 mn a Special Situations Private Equity Fund, where he made investments across various sectors. He started his career as a restructuring professional with Arthur Andersen where he led their financial restructuring business and subsequently part of the restructuring practice of E&Y and KPMG.

Mr. Soi is an MBA from European University, Belgium and a Bachelor in Arts from St. Stephen's College, Delhi University.



**Mr. Sanjay Omprakash Nayar**  
Non-Executive Director

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.



**Ms. Ananya Tripathi**  
Non-Executive Director

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.



**Mr. Mahendra Gumanmalji Lodha**  
Independent Director

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.



**Mr. Upendra Kumar Sinha**  
Independent Director

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.





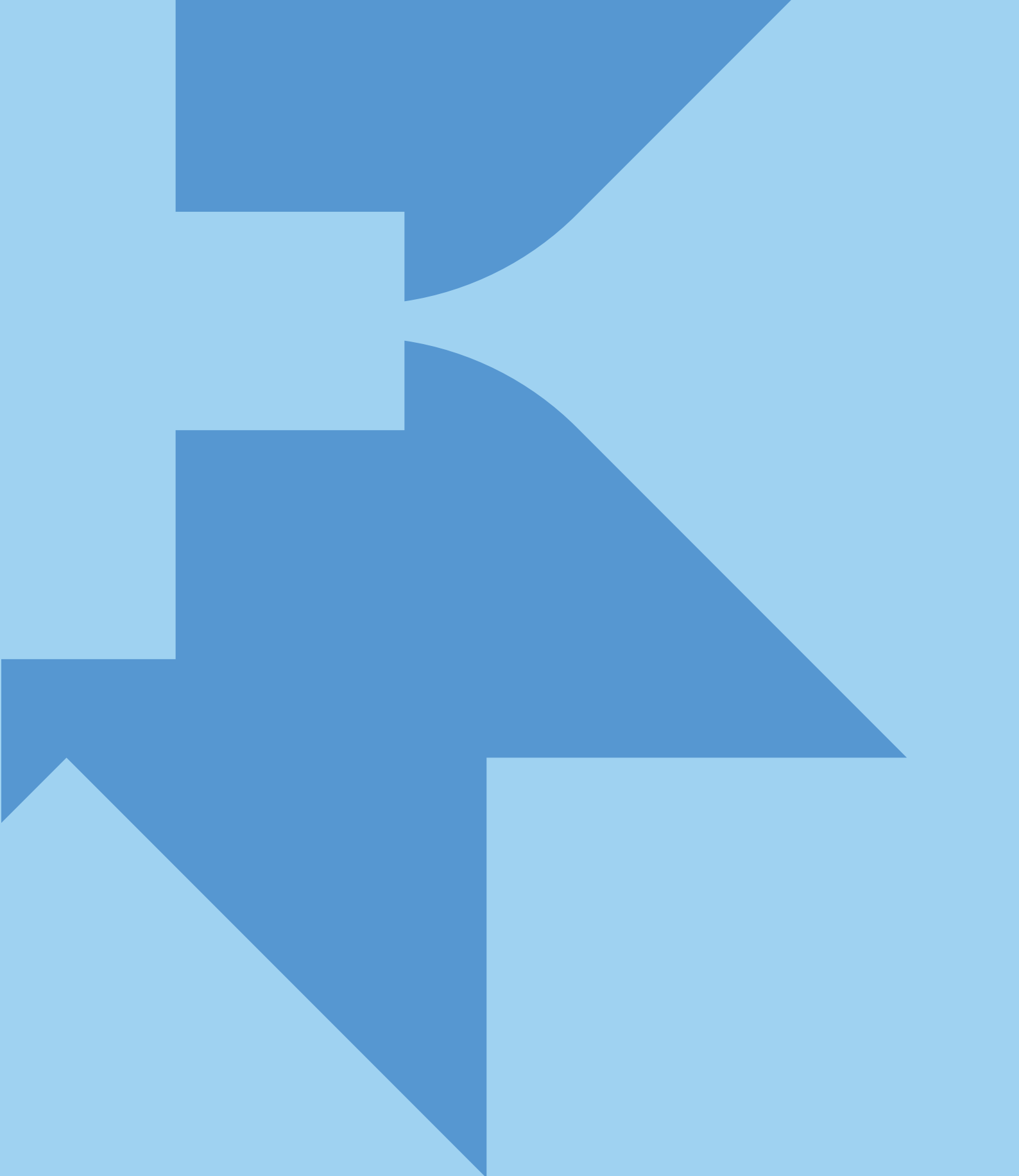
**Mr. Michael Thomas Neeb**  
Independent Director

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.



**Mr. Kummamuri Narasimha Murthy**  
Independent Director

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 reappointed 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.



**Leadership Team**

## Management Team



**Col. Harinder Singh Chehal**  
Senior Director and Chief Operating  
Officer – Cluster Two



**Dr. Mradul Kaushik**  
Senior Director - Operations  
and Planning



**Yogesh Kumar Sareen**  
Senior Director and Chief Financial  
Officer



**Anas Abdul Wajid**  
Senior Director and Chief Sales &  
Marketing Officer



**Dilip Bidani**  
Senior Director - Finance



**Dr. Sandeep Budhiraja**  
Group Medical Director



**Vandana Pakle**  
Senior Director - Corporate Affairs



**Atulya Sharma**  
Director - Legal and Regulatory  
Affairs



**Prashant Singh**  
Director - Information Technology  
and Chief Information Officer



**Umesh Gupta**  
Director - Human Resources and  
Chief People Officer



**Gautam Wadhwa**  
Executive Vice President - Business  
Intelligence and Business Development



**Mangla Dembi**  
Vice President and Head - Patient  
Experience



**Ruchi Mahajan**  
Vice President - Company Secretary  
and Compliance Officer



## General Medical Advisory Council



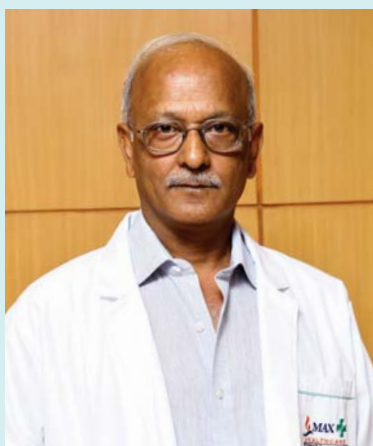
**Dr. Sandeep Budhiraja**  
GMD; Group Medical Director,  
Max Healthcare



**Dr. Ambrish Mithal**  
Chairman, Endocrinology &  
Diabetes, Max Healthcare



**Dr. Anant Kumar**  
Chairman, Urology & Kidney  
Transplant, Max Healthcare



**Dr. Anil K. Singh**  
Chairman, MIND, Max Healthcare



**Dr. Balbir Singh**  
Chairman, Cardiology,  
Max Healthcare



**Dr. Dinesh Khullar**  
Chairman, Nephrology,  
Max Healthcare



**Dr. Harit Chaturvedi**  
Chairman, MICC, Max Healthcare



**Dr. Pradeep Chowbey**  
Chairman, MAMBS, Max Healthcare



**Dr. S K S Marya**  
Chairman, Orthopaedics,  
Max Healthcare



**Dr. Subhash Gupta**  
Chairman, Max CLBS



**Dr. Anurag Krishna**  
Director, Paediatrics, Max Healthcare



**Dr. Mradul Kaushik**  
Senior Director, Operations and  
Planning



**Mr. Umesh Gupta**  
Director - Human Resources and  
Chief People Officer

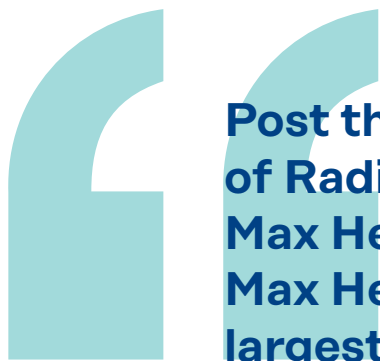


**Dr. Vinitaa Jha**  
SVP, Research & Academics,  
Member Secretary



## Directors' Report





## **Post the de-merger of healthcare assets of Radiant Life Care Private Limited into Max Healthcare, effective June 1, 2020, Max Healthcare becomes the second largest healthcare delivery chain in India by revenue.**

Your Directors have the pleasure of presenting the 19<sup>th</sup> Annual Report on business and operations of the Company ("Max Healthcare" or "MHIL") together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2020.

Your Company reported a strong performance during the financial year gone by but more importantly in FY 2019-20, it has laid solid foundations for even stronger performance across key performance metrics in the years to come. Your Company's financial results reflect the commitment to its vision *"to be the most well regarded healthcare provider in India, committed to the highest standards of clinical excellence and patient care supported by latest technology and cutting edge research"*.

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated January 17, 2020 sanctioned the Composite Scheme of Amalgamation and Arrangement (hereinafter referred to as "the Scheme") amongst Max India Limited, Radiant Life Care Private Limited ("Radiant Life"), Advaita Allied Health Services Limited) and the Company and their respective shareholders and creditors ("NCLT Order"), the certified copy of the NCLT order was received on May 27, 2020 and accordingly the Scheme became effective from June 1, 2020 after complying with necessary requirements under the Companies Act, 2013 ("the Act") and Rules made thereunder.

Subsequent to the effective date of the Scheme, healthcare business of Radiant Life (which is supported by global funding firm Kohlberg Kravis Roberts "KKR") has been demerged into the Company and also, residual Max India (i.e. post demerger of allied health and associated services into Advaita Allied Health Services Limited) which comprises of healthcare activities (including its underlying investment in the Company) amalgamated with the Company. Post demerger and amalgamation, your Company has become the second largest healthcare delivery chain in India by revenue. The enhanced scale will enable it to drive efficiencies and improve capabilities.

Earlier, in June 2019, Radiant Life had acquired the entire 49.7% stake of Life Healthcare in your Company, which was followed by the reconstitution of the Board of Directors and the Management team. The relentless focus of the reconstituted team on driving the company's agenda in a disciplined manner

led to superlative performance during the year, making your Company the industry leader on most profitability parameters and positioned it well for the future.

### **GROWING DEMAND FOR QUALITY HEALTHCARE IN INDIA**

Overall, the fundamentals of the markets in which your Company operates remain strong with growing demand for healthcare services.

Low level of public healthcare spend (1.1% - 1.5% of GDP) in the last decade has led to emergence of private healthcare which currently caters to ~ 70% of all healthcare delivery needs of the Country. We believe that increasing population and changing demographic trends, growing lifestyle diseases, rising awareness, affordability, and increase in insurance penetration would continue to be the key contributors to the rising demand for quality healthcare in future. Further the "Ayushman Bharat - National Health Protection Mission" (AB-NHPM), under which over 100 million poor and vulnerable families of the Country will get access to quality healthcare through an insurance model is also expected to give a huge boost to the overall demand for healthcare.

### **COVID-19: GLOBAL PANDEMIC**

The World Health Organisation declared COVID-19 as global pandemic on February 11, 2020 and it was followed by a countrywide lockdown from midnight of March 22, 2020. Your Company decided to take the lead in dealing with the pandemic. It was the first Indian private hospital chain to offer (directly or indirectly through its subsidiaries or other network hospitals) a completely dedicated facility in Delhi and Mumbai for COVID-19 patients. It was also one of the first few private labs to start Reverse Transcription Polymerase Chain Reaction (RT-PCR) testing. Your Company also took the lead in treatment and was the first to do the convalescent plasma therapy trial for the critically ill patients.

To manage the operations internally, your Company formed a Central Co-ordination Committee, which formulated detailed clinical protocols for clinical management and infection prevention, trained its medical and non-medical staff, created isolation wards for segregation and ensured adequate supply of PPEs. Further, the team leveraged technology to aid "work from home" for support staff and enabled "video consultations" with doctors and remote monitoring through Max@Home for patients.

At the same time, your Company has taken steps to maintain high level of liquidity to meet the strategic and operational requirements. As at March 31, 2020, your Company had a balance of INR 268.70 Crores in cash and cash equivalents including funds invested in Fixed Deposit Receipts. The liquidity will enable your Company to be agile, ready for meeting unforeseen strategic and business needs. We believe that your Company is fully equipped to pass through the tough phase all healthcare organisations in the world are facing due to sudden drop in revenue and spiraling costs.

As a responsible member of the community, your Company has contributed to various COVID-19 relief and monitoring programmes including webinars and distribution of over 3 lakh food packets to migrant workers.



**Doctors donning PPE during the COVID-19 Pandemic**

## PERFORMANCE HIGHLIGHTS

Your Company took care of nearly 14 Lakh patients in FY 2019-20 (on standalone basis). Medical value travellers from over 97 countries contributed to international revenue of INR 100 crores, constituting 9.3% of your Company's revenues.

The revenue performance of your Company (standalone) through the year ramped up well and clocked an overall growth of 8.5% (FY 2018-19 had a de-growth of 4.5%) despite no increase in bed capacity. The revenues from healthcare services grew by 10%. During March 2020, the momentum was interrupted after the World Health Organisation declared COVID-19 as a pandemic and this led to sudden drop in footfall and admissions in last 10 days of March. Notwithstanding the drop in occupancies towards the end of the year, it was a satisfying performance both on revenue and on profitability during the period.

Revenue from key clinical specialities (i.e. Cardiac sciences, Orthopaedics, Neuro-sciences, Liver & Biliary Sciences, Oncology, MAS and Renal) has improved by 11.6% as compared to last year and share of Centres of Excellence has increased from 58.8% in FY 2018-19 to 61% in FY 2019-20.

There was a thrust on hiring new doctors, enhancing the level of engagement and also improving the efficiency of the available resources through automation, technological intervention and focus on reducing the length of stay in line with "eager to get you home" promise. This led to an improvement in average revenue per occupied beds by 5.6% to INR 48,207 in FY20 compared to the previous year.

Further, your Company strengthened its presence in the upcountry clusters. Implementation of Sales force as a new CRM solution helped to improve the productivity of sales and marketing efforts. The efforts to digitally connect patients with the hospital started to bear fruit and the digital channel led revenues touched ~ INR 90 Crores during the year. Patient services were re-engineered for both domestic and international patients to implement best practices and enhance patient satisfaction.

These initiatives led to the increase in bed occupancy for FY 2019-20 to 74.2% as compared to 73.4% in the FY 2018-19 on the same number of operational beds. Average Length of Stay (ALOS) based on IP Volume discharge also improved from 4.80 in FY 2018-19 to 4.71 in FY 2019-20. The Inpatient Average Revenue Realized (ARR) improved by 8.8% while the hospital ARR improved by 5.6% during FY 2018-19.

Your Company continued to do well in terms of managing its cost structure as well and accordingly, the Operating expenses to Revenue ratio improved by 5.4% (on the same basis), leading to expansion in EBITDA margins. Despite increase in operating revenues by 10% of the employee costs and other overheads grew only marginally during the year 2019-20, compared to the previous year.

The improvement in operating performance was all pervasive. The material costs to operating revenue ratio improved by 152 bps. Similarly, other costs (including employees, doctors, hospital services, sales and marketing, power and fuel etc.) were lower than the previous year by 385 bps on the same basis.

The operating profit before interest and depreciation was INR 180.30 Crores, increase of 118.3% as compared to FY 2018-19. The cash profits were INR 90.50 Crores, 1.6x increase over the previous year, a part of this is also due to accounting for leases under Ind AS 116. Net Profit stood at INR 25.06 Crores, as compared to loss of INR 23.38 Crores in the previous year.

With the improved performance, your Company invested in newer technology for its Neurosciences department by introducing Intra-Operative CT and O-Arm. New high-end CT has also been ordered for its network facility in Saket. However, the work on new Max Medcentre for Immigration and Wellness at Mohali has been delayed due to lockdown.

Your Company has been engaging with the community by running free OPD consults in Delhi, donating medicines, holding free camps, sponsoring various health awareness events and also holding webinars and health talks in order to better serve the people. It also joined hands with NGOs like Goonj Foundation, Max Foundation, Genesis Foundation and India Foundation Clinics during the year to enlarge the sphere of its CSR activity.

Going forward, your Company will continue to identify and implement initiatives to achieve sustained growth. This will involve initiatives across capacity expansion, adding new clinical programmes, improving share of medical value travel and hiring of clinical talent. Further, cost optimization and operational effectiveness efforts will continue to be area of focus in FY 2020-21 too.

## FINANCIAL HIGHLIGHTS

The highlights of the Company's financial performance on Standalone and Consolidated basis, for the year ended March 31, 2020 are summarised below:

Particulars	(Standalone) (INR in crores)		Consolidated (INR in crores)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Continuing operations</b>				
Revenue from operations	1,093	1,008	1,885	1,691
Other Income including Finance Income	57	47	72	57
<b>Total Income</b>	<b>1,150</b>	<b>1,055</b>	<b>1,957</b>	<b>1,748</b>
Total Expenditure	970	972	1,595	1,536
<b>Operating Profit</b>	<b>180</b>	<b>83</b>	<b>362</b>	<b>212</b>
Less: Finance Charges	89	44	153	101
<b>Cash Profit</b>	<b>91</b>	<b>39</b>	<b>209</b>	<b>111</b>
Less: Depreciation	64	53	120	103
<b>Profit/(Loss) before Tax from continued operations</b>	<b>27</b>	<b>(14)</b>	<b>89</b>	<b>8</b>
Tax Expense/( Income)	-	5	(6)	8
<b>Profit/(Loss) after tax from continued operations</b>	<b>27</b>	<b>(19)</b>	<b>95</b>	<b>-</b>
<b>Profit/(Loss) after tax from discontinued operations</b>	<b>1</b>	<b>(4)</b>	<b>-</b>	<b>-</b>
Other Comprehensive Income - Remeasurement Loss on defined benefit	3	-	4	-
<b>Total Comprehensive Income/(Loss), net of tax</b>	<b>25</b>	<b>(23)</b>	<b>91</b>	<b>-</b>
<b>Earnings per equity share**</b>				
Basic & diluted (INR) for continuing operations	0.50	(0.35)	1.77	(0.06)
Basic & diluted (INR) for discontinued operations	0.02	(0.08)	-	-
Basic & diluted (INR) for continuing and discontinued operations	0.52	(0.43)	-	-

\*\* Nominal value of INR 10/- per share

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

## FINANCIAL OVERVIEW

Your Company witnessed overall revenue growth of 8.5% in FY 2019-20 and achieved revenue of INR 1,093 Crores as compared to INR 1,008 Crores in FY 2018-19. The revenues from healthcare services grew by 10% and those from low value added sale of pharmaceutical supplies contracted by 16%. Last 10 days of March 2020, witnessed sudden drop in footfalls and admissions due to COVID-19 related developments. Notwithstanding the drop in occupancies and footfalls towards the end of the year, it was a satisfying performance on both revenue and profitability during the period.

The material costs to operating revenue ratios improved by 152 bps during the year pursuant to the relative shift in contribution of trading revenues in overall revenues.

Other costs (including employees, doctors, hospital services, sales and marketing, power and fuel etc.) were lower than the previous year by 385 bps on the same basis.

The operating profit before interest and depreciation was INR 180.3 Crores, increase of 118.3% as compared to FY 2018-19. The cash profits were INR 90.5 Crores, increase of 1.6x over the previous year.

**Net Profit stood at INR 25.1 Crores as compared to loss of INR 23.4 Crores in the previous year.**



## STEPS TAKEN OR PROPOSED TO BE TAKEN FOR ENHANCING PERFORMANCE

Following steps have been or are being taken by your Company for enhancing its performance:

- Occupancy is the driver of revenues in the hospital industry and the Company's hospitals have been experiencing higher footfalls leading to higher occupancies. In addition, your Company has embarked on a programme to cut down length of stay of IPD patients through a number of initiatives. This, while adding effective capacity to the hospitals would also lead to higher ARPOB and profitability. Further, going forward, your Company plans to reduce its dependence on Institutional payors where collection delays and arbitrary deductions are causing pressure on working capital and margins respectively.
- With growing number of lifestyle diseases like Cardiac, Neuro-sciences and Orthopaedics, etc., there is increasingly high demand for complex procedures like organ transplant, interventional neurology, etc. Your Company plans to add to its clinical talent and add new and complex procedures to its offering, leading to higher realizations and better utilization of its resources.
- Your Company also worked on innovative models for doctor engagement during the year. Further, significant efforts have been made by the clinical leadership to revisit and revise policies / procedures in order to ensure transparency, compliance and proper documentation to enhance patient trust and loyalty.
- Your Company had also embarked upon a cost efficiency programme during the course of the year, which are partly reflected in the performance for the financial year 2019-20. There is focus on specific actions to reduce costs across functions and businesses and re-organize the existing corporate and organisation structure to ensure efficiency across the network and business. Costs in the areas of manpower deployment, IT Infrastructure and services and supply chain / procurement are being reviewed to align with the best in the industry. The full year benefit of these actions will be visible and accrue to us in FY20-21 and beyond.
- Some of our network hospitals have added capacity in the course of the financial year and we expect this to add to the revenue and profitability in short to medium term as we gradually ramp up the occupancy. Similarly, there is incremental bed capacity expansions planned in the course of this year, which will help add to revenue. In addition, there are approvals in place for significant bed capacity augmentation at Max Hospital, Shalimar Bagh and in one of the network hospitals (i.e. Max Smart Super Speciality Hospital) in near future. These will add to revenue and profitability in the medium to long run.
- The Company also plans to widen the geographic width and depth of its offering in Laboratory Services and this profitable segment of the business is expected to contribute to the profitability in short to medium term.

- The performance for the last quarter was impacted significantly due to COVID-19 related developments and these being temporary in nature, your Company is confident that the normalized performance going forward in the post COVID-19 scenario will be improved to that extent.

## STRATEGIC BUSINESS UNITS



Max@Home kiosk at Max Hospital

### MAX@HOME

The out-of-hospital business division of your Company provides quality, accessible, continued care at home. The services cover preventive and pre and post-hospitalization care including critical care or ICU at home, assistance based services (nursing & health attendant), rehabilitation & physiotherapy, diagnostics, medicine delivery, nursing procedures, medical equipment, doctor home visits and onsite medical rooms amongst others.

Since its inception in FY17, Max@Home has scaled up to become the largest provider of home healthcare services in the region with most comprehensive suite of in-house services. It has created multi-channel access for patients with the ability to book services over web, mobile application, Whatsapp and a 24x7 centralized patient helpline. To ensure seamless delivery, back-end operations are enabled through a custom technology enabled service delivery platform.

FY20 recorded yet another promising year for Max@Home across all key parameters – financial, quality, customer experience, people & innovation.

During FY20, Max@Home registered 22% YoY growth in topline at ~ INR 77 Crores with healthy growth across all key service lines. During the period, customer satisfaction scores - administered through a third party for the business stood at 88% T2-B2, up from 81% in FY19. The scores reflect very well upon the quality of service delivery that is essential given the nature of services yet are difficult to achieve given remote, distributed workforce and logistics heavy operations.

In FY20, the Quality and Accreditation Institute (QAI) accredited Max@Home. QAI is the only certifying body for home healthcare in India and is a member of the ISQua (International Society for Quality in health care); umbrella organisation for organisations providing international healthcare accreditation. This is a notable achievement for a growing business to



receive such a prestigious accreditation validating highest standards of quality of delivery and clinical compliances.

Max@Home continued to expand operations extending coverage to Max Super Speciality Hospital (Dehradun) and BLK Super Speciality Hospital (Delhi) in the network. The employee strength has grown to over 650 certified & trained caregivers and support staff.

Innovation takes centre stage at Max@Home, being one of the core principles. In FY20, Max@Home launched premium rehabilitation services through fully loaded physiotherapy van providing a near OP set-up at patients' homes. The business also launched self-service kiosks for patients at each of its network hospitals to facilitate seamless order taking and extension of services to their homes. Max@Home also extended its diagnostics offering to provide ECG@Home service, supplementing its preventive & wellness portfolio.

Max@Home has built a strong foundation backed by a promising product suite, tech based service delivery platform and a sizeable, trained frontline to cater to the growing home care demand; one of the fastest emerging healthcare segments in the country.

### MaxLab

MaxLab is a business vertical of your Company offering diagnostics services to patients outside its hospitals. MaxLab offers pathology services to patients directly and through its network of partners which are Clinicians, Hospitals & Nursing Homes, Pathology Labs, and Franchisees. MaxLab offers multiple business models for each partner segment and has managed to aggressively expand its partner network during the year.

During the year, MaxLab clocked net revenue of INR 59 crores. The B2B segment clocked INR 40.5 crores with 67% growth, while INR 18.5 crores is from pathology serviced by Max@Home team. The B2B business growth is led by addition of partners and the team has added over 222 partners, taking the total partner count to over 600. The team has served over 5.6 Lakhs patients during the year, up 80% from 3.2 Lakhs in last year. MaxLab also operationalised five new hospital lab implants in the year. The business also added Company Owned Company Operated (COCO) Collection centres with start of four new centres in different parts of NCR. These centres are well received and also act as operational Hubs to service the partners' network in their region.

In the current COVID-19, pandemic MaxLab is actively working with the Delhi Govt. and District teams in NCR towns to offer COVID-19 testing facilities. It is extending support to government teams for sample collection in containment regions, doorstep collection as required by surveillance teams and doing the regular testing and reporting of COVID-19 RT-PCR tests.

In order to add depth with the partners and enhance their skills, capabilities and financial success, the team

revised the existing Partner engagement programme "Shubh Lab" during the year. New features were added to incentivise the Collection Centre partners. The programme is also linked to long-term strategic goals of the organisation. The 2020 edition included Tier based rewards for sales performance, Customer NPS, and NABL commitment.

Technology team continued its development focus and extended LIMS (Lab Information Management System) implementation into 2<sup>nd</sup> Phase focusing on Supply Chain integration, and automated Quality modules. CRM platform is revamped with implementation of Salesforce for sales and marketing functions. The team also implemented GPS integrated mobile Phlebotomy platform for route guidance and optimised resource deployment.



MaxLab Collection Centre at East of Kailash

The team embarked on its journey to become the most customer centric player in the diagnostic space with Net Promoter Score ("NPS") solution to take customer feedback from all customers served. The focused approach on customer NPS resulted in average ratings of 56% which are best in class, not just in diagnostics but also amongst the best in the service sector.

The team continues to be fully committed to highest standards of clinical excellence with adoption of NABL guidelines for pathology labs as well as connected collection centres. The collection centres were also audited along with pathology labs and full audits were conducted for South Delhi, Gurgaon, East Delhi, Mohali regions. MaxLab intends to be the first lab with 100% coverage of collection centres as per NABL guidelines.

Since launch, MaxLab has been successful in establishing its presence in NCR, Uttarakhand, and Punjab with support of 600+ partners and has plans to expand operations to cover entire North India in near future.

### DIVIDEND & TRANSFER TO RESERVES

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

## DETAILS OF AMALGAMATION / RESTRUCTURING

The Board of Directors at their meeting held on December 24, 2018, approved the Scheme.

The Scheme enables the Company to have strong presence in North India and emerge as a strong competition for existing healthcare players.

The effective date and appointed date in terms of the Scheme is June 1, 2020.

Subsequent to the effective date, healthcare business of Radiant Life (as specifically defined in the Scheme) has been demerged into the Company and also, residual Max India (i.e. post demerger of the allied health and associated services into Advaita Allied Health Services Limited) amalgamated into the Company.

Further, pursuant to the Scheme 63,50,42,075 (Sixty Three Crores Fifty Lakhs Forty Two Thousand Seventy Five) fully paid up equity shares of the Company have been allotted to the shareholders of Radiant Life as on the Record date 2 i.e. June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 (Twenty Six Crores Sixty Two Lakhs Forty One Thousand Nine Hundred Ninety Five) fully paid up equity shares to the shareholders of Max India as on the Record date 3 i.e. June 15, 2020 in the share exchange ratio of 99:100.

Also, pursuant to the Scheme, 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred Thirty Seven) equity shares each held by Radiant Life and Max India, in MHIL, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant Life and Max India as aforesaid, on June 19, 2020.

Pursuant to the effective Scheme, the equity shares of our Company shall be listed and admitted to trading on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("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 for seeking listing. Accordingly, the listing applications are being filed by the Company with both Stock Exchanges i.e. BSE and NSE for listing and trading approval after obtaining necessary regulatory approvals.

Pursuant to effectiveness of the Scheme, the Max India Promoters (i.e. Mr. Analjit Singh and Max Ventures Investment Holdings Private Ltd.), other members of the promoter group of Max India as existing immediately prior to the effective date i.e. June 1, 2020 (i.e. Ms. Neelu Analjit Singh, Ms. Tara Singh Vachani, Ms. Piya Singh and Mr. Veer Singh), Kayak Investments Holding Pte Ltd ("Kayak") and Mr. Abhay Soi shall be classified as 'promoters' of the Company, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

Further, after the reclassification of existing Max India Promoters as public shareholders as per the Scheme and in accordance with the applicable laws, Kayak and Mr. Abhay Soi shall continue to be the Promoters of the Company.

## ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

In terms of Shareholders' Agreement dated December 24, 2018 entered amongst the Company, Max India and Radiant Life ("Pre – Merger SHA"), the members of the Company in their meeting held on June 21, 2019 approved and adopted a new set of Articles of Association ("AOA") covering the relevant clauses under the Pre-Merger SHA to incorporate the rights and obligations conferred on Radiant, Max India and the Company in place of and to the exclusion of existing Articles of Association of the Company.

Further, in terms of Shareholders' Agreement dated December 24, 2018 entered amongst the Company, Mr. Abhay Soi and Kayak ("Post-Merger SHA") read with Deed of Accession and Adherence dated June 1, 2020 executed by the Company confirming its adherence to the terms of the Post-Merger SHA and pursuant to NCLT order, the equity shares of the Company shall be listed on the NSE and BSE subject to completion of necessary regulatory requirements. Accordingly, several changes were proposed in AOA of the Company in accordance with the requirement under applicable laws, for proposed listing of equity shares on the aforementioned stock exchanges; provisions relating to general management of affairs of the Company as per Table F with exceptions and incorporating the rights and obligations conferred on Mr. Abhay Soi and Kayak in accordance with Post-Merger SHA.

The requisite Postal Ballots notice containing the resolution for adoption of new set of AOA is being sent to the members through an e-mail in terms of Section 110 and other applicable provisions of the Act read with Rule 20 and 22 of the Companies (Management & Administration) Rules, 2014 (the "Management Rules") read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 22/2020 dated June 15, 2020 issued by the Ministry of Corporate Affairs, Government of India ("MCA") in view of COVID-19 ("MCA Circulars"), by way of voting through electronic means ("E-voting"), for their approval.

## AMENDMENT IN OBJECT CLAUSE OF THE MEMORANDUM & ASSOCIATION

The clause III B (45) of the Memorandum of Association ("MOA") of the Company is proposed to be amended to incorporate necessary enabling powers relating to invest and deal with the assets/money and 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, for operational convenience and clarity. The resolution for amendment in the aforesaid object clause of the MOA is being sent to the shareholders of the Company in above mentioned postal ballot notice.

## CHANGES IN SHAREHOLDING DURING THE YEAR

Pursuant to Share Purchase Agreement dated December 24, 2018 executed amongst Life Healthcare International Proprietary Limited ("LHC"), Radiant

Life and the Company, 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred and Thirty Seven only) fully paid up Ordinary equity shares of INR 10 (Rupees Ten only) each of the Company amounting to 49.7% of the total paid up equity share capital of the Company were transferred from LHC to Radiant Life on June 21, 2019.

As on March 31, 2020, Max India and Radiant Life have equal shareholding of 49.70 % each in the Company aggregating 53,39,95,874 (Fifty Three Crores Thirty Nine Lakhs Ninety Five Thousands Eight Hundred and Seventy Four only) equity shares holding 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred and Thirty Seven only) equity shares each.

Further, pursuant to the Scheme, on June 19, 2020, 63,50,42,075 (Sixty Three Crores Fifty Lakhs Forty Two Thousand Seventy Five) fully paid up equity shares of the Company have been allotted to the shareholders of Radiant Life as on the Record date 2 i.e. June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 (Twenty Six Crores Sixty Two Lakhs Forty One Thousand Nine Hundred Ninety Five) fully paid up equity shares to the shareholders of Max India as on Record date 3 i.e. June 15, 2020 in the share exchange ratio of 99:100.

Also, pursuant to the Scheme, 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred Thirty Seven) equity shares each held by Radiant Life and Max India, in MHIL, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant and Max India as aforesaid, on June 19, 2020.

## SHARE CAPITAL

As on March 31, 2020, the authorized share capital of the Company stands at INR 10,85,00,00,000 (Indian Rupees One Thousand Eighty Five Crores) divided into (i) 96,00,00,000 (Ninety Six Crores) equity shares having a nominal value of INR 10/- each and (ii) 12,50,00,000 (Twelve Crore Fifty Lakhs) Cumulative Preference Shares having a nominal value of INR 10 each.

As on March 31, 2020, the issued, subscribed and paid up equity share capital stands at INR 5,37,24,43,280 (Indian Rupees Five Hundred Thirty Seven Crores Twenty Four Lakhs Forty Three Thousand Two Hundred Eighty only) divided into 53,72,44,328 (Fifty Three Crores Seventy Two Lakhs Forty Four Thousand Three Hundred Twenty Eight) equity shares of INR 10 each.

There is no change in the authorized share capital pursuant to the Scheme.

Further, subsequent to allotment of shares in accordance with the sanctioned Scheme, as on date, the issued, subscribed and paid up equity share capital of the Company stands at INR 904,53,25,240 (Indian Rupees Nine Hundred Four Crores Fifty Three Lakhs Twenty Five Thousand Two Hundred Forty) divided into 90,45,32,524 (Ninety Crores Forty Five Lakhs Thirty Two Thousand Five Hundred Twenty Four) equity shares of INR 10 each.

During the year under review, the Company has not issued any shares except as mentioned above.

## NON CONVERTIBLE DEBENTURES

The Board of Directors of the Company had, in their meeting held on August 1, 2019, subject to the completion of conditions precedent, approved the proposal for inviting, offering or issuing secured Non-Convertible Debentures aggregating upto principal amount not exceeding INR 483.90 Crores by way of private placement, in one or more tranches, subject to approval of members of the Company and the same was approved by the members in the Annual General Meeting held on September 24, 2019. The fund was proposed to be utilized for exercising option to purchase remaining 49% equity stake in one of the subsidiary companies of the Company i.e. Saket City Hospitals Private Limited, general capital expenditure of the Company or its network hospitals and / or such other purposes as permitted under the applicable laws and approved by the Board from time to time.

Further, the Board of Directors of the Company had, in their meeting held on February 06, 2020, had recommended offering and issuing secured / unsecured/ redeemable / listed/ unlisted Non-Convertible Debentures including but not limited to subordinate debentures, bonds, and/or other debt securities etc. aggregating to a nominal value of up to INR 100,00,00,000 (Indian Rupees One Hundred Crores only), to a select group of investors being foreign portfolio investors (FPIs) registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (as amended from time to time) by way of private placement, in one or more tranches and the same was approved by the members in the Extra-ordinary General Meeting held on February 25, 2020. As per the terms of issue, the subscription money was proposed to be utilized for exercising option to purchase remaining 22.05% equity stake in one of the subsidiary companies of the Company i.e. Crossaly Remedies Limited and / or such other purposes as permitted under the applicable laws and approved by the Board from time to time.

The above approvals by the members were enabling in nature, however, none of the above NCDs were issued by the Company till date.

## SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATES

As on March 31, 2020, your Company has five subsidiaries i.e. Hometrail Buildtech Private Limited (100%), Alps Hospital Limited (100%), Crosslay Remedies Limited (77.95%), Saket City Hospitals Private Limited (57.20%) and MHC Global Healthcare (Nigeria) Limited ("MGHL").

As on March 31, 2020, your Company has no associate/ joint venture company.

MGHL was incorporated on May 20, 2019 under the Companies and Allied Matters Act 1990 (of Nigeria), as a wholly owned subsidiary of the Company. However, share subscription money has not been invested in MGHL till March 31, 2020. MGHL was incorporated in line with the international strategy of your Company to expand its operations in Nigeria.

Further, pursuant to the effectiveness of the Scheme, Radiant Life Care Mumbai Private Limited (99.99%) became subsidiary of our Company w.e.f June 1, 2020.



## CONSOLIDATED FINANCIAL STATEMENTS

In terms of Rule 8 (1) of the Companies (Accounts) Rules, 2014, this Board Report has been prepared on the basis of Standalone Financial Statements of the Company for FY 2019 -20.

In compliance with provisions of Section 129 (3) of the Act read with Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and all of the subsidiaries are prepared in the same form and manner as that of its own and in accordance with the applicable accounting standards and relevant provisions of the Act and Rules made thereunder, which shall also be laid before the Annual General Meeting ("AGM") of the Company along with the laying of its Financial Statement under Section 129(2) of the Act.

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

In terms of provision to Section 136(2) of the Act, the members interested in obtaining a copy of separate audited or unaudited financial statements, as the case may be, as prepared in respect of each of the subsidiaries of the Company may write to the Company Secretary at the Company's registered office or by email: [investors@maxhealthcare.com](mailto:investors@maxhealthcare.com)

## REPORT ON PERFORMANCE & FINANCIAL POSITION OF THE SUBSIDIARIES

In terms of Rule 8(1) of the Companies (Accounts) Rules, 2014, the highlights on performance of subsidiaries and their contribution to the overall performance of the Company during the Financial Year ended March 31, 2020 are as follows:

- **Hometrail Buildtech Private Limited (HBPL):** HBPL was incorporated on April 21, 2008 and is having its registered office at N - 110, Panchsheel Park, New Delhi-110017. HBPL is wholly owned by the Company.

Pursuant to the Concession Agreement executed with the Government of Punjab for setting up of Super Speciality hospitals in Bathinda and Mohali, HBPL is currently running and operating two hospitals (viz. Max Super Speciality Hospital, Bathinda and Max Super Speciality Hospital, Mohali) that provides high-end medical care to residents of tricity of Chandigarh, Mohali, Panchkula and in the industrial town of Bathinda, Punjab along with other similar programmes for providing treatment and medical services. These hospitals have been set up as Public Private Partnership with Govt. of Punjab.

During the year ended March 31, 2020, HBPL made a profit after tax INR 42 Crores. The total comprehensive income for the FY 2020 is INR 42 Crores.

- **Alps Hospital Limited (Alps):** Alps was incorporated on May 26, 1989 and is having its registered office at N - 110, Panchsheel Park, New Delhi-110017. Alps is a wholly owned subsidiary of the Company.

It operates in the healthcare services business in India. Currently, it focuses on establishing, maintaining and running a hospital in Gurgaon, Haryana ("Max Hospital, Gurgaon"). It also has dispensaries, maternity and family welfare centers, diagnostic and pathology centers, emergency and trauma centers, X-Ray and E.C.G centers etc. Also, in order to effectively manage radiology services and to provide the services round the clock cover, during the year, Alps has outsourced its Radiology and related services to Saket City Hospitals Pvt. Ltd. ("SCHPL"). During the year ended March 31, 2020, Alps made a profit after tax of INR 8 Crores. The total comprehensive income for the FY 2020 is INR 8 Crores.

- **Crosslay Remedies Limited (CRL):** CRL was incorporated on January 8, 2002 and is having its registered office at N - 110, Panchsheel Park, New Delhi-110017. CRL owns and currently operates Max Super Speciality Hospital, Vaishali (erstwhile Pushpanjali Crosslay Hospital).

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 specialities. It also provides key tertiary care specialities such as oncology, renal sciences, GI sciences, Orthopaedics and joint replacement, cardiac sciences and neurosciences etc.

CRL became subsidiary of your Company w.e.f. July 10, 2015 and as on March 31, 2020, the Company is holding 77.95% equity stake in CRL. During the year, CRL has purchased the Noida healthcare facility namely 'Max Multi Speciality Hospital, Noida' from the Company, for operational effectiveness and efficiency and synergy benefits in support staff cost, sales and marketing cost etc.

Further, the Company has entered into the CRL Share Purchase Agreement on January 15, 2020 for 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 dated May 28, 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 (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, the Company has acquired 57,31,881 equity shares, out of 75,00,001 equity shares, pursuant to the aforesaid supplemental amendment agreement.

During the year ended March 31, 2020, CRL made a profit after tax of INR 32 Crores. The total comprehensive income for the FY 2020 is INR 31 Crores.

- **Saket City Hospitals Private Limited (SCHPL):** In terms of the Shareholders' Agreement dated November 27, 2015, amongst the Company, Smart Health City Pte Ltd. ("Seller") and SCHPL ("SHA"), SCHPL became subsidiary of your Company w.e.f December 1, 2015 by way of acquisition of 51% of the paid up equity share capital of SCHPL.

Further, in accordance with Clause 5 of the SHA, the Seller issued Put Option Notice to MHIL on March 28, 2019, requiring the Company to purchase all the option Shares (i.e. 1,42,81,883 equity shares) at the Option Price as defined under this SHA.

On March 26, 2020, the Seller, the Company, Dr. Bhupendra Kumar Modi, 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 (Sixteen Lakhs Eighty One Thousand Eight Hundred and Eighty Three) and 1,26,00,000 (One Crore Twenty Six Lakhs) equity shares to MHIL and Kayak respectively on March 27, 2020 at a purchase consideration of INR 386.50 (INR Three Hundred Eighty Six and Fifty Paise) per equity share which is based on the fair market valuation of SCHPL as on February 29, 2020 by a SEBI registered category 1 Merchant Banker.

Simultaneously, on March 26, 2020, SCHPL, MHIL and Kayak, have entered into a Share Purchase Agreement for purchasing the Kayak's stake (i.e. 1,26,00,000) subsequently, such that MHIL holds 100% of the paid-up share capital of SCHPL ultimately. In accordance with the terms of this SPA, MHIL has to pay the purchase price for an aggregate amount in cash equal to the INR equivalent of USD 64,246,702 which price, the Parties agree shall not exceed the fair market value of these shares i.e. INR 386.50 per equity share.

Further on March 31, 2020, 5,00,000 (Five Lakhs) Compulsory Convertible Preference Shares (CCPS) of face value INR 10 (ten) each of SCHPL held by the Company were converted into 2,85,714 equity shares in accordance with the terms of issuance of CCPS.

As on March 31, 2020 the Company and Kayak is holding 57.20% and 42.80% equity stake respectively in SCHPL.

SCHPL provides 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.

During the year ended March 31, 2020, SCHPL made a loss after tax of INR 2 Crores. The total comprehensive loss for the FY 2020 is INR 2 Crores.

- **MHC Global Healthcare (Nigeria) Limited (MGHL):** MGHL was incorporated under the Companies and Allied Matters Act 1990 (of Nigeria), on May 20, 2019 and is having its registered office at Kresta Laurel Complex, 4th Floor, 376, Ikorodu Road, Maryland, Ikeja, Lagos, Nigeria, as a wholly owned subsidiary.
- Nigeria contributes significantly to medical tourism in India (largest after Kenya and Sudan among African nations) and opening an office in Nigeria was in line with the international strategy of your Company. Keeping in view the expanded business scope of Nigeria office, a wholly owned subsidiary was incorporated in Nigeria. However, the Company till date has not invested the subscription money in MGHL.

### REPRESENTATIVE OFFICE IN KENYA

The Kenya branch office continued on its strong growth trajectory with a 35% growth over FY 19. The revenue reached INR 11.75 Crores. The Nairobi office expanded its footprints within Kenya by setting two smaller offices in the cities of Mombasa and Kisumu. The business rose significantly from these markets. The Nairobi office also focused on high-end and high value procedures of Bone Marrow Transplants, Liver Transplants and paediatric Cardiac Surgeries. Approximately 40% of the revenue came from these specialities. The credit business through the key client National Health Insurance Fund (NHIF), remained very well managed and within approved credit limits.



Patient Assistance Centre at Kenya

### DIRECTORS

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



The Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent directors including one-woman director. As on date, the Board comprises of seven directors out of which four are independent directors, two are non-executive directors (including one woman director) and one is executive director. The Board provides strategic guidance and direction to the Company to help achieve its vision, long-term strategic objectives and to protect the interest of the stakeholders.

The following changes took place in the directorship of the Company during the financial year 2019-20:

Changes in terms of the Pre – Merger SHA due to the change in ownership and control of the Company:

- Mr. Petrus Phillippus Van Der Westhuizen (DIN 06877878), Dr. Shrey Balaguru Viranna (DIN 08102893) and Mr. Adam Mills Pyle (DIN 07634698) (nominee directors of LHC) have resigned from the position of non-executive directors of the Company w.e.f June 21, 2019
- Dr. Omkar Goswami (DIN- 00004258) and Ms. Roshini Bakshi (DIN- 01832163) have resigned from the position of independent director of the Company w.e.f June 21, 2019.
- Mr. Yogesh Kumar Sareen (DIN-00884252) has resigned from the position of whole time director including the directorship of the Company w.e.f on June 21, 2019 and he continues to hold the office of Senior Director and Chief Financial Officer of the Company.
- Dr. Pradeep Kumar Chowbey (DIN-01141637) has resigned from the position of Executive Vice Chairman of the Board including the directorship w.e.f June 21, 2019 and he continues to hold the office of Chairman - MAMBS & Allied Surgical Specialities of the Company.
- Mr. Abhay Soi (DIN 00203597) was appointed as the non-executive Chairman of the Company (retiring director) w.e.f. June 21, 2019 as a nominee director of Radiant and he was re designated as a non-retiring director w.e.f. July 15, 2019.
- Mr. Sanjay Omprakash Nayar (DIN 00002615) and Mr. Prashant Kumar (DIN 08342577) were appointed as Directors, w.e.f June 21, 2019 as nominee directors of Radiant and both of them were liable to retire by rotation in terms of section 152 of the Act.
- Mr. Rajit Mehta (DIN: 01604819) resigned from the position of Managing Director & CEO of the Company w.e.f July 28, 2019.
- Mr. Mohit Talwar was re-designated as a non-retiring director w.e.f July 15, 2019 and Mr. Dinesh Kumar Mittal (DIN-00040000) was appointed as a non-executive director w.e.f July 29, 2019. Ms. Tara Singh Vachani, Mr. Mohit Talwar and Mr. Dinesh Kumar Mittal are the nominee directors of Max India.
- Mr. Upendra Kumar Sinha (DIN-00010336), Mr. Mahendra Gumanmalji Lodha (DIN 00012920) and Mr. Michael Thomas Neeb (DIN-08522685) were appointed as additional directors of the Company

with effect from June 21, 2019 and the members of the Company in extra-ordinary general meeting held on July 15, 2019 first appointed them as Directors in terms of Section 160 of the Act and then as Independent Directors for a period of five years w.e.f July 15, 2020.

#### Other changes during the year:

- Mr. Rahul Khosla (DIN 03597562) resigned from the position of Non-executive Director and Chairman of the Company w.e.f June 5, 2019.
- Mr. K Narasimha Murthy (DIN 00023046) was reappointed as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f September 26, 2019.

#### Changes subsequent to the Financial Year 2019 - 20 till date in accordance with the Post Merger SHA

- Mr. Mohit Talwar, Ms. Tara Singh Vachani and Mr. Dinesh Kumar Mittal stepped down from the position of directors of the Company as nominee directors of Max India w.e.f June 1, 2020.
- Mr. Prashant Kumar and Mr. Sanjay Omprakash Nayar continues on the Board as nominee directors of Kayak w.e.f June 1, 2020. Due to preoccupation elsewhere, Mr. Prashant Kumar stepped down from the Board w.e.f. June 19, 2020 and Ms. Ananya Tripathi joined the Board in his place as a nominee director of Kayak w.e.f June 19, 2020.
- Mr. Abhay Soi was appointed as the Chairman and Managing Director of the Company w.e.f. June 19, 2020 and based on recommendations of the Nomination & Remuneration Committee and subject to approval of members of the Company, the Board approves the terms & conditions of his appointment thereof.

In terms of the provisions of Section 152 of the Act, Mr. Sanjay Omprakash Nayar (DIN 00002615), non-executive director of the Company, is liable to retire by rotation at the ensuing AGM of the Company. Being eligible, he has offered himself for re-appointment. Your Directors recommend his appointment at the ensuing Annual General Meeting.

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

The disclosures with regard to resignation and re-appointment are available at website of the Company at [www.maxhealthcare.in](http://www.maxhealthcare.in).

A brief profile and other details of the director seeking appointment / re-appointment and / or fixation of remuneration of Directors (including Managing Director or whole time directors), as may be applicable, at the ensuing AGM of the Company will be provided in the notice of the AGM.

#### DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from all Independent Directors of the Company (i.e. Mr. K Narasimha Murthy,

Mr. Mahendra Gumanmalji Lodha, Mr. Michael Thomas Neeb and Mr. Upendra Kumar Sinha) confirming their independence as prescribed under Section 149 (6) of the Act. Further, they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act. The terms and conditions of appointment of independent directors are available for inspection at the registered office of the Company by any member during normal business hours and the same has also been posted on the Company's website. The declaration regarding the compliance with sub-rule 1 and 2 of Rule 6 of the Companies (Appointment and Qualification of Director) Rules, 2014 (as amended in 2019) as mentioned in sub-rule 3, relating to inclusion of name in the data bank of "Independent Directors" maintained by the Indian Institute of Corporate Affairs ("IICA") by registering with the IICA and its periodic renewal thereof, has been received from all the Independent directors.

Accordingly, in the opinion of the Board of your Company, the Independent Directors fulfill the criteria of integrity, expertise and experience (including the proficiency) as required for this purpose.

### MEETINGS OF THE BOARD

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

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in New Delhi. The Agenda for the Board and Committee meetings including detailed notes on items to be discussed at the meeting are circulated in advance to enable the Directors to take an informed decision. The quantum and quality of information supplied by the Management to the Board goes well with the requirement stipulated under Act, Secretarial Standards on the meetings of the Board issued by Institute of Company Secretaries of India ("SS-1"). The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 6 times viz. May 14, 2019, June 21, 2019, August 1, 2019, October 21, 2019, February 6, 2020 and March 25, 2020. The maximum interval between any two meetings did not exceed 120 days.

### BOARD COMMITTEES

The Board of Directors of your Company have constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The composition of all committees complies with the provisions of the Act, Pre Merger SHA and

Post Merger SHA as applicable to the Company from time to time.

In view of the proposed listing of the Company on the Stock Exchanges and change in composition of Board on June 1, 2020, the Board in its meeting held on June 19, 2020, revisited the composition and terms of reference to various sub-committees of Board in order to ensure that these committees also comply with Listing Regulations (as amended from time to time), as and when applicable to the Company.

The various sub-committees constituted by the Board as on date are:

#### Audit Committee ("AC")

As on March 31, 2020, the composition of AC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Mahendra Gumanmalji Lodha	Chairman (Independent Director)
2.	Mr. Dinesh Kumar Mittal	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
5.	Mr. Upendra Kumar Sinha	Member (Independent Director)

All the members of Audit Committee are financially literate and the Chairman possesses the required accounting and financial management expertise. The role and terms of reference of the Audit Committee comply with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all recommendations made by the Audit Committee from time to time.

The revised composition of the Audit Committee (rechristened as Audit and Risk Committee) w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Mahendra Gumanmalji Lodha	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
5.	Mr. Upendra Kumar Sinha	Member (Independent Director)

### Nomination & Remuneration Committee ("NRC")

As on March 31, 2020, the composition of NRC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Upendra Kumar Sinha	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Mohit Talwar	Member (Non Executive Director)
5.	Mr. Mahendra Gumanmalji Lodha	Member (Independent Director)

All the members are Independent Directors, except Mr. Abhay Soi and Mr. Mohit Talwar, who are Non-Executive Director. The composition, role and terms of reference of this Committee comply with the Section 178 of the Act, besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

The revised composition of the NRC w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Upendra Kumar Sinha	Chairman (Independent Director)
2.	Mr. K Narasimha Murthy	Member (Independent Director)
3.	Ms. Ananya Tripathi	Member (Non Executive Director)
4.	Mr. Mahendra Gumanmalji Lodha	Member (Independent Director)

### Corporate Social Responsibility Committee ("CSR")

In terms of Section 135 of the Act and Companies (Corporate Social Responsibilities Policy) Rules, 2014, the CSR Committee of Board of Directors was constituted to recommend the CSR Policy of the Company indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, recommending the amount of expenditure to be incurred on such activities once the Company meets the profitability criteria prescribed under the Rules and monitoring the CSR Policy of the Company from time to time.

As on March 31, 2020, the composition of CSR is as under:

S. No.	Name of the Member	Designation
1.	Mr. Mahendra Gumanmalji Lodha	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Non Executive Director)
3.	Ms. Tara Singh Vachani	Member (Non Executive Director)

The revised composition of the CSR Committee w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Mr. Mahendra Gumanmalji Lodha	Member (Independent Director)
3.	Ms. Ananya Tripathi	Member (Non Executive Director)

### Executive Council ("EC")

In terms of the Pre-Merger SHA, EC comprising of 3 (three) nominee directors of Max India and 3 (three) nominee directors of Radiant for reviewing the strategic and operational matters was constituted on June 21, 2019.

As on March 31, 2020, the composition of EC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Non Executive Director)
2.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
3.	Mr. Prashant Kumar	Member (Non Executive Director)
4.	Mr. Mohit Talwar	Member (Non Executive Director)
5.	Ms. Tara Singh Vachani	Member (Non Executive Director)
6.	Mr. Dinesh Kumar Mittal	Member (Non Executive Director)

Consequent upon the effectiveness of the Scheme, the Executive Council was dissolved w.e.f June 1, 2020.

### Corporate Restructuring Committee ("CRC")

The Board of Directors of your Company had at their meeting held on December 24, 2018 constituted Corporate Restructuring Committee to oversee the process of implementation of the Scheme of Amalgamation as approved by the Board on the same day. Due to the change in the composition of Board of the Company on June 21, 2019, the CRC was reconstituted on the same day.

As on March 31, 2020, the composition of CRC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Non Executive Director)
2.	Ms. Tara Singh Vachani	Member (Non Executive Director)
3.	Mr. Mohit Talwar	Member (Non Executive Director)
4.	Mr. Prashant Kumar	Member (Non Executive Director)
5.	Mr. K Narasimha Murthy	Member (Independent Director)

**The revised composition of the CRC w.e.f June 19, 2020 is as under:**

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Ms. Ananya Tripathi	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)

#### Debenture Committee

The Board of Directors of your Company had at their meeting held on February 06, 2020 constituted Debenture Committee to oversee the process of allotment of debentures and other requisite item as may be considered necessary and expedient in relation to the allotment of Debentures from time to time.

As on March 31, 2020, the composition of Debenture Committee is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Non Executive Director)
2.	Mr. Prashant Kumar	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)

The revised composition of Debenture Committee w.e.f. June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Ms. Ananya Tripathi	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)

In addition, the Board of Directors at their meeting held on June 19, 2020 constituted Listing Committee for taking necessary decisions and dealing with matters connected with the proposed listing of the Company and Stakeholder Relationship Committee in line with the requirements of Listing Regulations and the composition of these Committees are as follows:

#### Listing Committee

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Upendra Kumar Sinha	Member (Independent Director)

#### Shareholders' Relationship Committee

S. No.	Name of the Member	Designation
1.	Mr. K Narasimha Murthy	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Executive Director)
3.	Ms. Ananya Tripathi	Member (Non Executive Director)

The detailed and exhaustive mandates of the Audit and Risk Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders' Relationship Committee reflecting the salient terms of reference and responsibilities for such Committee are available on the website of the Company for reference.

The details of Board / Committee meetings held during the financial year 2019-20 and attendance thereof as required under SS-1 and a detailed note on the change in its composition has been provided as **Annexure – 1**.

#### DISSOLVED COMMITTEES

**The following committees (not mandatorily required under the Act) have been dissolved on June 21, 2019:**

S. No.	Name of the Committee
1.	Executive Council
2.	Scientific Projects & Technology Committee
3.	Medical Excellence Committee
4.	Service Excellence Committee
5.	Investment and Performance Review Committee



## BOARD EVALUATION

A formal evaluation of performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the financial year 2019-20. The Company followed two-pronged approach with first, an evaluation based on a questionnaire with the aim to evaluate the Board's own performance and that of its Committees and the evaluation was done on a 3 points rating scale i.e. strongly disagree, agree and neither agree nor disagree. The second part was driven by face-to-face discussions (via video conferencing) at the NRC and Board meeting with the aim to evaluate the performance of individual directors. In addition, a separate meeting of all the Independent Directors was convened to review the performance of non-independent directors and Board as a whole, review the performance of Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

The evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. A separate exercise was carried out to evaluate the performance of individual directors on parameters such as knowledge, contribution and guidance to the Management. Based on majority of the feedback, the Directors expressed satisfaction with the evaluation process and also suggested for having 5 points rating scale under Board Evaluation Mechanism for future (with rating 5 being the highest) i.e. strongly agree – agree – disagree – strongly disagree – neither agree nor disagree, as this will help in better understanding of the evaluation.

## INDUCTION AND FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

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

The details of familiarization programme for independent directors may be accessed on the Company's website at the link: <https://www.maxhealthcare.in/investors>.

## KEY MANAGERIAL PERSONNELS (KMPS) – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014,

as on March 31, 2020, Mr. Yogesh Kumar Sareen, Chief Financial Officer, Ms. Ruchi Mahajan, Company Secretary & Compliance Officer and Dr. Mradul Kaushik, Manager, are the KMPS of the Company.

During the year under review, Mr. Rajit Mehta ceased to be the Managing Director & CEO of the Company w.e.f. closure of business hours of July 28, 2019 and Dr. Mradul Kaushik was appointed as a Manager of the Company for a period of 3 years, w.e.f. August 01, 2019. Subsequently on June 15, 2020, Dr. Mradul Kaushik stepped down from the position of Manager and KMP of the Company.

In terms of the Post Merger SHA, Mr. Abhay Soi was appointed as the Chairman and Managing Director of the Board of the Company w.e.f. June 19, 2020 also KMP in terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration of the Directors, Key Managerial Personnel ("KMP") and other employees. The salient features of this Policy are as under:

- Appointment Criteria / Process and Qualification for Board, KMPS (other than MD/ WTD), Senior Management and other employees.
- The remuneration policy of the Company aiming at rewarding the performance based on review of achievements on a regular basis and is in consonance with the existing industry practice.
- Remuneration Criteria for MD / WTD/ KMP and Senior Management, Non-Executive Directors and Independent Directors.

There has been no change in the policy since last fiscal year. We affirm that the remuneration paid to directors is as per the terms laid out in the Nomination & Remuneration Policy of the Company.

In view of the proposed listing of the Company, the Board of Directors of the Company in their meeting held on June 19, 2020 adopted Nomination, Remuneration and Board Diversity Policy in line with the requirements of Listing Regulations.

The detailed policy is available on our website <https://www.maxhealthcare.in/investors>

## CORPORATE GOVERNANCE & SECRETARIAL STANDARDS & COMPLIANCE SYSTEM

Your Company strives to attain high standards of corporate governance while interacting with all the stakeholders. The increasing diversity of the investing community and the integrated nature of global capital markets render corporate governance a vital issue for investors. Your Company believes that timely disclosures, transparent accounting policies and a strong independent Board go a long way in maintaining good corporate governance, preserving shareholders trust and maximizing long-term corporate value. In



pursuit of corporate goals, your Company accords high importance to transparency, accountability and integrity in its dealings. Our philosophy for Corporate Governance is driven towards welfare of all the Stakeholders and the Board of Directors remains committed towards this end.

In addition, your Company has duly followed all applicable Secretarial Standards issued by Institute of Company Secretaries of India from time to time.

In addition, your Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further, in view of the proposed listing of the Company, the Board of Directors of the Company have approved the various policies applicable to the Company on listing in terms of the Listing Regulations i.e. Code of conduct for Directors and Senior Management, Code of Conduct for Prevention of Insider Trading, Code of Fair Disclosure, Dividend Distribution Policy, Nomination Remuneration and Board Diversity Policy, Policy for Determination of Materiality of events or Information, Policy for Determining Material Subsidiary, Policy for Preservation of Documents & Archival, Policy on Familiarization Programme for Independent Directors, Related Party Transaction Policy, Stationery Control Policy, Whistle Blower Policy and Risk Management Policy.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **AUDITORS & THEIR REPORT**

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

Pursuant to Section 139 of the Act and the rules made thereunder, it is mandatory to change the Statutory Auditors of the Company on completion of two terms of five consecutive years, as provided under the said Section.

Accordingly, SRBC will cease to hold the office of statutory auditor w.e.f closing of ensuing AGM. Based on the recommendation of Audit & Risk Committee, the Board in its meeting held on June 27, 2020 has approved the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N) ("Deloitte") as the Statutory Auditor to hold office from the conclusion of ensuing AGM till the conclusion of 24th Annual General Meeting to be held in the year 2025, subject to approval of members of the Company. Accordingly, a resolution seeking members' approval for appointment of Deloitte, as the Statutory Auditors of the Company will be included in the notice convening the ensuing AGM along with the remuneration details.

As required under Section 139 of the Act, the Company has received a written consent from Deloitte for such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Act and the rules made thereunder and that they are not disqualified to be appointed as statutory auditors in accordance with the provisions of Section 141 of the Act.

Notes on Financial Statements for FY 2019-20, referred in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **AUDITORS' CERTIFICATE ON COMPLIANCE WITH FDI NORMS**

Pursuant to Reserve Bank of India Circular Ref. RBI / 2013-2014 / 117A.P., (DIR Series) Circular No. 1 dated July 4, 2013 (as amended from time to time) and in terms of Rule 23(6) of Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Company has obtained a certificate from the statutory auditors certifying that the Company complies with the regulations as regards downstream investment and other related FEMA stipulations in this regard.

#### **REPORTING OF FRAUD BY THE AUDITORS**

During the FY 2019 -20, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

#### **COST AUDITORS**

In terms of Section 148 of the Act read with the Companies (Cost Records & Audit) Rules, 2014 ("the Rules"), the Company had appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2019-20. The Company has made and maintained the Cost accounts and records in accordance with section 148 sub-section (1) of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report will be filed within the stipulated period of 180 days from the close of the financial year.

Further, the Company has received a certificate from M/s Chandra Wadhwa & Co., confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for the financial year 2020-21.

It is proposed to appoint M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for the Financial Year 2020 -21, at a remuneration of INR 5,20,000 (Indian Rupees Five Lakhs Twenty Thousand Only) plus applicable taxes. Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed will be proposed for ratification by the members of the Company in the ensuing AGM.

## SECRETARIAL AUDITOR AND THEIR REPORT

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Jus & Associates, Company Secretaries, as the Secretarial Auditor of the Company for FY 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as **Annexure 2** to this Report. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse opinion.

Further, in view of the enhanced scope on account of proposed listing of the Company, it is proposed to appoint M/s Sanjay Grover & Associates, Practising Company Secretaries, New Delhi as the Secretarial Auditor for FY 2020-21 pursuant to section 204 of the Act.

The Company has received a letter from of M/s Sanjay Grover & Associates consenting to act as the Secretarial Auditor of the Company for FY 2020-21.

## INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

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

The Financial policies, standards and delegations of authority have been disseminated to senior management to cascade within their departments. During the year, your Company has taken various key new initiatives to improve reliability and objectivity in Financial Reporting & Controls viz. review of key Accounting policies with the Audit and Risk Committee ("AC"), review of significant areas requiring management estimates and judgement with the AC, change in Depreciation Policy after benchmarking with the best in class, Digitisation of various module and processes, improvement in MIS and introduction of auto alerts and exception control reporting to improve control environment.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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

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

## RISK MANAGEMENT

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

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

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

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

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

A whistle blower can raise his / her concerns with the designated official and under exceptional circumstances with the AC. The investigations relating to the concern is required to be carried out by / or under the instruction of the Ethics and Compliance Committee comprising of three permanent members including Head Internal Audit, Head – HR, Head – Legal, Compliance & Regulatory Affairs (the Chairperson of the Committee for initial 2 years), Head of Clinical Directorate and any other members as may be co-opted on a case by case basis for effective redressal of a concern. Any allegations that fall within the scope of the concerns identified are investigated and resolved appropriately. Further, during the year under review, no individual was denied access to the AC for reporting concerns, if any.

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

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

## **CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES**

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

All contracts / arrangements / transactions entered by the Company during the Financial Year 2019-20, with related parties were in the ordinary course of business and on an arm's length basis.

The Company entered into Share Purchase Agreement with SCHPL and Kayak on March 26, 2020, for purchasing the Kayak's stake (i.e. 1,26,00,000) in SCHPL, as per the details elsewhere mentioned in this report, on an arm's length basis and such transaction is considered other than in ordinary course of business of the Company. Considering the fact that upon the effectiveness of the Scheme, Kayak will become one of the Promoters of the Company and may be considered as a related party of the Company in accordance with sub-clause (vii) of Section 2(76) of the Act, accordingly, from good governance perspective, the members at their extra ordinary general meeting held on March 25, 2020, approved the aforesaid transaction in terms of Section 188 of the Act read with the rules made thereunder.

The particulars of contracts or arrangements as mentioned above in terms Section 188(1) and applicable rules of the Act in Form AOC-2 is provided as **Annexure 3** to this Annual Report.

Further, there are no related party transactions made by the Company, which may have potential conflict with the interest of the Company at large.

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

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

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

## **EXTRACT OF ANNUAL RETURN**

The extract Annual Return of the Company referred to in Section 92 (3) of the Act is annexed as **Annexure 4** and is also placed on the website of the Company and is available at <https://www.maxhealthcare.in/investors>

## **CORPORATE SOCIAL RESPONSIBILITY**

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

As per the aforesaid Policy, your Company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz., Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company. In terms of Section 135 of the Act read with Companies (Corporate Social Responsibilities Policy) Rules, 2013, in view of the Company's carried forward losses, your Company was unable to contribute to the CSR activities for the FY 2019-20. The Annual Report on CSR activities is annexed as **Annexure 5**.

## **DEPOSITS**

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

## **TALENT MANAGEMENT**

This financial year 2019-20 marked as a dawn of new era in the history of your Company. While sailing through the transition, the HR function helped manage significant organisational changes in collaboration with other departments and worked towards ensuring smooth amalgamation of leadership and successful reorganisation of different teams and functions across entity. In tandem, the team built on a number of initiatives to improve existing HR systems and processes as well as developed new tools and practices



to enhance the employee experience. These efforts include spanned digital HR programme, recruitment and employer brand, learning & development, engagement & recognition and governance.

Most of our achievements and milestones in the past year reiterate the fact that creating a stellar employee experience is critical for us. This year as well, we have an unwavering and relentless focus to create an effective employee experience framework, wherein our employees feel even more engaged and happy at every touchpoint throughout their journey with the organisation.

The Company had 3783 (Three Thousand Seven Hundred Eighty Three) employees as of March 31, 2020 on standalone basis.

Pursuant to the Scheme, Employee Provident Fund Account of the Company has been transferred from Max Financial Services Employee PF Trust to Regional PF Commissioner w.e.f June 1, 2020.

Details of employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is given separately as an **Annexure 6** to this Report.

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

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

Your Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has complied with the provisions relating to constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is an ICC at every work locations / hospitals, which is responsible for redressal of complaints related to sexual harassment in accordance with the guidelines provided in the policy.

During the year ended March 31, 2020, the ICC received 7 complaints pertaining to sexual harassment. Detailed investigations were carried out and appropriate actions have been taken by the ICC in all the reported incidents and 1 complaint is being investigated and pending.

#### **EMPLOYEES STOCK OPTIONS PLAN - 2006**

Your Company implemented Employee Stock Option Plan in 2006 ("the ESOP Scheme"), which was amended with the approval of the shareholders of the Company in its meeting held on March 1, 2016. The Scheme is valid till August 10, 2026.

All options vested upto March 31, 2018 were exercised and grantees opted for the deferred compensation, which were also paid by the Company to the grantees and in FY 19, no new options were granted under the ESOP Scheme. Further, all the grantees have irrevocably opted for deferred compensation plan for the unvested part of employee stock options issued earlier. No new ESOPs were granted during the year under review and consequently, there are no outstanding stock options as on March 31, 2020.

Accordingly, no specific disclosure is required under with Section 62 of the Act and Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time).

#### **PHANTOM STOCK PLAN**

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

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 recognised 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 MHIL PS are set out as **Annexure 7** to this Report.

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

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

#### **ADDITIONAL INFORMATION**

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

##### **A. Conservation of Energy**

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

Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review

of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. During the year, your Company has taken following significant energy conservation measures across its various hospitals:

- Replacement of existing fixtures with energy efficient LED lights continues on ongoing basis.
- Replacement of old air conditioning chiller with energy efficient chiller.
- Automatic tube cleaning systems have been installed on chiller to derive better efficiency from these chillers.
- Control on HVAC systems contributed by way of efficient monitoring and regulation of temperature in Operation Theatres (OTs) and use of winter chillers.
- More than 99% uptime of all major engineering equipments and systems across all hospitals.
- Monitoring and benchmarking of power consumption per occupied bed, optimising actual vs. designed efficiency of major equipments and spreading awareness to conserve our environment amongst various stake holders are some of the efforts which have helped conserve power consumption while the hospitals cater to increased footfalls.
- Recycling of water and optimising water consumption in OT and other patient areas.
- Old air compressor has been replaced with energy efficient screw type compressor for medical gas system.

b) Capital investment on energy consumption equipment: INR 181.35 Lakhs.

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

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

## **B. Research & Development (R & D):**

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

- Your Company has built a strong foundation in managing several sponsored global 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 Programme 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, your Company has 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 organisations 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.
- Your Company is 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 seroepidemiological 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 collaborated 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.

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

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

c. Future Plan of action

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

- To conduct various training programmes on research areas like medical writing, statistics



through collaborations with the academic institutions in clinical research and renowned pharmaceutical companies to enhance the research skills of researchers.

- To explore opportunities to collaborate with other national and international research organisation to broaden the scope of research in other speciality areas other than Endocrinology.
- Your Company also plans to augment its clinical research programme in various areas viz. Epidemiology (Studies involving collecting & analysing data about health & disease in target populations), Clinical Research (Innovation of techniques and ideas by physicians, supported by laboratory research) and Clinical Trials (Investigations of a new drug on human volunteers to determine safety, toxicity, efficacy, dosage).
- To explore setting up of a Bio Bank with national / international collaborators.
- To establish Grant office and Bio-informatics division to expend research programme.

### C. Technology Absorption:

(a) & (b):

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

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

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

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

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

### D. Foreign Exchange Earnings and Outgo:

- a) Activities relating to exports: Initiatives taken to increase exports, development of new export markets for products and services, and export plans: Your Company is engaged in the healthcare

business and is not carrying on any export activities. The Company has appointed healthcare facilitators in various countries to cater to international patients.

- b) Total foreign exchange earned and used :

(i) Earnings : INR 70.95 crores

(ii) Expenditure: CIF Value of Imports  
INR 5.93 crores

Others - INR 9.75 crores

### GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of shares (including sweat equity shares) to employees of the Company under any scheme save and except under ESOP referred to in this Report.
3. Voting rights which are not exercised directly by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material adverse orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## ACKNOWLEDGEMENT

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

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

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust reposed in your Company.

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

**For and on behalf of the Board of Directors**

Sd/-

**Abhay Soi**

**Chairman & Managing Director  
(DIN 00203597)**

**Date: June 27, 2020**

**Place: New Delhi**

# ANNEXURE - 1 to Directors' Report

## DETAILS OF THE MEETINGS OF BOARD AND COMMITTEES OF MAX HEALTHCARE INSTITUTE LIMITED ATTENDED BY THE DIRECTORS IN PERSON / THROUGH VIDEO-CONFERENCING FOR FY 19-20

### I. BOARD OF DIRECTORS' MEETING

No. of meetings: 6 (Six) i.e. May 14, 2019, June 21, 2019, August 01, 2019, October 21, 2019, February 06, 2020 and March 25, 2020.

NAME OF THE BOARD MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Rahul Khosla	1
Mr. Adam Mills Pyle	NIL
Mr. K. Narasimha Murthy	6
Mr. Mohit Talwar	3
Dr. Omkar Goswami	2
Mr. Petrus Phillippus Van Der Westhuizen	1
Dr. Pradeep Kumar Chowbey	1
Mr. Rajit Mehta	2
Ms. Roshini Bakshi	1
Dr. Shrey Balaguru Viranna	1
Ms. Tara Singh Vachani	3
Mr. Yogesh Kumar Sareen	2
Mr. Abhay Soi	4
Mr. Mahendra Gumanmalji Lodha	3
Mr. Prashant Kumar	4
Mr. Upendra Kumar Sinha	3
Mr. Michael Thomas Neeb	3
Mr. Sanjay Omprakash Nayar	NIL
Mr. Dinesh Kumar Mittal	2

#### Notes:

- Mr. Rahul Khosla ceased to be Director and Chairman of the Company effective from the closure of business hours of June 5, 2019;
- Dr. Omkar Goswami and Ms. Roshini Bakshi ceased to be Independent Directors of the Company with effect from closure of day on June 21, 2019;
- Mr. Petrus Phillippus Van Der Westhuizen, Dr. Shrey Balaguru Viranna and Mr. Adam Mills Pyle resigned from the position of Non-Executive Directors (nominees of Life Healthcare International Pte. Ltd.) of the Company with effect from the closure of Board meeting held on June 21, 2019;
- Mr. Rajit Mehta resigned from the position of Managing Director & CEO of the Company effective from the closure of business hours on July 28, 2019;
- Mr. Yogesh Kumar Sareen resigned from the

position of Whole time Director including the directorship of the Company with effect from the closure of day on June 21, 2019 and he continues to hold the office of Senior Director and Chief Financial Officer of the Company;

- Dr. Pradeep Kumar Chowbey resigned from the position of Executive Vice Chairman of the Board including the directorship with effect from the closure of day on June 21, 2019 and he continues to hold the office of Chairman - MAMBS & Allied Surgical Specialities of the Company;
- Mr. Abhay Soi was appointed as non-executive Chairman of the Company (retiring director) w.e.f. June 21, 2019 as a nominee director of Radiant and he was re designated as non-retiring director w.e.f. July 15, 2019;
- Mr. Upendra Kumar Sinha, Mr. Mahendra Gumanmalji Lodha and Mr. Michael Thomas Neeb were appointed as additional directors of the Company with effect from June 21, 2019 and the members of the Company at their Extra-ordinary General Meeting held on July 15, 2019 appointed them as Directors in terms of Section 160 of the Act and as Independent Directors for a period of five years w.e.f July 15, 2020;
- Mr. Sanjay Omprakash Nayar and Mr. Prashant Kumar were appointed as Directors w.e.f June 21, 2019 as nominee directors of Radiant and both of them are liable to retire by rotation in terms of section 152 of the Act;
- Mr. Mohit Talwar was re designated as a non-retiring director w.e.f July 15, 2019 and Mr. Dinesh Kumar Mittal was appointed as a Director (nominee of Max India Limited) with effect from July 29, 2019.

### II. AUDIT COMMITTEE

No. of meetings: 7 (Seven) i.e. May 13, 2019, June 21, 2019, August 1, 2019, October 10, 2019, October 21, 2019, February 06, 2020 and March 25, 2020

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Mahendra Gumanmalji Lodha, Chairman	4
Mr. Upendra Kumar Sinha	5
Mr. K Narasimha Murthy	7
Mr. Sanjay Omprakash Nayar	2
Mr. Dinesh Kumar Mittal	3
Dr. Omkar Goswami	2

Mr. Petrus Phillippus Van Der Westhuizen	1
Ms. Roshini Bakshi	1

**Notes:**

- Mr. K Narasimha Murthy was Chairman of the Audit Committee Meeting. Further, on account of change in composition of Board of Directors of the Company his designation was changed from Chairman to Member (Independent Director) of the Committee w.e.f. June 21, 2019. Also, he has attended two meetings dated May 13, 2019 and June 21, 2019 as Chairman and other five meetings as a member of the Audit Committee;
- Dr. Omkar Goswami, Mr. Petrus Phillippus Van Der Westhuizen and Ms. Roshini Bakshi resigned from the Board of the Company with effect from the closure of day on June 21, 2019. Accordingly, they were ceased to be the members of Audit Committee;
- Consequent upon change in the composition of Board of Directors, the Audit Committee of the Company was re-constituted on June 21, 2019 comprising of following members:
  - Mr. Mahendra Gumanmalji Lodha, Chairman
  - Mr. Upendra Kumar Sinha
  - Mr. K Narasimha Murthy
  - Mr. Sanjay Omprakash Nayar
  - Mr. Dinesh Kumar Mittal (with effect from July 29, 2019)

### III. NOMINATION & REMUNERATION COMMITTEE

No. of meetings: 5 (Five) i.e. May 13, 2019, June 21, 2019, August 01, 2019, October 21, 2019 and February 06, 2020.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Upendra Kumar Sinha, Chairman	3
Mr. Mahendra Gumanmalji Lodha	2
Mr. K Narasimha Murthy	5
Mr. Abhay Soi	3
Mr. Mohit Talwar	1
Dr. Omkar Goswami	2
Ms. Roshni Bakshi	1
Mr. Rahul Khosla	1
Dr. Shrey Balaguru Viranna	1

**Notes:**

- Dr. Ajit Singh stepped down from the position of Director of the Company w.e.f. March 31, 2019 and ceased to be the member of NRC;
- Mr. Rahul Khosla stepped down from Chairmanship & directorship of the Company w.e.f. June 5, 2019. Accordingly, he ceased to be the member of Nomination and Remuneration Committee;

- Dr. Shrey Balaguru Viranna ceased to be the director on the Board of the Company w.e.f. closure of Board meeting held on June 21, 2019. Accordingly, he ceased to be the member of Nomination and Remuneration Committee;
- Dr. Omkar Goswami and Ms. Roshini Bakshi resigned from the position of Independent Directors of the Company with effect from the closure of Board meeting held on June 21, 2019. Accordingly, they were ceased to be the members of Nomination and Remuneration Committee;
- Consequent upon change in the composition of Board of Directors, the Nomination and Remuneration Committee of the Company was re-constituted on June 21, 2019 comprising of:
  - Mr. Upendra Kumar Sinha, Chairman
  - Mr. Mahendra Gumanmalji Lodha
  - Mr. K Narasimha Murthy
  - Mr. Abhay Soi
  - Mr. Mohit Talwar

### IV. EXECUTIVE COUNCIL

No. of meetings: 2 (Two) i.e. August 01, 2019 and October 21, 2019

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Abhay Soi, Chairman	2
Mr. Mohit Talwar	2
Mr. Prashant Kumar	2
Ms. Tara Singh Vachani	1
Mr. Dinesh Kumar Mittal	1
Mr. Sanjay Omprakash Nayar	1

**Notes:**

- Executive Council was constituted by Board of Directors at their meeting held on June 21, 2019 and was dissolved w.e.f. June 1, 2020.

### V. INVESTMENT AND PERFORMANCE REVIEW COMMITTEE

No. of meetings: 1 (One) i.e. May 14, 2019.

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Rahul Khosla, Chairman	1
Mr. Mohit Talwar	1
Mr. Petrus Phillippus Van Der Westhuizen	1
Mr. Adam Mills Pyle	NIL
Ms. Tara Singh Vachani	1
Dr. Shrey Balaguru Viranna	1

**Notes:**

- Investment and Performance Review Committee was dissolved w.e.f. June 21, 2019.

## VI. MEDICAL EXCELLENCE & COMPLIANCE COMMITTEE ("MECC")

No. of meetings: 1 (One) i.e. May 13, 2019

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Adam Mills Pyle	NIL
Dr. Pradeep Kumar Chowbey	1
Ms. Tara Singh Vachani	1

### Notes:

- Dr. Ajit Singh, Chairman of MECC, stepped down from the Board position w.e.f March 31, 2019 and consequent upon Mr. Singh's resignation, the revised composition of MECC was as follows:
  - Dr. Pradeep Kumar Chowbey, Member
  - Mr. Adam Pyle, Member
  - Ms. Tara Singh Vachani, Member
- MECC was dissolved w.e.f June 21, 2019.

## VII. SERVICE EXCELLENCE COMMITTEE

No. of meetings: 1 (One) i.e. May 13, 2019

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Dr. Omkar Goswami, Chairman	1
Dr. Pradeep Kumar Chowbey	1
Ms. Tara Singh Vachani	NIL
Dr. Shrey Balagru Viranna	1

### Notes:

- Dr. Ajit Singh stepped down from the position of director of the Company w.e.f. March 31, 2019 and consequent upon his resignation, the revised composition of Service Excellence Committee was as under:
  - Dr. Omkar Goswami, Chairman
  - Dr. Pradeep Kumar Chowbey, Member
  - Ms. Tara Singh Vachani, Member
  - Dr. Shrey Viranna, Member
- Service Excellence Committee was dissolved w.e.f June 21, 2019

## VIII. SCIENTIFIC PROJECTS & TECHNOLOGY COMMITTEE

No. of meetings: 1 (One) i.e. May 13, 2019

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Adam Mills Pyle	NIL
Dr. Pradeep Kumar Chowbey	1
Ms. Tara Singh Vachani	1

### Notes:

- Dr. Ajit Singh, Chairman of Scientific Projects and

Technology Committees, stepped down from the Board position w.e.f March 31, 2019, consequent upon the resignation of Dr. Ajit Singh, the revised composition of Scientific Projects and Technology Committee was as under:

- Mr. Adam Pyle, Member
  - Dr. Pradeep Kumar Chowbey, Member
  - Ms. Tara Singh Vachani, Member
- Scientific Projects and Technology Committee was dissolved w.e.f June 21, 2019.

## IX. INDEPENDENT DIRECTOR'S MEETING

No. of meeting: 1 (One) i.e. May 14, 2019

NAME OF THE MEMBER	NUMBER OF MEETING ATTENDED
Mr. K. Narasimha Murthy, Chairman	1
Ms. Roshini Bakshi	1
Dr. Omkar Goswami	1

## X. CORPORATE SOCIAL RESPONSIBILITY MEETING

No. of meeting: 1 (One) i.e. October 21, 2019

NAME OF THE MEMBER	NUMBER OF MEETING ATTENDED
Mr. Mahendra Gumanmalji Lodha, Chairman	NIL
Ms. Tara Singh Vachani	1
Mr. Abhay Soi	1

For and on behalf of the Board of Directors

Sd/-

Date : June 27, 2020

Place: New Delhi

Abhay Soi  
Chairman &  
Managing Director  
(DIN 00203597)



# ANNEXURE - 2 to Directors' Report

## SECRETARIAL AUDIT REPORT

[FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020]

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,  
The Members,  
Max Healthcare Institute Limited  
Corporate Office,  
7th Floor, Tower-A, DLF Centre Court,  
DLF City Phase-V, Sector-42,  
Golf Course Road, Gurgaon-122002

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020 ("the financial year"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2020, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder read with notifications, exemptions and clarifications thereto;
- II. The Depositories Act, 1996 as amended from time to time, and the Regulations and Bye-laws framed thereunder;
- III. Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made thereunder, to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- IV. Secretarial Standards issued by the Institute of Company Secretaries of India.
- V. Other significant laws specifically applicable to the Company, including:

- i) Delhi Nursing Homes Registration Act, 1953 and Rules made thereunder; and similar Registration Acts of other States, wherever applicable
- ii) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945
- iii) Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004 and Guidelines to set up Nuclear Medicine Facility
- iv) The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and Rules made thereunder
- v) Medical Termination of Pregnancy Act, 1971 and Rules made thereunder
- vi) Narcotic Drugs and Psychotropic Substances Act, 1985 and Rules made there under and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013
- vii) The Transplantation of Human Organs Act, 1994 and Rules made thereunder
- viii) The Nursing Council Act, 1947
- ix) Food Safety and Standards Act, 2006 and Rules made thereunder
- x) The Bio Medical Waste (Management & Handling Rules), 2016
- xi) Indian Explosives Act, 1884 and Rules made thereunder
- xii) Indian Boiler Act, 1923
- xiii) Other Environment and Labour Laws

During the financial year, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned hereinabove.

### We further report that:

1. The Board of Directors of the Company is duly constituted with optimum combination of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director, in terms of the relevant provisions of the Act. The changes in the composition of the Board of Directors that took place during the financial year were carried out in compliance with the provisions of the Act.

2. During the financial year, adequate notice along with agenda and detailed notes on agenda was given to all directors for the meetings of the Board and its Committees and in case of shorter notice, due compliance of relevant provisions of the Act and Secretarial Standards in this regard was made.
3. All the decisions were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the financial year.
4. The Company obtained the approval of the Shareholders in its Annual General Meeting, held on September 24, 2019 in respect of the following:
  - a) Re-appointment of Mr. Narasimha Murthy Kummamuri as an Independent Director of the Company for a second term of 5 consecutive years effective September 26, 2019 under section 149, 152 read with Schedule IV of the Companies Act, 2013 and Rules made thereunder.
  - b) Appointment of Dr. Mradul Kaushik as the Manager of the Company for a period of 3 years effective August 01, 2019 under Section 2(51), 2(53), 196, 197, 203, Schedule V and any other applicable provisions of Companies Act, 2013 and Rules made thereunder as the Managing Director of the Company resigned effective July 28, 2019. Terms and conditions of his appointment including remuneration payable were also approved.
5. Mr. Rajit Mehta vide his letter dated June 15, 2019, expressed his desire to step down from the position of Managing Director & CEO of the Company effective from the closure of business hours on July 28, 2019. The Company therefore, obtained the approval of the Shareholders in its Extra Ordinary General Meeting held on June 19, 2019 under Section 196, 197 and other applicable provisions of the Act read with Schedule V of the Act and Rules made thereunder, approving the terms of remuneration including variable pay/pro-rata bonus payable to Mr. Rajit Mehta as Managing Director & Chief Executive Officer of the Company for the period from April 1, 2019 till July 28, 2019.
6. The Board of Directors of the Company in its meeting held on October 21, 2019 approved the proposal for acquiring 3,15,68,142 equity shares (constituting remaining 22.05%) of Crosslay Remedies Ltd. ("CRL") from its existing shareholders, consequent to the Put Option exercised by them for selling their stakes in terms of Shareholders Agreement dated May 28, 2015. Further, the Company on January 15, 2020 executed Share Purchase Agreement ("SPA") with CRL and its remaining shareholders and thereafter, amendment agreement to SPA on June 18, 2020 for acquiring further 5.24% stake in CRL and remaining shares in one or more tranches.
7. The Board of Directors of the Company in its meeting held on March 25, 2020 approved the proposal for purchase of 1,42,81,883 equity shares (constituting 49%) of Saket City Hospital Private Limited ("SCHPL") jointly with Kayak Investments Holding Pte Limited ("Kayak") and execution of transaction documents for this purpose. The Company has purchased 16,81,883 shares on March 27, 2020 of SCHPL. Form FC-TRS, in respect thereof, has been approved by RBI. The Company and Kayak have executed a Share Purchase Agreement on March 26, 2020 for the purchase of balance 1,26,00,000 equity shares of SCHPL in one or more tranches to make it a wholly owned subsidiary of the Company. Also, on March 31, 2020, 5,00,000 CCPS held by the Company in SCHPL were converted into 2,85,714 equity shares in accordance with terms of issuance of CCPS. As on March 31, 2020, the Company holds 57.2% of the share capital of SCHPL.
8. The Company has obtained the approval of the Shareholders in its Extra-Ordinary General meeting, held on June 19, 2019, under section 196, 197 and other applicable provisions of the Act read with Schedule V of the Act and Rules made thereunder, for appointment of and the terms of remuneration payable to Mr. Yogesh Kumar Sareen, the Whole Time Director of the Company for the period from April 1, 2019 till March 31, 2022. Mr. Yogesh Kumar Sareen stepped down from the position of whole-time director including directorship of the Company effective June 21, 2019. However, he continued to hold the position of CFO of the Company.
9. Pursuant to the Shareholders Agreement dated December 24, 2018 entered amongst the Company, Max India Limited ("Max India") and Radiant Life Care Private Limited ("Radiant") and Share Purchase Agreement dated December 24, 2018 between the Company, Life Healthcare Group International Proprietary Limited ("LHC") and Radiant, the Company in its Extra Ordinary General Meeting held on June 21, 2019 approved the amendment in the Articles of Association of the Company to incorporate the rights and obligations conferred on Radiant, Max India and the Company. The Company, in the same meeting, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and read with Rules made thereunder, obtained the approval for the appointment of Mr. Abhay Soi, Mr. Sanjay Omprakash Nayar and Mr. Prashant Kumar, nominees of Radiant and Mr. Dinesh Kumar Mittal, nominee of Max India, as Directors of the Company.
10. The Company, in its Extra Ordinary General Meeting held on July 15, 2019, obtained the approval of shareholders, under Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, for appointment of Mr. Upendra Kumar Sinha, Mr. Mahendra Gumanmalji Lodha and Mr. Michael Thomas Neeb as Independent Directors of the Company for a period of five years effective July 15, 2019. In the same meeting, it was approved that office of directorship of Mr. Abhay Soi and Mr. Mohit Talwar will not be liable to rotation.
11. The Company, in its Extra Ordinary General Meeting held on February 25, 2020, has obtained necessary approval from its shareholders for increasing the limit from Rs. 2500 crores to Rs. 3500 crores for

giving loan or guarantee or making investments pursuant to Section 186 of the Companies Act, 2013 read with Rules made thereunder.

We further report on the specific events/ actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. mentioned hereinabove, as under:

- a) The Composite Scheme of Amalgamation and Arrangement between Max India, the Company, Radiant, and Advaita Allied Health Services Limited (a wholly owned subsidiary of Max India) has been approved by the Hon'ble National Company Law Tribunal (NCLT) vide its Order dated January 17, 2020. The certified true copy of the Order was issued by NCLT on May 27, 2020 and the same was filed with Registrar of Companies in the prescribed Form INC-28 on June 1, 2020, making it the "Effective Date" of the Scheme. From the Effective Date, the healthcare business of Radiant and also the residual Max India (post demerger of the Demerged Undertaking), comprising of healthcare activities (including its underlying investment in the Company) gets amalgamated with the Company.
- b) In terms of the Share Purchase Agreement dated December 24, 2018 amongst LHC, Radiant and the Company, LHC on June 21, 2019 transferred 26,69,97,937 equity shares to Radiant, constituting 49.7% shareholding of the Company.
- c) The borrowings limits of the Company pursuant to Section 180(1)(c) as well as limits for creation of charge on the assets of the Company pursuant to Section 180 (1)(a) of the Companies Act, 2013 were increased from the existing limits of Rs. 1000 crores to Rs. 1500 crores with the approval of the shareholders in its Extra Ordinary General Meeting held on August 12, 2019. Both these limits were further increased to Rs. 3500 crores with the approval of the shareholders in its Extra Ordinary General Meeting held on February 25, 2020.
- d) The Company, in its Annual General Meeting held on September 29, 2019, obtained the approval of its shareholders under Section 42, 71 and other applicable provisions of Companies Act, 2013 along with the provisions of Foreign Exchange Management Act, 1999, read with Rules made thereunder and the Foreign Exchange Management (Transfer or Issue of Security by a Person resident outside India), regulations 2000, for the issue of Secured Redeemable Non-Convertible Debentures (NCD) up to an amount not exceeding Rs. 483.90 crores consisting of 4,839 (Four Thousand Eight Hundred and Thirty Nine) NCD of Rs. 10,00,000 each to International Finance Corporation on a private placement basis. However, the Company has not issued any NCD till the end of the financial year.
- e) The Company, in its Extra Ordinary General Meeting held on February 25, 2020, obtained

approval from its shareholders for raising funds up to Rs. 100 crores by way of issuance of non-convertible debentures to Foreign Portfolio Investor(s) registered under SEBI (Foreign Portfolio Investors) Regulations, 2019 on a private placement basis. However, the Company has not issued any NCD till the end of the financial year.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. For the purpose of examining the adequacy of compliances with applicable laws including industry/sector specific laws, under both Central and State legislations, reliance has been placed on the Certificate issued by the Management confirming compliance of all applicable statutes and payments to Government, which is presented before the Audit Committee and also placed before the Board meeting for each quarter, based on the reports received by the Company from various hospitals/ nursing homes/ day-care centers/ other units, along with action taken/to be taken, wherever required, as part of the Company's Compliance Management and Reporting System. As per Management Representations, the Company has responded appropriately to the notices received from the statutory/ regulatory authorities and corrective measures have been taken from time to time; cases of disputed liabilities have been disclosed as contingent liability in the Notes to Accounts forming an integral part of the financial statements for the year under review. The aforesaid contingent liability includes estimated liability in respect of legal cases filed against the Company.

**For Jus & Associates  
Company Secretaries**

Sd/-

Date: June 27, 2020

Place: New Delhi

**Dr. Ajay Kumar Jain**

Proprietor

Membership Number: FCS - 1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE695800

This secretarial audit report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure-A to Secretarial Audit Report of even date

To,  
The Members,  
**Max Healthcare Institute Limited**  
Corporate Office,  
7th Floor, Tower-A, DLF Centre Court,  
DLF City Phase-V, Sector-42,  
Golf Course Road, Gurgaon-122002

Our Secretarial Audit Report of even date for the financial year ended March 31, 2020 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the Management. Our responsibility is to express an opinion based on examination of systems and procedures being followed by the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Jus & Associates  
Company Secretaries

Sd/-

Dr. Ajay Kumar Jain  
Proprietor  
Membership Number: FCS - 1551  
Certificate of Practice Number: 21898  
Firm Registration Number: P2010DE69580

Date: June 27, 2020

Place: New Delhi



# ANNEXURE - 3 to Directors' Report

## FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

Details of material contracts, arrangement, or transactions at arm's length basis:

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value	Date(s) of approval by the Board	Amount paid as advances, if any
Kayak Investments Holding Pte. Ltd ("Kayak").	Promoter*	Share Purchase Agreement with Kayak ("Kayak SPA") to purchase 1,26,00,000 equity shares of Saket City Hospitals Private Limited ("SCHPL") acquired by Kayak on March 26, 2020 from Smart Health Pte Ltd. ("Kayak Sale Shares")	<ul style="list-style-type: none"> <li>The Company shall purchase Kayak Sale Shares within 4 months from the execution of Kayak SPA or any other date after the expiry of 4 (four) months from the said execution date as communicated to the Company, at the sole discretion of Kayak.</li> <li>Other than as mutually agreed between the Parties with respect to specific clauses under Kayak SPA, the duration of the contract shall be until completion of the share purchase of Kayak Sale Shares by the Company.</li> </ul>	Please refer to Notes below.	March 25, 2020	There is no advance paid to or received by Kayak in this regard

\* Kayak was not the Promoter of the Company at the time of entering into this Agreement; however, consequent upon the effectiveness of the Scheme, Kayak become one of the promoters of the Company w.e.f. June1, 2020. The Board sought the shareholders' approval on March 25, 2020 from good governance perspective.

**NOTES:**

Salient terms of the contracts, arrangements, or transactions including the value:

- Purpose: To consummate the transaction under the Put Option Notice in terms of Shareholders' Agreement dated November 27, 2015 between the Company, Smart and SCHPL ("SCHPL SHA"). The Company and Kayak has jointly agreed to purchase equity shares of SCHPL from Smart in terms of Share Purchase Agreement executed between the Company, Kayak, Dr. B. K. Modi, Smart and SCHPL ("Smart SPA") and simultaneously, the Company entered into another share purchase agreement with Kayak ("Kayak SPA") to purchase the portion of the Smart Stake acquired by Kayak through the Smart SPA (i.e. 1,26,00,000 equity shares) ("Kayak Sale Shares"), such that the Company shall hold 100% of the paid-up share capital of SCHPL.
- Conditions to Closing: The conditions to Closing shall be the purchase of shares of SCHPL by the Company from Kayak and there being no breach of representations, warranties and covenants of the Kayak SPA. There are no approvals from any governmental authorities or third parties required by the Company for the Closing.
- Manner of determining the pricing and other commercial terms: SCHPL has procured the valuation report in respect of Kayak Sale Shares from an independent valuer certifying the Fair Market Value of these shares i.e. INR 386.50 per share. In accordance with 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 64,246,702 which price, shall not exceed the fair market value of these shares.

**For and on behalf of the Board of Directors**

Sd/-

**Date : June 27, 2020**

**Place: New Delhi**

**Abhay Soi**

**Chairman & Managing Director  
(DIN 00203597)**

# ANNEXURE - 4 to Directors' Report

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020**

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

## I. REGISTRATION AND OTHER DETAILS

CIN	U72200MH2001PLC322854
Registration Date	June 18, 2001
Name of the Company	MAX HEALTHCARE INSTITUTE LIMITED
Address of the Registered office and contact details	167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400018 Email id :-investors@maxhealthcare.com Website – www.maxhealthcare.in
Category / Sub-Category of the Company	Public Company Limited by Shares
Whether listed company	Unlisted
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited (w.e.f. February 6, 2020) Noble Heights, 1st 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 SEBI registration number: INR000004058 Mas Services Limited (till February 5, 2020) (Registrar & Share Transfer Agents) T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- +91 11 2638 7281/82/83

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
1	Hometrail Buildtech Private Ltd. N - 110, Panchsheel Park, New Delhi-110017	U45400DL2008PTC176962	Subsidiary	100% (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
2	Alps Hospital Ltd. N - 110, Panchsheel Park, New Delhi-110017	U74899DL1989PLC036413	Subsidiary	100% (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
3	Crosslay Remedies Ltd. N - 110, Panchsheel Park, New Delhi-110017	U24239DL2002PLC113719	Subsidiary	77.95% (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
4	Saket City Hospitals Private Limited N - 110, Panchsheel Park, New Delhi-110017	U85110DL1991PTC042646	Subsidiary	57.2% (directly)	Clause (ii) of sub-section 87 of Section 2 of the Companies Act, 2013
5	MHC Global Healthcare (Nigeria) Limited Kresta Laurel Complex, 4th Floor, 376, Ikorodu Road, Maryland, Ikeja, Lagos, Nigeria	NA	Subsidiary	The Company does not hold any ordinary shares of MGH as on March 31, 2020	
6	Radiant Life Care Mumbai Private Limited*	U85191MH2014PTC255294	Subsidiary	99.99%	Pursuant to the sanctioned Scheme

\*wef June 1, 2020



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

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

#### V. INDEBTEDNESS

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

(in Lakhs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Opening Balance as on 01.04.2019	38,875	-	-	38,875
ii Interest due but not paid as on 01.04.2019	-	-	-	-
iii. Interest Accrued but not due as on 01.04.2019	160	-	-	160
<b>Total (i+ii+iii)</b>	<b>39,035</b>	<b>-</b>	<b>-</b>	<b>39,035</b>
Change in indebtedness during the financial year				
i. Change in Principal during the period {Addition / (reduction)}	-2,797	43,611	-	40,814
ii. Change in Interest Accrued during the period {Addition / (reduction)}	6	1,483	-	1,489
Indebtedness at the end of the financial year				
i. Principal Closing Balance as on 31.03.2020	36,078	43,611	-	79,689
ii Interest due but not paid as on 31.03.2020	-	-	-	-
iii. Interest Accrued but not due as on 31.03.2020	166	1,483	-	1,649
<b>Total (i+ii+iii)</b>	<b>36,244</b>	<b>45,094</b>	<b>-</b>	<b>81,338</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(IN INR)

S No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
		Dr. Pradeep# Kumar Chowbey	Mr. Rajit Mehta**	Mr. Yogesh Kumar Sareen##	Dr. Mradul Kaushik*#	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,92,817	4,43,75,931	1,19,31,277	1,09,71,318	6,82,71,343
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961.	8,910	42,031	8,910	-	59,851
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.					
2.	Stock Options					
3.	Sweat Equity Shares					

4.	Commissions					
	• As % of profit					
	• Others					
5.	Others					
	Total A	10,01,727	4,44,17,962	1,19,40,187	1,09,71,318	6,83,31,194
	Ceiling as per the Act*					

## Mr. Yogesh Kumar Sareen resigned from the position of Whole Time Director including the directorship of the Company with effect from the closure of day on June 21, 2019;

\*# Dr. Mradul Kaushik was appointed as Manager of the Company designated as Senior Director - Operations & Planning for a period of three years w.e.f August 01, 2019;

# Dr. Pradeep Kumar Chowbey resigned from the position of Executive Vice Chairman of the Board including the directorship with effect from the closure of day on June 21, 2019;

\*\* Mr. Rajit Mehta resigned from the position of Managing Director & CEO of the Company effective from the closure of business hours on July 28, 2019.

\* As per amended provisions of Section II Part II of the Schedule V of the Companies Act, 2013, a managerial personnel, can be paid, any amount as remuneration with the approval of the members by way of passing special resolution and in compliance of the other conditions of Section II Part II of the Schedule V of the Companies Act, 2013

## B1. Remuneration to other directors

(IN INR)

S No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. K N Murthy	Dr. Omkar Goswami	Ms. Roshini Bakshi	
	Fee for attending board/ committee meetings*	21,24,000	8,26,000	3,54,000	33,04,000
	Commission				
	Others, please specify				
	Total (1)	21,24,000	8,26,000	3,54,000	33,04,000
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	21,24,000	8,26,000	3,54,000	33,04,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	-	-	-	-

\* After Tax Deduction at Source

**B2. Remuneration to other directors**
**(IN INR)**

S No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Upendra Kumar Sinha	Mr. Mahendra Gumanmalji Lodha	Mr. Michael Thomas Neeb	
	Fee for attending board/ committee meetings*	12,98,000	10,62,000	3,54,000	27,14,000
	Commission				
	Others, please specify				
	Total (1)	12,98,000	10,62,000	3,54,000	27,14,000
2	Other Non-Executive Directors				
	Fee for attending board/ committee meetings				
	Commission				
	Others, please specify				
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	12,98,000	10,62,000	3,54,000	27,14,000
	Total Managerial				
	Remuneration				
	Overall Ceiling as per the Act	-	-	-	-

\* After Tax Deduction at Source

**C. Remuneration to key managerial personnel other than MD / Manager / WTD**
**(IN INR)**

S No.	Particulars of Remuneration			Total Amount
		Mr. Yogesh Kumar Sareen*	Ms. Ruchi Mahajan	
		(CFO)	(CS)	
1	Gross Salary (CTC)			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,16,36,218	73,26,673	2,89,62,891
	Value of Perquisite u/s 17(2) Income Tax Act, 1961.	30,690	32,400	63,090
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2	Stock Options			
3	Sweat Equity Shares			
4	Commissions			
	As % of profit			
	Others			
5	Others			
	Total C	2,16,66,908	73,59,073	2,90,25,981
	Ceiling as per the Act	-	-	-

\*Mr Yogesh Kumar Sareen is drawing remuneration as Chief Financial Officer of the Company from June 22, 2019

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

### ANNEXURE – 2A

Category of Shareholders	No. of Equity Shares held at the beginning of the year [As on 31-March-2019]				No. of Equity Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indians									
Bodies Corp.	26,69,97,937*	0	26,69,97,937	49.70%	53,39,95,874	0	53,39,95,874	99.40%	49.70%
Total shareholding of Promoter (A1)	26,69,97,937*	0	26,69,97,937	49.70%	53,39,95,874	0	53,39,95,874	99.40%	49.70%
(2) Foreign									Nil
Bodies Corporate	26,69,97,937	0	26,69,97,937	49.70%	0	0	0	0	49.70%
Total shareholding of Promoter (A2)	26,69,97,937	0	26,69,97,937	49.70%	0	0	0	0	49.70%
Total shareholding of Promoter(A) = (A1) + (A2)	53,39,95,874	0	53,39,95,874	99.40%	53,39,95,874	0	53,39,95,874	99.40%	Nil
B. Public Shareholding									
(1) Institutions									
Foreign Financial Institution									
Equity	0	0	0	0	0	0	0	0	
Preference	0	0	0	0	0	0	0	0	
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	
2. Non-Institutions									
b) Individuals	-	-							
i) Individual shareholders holding nominal share capital upto INR 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	32,48,454	-	32,48,454	0.60%	32,48,454	0	32,48,454	0.60%	0.00%
c) Others (specify)									
Sub-total (B) (2):-	32,48,454	-	32,48,454	0.60%	32,48,454	0	32,48,454	0.60%	0.00%



Total Public Shareholding (B)=(B)(1)+ (B)(2)	32,48,454	-	32,48,454	0.60%	32,48,454	0	32,48,454	0.60%	0.00%
C. Shares held by Custodian for GDR & ADR	Nil	Nil	Nil	Nil	Nil	0	Nil	Nil	Nil
Grand Total (A+B+C)	53,72,44,328	0	53,72,44,328	100%	53,72,44,328	0	53,72,44,328	100%	--

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

#### Notes:-

On June 21, 2019, 266997937 equity shares of the Company held by Life Healthcare International Proprietary Ltd. were transferred to Radiant Life Healthcare Pvt. Ltd.

In accordance with the Composite Scheme of Amalgamation & Arrangement (hereafter referred to as "the Scheme") amongst Max India Limited ("Max India"), 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 Act"), on June 19, 2020, the Company has allotted equity shares to the equity shareholders of Max India and Radiant Life. The issued, subscribed and paid up equity share capital of the Company as on the date of this report, stands at INR 904,53,25,240 (Indian Rupees Nine Hundred Four Crores Fifty Three Lakhs Twenty Five Thousand Two Hundred Forty) divided into 90,45,32,524 (Ninety Crores Forty Five Lakhs Thirty Two Thousand Five Hundred Twenty Four) equity shares of INR 10 each.

#### (Shareholding of Promoter) - ANNEXURE – 2B

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Max India Limited	26,69,97,937	49.70%	Nil	26,69,97,937	49.70%	Nil	0.00%
2	Life Healthcare International Proprietary Ltd.	26,69,97,937	49.70%	Nil	-	-	-	49.70%
3	Radiant Life Care Private Limited	-	-	-	26,69,97,937	49.70%	Nil	49.70%

#### Notes:-

Subsequent to allotment of shares in accordance the Scheme, the Shareholding of Promoters w.e.f June 19, 2020 is as follows:

Name of Promoters	No. of Shares held	% of total Shares of the Company
KAYAK INVESTMENTS HOLDING PTE. LTD.	42,46,76,811	46.95
ABHAY SOI	21,03,65,264	23.26
MAX VENTURES INVESTMENT HOLDINGS PRIVATE LIMITED	10,26,31,287	11.35
ANALJIT SINGH	58,18,021	0.64
PIYA SINGH	1,09,229	0.01
NEELU ANALJIT SINGH	99,000	0.01
TARA SINGH VACHANI	99,000	0.01
VEER SINGH	99,000	0.01

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

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Max India Ltd	At the beginning of the year	26,69,97,937	49.70%	-	49.70%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	-	Nil
	At the end of the year	26,69,97,937	49.70%	-	49.70%

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		
Life Healthcare International (Proprietary) Ltd	At the beginning of the year	26,69,97,937	49.70%	-	49.70%
	*Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	26,69,97,937	-49.70%	-	-49.70%
	At the end of the year	Nil	Nil	-	Nil

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Radiant Life Care Private Limited	At the beginning of the year	NIL	NIL		NIL
	*Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	26,69,97,937	49.70%	-	49.70%
	At the end of the year	26,69,97,937	49.70%		49.70%

\*As on June 21, 2019, Life Healthcare International (Proprietary) Ltd transferred 266997937 Equity shares (49.70% of total share capital) of the Company to Radiant Life Care Private Limited.

**Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holder of GDR & ADR) -**

**ANNEXURE – 2D**

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10,50,000	0.19%	10,50,000	0.19%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	21,98,454**	0.41%	21,98,454**	0.41%
	At the end of the year	32,48,454	0.60%	32,48,454	0.60%

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

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Yogesh Kumar Sareen	1*	0%	1*	0%
2	Dr. Pradeep K. Chowbey	21,98,454**	0.41%	21,98,454**	0.41%
	At the beginning of the year	21,98,455	0.41%	21,98,455	0.41%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	21,98,454	0.41%	21,98,454	0.41%
	At the end of the year	1*	0%	1*	0%

\*as a nominee of Max India Ltd

\*\*Dr. Pradeep K Chowbey has resigned from the position of whole time director including of directorship w.e.f June 21, 2019

**For and on behalf of the Board of Directors**

Sd/-

**Abhay Soi**

**Chairman & Managing Director  
(DIN 00203597)**

**Date : June 27, 2020**

**Place: New Delhi**

## ANNEXURE - 5 to Directors' Report

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

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

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

2. The Composition of the CSR Committee: As on March 31, 2020, this Committee comprised of Mr. Mahendra Gumanmalji Lodha (Chairman & Independent Director), Mr. Abhay Soi (Non-Executive Chairman) and Ms. Tara Singh Vachani (Non-Executive Director).

Further as on the date of this report, the CSR Committee comprises of Mr. Abhay Soi, Chairman of the Committee (Chairman and Managing Director), Mr. Mahendra Gumanmalji Lodha, Member (Independent Director) and Ms. Ananya Tripathi, Member (Non - Executive Director).

3. Average net profit of the Company for last three financial years (2017-2020): NIL (due to carry forward losses).
4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2017- 2020) :Not Applicable
5. Details of CSR spend during the financial year:
  - (a) Total amount to be spent for the financial year: Nil
  - (b) Amount unspent, if any: Nil
  - (c) Manner in which the amount spent during the financial year is detailed below: Not Applicable

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

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

**For and on behalf of the Board of Directors**

Sd/-

**Date : June 27, 2020**  
**Place: New Delhi**

**Abhay Soi**  
**Chairman & Managing Director**  
**(DIN 00203597)**

## ANNEXURE - 6 to Directors' Report

A. List of top 10 employees in terms of remuneration drawn and every employees employed throughout the Financial Year ended 31st March, 2020, who were in receipt of remuneration for the year, which in aggregate was not less than INR 1,02,00,000/-

S No	Name	Age (Yrs)	Designation	Gross Remuneration (INR)	Net Remuneration (INR)	Qualifications	Total Yrs of experience	Date of commencement of employment	Last employment held
1	Dr. Bipin Walia	58	Principal Director and Head - Neurosurgery for Max Saket Complex	3,28,34,982	2,01,25,875	MBBS, MS(General Surgery), M.Ch(Neuro - Surgery)	35.5	01-Jan-06	Armed Forces Medical College, Pune
2	Dr. Joy Dev Mukherji	60	Principal Director - Neurology and Head - Neurology MSSH Saket	1,78,62,940	1,15,32,640	MBBS, MD(Medicine), DM(Neurology)	34.5	18-Aug-06	Govt. Of India (Ministry Of Defence)
3	Dr. Pankaj Dougall	60	Medical Director - Saket & Principal Director - Nuclear Medicine Services & PET-CT	1,44,27,069	89,63,580	MBBS, DRM	34	01-Oct-08	Sitaram Bhartia Institute of Science and Research
4	Dr. Anurag Krishna	63	Director - Pediatrics & Pediatric Surgery	1,23,66,786	72,90,800	M.B.B.S. (1978), M.S (1982)	32.2	20-Jan-09	Sir Ganga Ram Hospital
5	Dr. Kulbhushan Singh Dagar	55	Principal Director - Pediatrics Cardiac Surgery	1,89,52,661	1,09,45,306	MBBS, MS(General Surgery), M. Ch (CTVS)	26.0	01-Jul-09	Lotus Children's Hospital, Hyderabad
6	Dr. Anil Kumar Anand	64	Senior Director of Radiation Oncology Max Cancer Centre	1,85,57,601	1,07,56,934	MBBS, MD (Radio-Therapy)	35.0	01-Oct-11	Rajiv Gandhi Cancer Institute & Research centre
7	Yogesh Kumar Sareen	55	Senior Director and Chief Financial Officer	3,49,43,205	2,02,95,957	Chartered Accountant	30.3	15-Jan-12	Fortis Healthcare Limited
8	Dr. Kamal Kumar Fotedar	65	Senior Director - Anaesthesiology	1,06,02,232	65,31,578	MBBS (1975), MD (1982)	44.3	11-Oct-12	Batra Hospital
9	Yogesh Kumar Gupta	46	Senior Vice President	1,12,33,801	69,39,497	B.Com (1993), CA (1996)	23.2	11-Dec-12	TPG Whole Sales Pvt Ltd
10	Anas Abdul Wajid	48	Senior Director - Chief Sales and Marketing Officer	3,00,86,880	1,75,57,705	BE (94), M.B.A (Aligarh Muslim University -97)	21.5	01-Oct-14	Fortis Healthcare Limited
11	Gautam Wadhwa	40	EVP-Business Intelligence and Business Development	1,62,71,161	1,00,24,892	B.B.S (2000), M.B.A.(IIM-04)	20.0	26-Feb-15	Max Life Insurance Company Ltd
12	D.N. Suresh Kumar	56	Senior Vice President	1,40,53,522	85,91,260	B.E (Mysore)	34.0	30-Mar-15	DLF Ltd.



S No	Name	Age (Yrs)	Designation	Gross Remuneration (INR)	Net Remuneration (INR)	Qualifications	Total Yrs of experience	Date of commencement of employment	Last employment held
13	Vikas Guhnani	45	Senior Vice President - Corporate HR	1,26,69,957	82,95,152	B.Com (1995), MBA (1997)	20.8	22-Apr-15	Genpact
14	Vaibhav Vijay Poddar	37	Executive Vice President	1,84,47,145	1,15,33,139	MMS (2007), BE (2004)	17.8	01-Jul-15	McKinsey & Company
15	Dr. Sandeep Budhiraja	51	Group Medical Director	3,40,27,388	1,95,80,246	MBBS (91), MD (95), DNB (96)	26.9	01-Apr-16	G M Modi Hospital
16	Dr. Harit Kumar Chaturvedi	58	Chairman - Max Institute of Oncology	4,24,91,921	2,54,14,664	MBBS (96), MS, M.Ch (1993)	28.2	01-Apr-16	Rajeev Gandhi Cancer Institute
17	Atulya Sharma	49	Director	1,46,11,760	86,95,657	B.Law (DU-93), MBL (1995)	27.8	22-Jun-18	Deutsche Bank AG
18	Dr. Ajay Lall	62	Director - Respiratory Medicine & Senior Consultant - Critical Care	1,19,26,211	77,19,661	M.B.B.S.(1982), M.D. (1985)	37.4	01-Dec-08	Royal Infirmary

B	List of top 10 employees in terms of remuneration drawn and every other employee employed part of the part of that year, at a rate which, in the aggregate, was not less than Rs. 8,50,000 per month								
							Financial Year ended	March 31, 2020, who were in receipt of remuneration for any	
1	Anil Vinayak	54	Senior Director and Chief Operating Officer-Cluster 1	3,28,85,740	1,75,82,301	BA (hons. 83), PGDM (IIM-86)	33	15-Feb-12	Europ Assistance
2	Rajit Mehta	57	Managing Director & CEO	4,50,27,022	2,70,76,384	Masters in Personal and Industrial Management	33	31-Mar-14	Max Life Insurance Company Ltd.
3	Dr. Amardeep Singh Kohli	52	Senior Vice President	1,96,03,742	1,09,42,343	M.B.B.S. (Bangalore - 91), DHA (IHCA-97), MBA (FMS-2001)	26	05-Nov-14	Medanta
4	Vinita Bhasin	46	Director - Service Excellence & Customer Operations	1,81,44,345	92,27,189	BA (Hons.1994)	26	06-Jun-01	Bank Of America
5	Sumit Puri	48	Director- IT & Chief Information Officer	1,36,00,063	85,53,853	BE (92), MBA (IIM-98)	27	25-Aug-15	Prudential Corporation Asia
6	Dr. Mradul Kaushik	49	Senior Director – Operations and Planning	1,31,82,646	76,46,872	MBA (2007)	19	10-Nov-10	Radiant Life Care Ltd
7	Vandana Pakle	53	Senior Director - Corporate Affairs	1,31,79,715	76,18,610	Chartered Accountant	23	19-Apr-10	Radiant Life Care Ltd
8	Umesh Gupta	43	Director - HR & Chief People Officer	75,55,503	44,24,839	B.Sc (Hons. 1998)	19	01-Jul-19	Radiant Life Care Ltd

S No	Name	Age (Yrs)	Designation	Gross Remuneration (INR)	Net Remuneration (INR)	Qualifications	Total Yrs of experience	Date of commencement of employment	Last employment held
9	Harinder Singh Chehal	57	Senior Director and Chief Operating Officer-Cluster 2	91,69,016	53,71,934	B.Sc (1982), M.Sc (1986)	37	01-Jul-19	Fortis Healthcare Ltd
10	Dr. Vijay Kumar Chopra	69	Senior Director	54,16,856	35,40,038	MBBS(1973), MD (1976 & 79)	41	21-Nov-19	Medanta

**Notes:**

1. The components of gross remuneration comprises of salary, allowances, monetary value of perquisites, commission to directors and the company's contribution to the PF and contribution to gratuity fund.
2. Net Remuneration is after tax and is exclusive of company's contribution to PF and monetary value of non cash perquisites and Gratuity contribution
3. The nature of employment in all cases is contractual.
4. None of the employees as mentioned above is a relative of any Director of the Company.
5. The abovementioned employees are paid remuneration as per the policy/rules of the Company.
6. There was no employee who was employed either throughout the financial year or part thereof, who was holding either by himself or along with the spouse and dependent children, 2% or more of the shares of the Company and drawing remuneration in excess of remuneration drawn by Managing Director of the Company.

**For and on behalf of the Board of Directors**

Sd/-

**Date : June 27, 2020**

**Place: New Delhi**

**Abhay Soi**  
**Chairman and Managing Director**  
**(DIN 00203597)**

## ANNEXURE - 7 to Directors' Report

Particulars	Details		
Options granted *	No. of Options 40,82, 490 granted in Fiscal year 2017-18		
	No. of Options 18,51,808 granted in Fiscal year 2018-19		
Exercise price of options*			
	For FY 2017-18 (i) 5,93,000 options : Rs.64.60 per option (ii) 19,57,984 options: Rs.54.40 per option (iii)15,31,506 options : Rs.84.00 per option For FY 2018-19: 18,51,808 options: Rs.80.00 per option		
Vesting period*	30%-30%-40%/Bullet vesting**		
Options vested*	Number of 21,33,170 options		
Options lapsed before vesting*	Number of 12,47,836 options		
Options exercised*	Number of 18,80,244 options		
Total no. of Equity Shares arising as a result of exercise of options*	NOT APPLICABLE		
Options forfeited/lapsed /cancelled*	17,17,257 options		
Variation in terms of options	***refer to comments		
Money realised by exercise of options*	NOT APPLICABLE		
Total no. of options in force as on March 31, 2020	Number of 23,36,797 options		
Employee wise details of options granted to			
(i) Key Managerial Personnel* in terms of the Companies Act, 2013	Name of Key Managerial Personnel	Total no. of options granted	Total no. of options granted
		2017 -18	2018 -19
	Yogesh Kumar Sareen	6,18,560	3,62,347
	Total	6,18,560	3,62,347
(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 in 2017-18
	Dr. Harit Kumar Chaturvedi		4,67,290
	Dr Subhash Gupta		3,10,655
(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		

<p>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 this difference on profits and EPS of our Company for the last three fiscals.</p>	<p>Not applicable</p>										
<p>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</p>	<p>As certified by the management, Black Scholes Option Pricing Model has been used, The Black Scholes Option pricing Model is as under:</p> $C = S_0 e^{-qt} N(d_1) - Xe^{-rt} N(d_2)$ <p>Where,</p> $(d_1) = \frac{\ln(S_0/X) + t(r-q + \sigma^2/2)}{\sigma \sqrt{t}}$ $(d_2) = d_1 - \sigma \sqrt{t}$ <p>q = Dividend yield  C = Call option price  S<sub>0</sub> = Spot Price of the underling option  Xe<sup>-rt</sup> = 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</p> <p><b>Inputs used are as follows:</b></p> <ol style="list-style-type: none"> <li>1. Spot Price, i.e. share price as INR 81</li> <li>2. Annual Volatility</li> </ol> <table border="1" data-bbox="683 1451 927 1664"> <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>	Years		1.00	43.95%	2.00	38.56%	3.00	34.87%	3.84	32.66%
Years											
1.00	43.95%										
2.00	38.56%										
3.00	34.87%										
3.84	32.66%										

	<div>Risk Free Rate</div> <table><tr><th>Years</th><th></th></tr><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></table> <div>Exercise Price-Three exercises prices are used i.e. INR 80, 84 and 54.4</div> <div>Maturity, different maturities as per the vesting schedule.</div> <table><tr><th>Years</th></tr><tr><td>1.00</td></tr><tr><td>2.00</td></tr><tr><td>3.00</td></tr><tr><td>3.84</td></tr></table> <div>Dividend Yield is considered NIL</div>	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
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																
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	Not applicable															
Intention of the Key Managerial Personnel and whole time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Not applicable															
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)	Not applicable (Presently Phantom Stock Plan has encashment option only)															

\* Till March 31, 2020 from the date of start of Phantom Stock Plan 2017.

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

\*\*\* exercise period of first two tranches of Phantom Stock Options granted by NRC on May 23, 2018 extended by 12 months each for all option holders, given 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.

**For and on behalf of the Board of Directors**

Sd/-

**Abhay Soi**

**Chairman & Managing Director  
(DIN 00203597)**

**Date : June 27, 2020**

**Place: New Delhi**



## Financials



# 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.
- 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;
- (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:
- 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;
  - The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
  - 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

Sd/-

Date: June 27, 2020

**per Sanjay Vij**

Place of Signature: Gurugram

Partner

Membership Number: 095169

UDIN: 20095169AAAACA5854

## **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

Sd/-

Date: June 27, 2020

**per Sanjay Vij**

Place of Signature: Gurugram

Partner

Membership Number: 095169

UDIN: 20095169AAAACA5854



# Consolidated Balance Sheet as at March 31, 2020

(Rs in Lakhs)			
	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
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	5	17	133
<b>Financial assets</b>			
(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
		<b>3,05,606</b>	<b>2,91,832</b>
<b>Current assets</b>			
Inventories	10	4,337	2,601
<b>Financial assets</b>			
(i) Trade receivables	11	41,116	36,261
(ii) Cash and cash equivalents	11	27,479	760
(iii) Other bank balances	11	600	404
(iv) Loans	11	208	1,511
(v) Other financial assets	11	727	1,163
Income tax assets	12	847	103
Other current assets	13	1,518	1,927
		<b>76,832</b>	<b>44,730</b>
<b>TOTAL ASSETS</b>		<b>3,82,438</b>	<b>3,36,562</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(i) Equity share capital	14	53,724	53,724
(ii) Other equity	15	45,017	42,595
<b>TOTAL EQUITY</b>		<b>98,741</b>	<b>96,319</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(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

(Rs in Lakhs)			
	Note No.	As at March 31, 2020	As at March 31, 2019
Other non-current liabilities	20	163	959
		<b>1,36,255</b>	<b>1,26,240</b>
<b>Current liabilities</b>			
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
		<b>1,47,442</b>	<b>1,14,003</b>
<b>TOTAL LIABILITIES</b>		<b>2,83,697</b>	<b>2,40,243</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,82,438</b>	<b>3,36,562</b>
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

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

Sd/-  
**per Sanjay Vij**  
Partner  
Membership Number: 095169

Sd/-  
**Abhay Soi**  
(Chairman and Managing Director)  
DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
(Director)  
DIN: 00012920

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

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

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

## 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
<b>INCOME</b>			
Revenue from operations	25	1,88,446	1,69,102
Other income	26	1,741	856
Finance income	27	5,498	4,849
<b>Total income</b>		<b>1,95,685</b>	<b>1,74,807</b>
<b>EXPENSES</b>			
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 amortisation expense	30	11,974	10,264
Other expenses	31	75,435	72,983
<b>Total expenses</b>		<b>1,86,777</b>	<b>1,73,975</b>
<b>Profit before tax</b>		<b>8,908</b>	<b>832</b>
<b>Tax expenses</b>			
(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)
<b>Total tax expenses</b>		<b>(626)</b>	<b>851</b>
<b>Profit/(loss) after tax</b>		<b>9,534</b>	<b>(19)</b>
Attributable to:			
Owners of the Company		9,534	(301)
Non controlling interests		-	282
		<b>9,534</b>	<b>(19)</b>
<b>Other comprehensive (loss)</b>			
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	-
<b>Other comprehensive loss for the year, net of tax</b>		<b>(394)</b>	<b>(34)</b>

			(Rs in Lakhs)
	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Total comprehensive income/(loss), net of tax</b>		<b>9,140</b>	<b>(53)</b>
Attributable to:			
Owners of the Company		9,140	(339)
Non controlling interests		-	286
		<b>9,140</b>	<b>(53)</b>
<b>Earnings per equity share (nominal value of share Rs.10/- each)</b>	<b>33.9</b>		
Basic (INR)		1.77	(0.06)
Diluted (INR)		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:  
301003E/E300005

Sd/-  
**per Sanjay Vij**  
Partner  
Membership Number: 095169

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

Sd/-  
**Abhay Soi**  
(Chairman and Managing Director)  
DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
(Director)  
DIN: 00012920

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

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

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

# Consolidated statement of changes in equity for the year ended March 31, 2020

## A) EQUITY SHARE CAPITAL

Particulars	Nos.	(Rs in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
<b>As at April 1, 2018</b>	<b>53,72,44,328</b>	<b>53,724</b>
Add: Equity share issued (refer note 14)	-	-
<b>As at March 31, 2019</b>	<b>53,72,44,328</b>	<b>53,724</b>
Add: Equity share issued (refer note 14)	-	-
<b>As at March 31, 2020</b>	<b>53,72,44,328</b>	<b>53,724</b>

## B) OTHER EQUITY

Particulars	Reserves and surplus				(Rs in Lakhs)	
	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)	Change in valuation for put options granted to NCI in subsidiaries (Refer note 15)	Total other equity
<b>As at April 1, 2018</b>	<b>1</b>	<b>(660)</b>	<b>1,07,678</b>	<b>(44,069)</b>	<b>(13,274)</b>	<b>49,676</b>
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)
<b>As at March 31, 2019</b>	<b>1</b>	<b>(660)</b>	<b>1,07,678</b>	<b>(44,408)</b>	<b>(20,016)</b>	<b>42,595</b>
<b>As at April 1, 2019</b>	<b>1</b>	<b>(660)</b>	<b>1,07,678</b>	<b>(44,408)</b>	<b>(20,016)</b>	<b>42,595</b>
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 2.5)	-	-	-	(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)	-
<b>As at March 31, 2020</b>	<b>1</b>	<b>(660)</b>	<b>1,07,678</b>	<b>(42,401)</b>	<b>(19,601)</b>	<b>45,017</b>

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

Sd/-

**per Sanjay Vij**

Partner

Membership Number: 095169

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

Sd/-

**Abhay Soi**

(Chairman and Managing Director)

DIN:00203597

Sd/-

**Mahendra Gumanmalji Lodha**

(Director)

DIN: 00012920

Sd/-

**Yogesh Kumar Sareen**

(Chief Financial Officer)

ICAI Membership Number: 087383

Sd/-

**Ruchi Mahajan**

(Company Secretary)

Membership Number: F5671

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

# 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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>8,908</b>	<b>832</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	8,208	8,213
Amortisation 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
<b>Operating cash flow before working capital changes</b>	<b>30,947</b>	<b>16,521</b>
<b>Working capital changes:</b>		
(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
<b>Cash generated from operations</b>	<b>26,253</b>	<b>11,708</b>
Taxes paid (net of refunds and interest on refund)	(1,271)	(2,813)
<b>Net cash generated from operating activities (A)</b>	<b>24,982</b>	<b>8,895</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>(12,668)</b>	<b>(1,653)</b>

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>14,405</b>	<b>(7,395)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>26,719</b>	<b>(153)</b>
Cash and cash equivalents at the beginning of the year	760	913
<b>Cash and cash equivalents at the end of the year</b>	<b>27,479</b>	<b>760</b>

<b>COMPONENTS OF CASH AND CASH EQUIVALENTS:</b>	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
<b>Total cash and cash equivalents</b>	<b>27,479</b>	<b>760</b>

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

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

Sd/-  
**per Sanjay Vij**  
Partner  
Membership Number: 095169

Sd/-  
**Abhay Soi**  
(Chairman and Managing Director)  
DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
(Director)  
DIN: 00012920

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

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

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

# Notes forming part of consolidated financial statements

## 1 CORPORATE INFORMATION

Max Healthcare Instituted 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 programmes 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 specialities 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 Readymoney 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 experience 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 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, 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)
<b>Parent</b>											
Max Healthcare Institute Limited	India			86%	85,041	98%	1,14,410	-35%	(3,195)	2258%	(7,656)
<b>Subsidiaries</b>											
Hometrail 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



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)
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
<b>Total</b>				<b>100%</b>	<b>98,741</b>	<b>100%</b>	<b>1,16,335</b>	<b>100%</b>	<b>9,141</b>	<b>100%</b>	<b>(339)</b>
Non controlling interest					-		(20,016)		-		286
<b>Gross total</b>					<b>98,741</b>		<b>96,319</b>		<b>9,141</b>		<b>(53)</b>

**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 classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The

Group has identified twelve months as its operating cycle.

#### b. Property, Plant and 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 recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

The Group identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost and 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 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
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 amortisation 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 amortisation period and the amortisation 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 amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not 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 recognised 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 recognised as an intangible asset when the Group can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;
- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development. Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation 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 recognised 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 recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised 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 recognised 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 recognised 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 amortisation is included in finance income in the profit or

loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instruments at fair value through OCI**

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

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

**Debt instruments at FVTPL**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for 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 recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

**Equity investments**

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the 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 recognised 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 recognised 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 derecognised (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 derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

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

### **Impairment of financial assets**

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

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

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

### **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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **f. Revenue**

### **1) Revenue from contract with customer**

Revenue from contracts with customers is recognised 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 recognised 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 recognised 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 recognised over the time based on the performance of related services to the customers as per the terms of contract. Revenue is usually recognised 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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised 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 recognised 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 enciliary activities is recognised 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 recognised 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 recognised 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 recognised 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 recognised outside profit or loss is recognised outside the statement of

profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised 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 recognised 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

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. the 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 is 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 recognised 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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

##### **Compensated absences**

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

unused entitlement that has accumulated at the reporting date.

The 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 recognised in respect of employee service unto 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 recognised, 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 recognised 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 recognised as at the beginning and end of that period and is recognised 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 recognised 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 recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised 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 recognised 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 recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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 recognised 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 recognised 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 recognised 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 recognised asset or liability or an unrecognised 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 recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised 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 recognised 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 recognised 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 amortisation 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 derecognised, the unamortized fair value is recognised immediately in profit or loss. When an unrecognised 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 recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

#### **(ii) Cash flow hedges**

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

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

Amounts recognised 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 recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised 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 recognised 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 recognised as OCI while any gains or losses relating to the ineffective portion are recognised 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 recognised 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 recognised 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 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. 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 unto the date of settlement, with any changes in fair value recognised 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 when available.

## **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 terms 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 recognised 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:

- i) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- ii) The accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- iii) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- iv) 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)) :-

(Rs. in lakhs)			
Particulars	Notes No.	As at March 31, 2020	As at April 01, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
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)
<b>Total assets</b>		<b>12,596</b>	<b>13,038</b>
<b>EQUITY</b>			
Other equity			
Retained earnings	15	(7,923)	(7,261)
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	16	-	(143)
Lease liabilities	17	20,323	20,319
Other non current liabilities	20	(856)	(856)
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Lease liabilities	21	1,195	1,089
Other financial liabilities	21	(143)	(110)
<b>Total equity and liabilities</b>		<b>12,596</b>	<b>13,038</b>

Impact on consolidated statement of profit and loss for the year ended March 31, 2020 (increase / (decrease)):			
			(Rs. in lakhs)
Particulars		Notes No.	For the year ended March 31, 2020
<b>INCOME</b>			
Other income		26	149
<b>Total income</b>			<b>149</b>
<b>EXPENSES</b>			
Finance costs		29	2,175
Depreciation and amortisation expense		30	1,634
Other expenses		31	(3,048)
<b>Total expenses</b>			<b>761</b>
Loss before tax			(612)
Tax Expense			50
<b>Loss after tax</b>			<b>(662)</b>

#### 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 :

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- 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

- 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 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 year ended March 31, 2019 would have been lower by Rs.223 lakhs.
- Amortisation 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, amortisation expense for the twelve months ended March 31, 2019 would have been lower by Rs.180 lakhs.

## 3. PROPERTY, PLANT AND EQUIPMENT (PPE) AND CAPITAL WORK IN PROGRESS

(Rs in Lakhs)

	Leasehold land	Freehold land	Building	Leasehold improvements	Medical equipment	Lab equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
<b>Gross carrying amount (at cost)</b>															
<b>As at April 1, 2018</b>	<b>6,256</b>	<b>7,640</b>	<b>42,807</b>	<b>6,178</b>	<b>31,462</b>	<b>30</b>	<b>8,773</b>	<b>987</b>	<b>2,987</b>	<b>1,490</b>	<b>1,623</b>	<b>2,946</b>	<b>1,583</b>	<b>1,14,762</b>	<b>3,501</b>
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
<b>As at March 31, 2019</b>	<b>6,256</b>	<b>8,137</b>	<b>43,523</b>	<b>6,610</b>	<b>36,044</b>	<b>37</b>	<b>9,592</b>	<b>1,120</b>	<b>3,601</b>	<b>1,362</b>	<b>2,209</b>	<b>2,960</b>	<b>1,810</b>	<b>1,23,261</b>	<b>8,569</b>
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	11,146
<b>As at March 31, 2020</b>	<b>6,256</b>	<b>8,137</b>	<b>49,424</b>	<b>7,704</b>	<b>39,925</b>	<b>66</b>	<b>11,540</b>	<b>1,409</b>	<b>4,092</b>	<b>1,388</b>	<b>2,643</b>	<b>3,076</b>	<b>1,880</b>	<b>1,37,540</b>	<b>549</b>
<b>Accumulated depreciation</b>															
<b>As at April 1, 2018</b>	<b>-</b>	<b>-</b>	<b>2,439</b>	<b>1,295</b>	<b>7,362</b>	<b>21</b>	<b>2,646</b>	<b>495</b>	<b>1,268</b>	<b>273</b>	<b>726</b>	<b>1,090</b>	<b>1,057</b>	<b>18,672</b>	<b>-</b>
Reclassification	-	-	563	-	1,569	-	1,086	20	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	1,292	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>3,779</b>	<b>1,770</b>	<b>12,266</b>	<b>18</b>	<b>4,208</b>	<b>648</b>	<b>2,139</b>	<b>401</b>	<b>1,338</b>	<b>1,496</b>	<b>1,351</b>	<b>29,414</b>	<b>-</b>
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	294	755	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>4,734</b>	<b>2,312</b>	<b>15,378</b>	<b>22</b>	<b>5,201</b>	<b>797</b>	<b>2,535</b>	<b>480</b>	<b>1,816</b>	<b>1,898</b>	<b>1,398</b>	<b>36,571</b>	<b>-</b>
<b>Net carrying amount</b>															
<b>As at March 31, 2020</b>	<b>6,256</b>	<b>8,137</b>	<b>44,690</b>	<b>5,392</b>	<b>24,547</b>	<b>44</b>	<b>6,339</b>	<b>612</b>	<b>1,557</b>	<b>908</b>	<b>827</b>	<b>1,178</b>	<b>482</b>	<b>1,00,969</b>	<b>549</b>
<b>As at March 31, 2019</b>	<b>6,256</b>	<b>8,137</b>	<b>39,744</b>	<b>4,840</b>	<b>23,778</b>	<b>19</b>	<b>5,384</b>	<b>472</b>	<b>1,462</b>	<b>961</b>	<b>871</b>	<b>1,464</b>	<b>459</b>	<b>93,847</b>	<b>8,569</b>

- 3.1** Land pertaining to hospital situated at West Block, Saket and Shalimar Bagh has been taken from Delhi Development Authority under perpetual lease.
- 3.2** The Group has in its favour a sub lease for a plot of land in Gurgaon, for an initial period of 97 years, which can be further renewed for two term of 97 years each. The plot of land measures 1.23 acres, and the designated usage in for healthcare facility.
- 3.3** Land measuring 3.15 acres each at Mohali and Bathinda have been provided by Punjab Government on long term lease of 50 years without consideration.
- 3.4** Land in Saket City Hospitals Private Limited is freehold and mortgaged to bank.

**3.5 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(i).

**3.6 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, 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.

**4. RIGHT OF USE ASSETS**

(Rs in Lakhs)

	Leasehold building	Medical equipment (refer note 4.01)	Total
<b>Gross carrying amount (at cost)</b>			
<b>On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019</b>	<b>13,571</b>	<b>438</b>	<b>14,009</b>
Additions	1,414	-	1,414
Modification*	(40)	-	(40)
Disposals	87	-	87
<b>As at March 31, 2020</b>	<b>14,858</b>	<b>438</b>	<b>15,296</b>
<b>Accumulated depreciation</b>			
<b>On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019</b>	<b>-</b>	<b>296</b>	<b>296</b>
Additions	1,634	74	1,708
Disposals	19	-	19
<b>As at March 31, 2020</b>	<b>1,615</b>	<b>370</b>	<b>1,985</b>
<b>Net carrying amount</b>			
<b>As at March 31, 2020</b>	<b>13,243</b>	<b>68</b>	<b>13,311</b>

\*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.

- 4.1** 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.

**5. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs in Lakhs)

	Other intangible assets				Intangible assets under development
	Computer software	Non compete fee	Service agreement	Total	
<b>Gross carrying amount (at cost)</b>					
<b>As at April 1, 2018</b>	<b>3,419</b>	<b>1,646</b>	<b>98,066</b>	<b>1,03,131</b>	<b>329</b>
Additions	813	-	-	813	236
Disposals/Capitalized	7	-	-	7	432
<b>As at March 31, 2019</b>	<b>4,225</b>	<b>1,646</b>	<b>98,066</b>	<b>1,03,937</b>	<b>133</b>
Additions	360	-	-	360	-
Disposals/Capitalized	-	-	-	-	116
<b>As at March 31, 2020</b>	<b>4,585</b>	<b>1,646</b>	<b>98,066</b>	<b>1,04,297</b>	<b>17</b>
<b>Accumulated amortisation</b>					
<b>As at April 1, 2018</b>	<b>1,849</b>	<b>639</b>	<b>2,554</b>	<b>5,042</b>	<b>-</b>
Additions	727	235	1,089	2,051	-
Disposals	7	-	-	7	-
<b>As at March 31, 2019</b>	<b>2,569</b>	<b>874</b>	<b>3,643</b>	<b>7,086</b>	<b>-</b>
Additions	732	234	1,092	2,058	-
Disposals	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>3,301</b>	<b>1,108</b>	<b>4,735</b>	<b>9,144</b>	<b>-</b>
<b>Net carrying amount</b>					
<b>As at March 31, 2020</b>	<b>1,284</b>	<b>538</b>	<b>93,331</b>	<b>95,153</b>	<b>17</b>
<b>As at March 31, 2019</b>	<b>1,656</b>	<b>772</b>	<b>94,423</b>	<b>96,851</b>	<b>133</b>

**5.1** 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.

**5.2** 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.

**5.3** Intangible assets under development includes computer software.

**5.4 Change in amortisation 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, amortisation expense for the year ended March 31, 2019 would have been lower by Rs.180 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:

(Rs in Lakhs)

Cash generating units	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
<b>Total</b>	<b>28,539</b>	<b>28,539</b>



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.

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>7. NON-CURRENT FINANCIAL ASSETS</b>		
<b>i) Investment in equity instrument (fair value through OCI)</b>		
Sandhya Hydro Power Projects Balargha Private Limited		
5,07,795 (March 31, 2019 : 5,07,795) equity shares of Rs.10/- each fully paid-up	51	51
	<b>51</b>	<b>51</b>
<b>Non-Current</b>	<b>51</b>	<b>51</b>
<b>Aggregate value of unquoted investments</b>	<b>51</b>	<b>51</b>
<b>Amount of impairment in value of investments</b>	-	-
<b>ii) Trade receivables (unsecured)</b>		
Trade receivables - considered good	8,287	13,677
	<b>8,287</b>	<b>13,677</b>

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 recognised 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".

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>iii) Loans (valued at amortized cost) (unsecured considered good unless stated otherwise)</b>		
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)	-
	<b>33,520</b>	<b>23,758</b>

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>iv) Other bank balances</b>		
Margin money deposits #	72	53
	<b>72</b>	<b>53</b>

# 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
	<b>12,802</b>	<b>12,581</b>

## 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	-
	<b>10,289</b>	<b>12,665</b>

\*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 waiting for grant 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
	<b>4,337</b>	<b>2,601</b>

## 11. CURRENT FINANCIAL ASSETS

<b>i) Trade receivables (Unsecured considered good, unless otherwise stated)</b>		
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)
	<b>41,116</b>	<b>36,261</b>
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.		

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>ii) Cash and cash equivalents</b>		
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
	<b>27,479</b>	<b>760</b>

Changes in liabilities arising from financing activities			(Rs. in Lakhs)	
Particulars	April 01, 2019	Adjustment*	Cash Flow	March 31, 2020
Current borrowings	7,368	-	43,084	50,452
Non current borrowings (including current maturities)	92,907	-	(13,235)	79,672
Lease liabilities (current and non-current)	21,408	1,093	(984)	21,518
<b>Total liabilities from financial activities</b>	<b>1,21,683</b>	<b>1,093</b>	<b>28,865</b>	<b>1,51,642</b>

Changes in liabilities arising from financing activities				
Particulars	April 01, 2018	Adjustment	Cash Flow	March 31, 2019
Current borrowings	10,436	-	(3,068)	7,368
Non current borrowings (including current maturities)	87,616	-	5,291	92,907
<b>Total liabilities from financial activities</b>	<b>98,052</b>	<b>-</b>	<b>2,223</b>	<b>1,00,275</b>

\*Adjustments relates to lease liability recognised ,terminated and modified during the year .

<b>iii) Other bank balances</b>		
<b>Deposits:</b>		
Escrow accounts	451	212
Margin money deposit #	143	187
Fixed deposits under lien # #	6	5
	<b>600</b>	<b>404</b>

# 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.

<b>iv) Loan (valued at amortized cost) (unsecured considered good, unless otherwise stated)</b>		
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
	<b>208</b>	<b>1,511</b>

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>v) Other financial assets (valued at amortized cost) (unsecured considered good, unless otherwise stated)</b>		
Unbilled revenue	724	1,162
Foreign exchange forward contracts	3	1
	<b>727</b>	<b>1,163</b>

**12. INCOME TAX ASSETS**

Advance income tax & tax deducted at source (net of provision)	847	103
	<b>847</b>	<b>103</b>

**13. OTHER CURRENT ASSETS**

<b>(unsecured considered good unless otherwise stated)</b>		
Other advances:-		
Considered good	639	795
Credit impaired	14	1,816
Less: Impairment allowance for other advances - credit impaired	(14)	(1,816)
Balance with statutory authorities	-	35
Prepaid expenses	861	1,081
Receivable under duty credit scheme	-	1
Licence receivable	18	15
	<b>1,518</b>	<b>1,927</b>

**14. EQUITY SHARE CAPITAL**

(Rs in Lakhs)				
		As at March 31, 2020		As at March 31, 2019
<b>a) Authorized</b>				
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
		<b>1,08,500</b>		<b>1,08,500</b>
<b>Issued, subscribed and fully paid-up</b>				
53,72,44,328 (March 31, 2019: 53,72,44,328) equity shares of Rs.10/- each		53,724		53,724
<b>Total issued, subscribed and fully paid-up share capital</b>		<b>53,724</b>		<b>53,724</b>
<b>b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>				
	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
<b>Equity shares</b>	<b>No. of shares</b>	<b>(Rs in Lakhs)</b>	<b>No. of shares</b>	<b>(Rs in Lakhs)</b>
At the beginning of the year	53,72,44,328	53,724	53,72,44,328	53,724
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>53,72,44,328</b>	<b>53,724</b>	<b>53,72,44,328</b>	<b>53,724</b>

<b>c) Terms and rights attached to equity shares</b>					
	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.				
<b>d) Details of shareholders holding more than 5% shares in the Company</b>					
Name of the Shareholder	March 31, 2020		March 31, 2019		
	No. of shares	% held	No. of shares	% held	
<b>Equity Shares of Rs. 10 each fully paid</b>					
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%	-	-	
<b>e)</b>	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.				

**15. OTHER EQUITY**

		(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
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)
		<b>45,017</b>	<b>42,595</b>
Notes:			
<b>a) Capital reserve (refer (i) below)</b>		1	1
		<b>1</b>	<b>1</b>
<b>b) Capital reserve on merger with Max Medical Services Limited</b>		(660)	(660)
		<b>(660)</b>	<b>(660)</b>
<b>c) Securities premium (refer (ii) below)</b>			
At the beginning of the year		1,07,678	1,07,678
Add: premium on issue of equity shares		-	-
		<b>1,07,678</b>	<b>1,07,678</b>
<b>d) Retained earnings</b>			
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)
		<b>(42,401)</b>	<b>(44,408)</b>



(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>e) Change in valuation for put options granted to NCI in subsidiaries</b>		
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
		-
	<b>(19,601)</b>	<b>(20,016)</b>

**Nature of reserve**

## (i) Capital reserve

Capital reserve is recognised on business combination transactions with the company.

## (ii) Securities premium

Securities premium reserve is recognised 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.

**16. BORROWINGS**

Rs in Lakhs		
	As at March 31, 2020	As at March 31, 2019
<b>Non-current borrowings :-</b>		
<b>Term loans (secured)</b>		
From banks	73,146	82,768
From non-banking financial company	5,585	5,729
<b>Finance lease obligation (secured)</b>		
Long term maturities of finance lease obligation	-	143
<b>Vehicle loans (secured)</b>	156	230
<b>Deferred payment liabilities (secured)</b>	101	136
<b>Current borrowings :-</b>		
<b>Term loans (secured)</b>		
From banks	457	3,271
From non-banking financial company	27	162
<b>Finance lease obligation (secured)</b>	-	110
<b>Deferred payment liabilities (unsecured)</b>	-	96
<b>Deferred payment liabilities (secured)</b>	50	40
<b>Vehicle loans (secured)</b>	150	222
	<b>79,672</b>	<b>92,907</b>
Less: Amount disclosed under "other current financial liabilities" [refer note 21(iv)]	684	3,901
	<b>78,988</b>	<b>89,006</b>
Aggregate secured loans	79,672	92,811
Aggregate unsecured loans	-	96

**BORROWING NOTES****(I) Term loan from banks :-**

- (i) Rs. 24,629 lakhs (March 31, 2019 : Rs. 25,794 lakhs) from IDFC First Bank Limited of Max Healthcare Institute 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.
  - 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) 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 :
- 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.
  - 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.
  - 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.
  - 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.
- 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.
  - 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.
- (iv) Rs. 1,104 Lakhs (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
- Exclusive charge on all movable fixed assets intangible assets and current assets (both present and future) of ALPS Hospital Ltd.
  - Pledge over 30% of the equity shares capital of Alps (Exclusively to IBL) to be create upfront.
  - NDU of 21% of the equity share capital of Alps (Exclusively to IBL).
- (v) Rs. 4148 Lakhs (March 31, 2019 : NIL) from Indusind Bank Limited of Alps Hospital Limited repayable in 66 structured monthly installments.
- 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 Lakhs (March 31, 2019 : Rs. 4,983 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 (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.

(xi) Rs. 7,628 Lakhs (March 31, 2019 Rs.13,799 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.

- 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 flow, receivables, commission, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
- d) Unconditional and irrevocable Corporate Guarantee of Max Healthcare Institute Ltd. to remain valid during entire tenor of facilities.
- e) 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.

- f) 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.
- g) 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) 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.

- 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), (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) 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.

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 :-

- (a) 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.
- (b) 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.



(Rs in Lakhs)

	As at March 31, 2020	As at March 31, 2019
<b>17. NON CURRENT LEASE LIABILITIES</b>		
Lease liabilities (refer note 2.5 and 32 C)	20,323	-
	<b>20,323</b>	<b>-</b>
<b>18. OTHER NON CURRENT FINANCIAL LIABILITIES</b>		
Provision for deferred compensation (refer note 33.3)	152	69
Capital creditors	151	-
	<b>303</b>	<b>69</b>
<b>19. NON CURRENT PROVISIONS</b>		
Provision for restoration under public private partnership	330	281
Provision for gratuity (refer note 33.1)	1,985	1,452
	<b>2,315</b>	<b>1,733</b>
<b>20. OTHER NON CURRENT LIABILITIES</b>		
Lease equalization reserve (refer note 2.5)	-	856
Government grant	163	103
	<b>163</b>	<b>959</b>
<b>21. CURRENT FINANCIAL LIABILITIES</b>		
<b>(i) Current borrowings</b>		
Cash credit from banks (secured)	5,358	7,368
Loan from shareholders (unsecured) *	45,094	-
	<b>50,452</b>	<b>7,368</b>

**(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.

g) 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.

- e) 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:

a) 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.

b) 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 :-

a) 1st pari passu charge on the entire current assets.

b) 1st Pari Passu charge on the entire movable fixed Assets (Except vehicles and assets charged exclusively to lenders).

(v) Cash credit facility of :-

(a) 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

(b) 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

(c) 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.

(a) 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.

(b) 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 drawdown 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 tenure and lending institution.

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>(ii) Trade payables</b>		
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
	<b>29,352</b>	<b>29,159</b>

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.	-	-

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
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.	-	-
<b>(iii) Lease liabilities</b>		
Lease liabilities (refer note 2.5 and 32 C)	1,195	-
	<b>1,195</b>	<b>-</b>
<b>(iv) Other current financial liabilities</b>		
Current maturity of non current borrowings (refer note 16)	634	3,655
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
	<b>61,803</b>	<b>7,791</b>

\*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 6,42,46,702 (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 recognised 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 3,15,68,142 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 recognised 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.

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>22. OTHER CURRENT LIABILITIES</b>		
Advance from patients	820	584
Statutory dues	1,772	1,792
Put call option liabilities **	-	65,614
Other advances	18	85
	<b>2,610</b>	<b>68,075</b>

\*\*Put call option liability represented liability payable to minority share holders of Saket City Hospitals Private Limited (SCHPL) and Crosslay Remedies Limited (CRL) on exercise of put option as per Shareholders' Agreement, for further disclosure 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
	<b>2,030</b>	<b>1,610</b>

**24. INCOME TAXES**

(Rs in Lakhs)		
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	451	632
Adjustment of tax relating to earlier periods	(17)	(45)
<b>Deferred tax</b>		
Mat credit relating to earlier periods	-	538
Relating to origination and reversal of temporary differences	(1,060)	(274)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(626)</b>	<b>851</b>
<b>(b) Other comprehensive income</b>		
Re-measurement (gain) / losses on defined benefit plans	(35)	-
<b>Income tax related to item recognised in OCI during the year</b>	<b>(35)</b>	<b>-</b>

		(Rs in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(c)</b>	<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :</b>		
	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	(2,874)	-
	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)
	<b>Income tax reported in the statement of profit and loss</b>	<b>(626)</b>	<b>851</b>

		(Rs in Lakhs)	
		Balance Sheet	
		As at March 31, 2020	As at March 31, 2019
<b>(d)</b>	<b>Deferred tax (assets)/liabilities comprises :</b>		
	<b>Deferred tax liability :</b>		
	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
	<b>Recognised deferred tax liability</b>	<b>42,700</b>	<b>43,672</b>
	<b>Deferred tax asset :</b>		
	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)
	<b>Recognised deferred tax (asset )</b>	<b>(6,515)</b>	<b>(4,236)</b>
	Net deferred tax liabilities/(asset)	36,185	39,436
	Deferred tax asset on carried forward loss	(4,069)	(6,071)
	<b>Net deferred tax liabilities/(Asset)</b>	<b>32,116</b>	<b>33,365</b>



(Rs in Lakhs)		
Balance Sheet		
	As at March 31, 2020	As at March 31, 2019
<b>Reflected in balance sheet as follows :</b>		
Deferred tax asset	(2,047)	(1,108)
Deferred tax liabilities	34,163	34,473
<b>Net deferred tax liabilities/(Asset)</b>	<b>32,116</b>	<b>33,365</b>
<b>(e) Reconciliation of deferred tax (assets)/liabilities (net)</b>		
<b>Opening balance as per last balance sheet</b>	<b>33,365</b>	<b>32,880</b>
(Charged)/credited during the period/year		
to profit and loss account	(1,060)	(274)
to Other comprehensive income	(35)	-
through retained earning*	(283)	-
Gross deferred tax assets	31,987	32,606
MAT credit utilization	(129)	(289)
MAT credit written off	-	(470)
<b>Closing balance</b>	<b>32,116</b>	<b>33,365</b>

\* 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.1,693 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 recognised 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 Lakhs of reasonable certainty of future taxable profits against which such deferred tax assets can be realized. Had the Group been able to recognize all unrecognised 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 taxation laws (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
<b>25. REVENUE FROM OPERATION</b>			
	Revenue from contracts with customers	1,86,171	1,67,144
	Other operating revenue	2,275	1,958
		<b>1,88,446</b>	<b>1,69,102</b>
<b>25.1</b>	<b>Disaggregated revenue information</b>		
	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.		
	<b>Revenues by type of goods or service</b>		
	Sale of pharmacy and pharmaceuticals supplies	8,011	8,173
	Revenue from healthcare services (net)	1,78,160	1,58,861
	Income from construction service	-	110
	<b>Total</b>	<b>1,86,171</b>	<b>1,67,144</b>
	<b>Revenues by geography</b>		
	India	1,86,171	1,67,144
	Outside India	-	-
	<b>Total</b>	<b>1,86,171</b>	<b>1,67,144</b>
	<b>Revenues by timing of revenue recognition</b>		
	Goods transferred at a point in time	8,011	8,173
	Services transferred over time	1,78,160	1,58,971
		<b>1,86,171</b>	<b>1,67,144</b>
<b>25.2</b>	<b>Contract balances</b>		
	Trade receivables	49,403	49,938
	Contract assets (Unbilled revenue)	727	1,162
	Contract liabilities (Advance from patients)	820	584
<b>25.3</b>	<b>Reconciling of revenue recognised in the statement of profit and loss with contracted price</b>		
	Revenue as per contracted price	1,96,863	1,77,602
	Allowance for deduction	(1,767)	(2,022)
	Discount	(8,925)	(8,436)
	<b>Revenue from contract with customers</b>	<b>1,86,171</b>	<b>1,67,144</b>
<b>25.4</b>	<b>Performance obligation</b>		
	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 recognised revenue over the period of the contract based on service rendered.		

			(Rs in Lakhs)	
			For the year ended March 31, 2020	For the year ended March 31, 2019
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
			2,275	1,958
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
			1,741	856
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
			5,498	4,849

(Rs in Lakhs)					
		For the year ended March 31, 2020		For the year ended March 31, 2019	
<b>28. EMPLOYEE BENEFITS EXPENSE</b>					
	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
			<b>44,924</b>		<b>44,055</b>
<b>29. FINANCE COSTS</b>					
	Interest on debts and borrowings		12,505		9,618
	Interest on lease liability		2,207		-
	Bank charges		554		509
			<b>15,266</b>		<b>10,127</b>
<b>30. DEPRECIATION AND AMORTISATION EXPENSE</b>					
	Depreciation of tangible assets (refer note 3)		8,208		8,213
	Depreciation of right of use assets (refer note 4)		1,708		-
	Amortisation of intangible assets (refer note 5)		2,058		2,051
			<b>11,974</b>		<b>10,264</b>
<b>31. OTHER EXPENSES</b>					
	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

		(Rs in Lakhs)			
		For the year ended March 31, 2020		For the year ended March 31, 2019	
	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	1,359	392
	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
			<b>75,435</b>		<b>72,983</b>

**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
		<b>139</b>		<b>146</b>

**32. CONTINGENT LIABILITIES, COMMITMENTS AND LITIGATIONS****A. Contingent liabilities (to the extent not provided for)**

		(Rs in Lakhs)	
S. No.	Particulars	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 c 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:**

- 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.
- 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.



## Notes forming part of consolidated financial statements

- 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 impleadment. 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) ("AHPI"), 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. AHPI 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.

## B. Capital commitment

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

		(Rs in Lakhs)	
Particulars		As at	As at
		March 31, 2020	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
<b>Balance value of contracts</b>		<b>4,711</b>	<b>4,666</b>
<b>C. Contractual maturities of lease liabilities</b>			
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 recognised 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 :-

		(Rs in Lakhs)
Particulars		As at March 31, 2020
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)
<b>Balance as on March 31, 2020</b>		<b>21,518</b>
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:

		(Rs in Lakhs)
Particulars		As at April 01, 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 recognised on a straight-line basis as expense		(75)
<b>Lease liability recognised as at April 01, 2019</b>		<b>21,408</b>

For maturity of lease liabilities refer note 33.6

**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
<b>a)</b>	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	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
	<b>Defined benefit obligation at year end</b>	<b>2,684</b>	<b>2,028</b>
<b>b)</b>	<b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
	Fair value of plan assets at beginning of the year	121	111
	Expected return on plan assets	7	9
	Returns of plan assets	1	-
	<b>Fair value of plan assets at year end</b>	<b>129</b>	<b>120</b>
<b>c)</b>	<b>Net defined benefit asset/ (liability) recognised in the balance sheet</b>		
	Present value of defined benefit obligation	(2,684)	(2,028)
	Fair value of plan assets	129	120
	<b>Amount recognised in balance sheet- asset / (liability) at year end</b>	<b>(2,555)</b>	<b>(1,908)</b>
		<b>For the year ended</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>d)</b>	<b>Net defined benefit expense (Recognised in the statement of profit and loss for the year)</b>		
	Current service cost	426	335
	Interest cost on benefit obligation	137	124
	Expected return on plan assets	(7)	(9)
	<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>556</b>	<b>450</b>
<b>e)</b>	<b>Other comprehensive income</b>		
	Change in demographic assumptions	8	(34)
	Change in financial assumptions	96	48
	Return on plan assets	(1)	-
	Experience variance	326	20
	<b>Remeasurement of (Gain)/loss in other comprehensive income</b>	<b>429</b>	<b>34</b>

<b>f)</b>	<b>Broad categories of plan assets as a percentage of total assets</b>		
	Insurer managed funds	100%	100%
<b>g)</b>	<b>Principal assumptions used in determining defined benefit obligation</b>		
	<b>Assumption particulars</b>	<b>As At March 31, 2020</b>	<b>As At March 31, 2019</b>
	Discount rate	6.00%	6.75%
	Salary escalation rate	8.00%	8.00%
	Mortality rate (% of IALM 06-08)	100.00%	100.00%
<b>h)</b>	<b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		<b>(Rs in Lakhs)</b>
	Increase / (decrease) on present value of defined benefits obligations at the end of the year	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	<b>Discount rate</b>		
	Increase by 1.00%	(135)	(93)
	Decrease by 1.00%	151	103
	<b>Salary growth rate</b>		
	Increase by 1.00%	146	100
	Decrease by 1.00%	(135)	(93)
	<b>Attrition rate</b>		
	Increase by 50% of attrition rate	(165)	(102)
	Decrease by 50% of attrition rate	308	174
			<b>(Rs in Lakhs)</b>
		<b>For the year ended</b>	
<b>i)</b>	<b>Maturity profile of defined benefit obligation</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	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
	<b>Total expected payments</b>	<b>3,924</b>	<b>2,997</b>

- j) 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.

**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
<b>Shortfall recognised in balance sheet</b>	<b>-</b>	<b>-</b>
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, recognised 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
	<b>579</b>	<b>533</b>



**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 recognised 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 recognised in statement of profit and loss as detail given below :-

	(Rs in Lakhs)	
Particulars	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)
<b>Closing balance</b>	<b>380</b>	<b>255</b>

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
<b>1) Financial assets at amortized cost</b>				
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
<b>2) Financial Liabilities at amortized cost</b>				
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	-	-	-
Other financial liabilities (current / non current)	62,106	7,860	62,106	7,860
<b>3) Financial assets carried at fair value through OCI</b>				
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.

**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****(Rs in Lakhs)**

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
	March 31, 2020			
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
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
<b>Assets carried at fair value through OCI</b>				
Investment	51	51	-	-
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
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		
		Level 1	Level 2	Level 3
	March 31, 2019			
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
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
<b>Assets carried at fair value through OCI</b>				
Investment	51	51	-	-
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Trade payables	29,159	-	-	29,159
Borrowings (current / non current)	96,374	-	-	96,374
Other financial liabilities (current / non current)	7,860	-	-	7,860

### 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 amortisation. 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	173,533
Trade payable	29,159	-	-	29,159
Other financial liabilities (Refer note I below)	3,890	69	-	3,959
<b>% to Total</b>	<b>26%</b>	<b>29%</b>	<b>45%</b>	<b>100%</b>
March 31, 2020				
Interest bearing borrowings (including interest)	61,892	55,955	70,932	188,779
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 I below)	61,119	303	-	61,422
<b>% to Total</b>	<b>51%</b>	<b>20%</b>	<b>29%</b>	<b>100%</b>

Notes:

**I) Other financial liabilities****(Rs in Lakhs)**

<b>March 31, 2019</b>	<b>0-1 Years</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>	<b>Total</b>
Other financial liabilities (refer note 16 and 21(iv))	7,791	69	-	7,860
Less : Current maturity of borrowings	3,901	-	-	3,901
<b>Other financial liabilities</b>	<b>3,890</b>	<b>69</b>	<b>-</b>	<b>3,959</b>
<b>March 31, 2020</b>				
Other financial liabilities (refer note 16 & 21 (iv))	61,803	303	-	62,106
Less : Current maturity of borrowings	684	-	-	684
<b>Other financial liabilities</b>	<b>61,119</b>	<b>303</b>	<b>-</b>	<b>61,422</b>

**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.

**(Rs in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Neither past due or impaired	26,983	27,937
0 to 180 days due past due date	16,707	14,145
More than 180 days due past due date	5,713	7,856
<b>Total trade receivables (refer note 7(ii) &amp; 11(i))</b>	<b>49,403</b>	<b>49,938</b>

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

**(Rs in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
At the beginning of the year	3,356	4,310
Provision during the year	(59)	(546)
Bad debts written off	(531)	(408)
<b>At the end of the year</b>	<b>2,766</b>	<b>3,356</b>

**(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 recognised by the Group are as under:

(Rs in Lakhs)

Currency	March 31, 2020 Foreign currency	March 31, 2020 Indian Rupees	"Increase/decrease in rate"	Impact on profit before tax
Payables in USD	4	295	1%	2.95

Currency	March 31, 2019 Foreign currency	March 31, 2019 Indian Rupees	Increase/decrease in rate	Impact on profit before tax
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:

(Rs in Lakhs)

Particulars	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.

(Rs in Lakhs)

Year	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 (Pty) 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)

Medecube 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. Rahul Khosla (Till June 5, 2019)

3) Mr. Mohit Talwar

4) Ms. Tara Singh Vachani

5) Mr. Rajit 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. Roshini Bakshi (Till June 21, 2019)

10) Mr. Omkar Goswami (Till June 21, 2019)

11) Mr. Mahendra Gumanmalji Lodha (From June 21, 2019)

12) Mr. Upendra Kumar Sinha (From June 21, 2019)

13) Mr. Michael Thomas Neeb (From June 21, 2019)

**(iv) Relative of directors/Key Managerial Personnel (with whom transactions have taken place during the year)**

1) Ms. Piya Singh sister of Ms. Tara Singh Vachani

2) Mr. Raghav Mehta Son of Mr. Rajit Mehta

3) Mr. Sahil Vachani husband of Ms. Tara Singh Vachani

4) Ms. Santosh Mehta mother of Mr. Rajit Mehta

5) Mr. Kunal Sareen Son of Mr. Yogesh Kumar Sareen

6) Mrs. Kusum Talwar Mother of Mr. Mohit Talwar

7) Ms. Taruna Soi Spouse of Mr. Abhay Soi

8) Ms. Bulbul Soi Mother of Mr. Abhay Soi

9) Mr. R.K. Mahajan Father of Ms. Ruchi Mahajan

10) Mrs. Usha Mahajan Mother of Ms. Ruchi Mahajan

**(v) Key management personnel (with whom transactions have taken place during the year)**

1) Mr. Rajit Mehta, Managing Director & Chief Executive Officer (Till July 28, 2019)

2) Mr. Yogesh Kumar Sareen, Chief financial officer

3) Dr. Mradul Kaushik, Senior Director Operations and Planning (From August 1, 2019)

4) Ms. Ruchi Mahajan, Company secretary

## (B) Transactions with related parties during the year

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Short term loan taken</b>		
Radiant Life Care Private Limited *	42,832	-
<b>Ancillary borrowing cost</b>		
Interest expenses on short term loan from Radiant Life Care Private Limited	1,649	-
Upfront fee on short term loan from Radiant Life Care Private Limited (amortised expenses) **	779	-
<b>Healthcare services rendered</b>		
Max Ventures Private Limited	0.06	-
Director, KMP and their relative	4	6
Core Diagnostics Private Limited	-	0.1
Max India Limited	0.02	0.1
<b>Services received (Excluding GST)</b>		
Max India Limited	201	645
Core Diagnostics Private Limited	-	38
Medecube Healthcare India Private Limited	-	61
Dr. Ajit Singh	-	34
<b>Key Management personnel remuneration ***</b>		
Mr. Yogesh Kumar Sareen (Key management personnel)	361	205
Ruchi Mahajan (Key management personnel)	79	48
Dr. Mradul Kaushik (Key management personnel)	130	-
<b>Director's remuneration ***</b>		
Dr. Pradeep Chowbey (Executive Vice Chairman)	23	79
Mr. Rajit Mehta (Key management personnel)	561	341
Mr. Rohit Kapoor (Senior Director and Chief growth officer)	-	147
<b>Gratuity liability transferred from</b>		
Radiant Life Care Private Limited	30	-
Radiant Life Care Mumbai Private Limited	18	-
<b>Leave encashment liability transferred from</b>		
Radiant Life Care Mumbai Private Limited	3	-
<b>Director's sitting fee (Excluding GST on reverse charges)</b>		
Mr. K. Narasimha Murthy	16	13
Ms. Roshini Bakshi	3	7
Mr. Omkar Goswami	7	9
Mr. Mahendra Gumanmalji Lodha	7	-
Mr. Upendra Kumar Sinha	10	-
Mr. Michael Thomas Neeb	1	-
<b>Remuneration to director's relative ***</b>		
Ms. Piya Singh	8	7

## (C) Balances at the year end

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade payable</b>		
Max India Limited	-	1,404
Core Diagnostics Private Limited	-	14
Medecube Healthcare India Private Limited	-	2
<b>Trade receivables</b>		
Max Ventures Private Limited	0.02	-
Radiant Life Care Pvt Ltd	30	-
Radiant Life Care Mumbai Pvt Ltd	21	-
<b>Short term loan taken</b>		
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 tune of Rs.779 lakhs in year ended March 31, 2020.  
# Outstanding balance of Rs. 45,094 lakhs is after adjustment of unamortized processing fee of Rs. 389 lakhs and including interest accrued net of TDS of Rs. 1484 lakhs in 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/expense 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	March 31, 2020	March 31, 2019
(i) Construction/acquisition of any asset	-	-	-	-
(ii) On purpose other than (i) above	57	20	-	6
	<b>57</b>	<b>20</b>	<b>-</b>	<b>6</b>

**33.9 EARNINGS PER SHARE (EPS)**

(Rs. in Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Earning per share</b>		
<b>a) Basic earnings per share</b>		
Numerator for earnings per share		
<b>Profit/ (loss) after taxation</b>	<b>9,534</b>	<b>(301)</b>
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	537,244,328	537,244,328
<b>Earnings per share-Basic (one equity share of Re. 10/- each)</b>	<b>1.77</b>	<b>(0.06)</b>
<b>b) Diluted earnings per share</b>		
Numerator for earnings per share		
<b>Profit/ (loss) after taxation</b>	<b>9,534</b>	<b>(301)</b>
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	537,244,328	537,244,328
<b>Earnings per share- Diluted (one equity share of Re. 10/- each)</b>	<b>1.77</b>	<b>(0.06)</b>

**33.10** 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 50%. 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	100,275
Less: cash and cash equivalents (refer note 11(ii))	(27,479)	(760)
<b>Net debt (a)</b>	<b>57,551</b>	<b>99,515</b>
Equity (refer note 14 and 15 )	98,741	96,319
<b>Total capital (b)</b>	<b>98,741</b>	<b>96,319</b>
<b>Total capital and net debt (a+b)</b>	<b>156,292</b>	<b>195,834</b>
<b>Gearing ratio</b>	<b>36.82%</b>	<b>50.82%</b>

#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 are 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.

**Notes forming part of consolidated financial statements**

**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

Sd/-

**per Sanjay Vij**

Partner

Membership Number: 095169

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

Sd/-

**Abhay Soi**

(Chairman and Managing Director)

DIN:00203597

Sd/-

**Mahendra Gumanmalji Lodha**

(Director)

DIN: 00012920

Sd/-

**Yogesh Kumar Sareen**

(Chief Financial Officer)

ICAI Membership Number: 087383

Sd/-

**Ruchi Mahajan**

(Company Secretary)

Membership Number: F5671

Place : Gurugram

Date : June 27, 2020

Place : New Delhi

Date : June 27, 2020

# Independent Auditor's Report

To the Members of Max Healthcare Institute Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### OPINION

We have audited the accompanying standalone Ind AS financial statements of Max Healthcare Institute Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2020, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company 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 standalone Ind AS financial statements.

### EMPHASIS OF MATTER

We draw attention to note 29.15 to the standalone Ind AS financial statements, which describes the uncertainty and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

### OTHER INFORMATION

The 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 standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 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.

### RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 Company's ability 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors 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 of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

Sd/-

Date: June 27, 2020

**per Sanjay Vij**

Place of Signature: Gurugram

Partner

Membership Number: 095169

UDIN: 20095169AAAABZ1833

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) All property plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property plant and equipment are pledged with IDFC First Bank Limited and not available with the Company. The same has not been independently confirmed by the Bank and hence we are unable to comment on the same.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, as per information and explanations given by the management, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provision related to duty of excise are not applicable to the Company.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount Outstanding Against Demand (Rs. in lakh)	Period to which the amount relates	Forum where Dispute is pending
Delhi Value Added Tax Act, 2004	VAT	38	2014-15	Department of Trade and Taxes, Government of NCT of Delhi
Delhi Value Added Tax Act, 2004	VAT	46	2015-16	
Delhi Value Added Tax Act, 2004	VAT	51	2016-17	

(viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and bank. The Company did not have any outstanding dues from debenture holders or Government.

(ix) According to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. Further as per information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

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

**For S.R. Batliboi & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

Sd/-

Date: June 27, 2020

**per Sanjay Vij**

Place of Signature: Gurugram

Partner

Membership Number: 095169

UDIN: 20095169AAAABZ1833

## **Annexure-2 to the independent auditor's report of even date on the standalone 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")**

We have audited the internal financial controls over financial reporting of Max Healthcare Institute Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls

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

### **AUDITOR'S RESPONSIBILITY**

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

Sd/-

Date: June 27, 2020

**per Sanjay Vij**

Place of Signature: Gurugram

Partner

Membership Number: 095169

UDIN: 20095169AAAABZ1833

## Standalone Balance sheet as at March 31, 2020

(Rs in Lakhs)			
	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	44,361	45,716
Right of use assets	4	12,074	-
Capital work-in-progress	3	236	869
Other intangible assets	5	1,640	2,169
Intangible assets under development	5	17	133
Investments in subsidiaries	6A	83,446	76,946
Financial assets			
(i) Investments	6B	51	51
(ii) Trade receivables	7	7,974	8,961
(iii) Loans	7	25,758	11,812
(iv) Other bank balances	7	10	-
Income tax assets	8	6,357	6,781
Other non current assets	9	3,555	5,718
		<b>1,85,479</b>	<b>1,59,156</b>
<b>Current assets</b>			
Inventories	10	2,652	1,540
Financial assets	11		
(i) Trade receivables		31,573	28,545
(ii) Cash and cash equivalents		26,865	379
(iii) Other bank balances		45	49
(iv) Loans		2,997	3,291
(v) Other financial assets		430	799
Other current assets	12	1,065	1,383
		<b>65,627</b>	<b>35,986</b>
<b>TOTAL ASSETS</b>		<b>2,51,106</b>	<b>1,95,142</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	13		
(i) Equity share capital		53,724	53,724
(ii) Other equity		70,880	74,946
<b>Total equity</b>		<b>1,24,604</b>	<b>1,28,670</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	31,583	32,674
(ii) Lease liabilities	15 (i)	18,435	-
(iii) Other financial liabilities	15 (ii)	152	69
Provisions	16	1,436	1,098
Other non-current liabilities	17	27	856
		<b>51,633</b>	<b>34,697</b>

(Rs in Lakhs)			
	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Current liabilities</b>			
Financial liabilities	18		
(i) Borrowings		49,393	5,126
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		60	73
-Total outstanding dues of creditors other than micro enterprises and small enterprises		19,684	20,687
(iii) Lease liabilities		842	-
(iv) Other financial liabilities		1,487	2,839
Other current liabilities	19	1,911	1,854
Provisions	16	1,492	1,196
		<b>74,869</b>	<b>31,775</b>
<b>TOTAL LIABILITIES</b>		<b>1,26,502</b>	<b>66,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,51,106</b>	<b>1,95,142</b>
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	28		
Other notes to accounts	29		

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

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

Sd/-  
**per Sanjay Vij**  
Partner  
Membership Number: 095169

Sd/-  
**Abhay Soi**  
(Chairman and Managing Director)  
DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
(Director)  
DIN: 00012920

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

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

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

# Standalone Statement of profit and loss for the year ended March 31, 2020

(Rs in Lakhs)			
		For the year ended	For the year ended
	Note No.	March 31, 2020	March 31, 2019
<b>CONTINUING OPERATIONS</b>			
<b>Income</b>			
Revenue from operations	20	1,09,330	1,00,765
Other income	21	1,585	1,187
Finance income	22	4,082	3,530
<b>Total income</b>		<b>1,14,997</b>	<b>1,05,482</b>
<b>Expenses</b>			
Purchase of pharmacy, drugs, consumables and implants		24,196	22,639
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants		(1,112)	168
Employee benefits expense	23	31,261	31,514
Finance costs	24	8,983	4,358
Depreciation and amortisation expense	25	6,370	5,302
Other expenses	26	42,619	42,902
<b>Total expenses</b>		<b>1,12,317</b>	<b>1,06,883</b>
<b>Profit/(Loss) before tax from continuing operations</b>		<b>2,680</b>	<b>(1,401)</b>
<b>Tax expenses</b>	29.2		
Current tax		-	-
Mat credit entitlement relating to previous year		-	470
<b>Total tax expenses</b>		<b>-</b>	<b>470</b>
<b>Profit/(Loss) for the year from continuing operations</b>		<b>2,680</b>	<b>(1,871)</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit/(Loss) before tax for the year from discontinued operations	27	108	(427)
Tax expenses of discontinued operations		-	-
<b>Profit/(Loss) after tax from discontinued operations</b>		<b>108</b>	<b>(427)</b>
<b>Profit/(Loss) for the year</b>		<b>2,788</b>	<b>(2,298)</b>



(Rs in Lakhs)			
		For the year ended	For the year ended
	Note No.	March 31, 2020	March 31, 2019
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	29.3	(282)	(40)
Income tax effect		-	-
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(282)</b>	<b>(40)</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>2,506</b>	<b>(2,338)</b>
<b>Earnings per equity share for continuing operations (Nominal Value of share Rs.10/-)</b>	29.12		
Basic & diluted (INR)		<b>0.50</b>	<b>(0.35)</b>
<b>Earnings per equity share for discontinued operations (Nominal Value of share Rs.10/-)</b>	29.12		
Basic & diluted (INR)		<b>0.02</b>	<b>(0.08)</b>
<b>Earnings per equity share for continuing and discontinued operations (Nominal Value of share Rs.10/-)</b>	29.12		
Basic & diluted (INR)		<b>0.52</b>	<b>(0.43)</b>
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	28		
Other notes to accounts	29		

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

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

Sd/-  
**per Sanjay Vij**  
Partner  
Membership Number: 095169

Sd/-  
**Abhay Soi**  
(Chairman and Managing Director)  
DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
(Director)  
DIN: 00012920

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

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

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

# Standalone Statement of changes in equity for the year ended March 31, 2020

## A) EQUITY SHARE CAPITAL

Particulars		Nos.	(Rs in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid			
As at April 01, 2018		53,72,44,328	53,724
Add: Equity share issued (refer note 13(i))		-	-
As at March 31, 2019		53,72,44,328	53,724
Add: Equity share issued (refer note 13(i))		-	-
As at March 31, 2020		53,72,44,328	53,724

## B) OTHER EQUITY

Particulars	Reserves and surplus				Total equity
	Capital reserve (Note 13(ii))	Capital reserve on merger with Max Medical Services Limited (Note 13(ii))	Securities premium (Note 13(ii))	Retained earnings (Note 13(ii))	
As at April 01, 2018	1	(660)	1,07,678	(29,735)	77,284
Loss for the year	-	-	-	(2,298)	(2,298)
Other comprehensive income for the year	-	-	-	(40)	(40)
As at March 31, 2019	1	(660)	1,07,678	(32,073)	74,946
Profit for the year	-	-	-	2,788	2,788
Impact on account of transition to new accounting standard lease accounting "Ind-AS 116" (refer note no 2.4)				(6,572)	(6,572)
Other comprehensive income for the year	-	-	-	(282)	(282)
As at March 31, 2020	1	(660)	1,07,678	(36,139)	70,880
Significant accounting policies			2		
Contingent liabilities, commitments and litigations			28		
Other notes to accounts			29		

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

Sd/-

**per Sanjay Vij**

Partner

Membership Number: 095169

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

Sd/-

**Abhay Soi**

(Chairman and Managing Director)

DIN:00203597

Sd/-

**Yogesh Kumar Sareen**

(Chief Financial Officer)

ICAI Membership Number: 087383

Sd/-

**Mahendra Gumanmalji Lodha**

(Director)

DIN: 00012920

Sd/-

**Ruchi Mahajan**

(Company Secretary)

Membership Number: F5671

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020

## Standalone 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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax from continuing operations	2,680	(1,401)
Profit/(Loss) before tax from discontinued operations	108	(427)
<b>Profit/(loss) before tax</b>	<b>2,788</b>	<b>(1,828)</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment from continuing operations	4,107	4,433
Depreciation of property, plant and equipment from discontinued operations	11	33
Depreciation on right of use assets	1,391	-
Amortisation of intangible assets	872	869
Income on termination of Lease under Ind AS 116	(149)	-
Loss on foreign exchange fluctuation	28	44
Provision for doubtful debts (Net)	112	(218)
Provision for doubtful advances (Net)	341	(3)
Bad debts written off from continuing operations	375	525
Bad debts written off from discontinued operations	(2)	4
Debit Balance written off	26	-
Net loss on sale/disposal of property, plant and equipment from continuing operations	15	15
Net loss on sale/disposal of property, plant and equipment from discontinued operations	-	55
Unclaimed balances & excess provisions written back	(564)	(154)
Deferred income under EPCG		(285)
Finance income (including fair value change in financial instruments) from continuing operations	(3,748)	(3,333)
Finance income (including fair value change in financial instruments) from discontinued operations	(3)	(12)
Interest on lease liability	1,962	-
Finance costs (including fair value change in financial instruments)	6,712	4,076
<b>Operating cash flow before working capital changes</b>	<b>14,274</b>	<b>4,221</b>
<b>Working capital changes:</b>		
(Increase) in trade receivables	(2,526)	(8,313)
(Increase)/Decrease in inventories	(1,112)	215
Movements in provisions, gratuity	352	165
(Increase) in other financial assets	369	(119)
Decrease in other current assets & security deposit given	1,381	1,542
(Increase)/Decrease in trade payables and other financial liabilities	(435)	929
Increase in other current liabilities	84	264
<b>Cash generated from operations</b>	<b>12,387</b>	<b>(1,096)</b>
Taxes paid (net of refunds and interest on refund)	424	(819)
<b>Net cash generated from operating activities (A)</b>	<b>12,811</b>	<b>(1,915)</b>

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, including intangible assets, CWIP, Capital Creditors and capital advances	(4,421)	(4,943)
Proceeds from sale of property, plant and equipment	1,608	299
Loan given to subsidiaries & other healthcare service providers	(14,034)	5,150
Loan repaid by subsidiaries & other healthcare service providers	341	(1,300)
Investment in fixed deposits	(6)	(37)
Redemption of investments in subsidiary	(6,500)	3,000
Interest income	3,751	3,345
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>(19,261)</b>	<b>5,463</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long term borrowings	(2,154)	(749)
Proceeds of long term borrowings	190	2,687
Payment of principal portion of lease liabilities	(693)	-
Interest cost of lease liabilities	(1,962)	
Proceeds/(repayments) of short-term borrowings (net of repayment)	44,267	(1,455)
Interest cost	(6,712)	(4,076)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>32,936</b>	<b>(3,593)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>26,486</b>	<b>(45)</b>
Cash and cash equivalents at the beginning of the year	379	424
<b>Cash and cash equivalents at the end of the year</b>	<b>26,865</b>	<b>379</b>

<b>COMPONENTS OF CASH AND CASH EQUIVALENTS:</b>		<b>(Rs in Lakhs)</b>
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Cash on hand	30	55
Cheques\drafts on hand	66	78
Fixed deposits with banks of maturity less than three months	25,739	-
Balances with banks on current accounts	1,030	246
<b>Total cash and cash equivalents</b>	<b>26,865</b>	<b>379</b>
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 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

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

Sd/-  
**per Sanjay Vij**  
Partner  
Membership Number: 095169

Sd/-  
**Abhay Soi**  
(Chairman and Managing Director)  
DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
(Director)  
DIN: 00012920

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

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

Place : Gurugram  
Date : June 27, 2020

Place : New Delhi  
Date : June 27, 2020



# Notes forming part of Standalone financial statements

## 1 CORPORATE INFORMATION

Max Healthcare Instituted Limited ("the Company") 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 centers. 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 Uttrakhand.

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 programmes 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 Ready money Terrace, 1st Floor, 167, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

The standalone 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

The standalone financial statements of the Company for the year ended March 31, 2020 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 standalone 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 experience 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 2.3 for significant accounting judgements, estimates and assumptions.

The standalone 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 Summary of significant accounting policies

#### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### b. Property, plant and equipment

Property, plant and equipment including capital work in progress are stated at cost, 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 Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed,

its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

The Company identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost and 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 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:

<b>Assets</b>	<b>Useful lives estimated by the management (years)</b>
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's	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 Company revised useful life of the tangible assets, refer note 2.5 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 amortisation 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 amortisation period and the amortisation 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 amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not 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 recognised in the statement of profit and loss when the asset is derecognised.

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

#### **Research and development cost**

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

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation 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 Company revised useful life of the tangible assets, refer note 2.5 for detailed disclosure.

#### d. Impairment of non financial assets

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

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

Impairment losses including impairment on

inventories, are recognised 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.

An assessments is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

#### e. Financial Instruments

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

##### (i) Financial assets

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

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

##### Initial recognition and measurement

All financial assets are recognised 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

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

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

**Debt instruments at amortized cost**

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

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

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

**Debt instruments at fair value through OCI**

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

- a) Business Model Test : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

**Debt instruments at FVTPL**

FVTPL is a residual category for financial instruments. Any financial instrument, which

does not meet the criteria for 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 recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

**Equity investments of other entities**

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

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

**Derecognition**

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

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

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and



rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **Impairment of financial assets**

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

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

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

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

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively

from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **(ii) Financial liabilities**

##### **Initial recognition and measurement**

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

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

##### **Trade Payables**

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

##### **Financial liabilities at fair value through profit or loss**

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

##### **Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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 amortisation process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees



or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Financial guarantee contracts**

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

#### **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 recognised 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**

##### **1) Revenue from contract with customer**

Revenue from contracts with customers is recognised 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.

##### **Rendering of healthcare services**

Revenue from rendering of healthcare services (including drugs, consumables and implants used in delivery of such services) is recognised over the time based on the performance of related services to the customers as per the terms of contract. Revenue from rendering of healthcare services 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 recognised 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 service provided.

##### **Sale of goods**

Revenue from sale of pharmacy and pharmaceutical supplies is recognised 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 no 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 recognised 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.

##### **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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## **II) Other revenue**

### **Rental income**

Rental income arising from operating leases on properties is accounted for as per the terms of lease agreement and is included in operating revenue in the statement of profit or loss due to its operating nature.

### **Interest**

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

### **Incentive Income**

Benefits under "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 recognised over the time of services rendered

## **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 recognised 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 recognised 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 recognised as income either over the period allowed under the Government 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 recognised outside profit or loss is recognised outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised 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 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 Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is 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 Company 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 Company applies a single recognition and

measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes 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 Company recognizes 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 Company 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

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 Company recognizes 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company uses its weighted average cost of debts as incremental borrowing rate as on April 1, 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 Company. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

#### **Short term leases and lease of low value assets**

The Company applies the short term lease recognition exemption 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 recognised as expenses on a straight line basis over the term of the lease

#### **As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as per the terms of lease agreement. 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.

#### **m. Provisions**

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

#### **Contingent liabilities**

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

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

#### **n. Employee benefits**

##### **Provident fund**

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

##### **Gratuity**

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognised 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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

##### **Compensated Absences**

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

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



settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

### Short-term obligations

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

### Long term incentive plan

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

## o. Share-based payments

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

### Equity-settled transactions

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

That cost is recognised, 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 recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

No expense is recognised 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 recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised 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 29.5. 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 recognised 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 Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency,



using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

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

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

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

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 amortized 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 forward 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 Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised 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 recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised 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 recognised asset or liability or an unrecognised 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 recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- (iii) Hedges of a net investment in a foreign operation

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

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

### **(i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised 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 recognised 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 amortisation 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 derecognised, the unamortized fair value is recognised immediately in profit or loss. When an unrecognised 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 recognised as an asset or liability with a

corresponding gain or loss recognised in profit and loss.

## (ii) Cash flow hedges

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

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

Amounts recognised 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 recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised 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 recognised 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 recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

## t. Fair value measurement

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

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

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

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

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

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

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

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

## 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 Company 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.
- 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.

## 2.3 Significant accounting judgements, estimates and assumptions

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

### Judgements

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

#### (a) Assessment of lease terms

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 Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (a) Taxes

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

### (b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 29.3.

### (c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in

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

#### **(d) Impairment of financial assets**

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

#### **(e) Impairment of non-financial assets**

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 Company 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 also relevant to other intangibles. During the year the Company has done the impairment assessment of non financial assets and have concluded that there is no impairment in value of non financial assets as appearing in the financial statements.

#### **(f) Impairment of investment in subsidiaries**

The Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any indication exists, or when annual impairment testing for an investment is required, the Company estimates the investment's recoverable amount. An investment's recoverable amount is the higher of an investment's CGU's fair value less cost of disposal and its value in use. Where the carrying amount of an investment or CGU exceeds its recoverable amount, the investment 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 investment. 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 like discount rate, operating margin and other factor of the underline business operations of the subsidiaries and joint ventures. During the period, management has done impairment assessment of its investment in subsidiary companies and have concluded that there is no impairment in value of investments as appearing in the financial statements.

#### **(g) Share based payments**

The Company initially measures the cost of cash settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash settled share based payment transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised 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 29.5.

#### **(h) Lease incremental borrowing rate**

The Company 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 Company 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 Company "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 Company estimates the IBR using observable inputs such as market interest rates when available.

### **2.4 Changes in accounting policies and disclosures on adoption of new and amended standards**

#### **New and amended standards**

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of new accounting standard are described below. Several other amendments and interpretations apply for the first time in April 1, 2019, but do not have an impact on the standalone financial statements of the Company. The Company 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 Company has applied Ind AS 116 Leases prospectively. Further, it has used the modified retrospective approach for transition to new accounting standard on the long terms 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 Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. Lease liability recognised 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 Company 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).

time, the Company has used the following practical expedients permitted by the standard:

- i) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- ii) The accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- iii) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- iv) 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 standalone balance sheet as at March 31, 2020 and April 1, 2019 (increase / (decrease)) :-

Particulars	Notes No.	(Rs. in lakhs)	
		As at March 31, 2020	As at April 01, 2019
<b>Assets</b>			
Non-current assets			
Right of use assets	4	12,074	12,530
Financial assets			
Loans	7	(58)	-
Other non current assets	9	(715)	(714)
<b>Total assets</b>		<b>11,301</b>	<b>11,816</b>
<b>Equity</b>			
Other equity			
Retained earnings	13(ii)	(7,120)	(6,572)
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	15	18,435	18,423
Other non current liabilities	17	(856)	(856)
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	18(iii)	842	821
<b>Total equity and liabilities</b>		<b>11,301</b>	<b>11,816</b>



Impact on standalone statement of profit and loss for the year ended March 31, 2020 :-

Particulars	Notes No.	For the year ended March 31, 2020	
<b>Income</b>			
Other income	21	149	
<b>Total income</b>		<b>149</b>	
<b>Expenses</b>			
Finance costs	24	1,962	
Depreciation and amortisation expense	25	1,391	
Other expenses	26	(2,656)	
<b>Total expenses</b>		<b>697</b>	
<b>Loss before tax</b>		<b>(548)</b>	

**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 Company 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 Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company

determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

**2.5 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 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 Company continued with its earlier life assessments, depreciation expense for the year March 31, 2019 would have been lower by Rs.103 lakhs.

**(ii) Amortisation 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, amortisation expense for the year ended March 31, 2019 would have been lower by Rs.168 lakhs.

**3. PROPERTY, PLANT AND EQUIPMENTS (PPE) AND CAPITAL WORK IN PROGRESS**

(Rs in Lakhs)

	Leasehold land	Building	Leasehold improvements	Medical equipment	Lab equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress
<b>Gross carrying amount (at cost)</b>														
<b>As at April 01, 2018</b>	6,256	17,017	6,178	17,809	30	3,697	615	1,491	1,317	1,037	1,864	1,049	58,360	386
Additions/ Re-allocated	-	(136)	534	1,071	12	276	86	64	121	328	47	215	2,618	483
Disposals	-	-	102	431	5	143	37	14	199	45	45	1	1,022	-
<b>As at March 31, 2019</b>	6,256	16,881	6,610	18,449	37	3,830	664	1,541	1,239	1,320	1,866	1,263	59,956	869
Additions	-	265	1,105	1,689	29	435	105	63	238	205	111	187	4,432	52
Disposals	-	19	968	419	-	214	64	45	254	23	99	222	2,327	685
<b>As at March 31, 2020</b>	6,256	17,127	6,747	19,719	66	4,051	705	1,559	1,223	1,502	1,878	1,228	62,061	236
<b>Accumulated depreciation</b>														
<b>As at April 01, 2018</b>	-	932	1,295	4,217	21	1,116	328	533	190	484	583	728	10,427	-
Additions/ Re-allocated	-	245	570	1,920	2	413	108	220	194	310	266	218	4,466	-
Disposals	-	-	95	232	5	134	35	11	61	44	36	-	653	-
<b>As at March 31, 2019</b>	-	1,177	1,770	5,905	18	1,395	401	742	323	750	813	946	14,240	-
Additions (note 3.03)	-	302	542	1,673	4	367	100	206	164	302	231	227	4,118	-
Disposals	-	1	11	172	-	70	50	17	91	16	5	225	658	-
<b>As at March 31, 2020</b>	-	1,478	2,301	7,406	22	1,692	451	931	396	1,036	1,039	948	17,700	-
<b>Net carrying amount</b>														
<b>As at March 31, 2020</b>	6,256	15,649	4,446	12,313	44	2,359	254	628	827	466	839	280	44,361	236
<b>As at March 31, 2019</b>	6,256	15,704	4,840	12,544	19	2,435	263	799	916	570	1,053	317	45,716	869

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

### 3.2 PPE given as security

PPE are subject to charge to secure the Company's secured long term borrowings as disclosed in note 14.

3.3 Includes depreciation of tangible assets of Rs.11 lakhs (March 31, 2019 : Rs. 33 lakhs) relating to discontinued operations. (refer note 27)

### 3.4 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, written down value of these assets as at March 31, 2019 has been depreciated on balance useful life of these assets. Had the Company continued with its earlier life assessments, depreciation expense for the year ended Marh 31, 2019 would have been lower by Rs.103 lakhs.

### 3.5 Asset under construction

Capital work in progress as at March 31, 2020 comprises expenditure for structure work of Medical ICU at Dehradun, Immigration centre at Mohali & Medical equipments' at Saket West. Total amount of CWIP is Rs.236 lakhs (March 31 2019: Rs.869 lakhs).

## 4. RIGHT OF USE ASSETS

				(Rs in Lakhs)	
				Leasehold Building	Total
<b>Gross carrying amount (at cost)</b>					
<b>On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019</b>				<b>12,530</b>	<b>12,530</b>
Additions				1,130	1,130
Modification*				(127)	(127)
Disposals				86	86
<b>As at March 31, 2020</b>				<b>13,447</b>	<b>13,447</b>
<b>Accumulated Depreciation</b>					
<b>On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019</b>				<b>-</b>	<b>-</b>
Additions				1,391	1,391
Disposals				18	18
<b>As at March 31, 2020</b>				<b>1,373</b>	<b>1,373</b>
<b>Net carrying amount</b>					
<b>As at March 31, 2020</b>				<b>12,074</b>	<b>12,074</b>
<b>On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019</b>				<b>12,530</b>	<b>12,530</b>

\*Represent reduction in lease rental of leased properties at Panchsheel Park and Shalimar Bagh

## 5. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

				(Rs in Lakhs)	
	Other intangible assets			Intangible assets under development	
	Computer software	Non compete fee	Total		
<b>Gross carrying amount (at cost)</b>					
<b>As at April 01, 2018</b>	<b>3,282</b>	<b>1,265</b>	<b>4,547</b>		<b>329</b>
Additions	798	-	798		236
Disposals	7	-	7		432
<b>As at March 31, 2019</b>	<b>4,073</b>	<b>1,265</b>	<b>5,338</b>		<b>133</b>
Additions	344	-	344		-
Disposals	2	-	2		116
<b>As at March 31, 2020</b>	<b>4,415</b>	<b>1,265</b>	<b>5,680</b>		<b>17</b>

					(Rs in Lakhs)
	Other intangible assets			Intangible assets under development	
	Computer software	Non compete fee	Total		
<b>Accumulated amortisation</b>					
<b>As at April 01, 2018</b>	<b>1,814</b>	<b>493</b>	<b>2,307</b>		<b>-</b>
Additions	688	181	869		-
Disposals	7	-	7		-
<b>As at March 31, 2019</b>	<b>2,495</b>	<b>674</b>	<b>3,169</b>		<b>-</b>
Additions	691	181	872		-
Disposals	1	-	1		-
<b>As at March 31, 2020</b>	<b>3,185</b>	<b>855</b>	<b>4,040</b>		<b>-</b>
<b>Net carrying amount</b>					
<b>As at March 31, 2020</b>	<b>1,230</b>	<b>410</b>	<b>1,640</b>		<b>17</b>
<b>As at March 31, 2019</b>	<b>1,578</b>	<b>591</b>	<b>2,169</b>		<b>133</b>

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

5.2 Intangible assets under development includes computer softwares.

5.3 **Change in amortisation 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 Company continued with its earlier life assessments, amortisation expense for the year ended March 31, 2019 would have been lower by Rs. 168 lakhs.

## 6. INVESTMENTS

				(Rs in Lakhs)	
				As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>Investment in equity instrument (valued at cost)</b>				
	<b>Investments in subsidiaries</b>				
	<b>Unquoted equity shares</b>				
	<b>Alps Hospital Limited</b>				
	2,881,034 (March 31, 2019 : 2,881,034) equity shares of Rs.10/- each fully paid-up			3,048	3,048
	<b>Hometrail Buildtech Private Limited</b>				
	50,939,078 (March 31, 2019 : 50,939,078) equity shares of Rs.10/- each fully paid-up			15,702	15,702
	<b>Crosslay Remedies Limited (refer note (i))</b>				
	111,625,297 (March 31, 2019 : 111,625,297) equity shares of Rs.10/- each fully paid-up			24,696	24,696
	<b>Saket City Hospitals Private Limited (refer note (ii) &amp; (iii))*</b>				
	16,832,414 (March 31, 2019 : 14,864,817) equity shares of Rs.10/- each fully paid-up			40,000	32,500
	<b>Saket City Hospitals Private Limited (refer note (iii))</b>				
	NIL (March 31, 2019 : 500,000) compulsory convertible preference shares of Rs.10/- each fully paid-up			-	1,000
				<b>83,446</b>	<b>76,946</b>

\*The Company holding includes 10 shares held by Mr. Gopal Singh Negi as nominee of Smart Health City Pte. Ltd. The requisite delivery instruction slip for transfer of these 10 shares has been submitted with depository participant for transferring to the Company. However, due to current national lock down, the Company is yet to receive the confirmation about the aforesaid credit of shares to the Company account.

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>B Investment in equity instrument (Fair value through OCI)</b>		
<b>Sandhya Hydro Power Projects Balargha Private Limited</b>	51	51
507,795 (March 31, 2019 : 507,795) equity shares of Rs.10/- each fully paid-up	<b>51</b>	<b>51</b>
	<b>83,497</b>	<b>76,997</b>
<b>Non-current</b>	<b>83,497</b>	<b>76,997</b>
<b>Aggregate value of unquoted investments</b>	<b>83,497</b>	<b>76,997</b>
<b>Amount of impairment in value of investments</b>	-	-

(i) 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 ("New 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. 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."

(ii) 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 ("SPA") for purchasing the Kayak's stake (i.e. 1,26,00,000) subsequently, such that the Company holds 100% of the paid-up share capital of SCHPL ultimately. In terms of this SPA, the Company has to pay the purchase price for an aggregate amount in cash equal to the INR equivalent of USD 64,246,702, which price, the parties agree shall not exceed the Fair Market Value of these shares i.e. INR 386.50 per equity share. 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.

(iii) March 31, 2020, 5,00,000 Compulsorily Convertible Preference Shares ("CCPS") of face value INR 10 each of SCHPL held by the Company were converted into equity shares in accordance with the terms of issuance of CCPS. The conversion period was earlier of the date on which Smart Health City Pte Limited cease to hold equity shares of SCHPL, in terms of shareholders' agreement dated November 27, 2015 executed amongst SCHPL, Max Healthcare Institute Limited and Smart Health City Pte Limited or 15 years from date of such subscription of CCPS. Accordingly, 2,85,714 fully paid-up equity shares of INR 10/- each, at a premium of INR 340 per equity share were allotted to the Company upon conversion of 5,00,000 CCPS of face value of Rs. 10 each.

These equity shares allotted shall rank pari passu in all respects, with the existing equity shares of SCHPL.



		(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019

**7. NON-CURRENT FINANCIAL ASSETS**

<b>(i) Trade receivables (unsecured)</b>			
	Trade receivables - considered good	7,974	8,961
		<b>7,974</b>	<b>8,961</b>

No trade receivables are due from directors or other officers of the Company 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 recognised 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"

**(ii) Loans (Valued at amortized cost) (unsecured considered good unless stated otherwise)**

a) Loans to related parties (refer note 29.11)	14,809	3,050
b) Loans and advances to other healthcare service providers	2,000	-
c) Preference shares in Hometrail Buildtech Private Limited *		
2,000,000 (March 31, 2019 : 2,000,000) 0% non convertible redeemable preference shares of Rs.100/- each fully paid-up	3,806	3,420
d) Security deposits - considered good	5,143	5,342
Security deposits - credit impaired	200	-
Less:- Impairment allowance for security deposits - credit impaired	(200)	-
	<b>25,758</b>	<b>11,812</b>

\* Hometrail Buildtech Private Limited had allotted 2,000,000 nos., 0% non convertible redeemable preference shares of Rs. 100/- each aggregating to Rs. 2,000 lakhs in March, 2014 to the Company with redemption premium at internal rate of return of 11.25% per annum for a tenure of 6 years. The tenure of redemption for the redeemable preference share have been extended further for a period of 5 years w.e.f. March, 2020 till March, 2025 with other terms of issuance remaining constant.

<b>(iii) Other bank balances</b>			
	Fixed deposits under lien #	10	-
		<b>10</b>	<b>-</b>
# 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)	6,357	6,781
		<b>6,357</b>	<b>6,781</b>

		(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
<b>9. OTHER NON CURRENT ASSETS (UNSECURED CONSIDERED GOOD)</b>			
Capital advances*		3,380	3,346
Others			
Prepaid expenses		110	2,292
Licenses receivable		65	80
		<b>3,555</b>	<b>5,718</b>

\*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 is actively engaged with 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 waiting for grant of possession.

**10. INVENTORIES**

Stock of pharmacy, drugs, consumables and implants	2,652	1,540
(at lower of cost and net realizable value)	<b>2,652</b>	<b>1,540</b>

**11. CURRENT FINANCIAL ASSETS**

<b>(i) Trade receivables</b>		
(Unsecured considered good, unless otherwise stated) :-		
Trade receivables - considered good	30,419	27,721
Trade receivables - considered doubtful	1,995	2,022
Trade receivables from related parties - considered good (refer note 29.11)	1,154	824
Less: Impairment allowance for trade receivables	(1,995)	(2,022)
	<b>31,573</b>	<b>28,545</b>
Trade receivables are not interest bearing.		
No trade or receivables are due from directors or other officers of the Company 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.		
<b>(ii) Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	1,030	246
Deposits with original maturity less than 3 months	25,739	-
Cheques/ drafts on hand	66	78
Cash on hand	30	55
	<b>26,865</b>	<b>379</b>

Changes in liabilities arising from financing activities				(Rs in Lakhs)
Particulars	April 01, 2019	Adjustment#	Cash flow	March 31, 2020
Current borrowings	5,126	-	44,267	49,393
Non current borrowings (including current maturities)	33,909	-	(1,964)	31,945
Lease liabilities (current and non-current)	19,244	726	(693)	19,277
<b>Total liabilities from financial activities</b>	<b>58,279</b>	<b>726</b>	<b>41,610</b>	<b>1,00,615</b>
Particulars	April 01, 2018	Adjustment	Cash flow	March 31, 2019
Current borrowings	6,581	-	(1,455)	5,126
Non current borrowings (including current maturities)	31,971	-	1,938	33,909
<b>Total liabilities from financial activities</b>	<b>38,552</b>	<b>-</b>	<b>483</b>	<b>39,035</b>
# Adjustments relates to lease liability recognised ,terminated and modified during the year .				

				(Rs in Lakhs)
			As at March 31, 2020	As at March 31, 2019
<b>(iii) Other bank balances</b>				
Fixed deposits under lien #			45	49
			<b>45</b>	<b>49</b>
# Margin money deposits given as security includes				
Rs 39 Lakhs (March 31, 2019 : Rs.43 lakhs) to secure bank guarantee issued to government authorities.				
Rs 6 Lakhs (March 31, 2019 : Rs.6 lakhs) to secure bank guarantee issued to customers i.e. ECHS and Northern Railways.				
<b>(iv) Loans (unsecured considered good, carried at amortized cost)</b>				
a) Loans to related parties (refer note 29.11)			-	245
b) Preference shares in Alps Hospital Limited [refer note (i) below]				
1,550,000 (March 31, 2019 : 1,550,000) 0% non convertible redeemable preference shares of Rs.100/- each fully paid-up			2,945	2,647
c) Loans and advances to other healthcare service providers			17	399
d) Security deposits			35	-
			<b>2,997</b>	<b>3,291</b>

- (i) Alps Hospital Limited ("Alps") had allotted 2,000,000 nos., Zero percent Non-Convertible Redeemable Preference Shares ("NCRPS") of Rs. 100/- each aggregating to Rs. 2,000 Lakhs in March, 2014 to the Company with redemption premium at internal rate of return of 11.25% per annum for a tenure of 6 years. During the previous year on August 22, 2018, Alps had redeemed 4,50,000 nos. preference shares of Rs. 100 each at a redemption premium of Rs. 270 lakhs aggregating to Rs. 720 Lakhs. During the year, the tenure of redemption of balanced NCRPS has been extended for a period of 3 years w.e.f. March, 2020 till March, 2023 with other terms of issuance remaining constant. Subsequent to year end, on June 02, 2020, 15,50,000 Zero Percent Redeemable Preference Shares of Rs.100 each aggregating Rs.1,550 lakhs are redeemed at premium of Rs.1,450 lakhs aggregating to a consideration of Rs.3,000 lakhs, accordingly the loan receivable of Rs.2,945 lakhs has been shown as current assets.

<b>(v) Other financial assets (unsecured considered good, carried at amortized cost)</b>				
Unbilled revenue			430	798
Foreign exchange forward contracts			-	1
			<b>430</b>	<b>799</b>

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
<b>12. OTHER CURRENT ASSETS (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)</b>		
Other advances	603	707
Prepaid expenses	444	660
Licenses receivable	18	15
Receivable under duty credit scheme	-	1
	<b>1,065</b>	<b>1,383</b>

**13. SHARE CAPITAL AND OTHER EQUITY****(i) Equity share capital**

(Rs in Lakhs)				
	As at March 31, 2020		As at March 31, 2019	
<b>a) Authorized</b>				
960,000,000 (March 31, 2019: 960,000,000) equity shares of Rs.10/- each	96,000		96,000	
125,000,000 (March 31, 2019: 125,000,000) cumulative preference shares of Rs.10/- each	12,500		12,500	
	<b>1,08,500</b>		<b>1,08,500</b>	
<b>Issued, subscribed and fully paid-up</b>				
537,244,328 (March 31, 2019: 537,244,328) equity shares of Rs.10/- each	53,724		53,724	
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>53,724</b>		<b>53,724</b>	
<b>b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>				
	March 31, 2020		March 31, 2019	
<b>Equity shares</b>	<b>No. of shares</b>	<b>(Rs in Lakhs)</b>	<b>No. of shares</b>	<b>(Rs in Lakhs)</b>
At the beginning of the year	53,72,44,328	53,724	53,72,44,328	53,724
Issued during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>53,72,44,328</b>	<b>53,724</b>	<b>53,72,44,328</b>	<b>53,724</b>
<b>c) Terms and rights attached to equity shares</b>				
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				
		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%	-	-

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.

### 13 (II) OTHER EQUITY

(Rs in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
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)	(36,139)	(32,073)
	<b>70,880</b>	<b>74,946</b>
<b>Notes:</b>		
<b>a) Capital reserve (refer (i) below)</b>	1	1
	<b>1</b>	<b>1</b>
<b>b) Capital reserve on merger with Max Medical Services Limited</b>	(660)	(660)
	<b>(660)</b>	<b>(660)</b>
<b>c) Securities premium (refer (ii) below)</b>		
At the beginning of the year	1,07,678	1,07,678
Add: premium on issue of equity shares	-	-
	<b>1,07,678</b>	<b>1,07,678</b>
<b>d) Retained earnings</b>		
At the beginning of the year	(32,073)	(29,735)
Profit/(loss) for the year	2,788	(2,298)
Adjustment on transition to Ind AS-116 (refer note 2.4)	(6,572)	-
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(282)	(40)
	<b>(36,139)</b>	<b>(32,073)</b>



**Nature of reserve****(i) Capital reserve**

Capital reserve is recognised on business combination transactions with the Company.

**(ii) Securities premium**

Securities premium reserve is recognised 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.

		(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
<b>14. BORROWINGS</b>			
	<b>Non-current borrowings :-</b>		
	<b>Term loans (secured)</b>		
	From banks	27,043	27,914
	From non-banking financial company	4,285	4,396
	<b>Vehicle loans (secured)</b>	154	228
	<b>Deferred payment liabilities (secured)</b>	101	136
	<b>Current borrowings :-</b>		
	<b>Term loans (secured)</b>		
	From banks	144	852
	From non-banking financial company	21	124
	<b>Deferred payment liabilities (secured)</b>	50	40
	<b>Vehicle loans (secured)</b>	147	219
		<b>31,945</b>	<b>33,909</b>
	<b>Less: Amount disclosed under "other current financial liabilities" [refer note 18(iv)]</b>	362	1,235
		<b>31,583</b>	<b>32,674</b>
	<b>Aggregate Secured loans</b>	<b>31,945</b>	<b>33,909</b>
	<b>Aggregate Unsecured loans</b>	-	-

**Borrowing notes****Term loan from banks :-**

- (i) Rs. 24,629 lakhs (March 31, 2019 : Rs. 25,794 lakhs) from IDFC Bank Limited repayable in 52 structured 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 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 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.

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) 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 repayable in 150 monthly installments from June, 2019 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 Bank Ltd and IDFC Infrastructure Finance Ltd.
  - b) 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 NIIF Infrastructure Finance Ltd.
  - 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 NIIF Infrastructure Finance Ltd.
  - 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 NIIF Infrastructure Finance Ltd.

**Term loan from non-banking financial company :-**

(iii) Rs. 4,306 lakhs (March 31, 2019 : Rs. 4,520 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 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.

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) (c) and (d) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to Rs.34,000 lakhs.

Term loans is chargeable to interest from 9.85% per annum to 10.55% per annum on the basis of actual rate charged depending upon the purpose, tenure and lending institution.

#### Deferred payment liabilities :-

Deferred payment liabilities is secured by hypothecation of medical equipment and repayable in 20 quarterly installments from June 2018.

#### Vehicle loan :-

Vehicle loans of Rs.301 lakhs (March 31, 2019: Rs.447 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 on the basis of actual rate charged depending upon the tenure and lending institution.

	(Rs in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>15. NON-CURRENT FINANCIAL LIABILITIES</b>		
<b>(i) Lease liabilities</b>		
Lease liabilities (refer note 2.4 and 28F)	18,435	-
	<b>18,435</b>	<b>-</b>
<b>(ii) Other non current financial liabilities</b>		
Provision for deferred compensation (refer note 29.5)	152	69
	<b>152</b>	<b>69</b>
<b>16. PROVISIONS</b>		
<b>Non current</b>		
Provision for employee benefits		
Provision for gratuity (refer note 29.3)	1,436	1,098
	<b>1,436</b>	<b>1,098</b>
<b>Current</b>		
Provision for employee benefits		
Provision for leave encashment	1,068	845
Provision for gratuity (refer note 29.3)	424	351
	<b>1,492</b>	<b>1,196</b>
<b>17. OTHER NON CURRENT LIABILITIES</b>		
Lease equalization reserve (refer note 2.4)	-	856
Government grant	27	-
	<b>27</b>	<b>856</b>
<b>18. CURRENT FINANCIAL LIABILITIES</b>		
<b>(i) Borrowings</b>		
Cash credit from banks (secured)	4,299	5,126
Loan from shareholders (unsecured)*	45,094	-
	<b>49,393</b>	<b>5,126</b>

#### (I) Cash credit from banks (secured)

- (i) 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
- (ii) 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
- (iii) 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.

**(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 drawdown date i.e. August, 2020.

\* Balance post adjusting unamortized processing fees of Rs.390 lakhs and interest payable of Rs.1484 lakhs.

Short term loans is chargeable to interest ranging from 9.85% per annum to 10.15% per annum on the basis of actual rate charged depending upon the tenure and lending institution.

		(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
<b>(ii) Trade payables</b>			
Total outstanding dues of micro enterprises and small enterprises		60	73
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,684	19,245
Trade payable to related party (refer note 29.11)		-	1,442
		<b>19,744</b>	<b>20,760</b>
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		60	73
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 period) 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		-	-
<b>(iii) Lease liabilities</b>			
Lease liabilities (Refer note 2.5 and 28F)		842	-
		<b>842</b>	<b>-</b>
<b>(iv) Other current financial liabilities</b>			
Current maturity of non current borrowings (refer note 14)		312	1,195
Current maturity of deferred payment liabilities (refer note 14)		50	40
Provision for deferred compensation (refer note 29.5)		228	186
Capital creditors		454	895
Security deposits		254	346
Others		189	177
		<b>1,487</b>	<b>2,839</b>

		(Rs in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
<b>19. OTHER CURRENT LIABILITIES</b>			
	Advance from patients	625	440
	Statutory dues	1,271	1,329
	Other advances	15	85
		<b>1,911</b>	<b>1,854</b>
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>20.</b>	<b>REVENUE FROM OPERATION</b>		
	Revenue from contracts with customers	1,07,481	99,212
	Other operating revenue	1,849	1,553
		<b>1,09,330</b>	<b>1,00,765</b>
20.1	<b>Disaggregated revenue information</b>		
	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.		
	<b>Sale of pharmacy and pharmaceuticals supplies</b>	5,246	6,245
	Revenue from healthcare services (net)	1,02,235	92,967
	<b>Total</b>	<b>1,07,481</b>	<b>99,212</b>
	<b>Revenues by geography</b>		
	India	1,07,481	99,212
	Outside India	-	-
	<b>Total</b>	<b>1,07,481</b>	<b>99,212</b>
	<b>Revenues by timing of revenue recognition</b>		
	Goods transferred at a point in time	5,246	6,245
	Services transferred over time	1,02,235	92,967
		<b>1,07,481</b>	<b>99,212</b>
20.2	<b>Contract balances</b>		
	Trade receivables	39,547	37,506
	Contract assets (Unbilled revenue)	430	798
	Contract liabilities (Advance from patients)	625	440
20.3	<b>Reconciling of revenue recognised in the statement of profit and loss with contracted price</b>		
	Revenue as per contracted price	1,14,620	1,06,569
	Allowance for deduction	(778)	(1,070)
	Discount	(6,361)	(6,287)
	Revenue from contract with customers	<b>1,07,481</b>	<b>99,212</b>



20.4	<b>Performance obligation</b>		
	The performance obligation of the Company 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 Company 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.		

(Rs in Lakhs)			
		For the year ended March 31, 2020	For the year ended March 31, 2019
20.5	<b>Other operating revenue</b>		
	Sponsorship and educational income	1,215	919
	Income from ancillary activities	388	373
	Income from service exports from India scheme	246	261
		<b>1,849</b>	<b>1,553</b>

**21. OTHER INCOME**

	Income from deferred credit	213	127
	Deferred income under EPCG	49	285
	Unclaimed balances & excess provisions written back	564	154
	Income on termination of lease under Ind AS 116	149	-
	Other non-operating income	610	621
		<b>1,585</b>	<b>1,187</b>

**22. FINANCE INCOME**

	Interest income on		
	Bank deposits	486	2
	Security deposits	69	59
	Fair valuation of receivables	993	1,013
	Loans to subsidiary companies	1,296	1,232
	Loans to other healthcare service providers	904	1,027
	Income tax refund	334	197
		<b>4,082</b>	<b>3,530</b>

**23. EMPLOYEE BENEFITS EXPENSE**

	Salaries, wages and bonus	28,789	28,990
	Contribution to provident and other funds	1,232	1,122
	Gratuity expense (refer note 29.3)	397	329
	Staff welfare expenses	843	1,073
		<b>31,261</b>	<b>31,514</b>

**24. FINANCE COSTS**

	Interest on debts and borrowings	6,712	4,076
	Interest on lease liability	1,962	-
	Bank charges	309	282
		<b>8,983</b>	<b>4,358</b>

				(Rs in Lakhs)
			For the year ended March 31, 2020	For the year ended March 31, 2019

**25. DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of tangible assets (refer note 3)		4,107		4,433
Depreciation on right of use assets (refer note 4)		1,391		-
Amortisation of intangible assets (refer note 5)		872		869
		<b>6,370</b>		<b>5,302</b>

**26. OTHER EXPENSES**

Professional and consultancy fee		22,611		21,435
Outside lab investigation		1,146		552
Patient catering expenses		745		759
Rent		320		3,403
Insurance		630		651
Rates and taxes		703		297
Facility maintenance expenses		1,766		1,951
Power and fuel		1,836		2,008
Repairs and maintenance:				
Building		461		235
Plant and equipment		1,344		1,297
Others		560		507
Printing and stationery		407		391
Travelling and conveyance		1,002		1,019
Communication		368		392
Legal and professional		4,084		4,166
IT support expense		908		908
Watch and ward		552		553
Directors' sitting fee		60		56
Advertisement and publicity		1,787		1,521
Loss on foreign exchange fluctuation		28		44
Recruitment expenses		50		91
Equipment hiring charges		159		155
Provision for doubtful debts & advances/ Bad debts written off				
Provision for doubtful debts	112		(218)	
Provision for doubtful advances	341		(3)	
Debit balances written off	26		-	
Bad debts written off	375	854	525	304
Net loss on sale/disposal of property, plant and equipment		15		15
Miscellaneous expenses		223		192
		<b>42,619</b>		<b>42,902</b>

**Payment to auditor (included in legal and professional fee) (including taxes)**

As auditor:

Audit fee	47		47
Audit fee for interim financial statement	47		23
Other services	1		6
Reimbursement of expenses	1		1
	<b>96</b>		<b>77</b>

**27. DISCONTINUED OPERATIONS**

The Company has entered into a business transfer agreement (BTA) with "Crosslay Remedies Limited" to sell Max Super Speciality Hospital Noida ("Noida Hospital") business by way of slump sale on going concern basis at an agreed consideration of Rs.1,330 lakhs pursuant to approval of the shareholders and

other authorities as required w.e.f July 1, 2019. The Company has classified the entire Noida Hospital business as a discontinued operation and has disposed off net assets related to the Noida Hospital business of Rs.1,124 lakhs resulting in a net gain on disposal of Rs.206 lakhs.

The result of the Noida Hospital business for the year ended are presented below:-

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>		
<b>Revenue from contracts with customers</b>		
- Revenue from healthcare services	-	309
- Sale of products	-	29
<b>Other operating revenue</b>		
- Sponsorship and educational income	-	1
- Income from ancillary activities	-	3
	-	<b>342</b>
<b>Other income</b>		
Sale of scrap	-	3
Gain on slump sale of Noida hospital business	206	-
	<b>206</b>	<b>3</b>
<b>Finance income</b>		
Interest income on security deposits	3	12
	<b>3</b>	<b>12</b>
<b>Total income</b>	<b>209</b>	<b>357</b>
<b>Expenses</b>		
Purchase of pharmacy, drugs, consumables and implants	-	8
Increase /decrease in inventory of pharmacy, drugs and consumables and implants	-	47
Employee benefits expense		
Salaries, wages and bonus	35	252
Contribution to provident and other funds	2	13
Gratuity expense (refer note 29.4)	1	1
Staff welfare expenses	-	5
Finance costs		
Bank charges	-	1
Depreciation and amortisation expense		
Depreciation of tangible assets (refer note 3)	11	33
Other expenses		
Professional and consultancy fee	-	105
Outside lab investigation	-	4
Patient catering expenses	-	4
Rent	47	119
Insurance	1	16
Facility maintenance expenses	-	9

	(Rs in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	-	32
Repairs and maintenance:		
Building	-	17
Plant and equipment	-	13
Others	-	4
Printing and stationery	-	2
Travelling and conveyance	2	6
Communication	-	7
Legal and professional	4	3
IT support expense	-	13
Watch and ward	-	9
Provision for doubtful debts	(80)	(190)
Bad debts written off	78	194
Net loss on sale/disposal of property, plant and equipment	-	55
Miscellaneous expenses	-	2
<b>Total expenses</b>	<b>101</b>	<b>784</b>
<b>Profit/(Loss) before tax from discontinued operation</b>	<b>108</b>	<b>(427)</b>
Tax income/(expenses) of discontinued operations	-	-
<b>Profit/(Loss) after tax from discontinued operation</b>	<b>108</b>	<b>(427)</b>
<b>The net cash flows attributable to discontinued operations:</b>		
Operating activities outflow	(3)	(405)
Investing activities inflow	3	12
Financing activities outflow	-	(1)
<b>Net cash outflow</b>	<b>-</b>	<b>(394)</b>

The following statement shows the carrying amounts of the assets disposed off and the liabilities settled as on July 01, 2019

		(Rs in Lakhs)
		As at July 01, 2019
<b>Assets</b>		
<b>Non current assets</b>		
Property, plant and equipment		1,450
Other intangible assets		9
Financial assets		
i) Loans		145
<b>Current assets</b>		
Inventories		6
Financial assets		
i) Trade receivables		25
<b>Total assets (a)</b>		<b>1,635</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provisions		1
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises		-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		88
(ii) Other financial liabilities		421
Provisions		1
<b>Total liabilities (b)</b>		<b>511</b>
<b>Net assets directly associated with the Noida Hospital business (a-b)</b>		<b>1,124</b>
Consideration paid		1,330
<b>Gain on sale of the Noida Hospital Business</b>		<b>206</b>



**28. CONTINGENT LIABILITIES, COMMITMENTS AND LITIGATIONS****A. Contingent liabilities (to the extent not provided for)**

(Rs in Lakhs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
a	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by subsidiaries of the Company and other healthcare service providers. (refer note a below)	72,945	85,341
b	Claims against the Company not acknowledged as debts		
	- Civil Cases (refer note b below)	10,509	7,791
	- VAT cases (refer note c below)	135	39

**Note:**

a. Guarantees given by the Company to the lenders on behalf of other healthcare services provider is not considered as prejudicial to the interest of the Company as it provides opportunities to the Company to increase the depth and medium of its offering leading to growth in revenue & improve profitability.

b. Claims against the Company 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 Company financial positions and results of operations. In addition to this, as a measure of good corporate governance the Company has taken Professional Indemnity Insurance Policy for claims pending against the Company to secure the Company from any financial implication in case of claims settled against the Company.

c. The Company is contesting the demands of VAT & 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 Company's financial position and results of operations.

**B. Capital commitment**

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

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account	7,050	7,843
Less: Capital advances	3,380	3,346
<b>Balance value of contracts</b>	<b>3,670</b>	<b>4,497</b>

- b. Commitments relating to lease arrangements, refer note 28(F)

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

**C.** 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 impleadment.

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.

The Company is of the view that the said cancellation order was passed by the 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.

- D.** 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 Company was evaluating and seeking legal inputs regarding various interpretative issues, however, in absence of clarity on effective date, the Company 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

- E.** A writ petition was filed by the Association of Health Providers (India) ("AHPI"), 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. AHPI 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.

#### **F. Contractual maturities of lease liabilities**

- a) The Company 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 Company 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 Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease rent recognised to the statement of profit & loss account is Rs. 320 lakhs (March 31, 2019 Rs. 3,403 lakhs)

The weighted average incremental borrowing rate applied to lease liabilities recognised 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 :-

	(Rs in Lakhs)
Particulars	As at March 31, 2020
Reclassified on account of adoption of Ind AS 116	19,244
Add: Addition against new lease liability	1,070
Accretion of interest	1,962
Less: termination and modification of lease liability	(344)
Less: principal repayment of lease liability	(693)
Less: payment of interest on lease liability	(1,962)
<b>Balance as on March 31, 2020</b>	<b>19,277</b>
Non-Current as on March 31, 2020 (Refer note 15(i))	18,435
Current as on March 31, 2020 (Refer note 18(iii))	842

b) The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as of March 31, 2019, as follows:

	(Rs in Lakhs)
Particulars	As at April 1, 2019
Operating lease commitments disclosed as at March 31, 2019	32,688
Discounted using the lessee's incremental borrowing rate at the date of initial application	21,981
Less : Lease transferred under slump sale	(1,379)
Less : Adjustment on account of exclusion of Goods & Service tax amount from lease payments	(1,283)
Less: Short-term leases recognised on a straight-line basis as expense	(75)
<b>Lease liability recognised as at April 01, 2019</b>	<b>19,244</b>

c) For maturity of lease liabilities refer note 29.10

## 29. OTHER NOTES TO ACCOUNTS

## 29.1 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

(a) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2020	Portion of ownership interest as at March 31, 2019	Method used to account for the investment
Alps Hospital Limited	India	100%	100%	At Cost
Hometrail Buildtech Private Limited*	India	100%	100%	At Cost
Crosslay Remedies Limited (refer note 6 A)	India	77.95%	77.95%	At Cost
Saket City Hospitals Private Limited (refer note 6 A)	India	57%	51%	At Cost

\* During the previous year Hometrail Buildtech Private Limited has 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 Company on the merger of Hometrail Estate Private Limited with Hometrail Buildtech Private Limited.

## 29.2 INCOME TAXES

		(Rs in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	<b>Income tax expense in the statement of profit and loss comprises :</b>		
	<b>Continuing operations</b>		
	Current income tax	-	-
	<b>Deferred tax</b>		
	MAT credit written off	-	470
	Relating to other origination/reversal of temporary differences	-	-
		-	<b>470</b>
	<b>Discontinued operations</b>		
	Tax expenses	-	-
		-	-
	<b>Income tax expense reported in the statement of profit and loss</b>	<b>-</b>	<b>470</b>

		(Rs in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
(b)	<b>Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :</b>		
	Accounting profit before tax from continuing operation	2,680	(1,401)
	Accounting profit before tax from discontinued operations	108	(427)
		<b>2,788</b>	<b>(1,828)</b>
	Applicable tax rate	34.94%	34.94%
	Computed tax expense at applicable tax rate	974	(639)
	Income not considered for tax purpose	(71)	(173)
	Expense not allowed under income tax	167	50
	Tax benefit of carried forward losses and unabsorbed depreciation	(1,070)	-
	Losses on which no deferred tax assets recognised	-	762
	Mat Credit written off	-	470
	<b>Income tax reported in the statement of profit and loss</b>	<b>-</b>	<b>470</b>
(c)	<b>Deferred tax (assets)/liabilities comprises :</b>		(Rs in Lakhs)
		<b>Balance sheet</b>	
		<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	<b>Deferred tax liability</b>		
	Difference in written down value of fixed assets	3,487	3,385
	Others	1,934	2,128
	<b>Recognised deferred tax liability</b>	<b>5,421</b>	<b>5,513</b>
	<b>Deferred tax asset</b>		
	Difference in written down value of right of use assets, net of lease liability	(2,517)	-
	Expenses allowed on payment basis	(2,168)	(1,249)
	Allowance for doubtful debts	(697)	(707)
	Others	(825)	(1,269)
	<b>Recognised deferred tax (asset)</b>	<b>(6,207)</b>	<b>(3,225)</b>
	<b>Deferred tax asset on carried forward loss restricted to deferred tax liability*</b>	<b>-</b>	<b>(2,288)</b>
	<b>Recognised deferred tax (asset) / liability**</b>	<b>-</b>	<b>-</b>
(d)	<b>Reconciliation of deferred tax (assets)/liabilities (net)</b>		
	Opening balance as per last balance sheet	-	(470)
	Tax income/(expense) during the year recognised in profit or loss	-	470
	<b>Closing balance</b>	<b>-</b>	<b>-</b>

\*As at March 2019 ,the company has carried forward loss of Rs.1,552 lakhs and unabsorbed depreciation of Rs 20,401 lakhs on which the Company had recognised deferred tax assets only to the extent of deferred tax liability amounting to Rs. 2288 lakhs.

\*\* As at March 31, 2020, the Company has carry forward tax losses of Rs Nil and unabsorbed depreciation of Rs.17,908 lakhs on which the Company has not recognised any deferred tax assets due to Lakhs of reasonable certainty of future taxable profits against which such deferred tax assets can be realized.

Had the Company been able to recognize all unrecognised deferred tax assets, the net profit after tax would have been higher by Rs.6288 lakhs (March 31, 2019 : Rs.5382 lakhs).

The taxation laws (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 are 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 management basis its estimate of future tax obligation has chosen not to opt. for the reduced corporate tax rate for current year.

### 29.3 GRATUITY

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on 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)

a) Reconciliation of opening and closing balances of defined benefit obligation	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation at the beginning of the year	1,541	1,313
Interest expense	104	94
Current service cost	300	242
Benefit paid	(311)	(148)
Employees transferred from Radiant Lifecare Private Limited (Shareholder)	48	-
Employees transferred to subsidiary company	(6)	-
Acquisition adjustment (Employees transferred from holding company)		
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	10	(31)
Actuarial changes arising from changes in financial assumptions	71	40
Actuarial changes arising from changes in experience adjustments	202	31
<b>Defined benefit obligation at year end</b>	<b>1,959</b>	<b>1,541</b>
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	92	85
Expected return on plan assets	6	7
Return on plan assets	1	-
<b>Fair value on plan assets at year end</b>	<b>99</b>	<b>92</b>
c) Net defined benefit asset/ (liability) recognised in the balance sheet		
Present value of defined benefit obligation	(1,959)	(1,541)
Fair value of plan assets	99	92
<b>Amount recognised in balance sheet- asset / (liability) at year end</b>	<b>(1,860)</b>	<b>(1,449)</b>
	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
d) Net defined benefit expense (Recognised in the statement of profit and loss for the year )		
Current service cost	300	242
Past service cost	-	-
Interest cost on benefit obligation	104	95
Expected return on plan assets	(6)	(7)
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>398</b>	<b>330</b>
- to continuing operations	397	329
- to discontinued operations	1	1



		(Rs in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>e) Other comprehensive income</b>			
Change in demographic assumptions		10	(31)
Change in financial assumptions		71	40
Experience variance		202	31
Returns of plan assets		(1)	-
<b>Remeasurement (Gain)/loss in other comprehensive income</b>		<b>282</b>	<b>40</b>
<b>f) Broad categories of plan assets as a percentage of total assets</b>			
Insurer managed funds		100%	100%
<b>g) Principal assumptions used in determining defined benefit obligation</b>			
<b>Assumption particulars</b>		<b>As At March 31, 2020</b>	<b>As At March 31, 2019</b>
Discount rate		6.00%	6.75%
Salary escalation rate		8.00%	8.00%
Mortality rate (% of IALM 06-08)		100.00%	100.00%
<b>h) Quantitative sensitivity analysis for significant assumptions is as below:</b>			
Increase / (decrease) on present value of defined benefits obligations at the end of the year			
<b>Discount rate</b>			
Increase by 1.00%		(101)	(71)
Decrease by 1.00%		113	79
<b>Salary growth rate</b>			
Increase by 1.00%		110	77
Decrease by 1.00%		(101)	(71)
<b>Attrition rate</b>			
Increase by 50% of attrition rate		(115)	(70)
Decrease by 50% of attrition rate		206	117
<b>i) Maturity profile of defined benefit obligation</b>			
Within the next 12 months (next annual reporting period)		424	351
Between 2 and 5 years		999	849
Between 5 and 10 years		634	558
More than 10 years		840	529
<b>Total expected payments</b>		<b>2,897</b>	<b>2,287</b>

- j) The average duration of the defined benefit plan obligation at the end of the reporting period is 5 Years (March 31, 2019 : 5 years)
- k) The plan assets are maintained with LIC of India
- l) The Company expects to contribute Rs. 2,142 lakhs (March 31, 2019 : Rs.1,671 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.

**29.4 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, 2020 and March 31, 2019 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 recognised in balance sheet	-	-
Active members as at year end (Nos)	3,783	3,732

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

	Year ended March 31, 2020	Year ended 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%	8.65%

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

Employer's Contribution towards Provident Fund (PF)	579	533
	<b>579</b>	<b>533</b>

**29.5 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 recognised 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 recognised in statement of profit and loss as detail given below :-

(Rs in Lakhs)

Particulars	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)
<b>Closing balance [refer note 15(ii) &amp; 18 (iv)]</b>	<b>380</b>	<b>255</b>

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	-	Rs.80 per unit
Total Number of PSPs vested during the year	840,283	12,92,887
Total Number of PSPs exercised during the year	821,618	1,058,626
Lapsed/ forfeited/ surrendered during the year	932,649	784,608
Exercisable as at end of Year	2,336,797	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. & Bullet vesting after five years from the date of grant.	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.

**29.6** "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:

- a) 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.
- b) Demerger of healthcare business of Radiant Life into MHIL;
- c) 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 was fixed as appointed and effective date. Accordingly, the financial impact of the Scheme shall be reflected 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."

## 29.7 SEGMENT REPORTING

The Company has only one reportable business segment as it deals mainly in providing healthcare facilities comprising of primary care clinics, secondary care hospitals/medical centers and tertiary care facilities in terms of Ind AS 108 "Operating Segment". Further, the Company operates only in one geographical segment -India. All the assets of the Company 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 revenue is 10% or more of Company's revenue.

**29.8 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
<b>1) Financial assets at amortized cost</b>				
Loans (current / non current)	28,755	15,103	28,755	15,103
Trade receivables (current / non current)	39,547	37,506	39,547	37,506
Other financial assets (current / non current)	430	799	430	799
Cash and cash equivalents	26,865	379	26,865	379
Other bank balances (current / non current)	55	49	55	49
<b>2) Financial Liabilities at amortized cost</b>				
Trade payables	19,744	20,760	19,744	20,760
Borrowings (current / non current)	80,976	37,800	80,976	37,800
Lease liabilities (current / non current)	19,277	-	19,277	-
Other financial liabilities (current / non current)	1,639	2,908	1,639	2,908
<b>3) Financial assets carried at fair value through OCI</b>				
Investments	51	51	51	51

The Company 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 Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

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

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

**29.9 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, 2020**

(Rs in Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2020	Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Loans (current / non current)	28,755	-	-	28,755
Trade receivables (current / non current)	39,547	-	-	39,547
Other financial assets (current / non current)	430	-	-	430
Cash and cash equivalents	26,865	-	-	26,865
Other bank balances (current / non current)	55	-	-	55
Investments	51	-	-	51
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Trade payables	19,744	-	-	19,744
Borrowings (current / non current)	80,976	-	-	80,976
Lease liabilities (current / non current)	19,277			
Other financial liabilities (current / non current)	1,639	-	-	1,639

**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
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Loans (current / non current)	15,103	-	-	15,103
Trade receivables (current / non current)	37,506	-	-	37,506
Other financial assets (current / non current)	799	-	-	799
Cash and cash equivalents	379	-	-	379
Other bank balances (current / non current)	49	-	-	49
Investments	51	-	-	51
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Trade payables	20,760	-	-	20,760
Borrowings (current / non current)	37,800	-	-	37,800
Other financial liabilities (current / non current)	2,908	-	-	2,908



## 29.10 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the senior management of the Company, duly supported by various 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 14 and 18 (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 for continued and discontinued operations. Net debt is calculated as long term borrowings (including current maturities) as shown in the note 14 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 amortisation for continued and discontinued operations. 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 0.26 and 0.25 respectively. Similarly, the Net Debt to EBITDA ratio of the Company stood at 4.26 as at March 31, 2019 and 1.70 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

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2019 and March 31, 2020 based on contractual undiscounted payments :-

(Rs in Lakhs)

March 31, 2020	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	55,462	19,632	32,517	107,611
Lease liabilities	842	4,245	14,190	19,277
Trade payable	19,744	-	-	19,744
Other financial liabilities (Refer note I below)	1,125	152	-	1,277
<b>% to Total</b>	<b>52%</b>	<b>16%</b>	<b>32%</b>	<b>100%</b>
March 31, 2019				
Interest bearing borrowings	9,854	19,050	37,317	66,221
Trade payable	20,760	-	-	20,760
Other financial liabilities (Refer note I below)	1,604	69	-	1,673
<b>% to Total</b>	<b>36%</b>	<b>22%</b>	<b>42%</b>	<b>100%</b>

### I) Other financial liabilities

March 31, 2020	0-1 Years	1-5 Years	More than 5 Years	Total
Other financial liabilities (refer note 15 (ii) & 18(iv))	1,487	152	-	1,639
Less : Current maturity of borrowings	362	-	-	362
<b>Other financial liabilities</b>	<b>1,125</b>	<b>152</b>	<b>-</b>	<b>1,277</b>
March 31, 2019				
Other financial liabilities (refer note 15(ii) & 18(iv))	2,839	69	-	2,908
Less : Current maturity of borrowings	1,235	-	-	1,235
<b>Other financial liabilities</b>	<b>1,604</b>	<b>69</b>	<b>-</b>	<b>1,673</b>

### 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.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Neither past due or impaired	21,597	19,769
0 to 180 days due past due date	12,591	11,020
More than 180 days due past due date	5,359	6,717
<b>Total trade receivables (refer note 7(i) &amp; 11(i))</b>	<b>39,547</b>	<b>37,506</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	2,022	2,430
Provision during the year	348	523
Bad debts written off	375	931
Reversal of provision	-	-
<b>At the end of the year</b>	<b>1,995</b>	<b>2,022</b>

#### (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 by international and domestic credit rating agencies.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in note 29.9 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 of 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

### Foreign currency risk sensitivity

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

Unhedged foreign currency exposures recognised by the Company are as under:

The unhedged foreign currency exposures as at March 31, 2020 are as follows:

(Rs in Lakhs)

Currency	March 31, 2020	March 31, 2020	Increase/decrease in rate	Impact on profit before tax
	Foreign currency	Indian Rupees		
Payables in USD	3.33	252	1%	2.52

There was no unhedged foreign currency exposure as at March 31, 2019 .

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 institution. The details of the outstanding foreign exchange forward are as follows:

(Rs in Lakhs)

Particulars	March 31,2020 Indian rupees	March 31,2019 Indian rupees
Payables in USD	-	406

### (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 Lakhs)

Year	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2020	0.50%	163
March 31, 2019	0.50%	164

### (e) Equity risk

Equity risk is "the financial risk involved in holding equity instruments of a specific company as investment of the Company. Equity risk often refers to equity in companies through the purchase of shares and /or stocks etc. The Company is exposed to equity risk but exposure of equity risk is insignificant for the Company even if we take into consideration the increase /decrease in rates by 5% - 10%.

## 29.11 RELATED PARTY TRANSACTIONS

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", ( specified under section 133 of the

Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 ) are disclosed below:-

(A) Names of related parties and description of relationship :

**(i) Related party where control exists (irrespective of whether transactions occurred or not)**

Subsidiary Companies	Relationship
1 Alps Hospital Limited	Wholly-owned subsidiary
2 Hometrail Buildtech Private Limited	Wholly-owned subsidiary
3 Crosslay Remedies Limited	Subsidiary
4 Saket City Hospitals Private Limited	Subsidiary
5 MHC Global Healthcare (Nigeria) Limited	Wholly-owned subsidiary

**(ii) Enterprises in which directors are interested (with whom transactions have taken place during the year)**

- 1 Core Diagnostics Private Limited (till March 31, 2019)
- 2 Medecube Healthcare India Pvt Ltd (till March 31, 2019)
- 3 Max Ventures Private Limited

**(iii) Investing party or venture in respect of which the reporting enterprises is an associates or Joint venture (with whom transactions have taken place during the year)**

- 1 Max India Limited
- 2 Radiant Life Care Private Limited (From June 21, 2019)
- 3 RadiantLifeCareMumbaiPrivateLimited(subsidiaryofRadiantLifeCarePrivateLimited)(From June 21, 2019)
- 4 Life Healthcare International (Pty) Limited (upto June 20, 2019)

**(iv) Directors (with whom transactions have taken place during the year)**

- 1 Mr. Abhay Soi (From June 21, 2019)
- 2 Mr. Rahul Khosla (upto June 5, 2019)
- 3 Mr. Mohit Talwar
- 4 Ms. Tara Singh Vachani
- 5 Mr. Rajit Mehta, Managing Director & Chief Executive Officer (upto July 28, 2019)
- 6 Mr. Yogesh Kumar Sareen, Senior Director and Chief financial officer (upto June 21, 2019)
- 7 Dr. Ajit Singh (till March 31, 2019)
- 8 Mr. K. Narasimha Murthy
- 9 Ms. Roshini Bakshi (upto June 21, 2019)
- 10 Mr. Omkar Goswami (upto June 21, 2019)
- 11 Mr. Mahendra Gumanmalji Lodha (From June 21, 2019)
- 12 Mr. Upendra Kumar Sinha (From June 21, 2019)
- 13 Mr. Michael Thomas Neeb (From June 21, 2019)

**(v) Relative of directors/Key Managerial Personnel (with whom transactions have taken place during the year)**

- 1 Ms. Piya Singh sister of Ms. Tara Singh Vachani
- 2 Mr. Raghav Mehta Son of Mr. Rajit Mehta
- 3 Mr. Sahil Vachani husband of Ms. Tara Singh Vachani
- 4 Ms. Santosh Mehta mother of Mr. Rajit Mehta
- 5 Mr. Kunal Sareen Son of Mr. Yogesh Kumar Sareen
- 6 Mrs. Kusum Talwar Mother of Mr. Mohit Talwar
- 7 Ms. Taruna Soi Spouse of Mr. Abhay Soi
- 8 Ms. Bulbul Soi Mother of Mr. Abhay Soi
- 9 Mr. R.K. Mahajan Father of Ms. Ruchi Mahajan

10 Mrs. Usha Mahajan Mother of Ms. Ruchi Mahajan

**(vi) Key management personnel (with whom transactions have taken place during the year)**

- 1 Mr. Rajit Mehta, Managing Director & Chief Executive Officer (upto July 28, 2019)
- 2 Mr. Yogesh Kumar Sareen, Chief financial officer
- 3 Dr. Mradul Kaushik, Senior Director Operations and Planning (from August 1, 2019)
- 4 Ms. Ruchi Mahajan, Company secretary

**(B) Transactions during the year**

	<b>(Rs in Lakhs)</b>	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
<b>Loans and advances given</b>		
Hometrail Buildtech Private Limited (Subsidiary)	-	150
Crosslay Remedies Limited (Subsidiary)	1,700	500
Saket City Hospitals Private Limited (Subsidiary)	10,400	650
<b>Repayment of loans and advances given</b>		
Hometrail Buildtech Private Limited (Subsidiary)	150	246
Alps Hospital Limited (Subsidiary)	-	1,900
Crosslay Remedies Limited (Subsidiary)	191	1,300
<b>Short term loan taken</b>		
Radiant Life Care Private Limited*	42,832	-
<b>Borrowing cost</b>		
Interest on Loan Form Radiant Life Care Private Limited	1,649	-
Upfront fee on short term loan from Radiant Life Care Private Limited (amortised expenses portion) **	779	-
<b>Repayment of Preference Shares</b>		
Alps Hospital Limited (Subsidiary)	-	450
<b>Interest income</b>		
Alps Hospital Limited (Subsidiary)	299	391
Hometrail Buildtech Private Limited (Subsidiary)	389	357
Crosslay Remedies Limited (Subsidiary)	51	200
Saket City Hospitals Private Limited (Subsidiary)	558	284
<b>Finance arrangement fee</b>		
Alps Hospital Limited (Subsidiary)	8	8
Hometrail Buildtech Private Limited (Subsidiary)	60	61
Crosslay Remedies Limited (Subsidiary)	101	84
Saket City Hospitals Private Limited (Subsidiary)	124	145
<b>Sale of drugs, pharmaceuticals &amp; medical supplies</b>		
Alps Hospital Limited (Subsidiary)	1,584	1,331
Hometrail Buildtech Private Limited (Subsidiary)	28	32

	(Rs in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Crosslay Remedies Limited (Subsidiary)	59	28
<b>Healthcare services rendered</b>		
Alps Hospital Limited (Subsidiary)	991	959
Hometrail Buildtech Private Limited (Subsidiary)	630	524
Crosslay Remedies Limited (Subsidiary)	430	332
Directors, KMP & their Relative	4	8
Core Diagnostics Private Limited		0.1
Max India Limited	0.02	0.2
Max Ventures Private Limited	0.06	-
<b>Professional Services rendered</b>		
Alps Hospital Limited (Subsidiary)	139	154
Crosslay Remedies Limited (Subsidiary)	-	108
<b>Services received</b>		
Max India Limited	201	804
Core Diagnostics Private Limited	-	69
Medecube Healthcare India Pvt Ltd	-	82
Ajit Singh	-	45
Hometrail Buildtech Private Limited (Subsidiary)	93	75
Crosslay Remedies Limited (Subsidiary)	425	331
<b>Sale of fixed assets</b>		
Hometrail Buildtech Private Limited (Subsidiary)	-	1
Crosslay Remedies Limited (Subsidiary)	2	4
Alps Hospital Limited (Subsidiary)	2	-
<b>Slump sale of Noida hospital business</b>		
Crosslay Remedies Limited (Subsidiary)	1,330	-
<b>Purchase of fixed assets</b>		
Crosslay Remedies Limited (Subsidiary)	-	29
Saket City Hospitals Private Limited (Subsidiary)	-	20
<b>Key management personnel remuneration *</b>		
Mr. Yogesh Kumar Sareen (Key management personnel)	361	304
Ruchi Mahajan (Key management personnel)	79	56
Dr. Mradul Kaushik (Key management personnel)	130	-
<b>Director's remuneration</b>		
Dr. Pradeep Chowbey (Executive Vice Chairman)	23	104
Mr. Rajit Mehta (Key management personnel)	561	512
Mr. Rohit Kapoor (Senior Director and Chief growth officer)	-	189
<b>Remuneration to director's relative</b>		



	(Rs in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Ms. Piya Singh	8	9
<b>Employee's benefits -Gratuity for transferred employees from</b>		
Radiant Life Care Pvt Ltd	30	-
Radiant Life Care Mumbai Pvt Ltd	18	-
<b>Employee's benefits -Gratuity for transferred employees to</b>		
Saket City Hospitals Private Limited (Subsidiary)	6	-
<b>Employee's benefits -Leave encashment for transferred employees from</b>		
Radiant Life Care Mumbai Pvt Ltd	3	-
<b>Employee's benefits -Leave encashment for transferred employees to</b>		
Saket City Hospitals Private Limited (Subsidiary)	3	-
<b>Director's sitting fee</b>		
Mr. K. Narasimha Murthy	16	20
Ms. Roshini Bakshi	3	13
Mr. Omkar Goswami	7	16
Mr. Mahendra Gumanmalji Lodha	7	-
Mr. Upendra Kumar Sinha	10	-
Mr. Michael Thomas Neeb	1	-
<b>Investment made in Equity Shares</b>		
Saket City Hospitals Private Limited (Subsidiary)	6,500	-
<b>Conversion of compulsorily convertible preference shares into Equity Shares</b>		
Saket City Hospitals Private Limited (Subsidiary)	1,000	-
<b>Repayment of Investment made in debentures</b>		
Alps Hospital Limited (Subsidiary)	-	3,000
<b>Rental income from sub-lease</b>		
Hometrail Buildtech Private Limited (Subsidiary)	2	4
Alps Hospital Limited (Subsidiary)	2	2
Saket City Hospitals Private Limited (Subsidiary)	2	1
Crosslay Remedies Limited (Subsidiary)	2	0.2

**(C) Balances at the year end**

(Rs in Lakhs)

	As at March 31, 2020	As at March 31, 2019
<b>Investment</b>		
Hometrail Buildtech Private Limited (Subsidiary)	15,702	15,702
Alps Hospital Limited (Subsidiary)	3,048	3,048
Crosslay Remedies Limited (Subsidiary)	24,696	24,696
Saket City Hospitals Private Limited (Subsidiary)	40,000	33,500
<b>Loan and advances (including interest receivable)</b>		
Hometrail Buildtech Private Limited (Subsidiary)	-	150
Saket City Hospitals Private Limited (Subsidiary)	13,300	3,145
Crosslay Remedies Limited (Subsidiary)	1,509	-
Non convertible redeemable preference shares in Alps Hospital Limited	2,945	2,647
Non convertible redeemable preference shares in Hometrail Buildtech Private Limited	3,806	3,420
<b>Short term loan taken</b>		
Radiant Life Care Private Limited (Including interest payable) #	45,094	-
<b>Trade payable</b>		
Max India Limited	-	1,404
Core Diagnostics Private Limited	-	14
Medecube Healthcare India Pvt Ltd	-	2
Saket City Hospitals Private Limited (Subsidiary)	-	22
<b>Trade receivables</b>		
Max Ventures Private Limited	0.02	-
Radiant Life Care Pvt Ltd	30	-
Radiant Life Care Mumbai Pvt Ltd	21	-
Alps Hospital Limited (Subsidiary)	389	355
Hometrail Buildtech Private Limited (Subsidiary)	61	139
Crosslay Remedies Limited (Subsidiary)	50	157
Saket City Hospitals Private Limited (Subsidiary)	603	173

\* The remuneration to key management personnel does not includes the provision made for gratuity and leave benefits, as they are determined as an actuarial basis for the Company as a whole.

\*\* 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 Comapny has paid upfront fee of Rs.1,168 lakhs which is amortized to the tune of Rs.779 lakhs in year ended March 31, 2020.

# Outstanding balance of Rs.45,094 lakhs is after adjustment of unamortized processing fee of Rs.390 lakhs and including interest accrued net of TDS of Rs.1484 lakhs in the loan disbursement amount of Rs.44,000 lakhs."

##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/expense 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.

c) The company has given corporate guarantee of Rs. 51,746 lakhs (March 31, 2019 : Rs.62,457 lakhs) on behalf of the subsidiaries.

## 29.12 EARNINGS PER SHARE (EPS)

		(Rs in Lakhs)
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>i) Earning per share from continuing operations</b>		
<b>a) Basic earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) after taxation	2,680	(1,871)
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)	0.50	(0.35)
<b>b) Diluted earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) after taxation	2,680	(1,871)
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) *	0.50	(0.35)
<b>ii) Earning per share from discontinued operations</b>		
<b>a) Basic earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) after taxation	108	(427)
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)	0.02	(0.08)
<b>b) Diluted earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) after taxation	108	(427)
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)	0.02	(0.08)
<b>iii) Earning per share from continuing and discontinued operations</b>		
<b>a) Basic earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) after taxation	2,788	(2,298)
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)	0.52	(0.43)
<b>b) Diluted earnings per share</b>		

		(Rs in Lakhs)
	For the year ended March 31, 2020	For the year ended March 31, 2019
Numerator for earnings per share		
Profit/(loss) after taxation	2,788	(2,298)
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)	0.52	(0.43)

### 29.13 CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings (excluding loan from shareholder repayable within one year), less cash and cash equivalents, of continued operations.

(Rs in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Borrowings (Including current maturities of long term borrowings) (refer note 14, 18(1))#	36,244	39,035
Less: Cash and cash equivalents (refer note 11(ii))	(26,865)	(379)
<b>Net debt</b>	<b>9,379</b>	<b>38,656</b>
Equity (refer note 13)	124,604	128,670
<b>Total capital</b>	<b>124,604</b>	<b>128,670</b>
<b>Total capital and net debt</b>	<b>133,983</b>	<b>167,326</b>
<b>Gearing ratio</b>	<b>7.00%</b>	<b>23.10%</b>

# Short term loan from Shareholder (refer note no 18 (i) ) has not been considered for computation of Gearing Ratio.

### 29.14 IMPAIRMENT ASSESSMENT OF RECOVERABLE AMOUNTS FROM HEALTHCARE SERVICE PROVIDERS

"The Company has amount receivable amounting to Rs.36,924 lakhs (March 31, 2019 : Rs. 35,802 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. 4,267 lakhs (March 31, 2019 : Rs. 4,267 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. 2,017 lakhs (March 31, 2019 : Rs. 398 lakhs) has been advanced as loan, Rs. 96 lakhs (March 31, 2019 : Rs. 1,451 lakhs) as prepaid expenses, difference between present value and security and performance deposit given and balance of Rs. 30,544 lakhs (March 31, 2019 : Rs. 29,686 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."

**29.15** "Due to outbreak of COVID-19 in India and globally, the Company has made assessment of likely adverse impact on economic environment in general and financial risk on account of COVID-19 in specific. The Company 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 Company have been impacted. The Company 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 Company 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 Company expects to recover the carrying values of these assets. Further, based on the estimated future cashflows, including its financial position after considering the impact of Scheme of Amalgamation and Arrangement (refer note 29.6), the Company 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 Company'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 Company will continue to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook."

**29.16** Pursuant to sections 135(5) of Companies Act, 2013 and rule made thereunder, the Company need to ensure that at least 2% of average net profit of the preceding three financial years is spent on CSR activities. Since the Company did not have average profit in the preceding three years, no amount is required to be spent on such CSR activities during the year ended March 31, 2020.

#### **29.17 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT 2013**

##### **(a) Particulars of loans given:**

(Rs in Lakhs)

S. No.	Name of the loanee	Opening balance	Loan given	Loan repaid	Outstanding balance	Purpose
1	Hometrail Buildtech Private Limited	150	-	150	-	For business operations, repayment of debts and other general corporate purpose
2	Saket City Hospitals Private Limited	2,900	10,400	-	13,300	For business operations, repayment of debts and other general corporate purpose
3	Crosslay Remedies Limited	-	1,700	191	1,509	For business operations, repayment of debts and other general corporate purpose
4	Gujarmal Modi Hospital & Research Centre for Medical Sciences	-	2,000	-	2,000	For general business purpose, repayment of loans and Capital expenditure.

##### **(b) Particulars of guarantee given:**

(Rs in Lakhs)

S. No.	Name of the financial institutions / banks	Name of borrowing legal entity	Opening balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	IDFC First Bank Ltd	Hometrail Buildtech Private Limited	5,006	-	227	4,779	For refinancing of existing loans
2	NIIF Infrastructure Finance Limited	Hometrail Buildtech Private Limited	1,374	-	63	1,311	For refinancing of existing loans
3	IDFC First Bank Ltd	Hometrail Buildtech Private Limited	5,711	-	261	5,450	For refinancing of existing loans
4	IDFC First Bank Ltd	Balaji Medical & Diagnostics Research Centre	4,302	-	4,302	-	For refinancing of existing loans

(Rs in Lakhs)

S. No.	Name of the financial institutions / banks	Name of borrowing legal entity	Opening balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
5	NIIF Infrastructure Finance Limited	Balaji Medical & Diagnostics Research Centre	1,454	-	1,454	-	For refinancing of existing loans
6	HDFC Bank Limited	Balaji Medical & Diagnostics Research Centre	6,480	-	6,480	-	For repayment of Max Healthcare Institute Ltd. loan and capital expenditure
7	IndusInd Bank Limited	Balaji Medical & Diagnostics Research Centre	-	11,008	191	10,817	For refinancing of existing loans
8	IDFC First Bank Ltd	Devki Devi Foundation	6,593	-	134	6,459	For refinancing of existing loans
9	NIIF Infrastructure Finance Limited	Devki Devi Foundation	2,055	-	42	2,013	For refinancing of existing loans
10	IndusInd Bank Limited	Devki Devi Foundation	2,000	-	90	1,910	For business operations, repayment of debts and other general corporate purpose
11	HDFC Bank Limited	Alps Hospital Limited	1,500	-	1,500	-	For repayment of Max Healthcare Institute Ltd. loan and other business activities
12	IndusInd Bank Limited	Alps Hospital Limited	-	1,500	390	1,110	Refinance of HDFC Loan, For repayment of Max Healthcare Institute Ltd. loan and other business activities



(Rs in Lakhs)							
S. No.	Name of the financial institutions / banks	Name of borrowing legal entity	Opening balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
13	IndusInd Bank Limited	Alps Hospital Limited	-	4,300	-	4,300	Extend ICD's (Interest bearing inter-corporate deposits) to Gujarmal Modi Hospital & Research Centre (GMHRC, Society that runs Max Smart Saket Hospital).
14	Axis Bank Limited	Crosslay Remedies Limited	20,097	2,645	3,500	19,242	For refinancing of the existing debt and financing the capital expenditure
15	Axis Bank Limited	Saket City Hospitals Private Limited	14,214	-	7,092	7,122	For refinancing of existing loans & expansion of bed capacity
16	Yes Bank Limited	Saket City Hospitals Private Limited	14,555	-	6,123	8,432	For refinancing of existing loans & expansion of bed capacity

**(c) Particulars of investments made in equity shares:**

(Rs in Lakhs)						
S. No.	Name of the investee	Opening balance	Investment made	Investment redeemed	Outstanding balance	Purpose
<b>Investment in subsidiaries</b>						
1	Alps Hospital Limited	3,048	-	-	3,048	For business operations, repayment of debts and other general corporate purpose
2	Hometrail Buildtech Private Limited	15,702	-	-	15,702	For business operations, repayment of debts and other general corporate purpose
3	Crosslay Remedies Limited	24,696	-	-	24,696	For business operations, repayment of debts and other general corporate purpose
4	Saket City Hospitals Private Limited	32,500	7,500	-	40,000	For business operations, repayment of debts and other general corporate purpose

(Rs in Lakhs)

S. No.	Name of the investee	Opening balance	Investment made	Investment redeemed	Outstanding balance	Purpose
5	Saket City Hospitals Private Limited (compulsory convertible preference shares)	1,000	-	1,000	-	For business operations, repayment of debts and other general corporate purpose
<b>Investment in other Company</b>						
1	Sandhya Hydro Power Projects Balargha Private Limited	51	-	-	51	For business operations purpose

**(d) Particulars of investments made in preference shares:**

(Rs in Lakhs)

S. No.	Name of the investee	Opening balance	Interest	Preference shares redeemed	Outstanding balance	Purpose
1	Alps Hospital Limited	2,647	298	-	2,945	For business operations, repayment of debts and other general corporate purpose
2	Hometrail Buildtech Private Limited	3,420	386	-	3,806	For business operations, repayment of debts and other general corporate purpose

**29.18** 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/-.

**29.19** Note No.1 to 29 form integral part of the standalone financial statements.

**As per our report of even date attached**

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

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

Sd/-  
**per Sanjay Vij**  
 Partner  
 Membership Number: 095169

Sd/-  
**Abhay Soi**  
 (Chairman and Managing Director)  
 DIN:00203597

Sd/-  
**Mahendra Gumanmalji Lodha**  
 (Director)  
 DIN: 00012920

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

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

Place : Gurugram  
 Date : June 27, 2020

Place : New Delhi  
 Date : June 27, 2020

## Our Network of Facilities



## Delhi NCR



Max Super Speciality Hospital, Saket (East Block)



Max Super Speciality Hospital, Saket (West Block)



Max Smart Super Speciality Hospital, Saket



Max Super Speciality Hospital, Patparganj



BLK Super Speciality Hospital, Pusa Road



Max Super Speciality Hospital, Shalimar Bagh



Max Super Speciality Hospital, Vaishali



Max Hospital, Gurgaon





Max Multi Speciality Centre, Panchsheel Park



Max Multi Speciality Centre, Noida



Max Institute of Cancer Care, Lajpat Nagar



Max Medcentre, Lajpat Nagar

## MAHARASHTRA



Nanavati Super Speciality Hospital, Mumbai



Max Super Speciality Hospital, Dehradun

## PUNJAB



Max Super Speciality Hospital, Mohali



Max Super Speciality Hospital, Bathinda

**Note:** Pitampura facility is in the process of being shutdown





 /MaxHospitalsIndia  /@MaxHealthcare  /company/max-healthcare

**MAX HEALTHCARE INSTITUTE LIMITED**

(Corporate Identity Number: U72200MH2001PLC322854)

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

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

**[www.maxhealthcare.in](http://www.maxhealthcare.in)**