Max Healthcare Institute Limited
Balance sheet as at March 31, 2018

(Rs in Lakhs)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	47,933	43,904
Capital work-in-progress	3	386	2,865
Other intangible assets	4	2,240	2,655
Intangible assets under development	4	329	123
Investments in subsidiaries	5	79,946	76,946
Financial assets	6		
(i) Loans		18,562	15,259
(ii) Trade receivables		7,592	7,592
(iii) Other bank balances		-	1
Other non current assets	7	12,548	13,832
		1,69,536	**1,63,177**
Current assets			
Inventories	8	1,755	1,386
Financial assets	9		
(i) Loans		1,071	1,055
(ii) Trade receivables		21,754	17,033
(iii) Cash and cash equivalents		424	459
(iv) Other bank balances		12	9
(v) Derivative instruments		3	29
(vi) Other financial assets		677	624
Other current assets	10	1,933	3,297
		27,629	**23,892**
TOTAL ASSETS		**1,97,165**	**1,87,069**
EQUITY AND LIABILITIES			
Equity	11		
(i) Equity share capital		53,724	53,724
(ii) Other equity		77,284	80,050
Total equity		**1,31,008**	**1,33,774**
Non-current liabilities			
Financial liabilities			
Borrowings	12	31,044	24,291
Other financial liabilities	13	153	210
Provisions	14	1,009	791
Government grant		285	64
Other non-current liabilities	15	786	549
		33,277	**25,905**
Current liabilities			
Financial liabilities	16		
(i) Borrowings		6,581	6,424
(ii) Trade payables		19,845	15,993
(iii) Other financial liabilities		3,714	2,286
Provisions	14	1,080	1,069
Other current liabilities	17	1,660	1,618
		32,880	**27,390**
TOTAL LIABILITIES		**66,157**	**53,295**
TOTAL EQUITY AND LIABILITIES		**1,97,165**	**1,87,069**

Significant accounting policies	2
Contingent liabilities, commitments and litigations	26
Other notes to accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-

Per Atul Seksaria
Partner

Membership Number: 086370

Place : Gurugram
Date : May 08,2018

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

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : New Delhi
Date : May 08,2018

Max Healthcare Institute Limited
Statement of profit and loss for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
			(Rs in Lakhs)
Continuing operations			
Income			
Revenue from operations	18	1,05,891	1,01,003
Other income	19	874	713
Finance income	20	3,513	3,059
Total income		**1,10,278**	**1,04,775**
Expenses			
Purchase of pharmacy, drugs, consumables and implants		29,176	29,490
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants		(369)	(63)
Employee benefits expense	21	30,466	24,931
Finance costs	22	4,077	3,515
Depreciation and amortization expense	23	4,881	5,081
Other expenses	24	45,537	42,401
Total expenses		**1,13,768**	**1,05,355**
Loss before tax from continuing operations		**(3,490)**	**(580)**
Tax expenses			
Current tax		-	360
Tax expenses of earlier year			(28)
Mat credit entitlement		-	**(332)**
Total tax expense		-	-
Loss for the year from continuing operations		**(3,490)**	**(580)**
Discontinued operations			
Profit before tax for the year from discontinued operations	25	732	1,214
Tax expenses of discontinued operations		-	-
Profit after tax from discontinued operations		**732**	**1,214**
Profit/(loss) for the year		**(2,758)**	**634**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	27.3	(8)	(124)
Income tax effect		-	-
		(8)	**(124)**
Other comprehensive income for the year, net of tax		**(8)**	**(124)**
Total comprehensive income/ (loss) for the year, net of tax		**(2,766)**	**510**
Earnings per equity share for continuing operations (Nominal Value of share Rs.10/-)	27.12		
Basic & diluted (Rs.)		**(0.65)**	**(0.11)**
Earnings per equity share for discontinued operations (Nominal Value of share Rs.10/-)	27.12		
Basic (Rs.)		**0.14**	**0.23**
Diluted (Rs.)		**0.14**	**0.22**
Earnings per equity share for continuing and discontinued operations (Nominal Value of share Rs.10/-)	27.12		
Basic (Rs.)		**(0.51)**	**0.12**
Diluted (Rs.)		**(0.51)**	**0.11**
Significant accounting policies	2		
Contingent liabilities, commitments and litigations	26		
Other notes to accounts	27		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-

Per Atul Seksaria
Partner
Membership Number: 086370

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

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : Gurugram
Date : May 08,2018

Place : Gurugram
Date : May 08,2018

Max Healthcare Institute Limited
Statement of changes in equity for the year ended March 31, 2018

a) Equity share capital

Particulars	Nos.	(Rs in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2016	**53,34,08,098**	**53,341**
Add: Equity share issued (refer note 11(i))	38,36,230	383
As at March 31, 2017	**53,72,44,328**	**53,724**
Add: Equity share issued (refer note 11(i))	-	-
As at March 31, 2018	**53,72,44,328**	**53,724**

b) Other equity

(Rs in Lakhs)

Particulars	Reserves and surplus					Total equity
	Capital reserve (Note 11(ii))	Capital reserve on merger with Max Medical Services Limited (Note 11(ii))	Securities premium account (Note 11(ii))	Employee stock options outstanding (Note 11(ii))	Retained earnings (Note 11(ii))	
As at April 1, 2016	**1**	**-**	**1,05,475**	**6**	**(29,271)**	**76,211**
Profit for the year	-	-	-	-	634	634
Other comprehensive income for the year	-	-	-	-	(124)	(124)
Addition on equity shares issued			2,203	-	-	2,203
Capital reserve on merger with Max Medical Services Limited	-	(660)	-	-	-	(660)
Profit on merger of Max Medical Services Limited (refer note 27.14)	-	-	-	-	507	507
Reversal of deferred tax liability on account of merger	-	-	-	-	1,285	1,285
ESOP lapsed during the year	-	-	-	(6)	-	(6)
As at March 31, 2017	**1**	**(660)**	**1,07,678**	**-**	**(26,969)**	**80,050**
Loss for the year	-	-	-	-	**(2,758)**	(2,758)
Other comprehensive income for the year	-				**(8)**	(8)
As at March 31, 2018	**1**	**(660)**	**1,07,678**	**-**	**(29,735)**	**77,284**

Significant accounting policies	2
Contingent liabilities, commitments and litigations	26
Other notes to accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-

Per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 08,2018

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

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

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

Sd/-

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

Sd/-

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : New Delhi
Date : May 08,2018

Max Healthcare Institute Limited
Cash flow statement for the year ended March 31, 2018

		(Rs in Lakhs)
	For the year ended March 31, 2018	**For the year ended March 31, 2017**
A. Cash flows from operating activities		
Loss before tax from continuing operations	(3,490)	(580)
Profit before tax from discontinued operations	732	1,214
Profit/(loss) before tax	**(2,758)**	**634**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment from continuing operations	4,050	4,247
Depreciation of property, plant and equipment from discontinued operations	208	841
Amortization of intangible assets	831	834
Phantom stock plan scheme expenses	651	46
(Gain)/loss on foreign exchange fluctuation	126	(39)
Provision for doubtful debts	(140)	254
Provision for doubtful advances	-	55
Bad debts written off	342	443
Net loss on sale/disposal of property, plant and equipment	14	52
Unclaimed balances & excess provisions written back	(167)	(173)
Finance income (including fair value change in financial instruments)	(3,513)	(3,078)
Finance costs (including fair value change in financial instruments)	3,520	3,288
Operating profit before working capital changes	**3,164**	**7,404**
Working capital adjustments:		
(Increase) in trade receivables	(722)	(6,575)
(Increase) in inventories	(369)	(63)
Movements in provisions, gratuity and government grant	541	208
Increase in trade and other payables	3,521	3,080
Cash generated from /(used in) operations	**6,135**	**4,054**
Taxes paid (net of refunds)	(1,073)	(762)
Net cash flows from/ (used in) operating activities (A)	**5,062**	**3,292**
B. Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(9,571)	(8,228)
Proceeds from sale of property, plant and equipment	3,644	246
Loan repaid by subsidiaries	1,889	3,169
Loan given to subsidiaries	(5,208)	(2,400)
Investment in fixed deposits	(2)	(3)
Investment in subsidiary	(3,000)	(2,500)
Interest received	3,513	3,078
Net cash flows from/ (used in) investing activities (B)	**(8,735)**	**(6,638)**
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital including security premium	-	2,586
Proceeds from long-term borrowings	7,287	22,958
Repayments of long term borrowings	(286)	(16,575)
Proceeds from short-term borrowings	157	211
Repayments of short-term borrowings	-	(2,500)
Interest paid	(3,520)	(3,288)
Net cash flows from financing activities (C)	**3,638**	**3,392**

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Max Healthcare Institute Limited
Cash flow statement for the year ended March 31, 2018

(Rs in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(35)**	**46**
Cash and cash equivalents at the beginning of the year	459	413
Cash and cash equivalents at the end of the year	**424**	**459**

Components of cash and cash equivalents: (Rs in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Cash on hand	46	66
Cheques\drafts on hand	90	103
Balances with banks on current accounts	288	290
Total cash and cash equivalents	**424**	**459**

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	26
Other notes to accounts	27

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-

Per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 08,2018

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

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(Whole-Time Director)
DIN:01141637

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

Sd/-

Ruchi Mahajan
(Company Secretary)
FCS Number: F5671

Place : New Delhi
Date : May 08,2018

1 Corporate Information

Max Healthcare Institute Limited ("the Company") is a public limited Company domiciled in India. The Company has a network of healthcare facilities in the National Capital Region and in the state of Utatrakhand, comprising of primary care clinics, secondary care hospitals/medical centers and tertiary care facilities. The registered office of the company is located at N-110, Panchsheel Park, New Delhi- 110017, India.

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

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

The financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 08, 2018.

2 Significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value
(i) Derivative financial instruments,
(ii) Certain financial assets and financial liabilities
(iii) Defined benefit plans - plan assets

The amendments to IND AS 7 requires disclosure of change in liabilities arising from financial activities has been appropriately disclosed in the financial statement.
Financial Statement are presented in INR and all values are rounded to nearest Lakh (INR 00,000) except when otherwise stated

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
(i) Expected to be realized or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realized within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.

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

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

b. Property, plant and equipment

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

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

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.
Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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

On the bases of technical assessment made by the management, it believes that useful lifes given above are realistic and reflect fair approximation of the period over which the assets are likely to be used.

c. Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

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

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

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

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

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

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

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

d. Impairment of non financial assets

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

The Company'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 recognized in the statement of profit and loss.
After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining economic life.

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

e. Financial Instruments

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

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
(i) Debt instruments at amortized cost
(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

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

(i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

(ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments at fair value through OCI

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

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

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

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

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

Derecognition

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

Reclassification of financial assets

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

f. Investment in Subsidiaries

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

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

g. Revenue recognition

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

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

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

Sale of goods

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

Rendering of services

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

Rental income

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

Interest

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

Incentive Income

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

h. Inventories

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

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

i. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income either over the period allowed under the Govt grant scheme or upto completion of obligation of Goverment grant.

j. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except: when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

k. Borrowing costs

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

l. Leases

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

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

Company as a lessee

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

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

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

Company as a lessor

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

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

m. Provisions

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

Contingent liabilities

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

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

n. Employee benefits

Provident fund

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

Gratuity

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

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

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

(ii) Net interest expenses or income

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

Compensated Absences

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

Short-term obligations

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

Long term incentive plan

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

o. Share-based payments

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

Equity-settled transactions

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

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

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

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

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

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

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

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

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

r. Foreign currencies
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). the Company’s financial statements are presented in Indian rupee (`) which is also the Company’s functional and presentation currency.

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

Measurement of foreign currency items at the balance sheet date

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

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

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

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 od such forwars 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 recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

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

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

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

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

(iii) Hedges of a net investment

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

t. Fair value measurement

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

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

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

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

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

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

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

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

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

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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 Group has identified business segments ('industry practice') as reportable segments. The business segments comprise: 1) Healthcare facility business, 2) Leasing of equipment 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.

v. 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

(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.

2.3 Significant accounting judgements, estimates and assumptions

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

Judgements

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

(a) Operating lease commitments - Company as lessee

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

(b) Assessment of lease contracts

Significant judgement is required to apply lease accounting treatment under Appendix c to IND AS 17 determining whether an arrangement contains a lease, in assessing the applicability to arrangements entered into by the company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant issues and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17

Estimates and assumptions

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

(a) Taxes

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

(b) Gratuity benefit

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

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

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

(e) Impairment of non-Financial assets

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

(f) Share based payments

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

2.4 Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

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

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

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

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

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

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

b) IND AS 115 Revenue from Contracts with Customers:

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

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

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

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

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Max Healthcare Institute Limited
Notes forming part of the financial statements

3. Property, plant and equipment (PPE)

(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
Gross carrying amount (at cost)														
As at April 1, 2016	**6,256**	**13,145**	**4,776**	**15,497**	**22**	**3,871**	**365**	**1,203**	**455**	**577**	**1,410**	**988**	**48,565**	**645**
Additions	-	364	720	2,708	-	97	150	182	787	355	58	171	5,592	3,461
Disposals	-		144	422	-	48	27	44	195	227	19	231	1,357	1,241
As at March 31, 2017	**6,256**	**13,509**	**5,352**	**17,783**	**22**	**3,920**	**488**	**1,341**	**1,047**	**705**	**1,449**	**928**	**52,800**	**2,865**
Additions	-	3,827	826	4,858	8	457	167	234	400	344	464	360	**11,945**	-
Disposals		319		4,832		680	40	84	130	12	49	239	**6,385**	2,479
As at March 31, 2018	**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**
Depreciation														
As at April 1, 2016	**-**	**657**	**366**	**2,001**	**14**	**492**	**163**	**241**	**52**	**237**	**214**	**381**	**4,818**	**-**
Additions	-	335	638	2,142	4	553	140	197	138	219	199	523	5,088	-
Disposals	-	-	144	148	-	27	26	43	135	227	19	241	1,010	-
As at March 31, 2017	**-**	**992**	**860**	**3,995**	**18**	**1,018**	**277**	**395**	**55**	**229**	**394**	**663**	**8,896**	**-**
Additions (note 3.04)	-	259	435	1,942	3	410	93	194	191	268	214	249	4,258	-
Disposals	-	319	-	1,720	-	312	42	56	56	13	25	184	2,727	-
As at March 31, 2018	**-**	**932**	**1,295**	**4,217**	**21**	**1,116**	**328**	**533**	**190**	**484**	**583**	**728**	**10,427**	**-**
Net carrying amount														
As at March 31, 2018	**6,256**	**16,085**	**4,883**	**13,592**	**9**	**2,581**	**287**	**958**	**1,127**	**553**	**1,281**	**321**	**47,933**	**386**
As at March 31, 2017	**6,256**	**12,517**	**4,492**	**13,788**	**4**	**2,902**	**211**	**946**	**992**	**476**	**1,055**	**265**	**43,904**	**2,865**

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

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

(Rs in Lakhs)

	March 31,2018	March 31,2017
Gross Block	559	559
Depreciation charge for the year	56	56
Accumulated Depreciation	168	112
Net Book Value	391	447

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

3.04 Includes depreciation of tangible assets of Rs.208 lakhs assets relating to discontinued operations.

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4. Intangible assets

(Rs in Lakhs)

	Other intangible assets			Intangible assets under development
	Computer software	Non compete fee	Total	
Gross carrying amount (at cost)				
As at April 1, 2016	**2,554**	**1,265**	**3,819**	**52**
Additions	376	-	376	142
Disposals	1	-	1	71
As at March 31, 2017	**2,929**	**1,265**	**4,194**	**123**
Additions	416	-	416	206
Disposals	63	-	63	-
As at March 31, 2018	**3,282**	**1,265**	**4,547**	**329**
Amortization				
As at April 1, 2016	**574**	**132**	**706**	**-**
Additions	653	181	834	-
Disposals	1	-	1	-
As at March 31, 2017	**1,226**	**313**	**1,539**	**-**
Additions	651	180	831	-
Disposals	63		63	-
As at March 31, 2018	**1,814**	**493**	**2,307**	**-**
Net carrying amount				
As at March 31, 2018	**1,468**	**772**	**2,240**	**329**
As at March 31, 2017	**1,703**	**952**	**2,655**	**123**

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

4.02 Intangible assets under development includes computer softwares.

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5. Investments in subsidiaries

	As at March 31, 2018	As at March 31, 2017
		(Rs in Lakhs)
Investment in equity instrument (valued at cost)		
Investments in subsidiaries		
(a) Unquoted equity shares		
Alps Hospital Limited		
28,81,034 (March 31, 2017 : 28,81,034) equity shares of Rs.10/- each fully paid-up	3,048	3,048
Hometrail Estate Private Limited		
12,947,634 (March 31, 2017 : 12,947,634) equity shares of Rs.10/- each fully paid-up	7,701	7,701
Hometrail Buildtech Private Limited		
16,498,372 (March 31, 2017 : 16,498,372) equity shares of Rs.10/- each fully paid-up	8,001	8,001
Crosslay Remedies Limited		
111,625,297 (March 31, 2017 : 111,625,297) equity shares of Rs.10/- each fully paid-up	24,696	24,696
Saket City Hospitals Private Limited		
14,864,817 (March 31, 2017 : 14,864,817) equity shares of Rs.10/- each fully paid-up	32,500	32,500
Saket City Hospitals Private Limited		
5,00,000 (March 31, 2017 : 5,00,000) compulsory convertible preference shares of Rs.10/- each fully paid-up	1,000	1,000
Investment in compulsorily convertible debentures (valued at cost)		
Investments in subsidiaries		
(a) Unquoted debentures		
Alps Hospital Limited		
30,00,000 (March 31, 2017 : Nil) Compulsorily convertible debentures of Rs.100/- each fully paid-up	3,000	-
	79,946	**76,946**
Non-current	**79,946**	**76,946**
Aggregate value of unquoted investments	**79,946**	**76,946**
Amount of impairment in value of investments	-	-

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

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

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

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

(iii) The Board of Directors of Hometrail Buildtech Private Limited [HBPL] and Hometrail Estate Private Limited [HEPL] at their meeting held on January 30, 2017, approved the amalgamation of the HEPL into HBPL. The petition for Scheme of Amalgamation amongst HBPL and HEPL, their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on May 08, 2017 and the same is listed for hearing before NCLT on May 16, 2017 and Regional Director and /or official liquidator has submitted their reply on the letter issued to then by NCLT and matter is list for hearing before NCLT on May 22, 2018.

(Rs in Lakhs)

	As at March 31, 2018	As at March 31, 2017
6. Non-current financial assets		
(i) Loans (Valued at amortized cost) (unsecured considered good)		
a) Loans to related parties (refer note 27.10)	6,396	6,235
b) Preference shares in Alps Hospital Limited [refer note (i) below]		
2,000,000 (March 31, 2017 : 2,000,000) 0% non convertible redeemable preference shares of Rs.100/- each fully paid-up	3,070	2,759
c) Preference shares in Hometrail Buildtech Private Limited [refer note (ii) below]		
2,000,000 (March 31, 2017 : 2,000,000) 0% non convertible redeemable preference shares of Rs.100/- each fully paid-up	3,074	2,763
d) Security deposits	6,022	3,502
	18,562	**15,259**
(ii) Trade receivables		
Unsecured :-		
Trade receivables - considered good	7,592	7,592
	7,592	**7,592**

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 Lacs. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, the Company has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 Lacs. The said consideration is repayable in equal instalments over 20.5 years from the handover date.

Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to Rs. 1169 Lacs (March 31, 2017 : Rs. 1110 Lacs), has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under “Other Income” as income from deferred credit and interest income on fair valuation of this contract revenue under "Finance Income".

	As at March 31, 2018	As at March 31, 2017
(iii) Other bank balances		
Deposits under lien	-	1
	-	**1**
7. Other non current assets (unsecured considered good)		
Capital advances	3,432	2,826
Others		
Prepaid expenses	2,534	6,331
Mat credit entitlement	470	470
Licenses receivable	93	-
Tax deducted at source recoverable	5,962	4,148
Balance with statutory authorities	57	57
	12,548	**13,832**
8. Inventories		
Stock of pharmacy, drugs, consumables and implants	1,755	1,386
(at lower of cost and net realizable value)	**1,755**	**1,386**

(i) Alps Hospital 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.

(ii) Hometrail Buildtech Pvt. Ltd 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.

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(Rs in Lakhs)

	As at March 31, 2018	As at March 31, 2017
9. Current financial assets		
(i) Loans		
Loans to related parties (refer note 27.10)	676	1,010
Loans and advances to other healthcare service providers	395	-
Security deposits	-	45
	1,071	**1,055**
(ii) Trade receivables		
Unsecured :-		
Trade receivables - considered good	20,325	15,895
Trade receivables - considered doubtful	2,430	2,570
Trade receivables from related parties - considered good (refer note 27.10)	1,429	1,138
Less: Impairment allowance (allowance for bad and doubtful debts)	(2,430)	(2,570)
	21,754	**17,033**
(iii) Cash and cash equivalents		
Balances with banks:		
On current accounts	288	290
Cheques/ drafts on hand	90	103
Cash on hand	46	66
	424	**459**

Chnages in liabilities arising from financing activities (Rs in Lakhs)

Particulars	April 01, 2017	Cash Flow	March 31, 2018
Current borrowings	6,424	157	6,581
Non current borrowings	24,291	6,753	31,044
Current maturity of long term borrowings	662	234	896
Current maturity of finance lease obligation	17	(16)	1
Current maturity of deffered payment liabilities	-	30	30
Total liabilites from Financial activites	**31,394**	**7,158**	**38,552**

Particulars	April 01, 2016	Cash Flow	March 31, 2017
Current borrowings	8,713	(2,289)	6,424
Non current borrowings	17,556	6,735	24,291
Current maturity of long term borrowings	937	(275)	662
Current maturity of finance lease obligation	94	(77)	17
Total liabilites from Financial activites	**27,300**	**4,094**	**31,394**

	As at March 31, 2018	As at March 31, 2017
(iv) Other bank balances		
Deposits:		
Under lien #	12	9
	12	**9**

 # Margin money deposits given as security
Rs.12 Lakhs (March 31, 2017 : Rs.9 lakhs) to secure bank guarantee issued to customers.

	As at March 31, 2018	As at March 31, 2017
(v) Derivative instruments at fair value through profit or loss		
Foreign exchange forward contracts	3	29
	3	**29**
(vi) Other financial assets		
Unbilled revenue	677	624
	677	**624**
10. Other current assets (unsecured considered good, unless otherwise stated)		
Tax deducted at source recoverable	-	840
Other advances :-		
Unsecured, considered good	967	930
Unsecured, considered doubtful	3	8
Less: Provision for doubtful advances	(3)	(8)
Prepaid expenses	954	1,354
Licenses receivable	11	-
Receivable under duty credit scheme	1	173
	1,933	**3,297**

11. Share capital and other equity

(i) Equity share capital

	As at March 31, 2018	As at March 31, 2017
		(Rs in Lakhs)
a) Authorized		
960,000,000 (March 31, 2017: 960,000,000) equity shares of Rs.10/- each	96,000	96,000
125,000,000 (March 31, 2017: 125,000,000) cumulative preference shares of Rs.10/- each	12,500	12,500
	1,08,500	**1,08,500**
Issued, subscribed and fully paid-up		
537,244,328 (March 31, 2017: 537,244,328) equity shares of Rs.10/- each	53,724	53,724
Total issued, subsrcibed and fully paid-up share capital	**53,724**	**53,724**

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

	March 31, 2018		March 31, 2017	
Equity shares	**No. of shares**	**(Rs in Lakhs)**	**No. of shares**	**(Rs in Lakhs)**
At the beginning of the year	53,72,44,328	53,724	53,34,08,098	53,341
Issued during the year				
- Right issue #	-	-	38,36,230	383
Outstanding at the end of the year	53,72,44,328	53,724	53,72,44,328	53,724

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

c) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of shares	**% held**	**No. of shares**	**% held**
Equity Shares of Rs. 10 each fully paid				
Max India Limited	26,69,97,937	49.70%	24,68,48,537	45.95%
Life Healthcare International (Pty) Limited	26,69,97,937	49.70%	24,68,48,537	45.95%
International Finance Corporation, USA (IFC)*	-	-	4,02,98,799	7.50%

***** In terms of the share sale agreement dated July 10, 2017, executed amongst Max India Limited ("Max India"), Life Healthcare International (Pty) Limited ("LHC"), International Financial Corporation ("IFC") and the Company (collectively referred to as "parties") and amendment agreement dated August 11, 2017 executed amongst the parties, on August 18, 2017, Max India and LHC have acquired entire equity stake held by IFC in the Company (i.e. 4,02,98,799 fully paid up ordinary equity shares of face value of Rs.10 each).

e) Shares reserved for issue under options

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

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

22,955,268 (March 31, 2017: 22,955,268) equity shares have been allotted on conversion of 2% cumulative partially convertible preference shares issued to IFC on July 28, 2007.

In addition, the Company has issued nil (March 31, 2017 : 9,50,000) equity shares during the period of five years immediately preceding the reporting date, on exercise of options granted under the Employee Stock Option Plan 2006 to the permanent employees of the Company wherein part consideration was received in form of employee services.

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11 (ii) Other equity

(Rs in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Capital reserve (refer note a below)	1	1
Capital reserve on merger with Max Medical Services Limited (refer note b below)	(660)	(660)
Securities premium account (refer note c below)	1,07,678	1,07,678
Employee stock options outstanding (refer note d below)	-	-
Retained earnings (refer note e below)	(29,735)	(26,969)
	77,284	**80,050**

Notes:

a) Capital reserve	1	1
	1	**1**
b) Capital reserve on merger with Max Medical Services Limited (refer note 27.14)	(660)	(660)
	(660)	**(660)**
c) Securities premium account		
At the beginning of the year	1,07,678	1,05,475
Add: premium on issue of equity shares	-	2,206
Less: share issue expenses	-	(3)
	1,07,678	**1,07,678**
d) Employee stock options outstanding		
At the beginning of the year	-	6
Less: lapsed during the year	-	(6)
	-	**-**
e) Retained earnings		
At the beginning of the year	(26,969)	(29,271)
Profit on merger of Max Medical Services Limited	-	507
Reversal of deferred tax liability on account of merger	-	1,285
Profit/(loss) for the year	(2,758)	634
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(8)	(124)
	(29,735)	**(26,969)**

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(Rs in Lakhs)

	As at March 31, 2018	As at March 31, 2017
12. Borrowings		
Non-current borrowings :-		
Term loans (secured)		
From banks	25,987	19,172
From non-banking financial company	4,485	4,662
Vehicle loans (secured)	413	457
Deferred payment liabilities (secured)	159	-
Current borrowings :-		
Term loans (secured)		
From banks	456	175
From non-banking financial company	203	309
Finance lease obligation (secured)		
Current maturity of finance lease obligation	-	17
Deferred payment liabilities (secured)	30	-
Vehicle loans (secured)	238	178
	31,971	**24,970**
Less: Amount disclosed under "other current financial liabilities" [refer note 16(iii)]	927	679
	31,044	**24,291**
Aggregate Secured loans	**31,971**	**24,970**
Aggregate Unsecured loans	-	-

Borrowing Notes
Term loan from banks :-
(i) Rs.Nil (March 31, 2017 : Rs. 82 lakhs) from ICICI Bank Limited repayable in 36 quarterly installments from June 2014 is secured by way of :
a) Exclusive charge over the immovable property of the company located at Shalimar Bagh.
b) First pari-passu charge on the whole of movable PPE (excluding vehicles) including medical equipment (except assets having exclusive charge in favor of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc. of the Company.
c) Second pari-passu charge on all the entire current assets including book debts, operating cash flows, receivables, revenue subject to prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7500 lakhs.
d) Pledge of the Company's 26% shareholding in its subsidiary, namely Alps Hospital Limited.

(ii) Rs. 23,475 lakhs (March 31, 2017 : Rs. 19,265 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 INR 75 crore
Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 340 Crore

(iii) Rs. 2,968 lakhs (March 31, 2017 : Rs. Nil) from Indusind Bank Limited repayable in 159 monthly installments from June, 2019 is secured by way of :

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. 75 Crores 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 IDFC 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 IDFC 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 IDFC Infrastructure Finance Ltd.

Term loan from non-banking financial company :-

(i) Rs. 4,564 lakhs (March 31, 2017 : Rs. 4,574 lakhs) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018 is secured by way of :-

a) A First Mortgage and Charge on entire immovable properties of the Company pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.

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

c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the Borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of Rs. 7,500 lakhs in aggregate).

d) A first charge on the entire intangible assets of the 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 INR 75 crore
Security interest set out in sub clauses (a), (b) and (d), (e) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 340 Crore

(ii) Rs. 124 lakhs (March 31, 2017: Rs.397 lakhs) from SREI Equipment Finance Private Limited repayable in 28 quarterly installments from December 2011 is secured by way of exclusive charge over the medical equipment acquired through this facility.

Finance lease obligation:-

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

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. 651 lakhs (March 31, 2017: Rs.635 lakhs) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

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(Rs in Lakhs)

		As at March 31, 2018	As at March 31, 2017
13.	**Other non current financial liabilities**		
	Provision for deferred compensation (refer note 27.5)	153	210
		153	**210**
14.	**Provisions**		
	Non current		
	Provision for employee benefits		
	Provision for gratuity (refer note 27.3)	1,009	791
		1,009	**791**
	Current		
	Provision for employee benefits		
	Provision for leave encashment	859	761
	Provision for gratuity (refer note 27.3)	221	209
	Other provisions		
	Provision for income tax (net of advance tax) for current financial year of MMS*		
	Provision for income tax (net of TDS receivable) acquired on date of amalgamation	-	298
	Less: TDS Receivable recognised after date of amalgamation of MMS	-	(83)
	Less: Advance Tax recognised after date of amalgamation of MMS	-	(116)
		1,080	**1,069**
	*MMS means Max Medical Services Limited		
15.	**Other non current liabilities**		
	Lease equalization reserve	786	549
		786	**549**
16.	**Current financial liabilities**		
	(i) Borrowings		
	Cash credit from banks	6,581	6,424
		6,581	**6,424**

Cash credits from banks is secured by way of prior pari – passu charge on stocks, book debts and other current assets, present and future of the Company prior to charge in favor of term lenders of the Company. The cash credits are repayable on demand.

	As at March 31, 2018	As at March 31, 2017
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,196	15,695
Trade payable to related party (refer note 27.10)	649	298
	19,845	**15,993**

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

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

		As at March 31, 2018	As at March 31, 2017
	(iii) Other current financial liabilities		
	Current maturity of non current borrowings (refer note 12)	896	662
	Current maturity of finance lease obligation (refer note 12)	1	17
	Current maturity of deferred payment liabilities (refer note 12)	30	-
	Security deposits	284	220
	Others	146	-
	Provision for deferred compensation (refer note 27.5)	136	289
	Capital creditors	2,221	1,098
		3,714	**2,286**
17.	**Other current liabilities**		
	Advance from patients	351	491
	Statutory dues	1,237	1,064
	Other advances	72	63
		1,660	**1,618**

(Rs in Lakhs)

		For the year ended March 31, 2018	For the year ended March 31, 2017
18.	**Revenue from operations**		
	Sale of products		
	Pharmacy and pharmaceuticals supplies	13,369	14,005
	Total sale of products	**13,369**	**14,005**
	Revenue from healthcare services (net)	91,068	85,791
	Other operating revenue		
	- Sponsorship and educational income	810	474
	- Income from ancillary activities	363	333
	- Income from service exports from India scheme	281	400
		1,05,891	**1,01,003**
19.	**Other income**		
	Foreign exchange fluctuation gain	-	39
	Income from deferred credit	145	72
	Deferred income under EPCG	111	1
	Unclaimed balances & excess provisions written back	167	173
	Other non-operating income	451	428
		874	**713**
20.	**Finance income**		
	Interest Income on		
	Bank deposits	1	1
	Security deposits	68	61
	Loans to subsidiary companies	1,548	1,416
	Loans to other healthcare service providers	1,757	1,421
	Income tax refund	139	160
		3,513	**3,059**

(Rs in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
21. Employee benefits expense		
Salaries, wages and bonus	26,914	22,570
Contribution to provident and other funds	1,117	813
Phantom stock plan scheme	**651**	**46**
Gratuity expense (refer note 27.3)	293	233
Staff welfare expenses	1,491	1,269
	30,466	**24,931**
22. Finance costs		
Interest on debts and borrowings	3,520	3,288
Bank charges	557	227
	4,077	**3,515**
23. Depreciation and amortization expense		
Depreciation of tangible assets (refer note 3)	4,050	4,247
Amortization of intangible assets (refer note 4)	831	834
	4,881	**5,081**
24. Other expense		
Professional and consultancy fee	21,232	20,353
Outside lab investigation	584	473
Patient catering expenses	872	1,013
Rent	3,857	3,254
Insurance	559	540
Rates and taxes	422	251
Facility maintenance expenses	1,941	1,699
Power and fuel	2,192	2,204
Repairs and maintenance:		
Building	374	365
Plant and equipment	1,179	1,083
Others	620	671
Printing and stationery	408	367
Travelling and conveyance	1,190	1,062
Communication	433	386
Legal and professional	4,432	3,747
IT support expense	1,036	918
Watch and ward	582	443
Directors' sitting fee	52	56
Advertisement and publicity	2,431	2,017
Loss on foreign exchange fluctuation	126	-
Recruitment expenses	156	95
Charity and donation	1	67
Equipment hiring charges	266	236
Provision for doubtful debts	(140)	254
Provision for doubtful advances	-	55
Bad debts written off	342	443
Net loss on sale/disposal of property, plant and equipment	14	52
Miscellaneous expenses	376	287
Contribution towards corporate social responsibility (refer note 27.11)	-	10
	45,537	**42,401**

Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	45	41
Other services (certification fees)	1	2
Reimbursement of expenses	2	3
	48	**46**

25 Discontinued Operations

In view of the emarging scenario and other commercial consideration, the management of the company think appropriate to focus on the healthcare facilities business going forward and invest the resources of the company in the direction. In the opinion of the board of the company, the leasing business of the company shall require a lot of capital to grow the business and in view of potential profitability it will be in the best interest of the company to exit the business and invest and focus on healthcare facilities business. The Company has thus decided to diccontinue operations of the business of equipment division.

During the year, pursuant to the approval of the Shareholders and other authorities as required, the Company has entered into a Business Transfer Agreement (BTA) dated June 30,2017 with "Devki Devi Foundation" to sell its Leasing division business by way of Slump Sale on going concern basis. At June 30, 2017, The company has classified the lease division business as a discontinued operation.The total purchase consideration has been agreed at Rs. 4509 lakhs and the sale of the business had been completed by June 30, 2017. Lease division which is transferred to Devki Devi Foundation relates to Max Medical Services Limited which is now part of the company because of merger, which become effective from 1st October, 2016.

The result of the lease division for the year are presented below:-

	For the year ended March 31, 2018	(Rs in Lakhs) For the year ended March 31, 2017
Revenue from operations		
Other operating Income		
- Income from leasing activities	546	2,036
	546	2,036
Other income		
Other non-operating income		
- Gain on disposal of assets attributable to the discontinued operations	254	-
	254	
Finance income		
Interest income on security deposits	140	19
	140	19
Total income	940	2,055
Expenses		
Depreciation and amortization expense		
Depreciation of tangible assets (refer note 3)	208	841
Total expenses	208	841
Profit before tax from a discontinued operation	732	1,214
Tax Income/(expenses) of discontinued operations	-	-
Profit after tax from discontinued operation	732	1,214

The net cash flows attributable to discontinued operations:

	For the year ended March 31, 2018	(Rs in Lakhs) For the year ended March 31, 2017
Operating activities	800	2,036
Investing activities	132	35
Financing activities	-	-
Net cash inflow	932	2,071

The following statement shows the carrying amounts of the assets had been disposed of and the liabilities had been settled as on :

	(Rs in Lakhs) As at June 30, 2017
Assets	
Non current assets	
Property, plant and equipment	3,350
Financial assets	
Loans	392
Trade receivables	1,126
Total assets (a)	**4,868**
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	613
Total liabilities (b)	613
Net assets directly associated with lease division disposed of (a-b)	**4,255**

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26. Contingent liabilities, commitments and litigations

A. Contingent liabilities (to the extent not provided for)

(Rs in Lakhs)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
a	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by a subsidiaries of the Company and other healthcare service providers. (refer note a below)	82,865	80,375
b	Claims against the Company not acknowledged as debts		
	- Civil Cases (refer note b below)	8,556	5,624
	- VAT cases	161	246
	- Service tax cases	-	1,242
	- Income Tax cases (refer note c below)	-	-

Note:

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

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

c. Income tax cases

(Rs in Lakhs)

Assessment year	Pending before ITAT		Diasllowances pending before CIT(A)	Disallowances pending - as at March 31, 2018	Disallowances pending- as at March 31, 2017	Demand (if any)	
	Disallowances deleted by CIT(A) for which department has filed an appeal before ITAT	Disallowances confirmed by CIT(A) for which company has filed an appeal before ITAT				As at March 31, 2018	As at March 31, 2017
2003-04	941	213	-	1,154	1,154	-	-
2004-05	641	-	-	641	641	-	-
2005-06	598	-	-	598	598	-	-
2006-07	462	-	-	462	462	-	-
2007-08	907	-	-	907	907	-	-
2008-09	239	-	-	239	239	-	-
2009-10	201	-	-	201	201	-	-
2010-11	411	-	-	411	410	-	-
2011-12	547	-	-	547	547	-	-
2012-13	-	1,191	-	1,191	711	-	-
2013-14	114	395	-	509	509	-	-
2014-15	-	-	708	708	708	-	-
2015-16		-	773	773	-		
	5,061	**1,799**	**1,481**	**8,341**	**7,087**	**-**	**-**

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

B. Capital commitment

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

(Rs in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account	8,297	10,274
Less: Capital advances	3,432	2,826
Balance value of contracts	**4,865**	**7,448**

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

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

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

(Rs. in lakhs)

Duty Saved Amount	Export Obligation
332	285

C. "Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi had, on 8 December 2017, issued an order under Section 7 of the Delhi Nursing Home Registration Act, 1953 for cancelling the registration of Max Super Speciality Hospital, Shalimar Bagh ("Hospital") with immediate effect and further directed to refrain from admitting any IPD Patients in the Hospital. Against this cancellation order, the Company had filed an appeal bearing no. 335/2017 before the Hon'ble Financial Commissioner, Govt. Of Delhi ("Appellate Authority") on 13 December, 2017. On 19th December, 2017, the Appellate Authority stayed the operation of the said cancellation Order, which is in force as on the date of this 31st March, 2018 financial statement/auditor report 8th May, 2018 Accordingly, Max Super Speciality Hospital, Shalimar Bagh has resumed its operations on 20 December, 2017.

The Company is of the view that the said cancellation order was passed by DGHS in contravention of the provisions of Section 8 of Delhi Nursing Home Registration Act and violates the principles of natural justice and due process prescribed under the Act. The Company is confident that the Appellate Authority(ies) will set aside the Cancellation Order dated 8 December, 2017 and uphold its view in the matter"

D. Lease commitments

(i) Finance lease: Company as lessee

(a) The Company has finance lease for certain medical equipments for a period of 5 years. Upon the expiry of terms, the absolute and unencumbered ownership of the equipment shall vest with the Company at the guaranteed residual value.

(b) Future minimum lease payments and the payment profile of non-cancellable finance leases are as follows:

(Rs in Lakhs)

Particulars	March 31, 2018		March 31, 2017	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	-	-	17	17
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	**-**	**-**	**17**	**17**

(ii) Operating lease: Company as lessee

(a) The Company has entered into operating lease agreements for hospitals, premises office spaces and accommodation for its employees under operating lease agreements. The leases have an average life between 3 to 30 years.

(b) The Company has entered into leases for office space, accommodation for its employees under operating lease agreement. Lease rentals recognized in the statement of profit and loss for the year is Rs. 3,857 lakhs (March 31, 2017: Rs. 3,254 lakhs).

(c) Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

(Rs in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Not later than one year	2,253	2,135
b) Later than one year and not later than five year	6,846	7,542
c) Later than five year	15,350	16,810
Total	**24,449**	**26,487**

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

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27 Other notes to accounts

27.1 Investment in subsidiaries, associates and joint venture

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27" Separate Financial Statements".

(b) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2018	Portion of ownership interest as at March 31, 2017	Method used to account for the investment
Max Medical Services Limited (upto November 02,2017)	India	100%	100%	At Cost
Alps Hospital Limited	India	100%	100%	At Cost
Hometrail Estate Private Limited	India	100%	100%	At Cost
Hometrail Buildtech Private Limited	India	100%	100%	At Cost
Crosslay Remedies Limited	India	77.95%	78.35%	At Cost
Saket City Hospitals Private Limited	India	51%	51%	At Cost

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

(Rs in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Opening Balances	122	-
Add:		
Rent	8	67
Salaries, wages and bonus	53	74
Interest	26	15
Miscellaneous Expenses	-	8
Total	**209**	164
Less: Capitalized during the year	209	42
Preoperative expenses pending capitalization	**-**	122

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27.3 Gratuity

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is partially funded with Life Insurance Company of India in the form of a qualifying insurance policy.

Defined benefit plan (Rs in Lakhs)

		Year ended March 31, 2018	Year ended March 31, 2017
a)	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Defined benefit obligation at the beginning of the year	1,080	934
	Interest expense	72	70
	Current service cost	226	168
	Benefit paid	(73)	(217)
	Acquisition adjustment (Employees transferred from holding company)	-	1
	Remeasurement of (Gain)/loss in other comprehensive income		
	Actuarial changes arising from changes in demographic assumptions	16	30
	Actuarial changes arising from changes in financial assumptions	(45)	37
	Actuarial changes arising from changes in experience adjustments	37	57
	Defined benefit obligation at year end	**1,313**	**1,080**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	80	70
	Expected return on plan assets	5	5
	Employer contribution	-	5
	Fair value of plan assets at year end	**85**	**80**
c)	**Net defined benefit asset/ (liability) recognized in the balance sheet**		
	Present value of defined benefit obligation	(1,312)	(1,080)
	Fair value of plan assets	82	80
	Amount recognized in balance sheet- asset / (liability)	**(1,230)**	**(1,000)**
d)	**Net defined benefit expense (Recognized in the statement of profit and loss for the year)**		
	Current service cost	226	168
	Past service cost	-	-
	Interest cost on benefit obligation	72	70
	Expected return on plan assets	(5)	(5)
	Net actuarial(gain) / loss recognized in the year	-	-
	Net defined benefit expense debited to statement of profit and loss	**293**	**233**
e)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds	100%	100%

f) **Principal assumptions used in determining defined benefit obligation**

Assumtion perticulars	**As At March 31, 2018**	**As At March 31,2017**
Discount rate	7.20%	6.60%
Salary escalation rate	8.00%	8.00%
Mortality rate (% of IALM 06-08)	100.00%	100.00%

(Rs in Lakhs)

		Year ended March 31, 2018	Year ended March 31, 2017
g)	**Quantitative sensitivity analysis for significant assumptions is as below:**		
	Increase / (decrease) on present value of defined benefits obligations at the end of the year		
	Discount rate		
	Increase by 1.00%	(74)	(52)
	Decrease by 1.00%	82	58
	Salary growth rate		
	Increase by 1.00%	81	53
	Decrease by 1.00%	(74)	(48)
	Attrition rate		
	Increase by 50%	(53)	(53)
	Decrease by 50%	85	92

(Rs in Lakhs)

		Year ended March 31, 2018	Year ended March 31, 2017
h)	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	237	225
	Between 2 and 5 years	660	481
	Between 5 and 10 years	543	427
	More than 10 years	755	504
	Total expected payments	**2,195**	**1,637**

i) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 Years (March 31, 2017 : 6 years)

j) The plan assets are maintained with LIC of India

k) The Company expects to contribute Rs. 1448 lakhs (March 31, 2017 : Rs.1183 lakhs) to the plan during the next financial year.

l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

27.4. 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 Limted. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19

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

The details of fund and plan asset position as at March 31, 2018 as per the actuarial valuation of active members are as follows:

		(Rs in Lakhs)
	Year ended March 31, 2018	**Year ended March 31, 2017**
Plan assets at year end at fair value	8,628	6,837
Present value of defined benefit obligation at year end	8,509	6,734
Surplus as per actuarial certificate	119	103
Shortfall recognised in balance sheet	-	-
Active members as at year end (Nos)	3,791	3,437

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

		(Rs in Lakhs)
	Year ended March 31, 2018	**Year ended March 31, 2017**
Discount rate	7.18%	7.51%
Withdrawal rate	5.00%	5.00%
Yield on existing funds	8.94%	8.79%
Expected guaranteed interest rate	8.55%	8.65%

Contribution to Defined benefit Plan, recognized as expense for the year is as under:		**(Rs in Lakhs)**
	Year ended March 31, 2018	**Year ended March 31, 2017**
Employer's Contribution towards Provident Fund (PF)	510	441
	510	**441**

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27.5 Employee Stock Option Plan

In terms of Clause 18(i) of Employee Stock Option Scheme – 2006 ("ESOP 2006"), in case, the Company could not achieve listing of its shares before the vesting date and an employee opts to exit from the stock options granted by the Company in full or part, he or she can opt for deferred compensation for such stocks, which will be the difference between the option price and the share valuation price relevant on that date, subject to applicable taxes. All options granted by the Company to each optionee shall lapse immediately after the Company pays the deferred compensation to the concerned employee.

As on March 31, 2018, all options vested up to that date, have been exercised and employees have been opted for the deferred compensation, which has also been paid to them. Further, in view of the Company's plan to not list the stock, all the grantees have irrevocably opted for deferred compensation plan ("Phantom Stock Plan") for the unvested part of Employee Stock Options issued earlier. Consequently, there are no outstanding stock options as on date and no new grants have been granted or proposed to be granted under ESOP 2006 Scheme.

27.6 Deferred Tax Asset/ (Liability)

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

27.7 Segment reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 106 on 'Segment Reporting'.

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27.8A Financial instruments

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

(Rs in Lakhs)

Category	Carrying Value		Fair Value	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
1) Financial assets at amortized cost				
Loans (current / non current)	19,633	16,314	19,633	16,314
Trade receivables (current / non current)	29,346	24,625	29,346	24,625
Other financial assets (current / non current)	677	624	677	624
Cash and cash equivalents	424	459	424	459
Other bank balances (current / non current)	12	10	12	10
Derivative Instruments	3	29	3	29
2) Financial Liabilities at amortized cost				
Trade payables	19,845	15,993	19,845	15,993
Borrowings (current / non current)	37,625	30,715	37,625	30,715
Other financial liabilities (current / non current)	3,867	2,496	3,867	2,496

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

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

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

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

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

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27. 8B Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2018

(Rs in Lakhs)

Particulars	**Carrying Value**	**Fair Value**		
	March 31, 2018	**Level 1**	**Level 2**	**Level 3**
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	19,633	-	-	19,633
Trade receivables (current / non current)	29,346	-	-	29,346
Other financial assets (current / non current)	677	-	-	677
Cash and cash equivalents	424	-	-	424
Other bank balances (current / non current)	12	-	-	12
Derivative Instruments	3	3	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	19,845	-	-	19,845
Borrowings (current / non current)	37,625	-	-	37,625
Other financial liabilities (current / non current)	3,867	-	-	3,867

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2017

(Rs in Lakhs)

Particulars	**Carrying Value**	**Fair Value**		
	March 31, 2017	**Level 1**	**Level 2**	**Level 3**
Assets carried at amortized cost for which fair value are disclosed				
Loans (current / non current)	16,314	-	-	16,314
Trade receivables (current / non current)	24,625	-	-	24,625
Other financial assets (current / non current)	624	-	-	624
Cash and cash equivalents	459	-	-	459
Other bank balances (current / non current)	10	-	-	10
Derivative Instruments	29	29	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	15,993	-	-	15,993
Borrowings (current / non current)	30,715	-	-	30,715
Other financial liabilities (current / non current)	2,496	-	-	2,496

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27.9 Financial risk management objectives and policies

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

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

a) Capital Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of The Company consists of debt, which includes the borrowings disclosed in notes 12 and 16 cash and cash equivalents disclosed in note 9 and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. The ratio is calculated as debt divided by the Shareholder's Fund for Debt : Equity and for Net Debt to EBIDTA, Net Debt is divided by the Normalised EBIDTA for 12 months. Net debt is calculated as total interest-bearing borrowings (including "current interest-bearing and non-current interest-bearing borrowings" as shown in the statement of financial position) less net cash and cash equivalents. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-operating items, one offs and for any mid of the year merger and acquisition activity. In order to maintain or adjust the capital structure, The Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of The Company for FY 2016-17 and FY 2017-18 stood at 0.18 & 0.24. Similarly, the Net Debt to EBIDTA ratio of The Company stood at 2.66 for FY 2016-17 and 5.09 for FY 2017-18

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

Note : Working capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity ratio

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employes 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 Company as a whole and the utilised borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

March 31, 2015	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interes bearing borrowings*	7,905	12,335	11,767	32,007
Trade payable	#REF!	-	-	#REF!
Other financial liabilities	#REF!	-	-	#REF!
% to Total	**#REF!**	**29%**	**27%**	**100%**
March 31, 2017	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings	703	2,858	21,681	25,242
Trade payable	15,993	-	-	15,993
Other financial liabilities	1,607	-	-	1,607
% to Total	**43%**	**7%**	**51%**	**100%**
March 31, 2018				
Interest bearing borrowings	811	5,077	26,345	32,233
Trade payable	19,845			19,845
Other financial liabilities	2,787			2,787
% to Total	**43%**	**9%**	**48%**	**100%**

*Note :-Woring capital facility amount is not included in interest rate borrowing amount and in Debt for computation of Debt Equity Ratio.

c) Credit risk

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

(i) Trade receivables

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

(Rs in Lakhs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**

Neither past due or impaired	8,904	5,706
0 to 180 days due past due date	7,893	9,593
More than 180 days due past due date	12,549	9,326
Total trade receivables	**29,346**	**24,625**

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

(Rs in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	2,570	2,317
Provision during the year	-	254
Bad debts written off	-	-
Reversal of provision	(140)	(1)
At the end of the year	**2,430**	**2,570**

(ii) Financial instruments and cash deposit

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

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in note 27.8 (A) and the liquidity table above.

d) Market risk

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

(i) Foreign Currency Risk

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

Foreign currency risk sensitivity

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

Unhedged foreign currency exposures recognized by the Company are as under:

(Rs in Lakhs)

Currency	March 31, 2018 Foreign currency	March 31, 2018 Indian Rupees	Increase/decrease In rate	Impact on profit before tax
Payables in Euro	0.26	21.27	1%	0.21
Payables in JPY	-	-	1%	-
Payables in USD	5.35	348.50	1%	3.48

(Rs in Lakhs)

Currency	March 31, 2017 Foreign currency	March 31, 2017 Indian Rupees	Increase/decrease In rate	Impact on profit before tax
Payables in Euro	0.06	3.84	1%	0.04
Payables in JPY	0.66	0.40	1%	-
Payables in USD	3.04	196.93	1%	1.97

(Rs in Lakhs)

Currency	April 1, 2015	April 1, 2015	Increase/decrease	Impact on profit before tax
Payables in Euro	0.06	4.14	1%	0.04
Payables in JPY	0.66	0.35	1%	-
Payables in USD	2.44	155.26	1%	2.03

The Company has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial instruments. The details of the outstanding foreign exchange forward are as follows:

(Rs in Lakhs)

Particulars	March 31,2018	March 31,2017
Payables in USD	1,142	1,825

(ii) Interest Rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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 31,2018	0.50%	147
March 31,2017	0.50%	112
April 1,2015	0.50%	139

27.10 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies

(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 Estate Private Limited	Wholly-owned subsidiary
3	Hometrail Buildtech Private Limited	Wholly-owned subsidiary
4	Max Medical Services Limited (upto November 02,2017)	Wholly-owned subsidiary
5	Crosslay Remedies Limited	Subsidiary
6	Saket City Hospitals Private Limited	Subsidiary

(ii) Enterprises in which directors are interested (with whom transactions have taken place during the year)

1 Core Diagnostics Private Limited
2 Medecube Healthcare India Pvt Ltd

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

1 Mr. Rajit Mehta, Managing Director & Chief Executive Officer
2 Dr. Pradeep Kumar Chowbey, Executive Vice Chairman
3 Mr. Yogesh Kumar Sareen, Chief financial officer (As per Companies Act, 2013)
4 Ms. Ruchi Mahajan, Company secretary (As per Companies Act, 2013)

(iv) Investing party or venture in respect of which the reporting enterprises in an associates or Joint venture (with whom transactions have taken place during the

1 Max India Limited
2 Life Healthcare International (Pty) Limited

(v) Directors & relative of directors (with whom transactions have taken place during the year)

1 Mr. Analjit Singh
2 Mr. Ajit Singh
3 Mr. Rahul Khosla
4 Ms. Neelu Singh
5 Ms. Piya Singh
6 Ms. Radhika Singh
7 Mr. Sahil Vachani
8 Ms. Santosh Mehta
9 Ms. Sarup Rani Khosla
10 Ms. Shashi Prabha
11 Ms. Tara Singh Vachani
12 Mr. Veer Singh

(Rs in Lakhs)

(B)

Transactions during the year	For the year ended March 31,2018	For the year ended March 31,2017
Loans and advances given		
Hometrail Buildtech Private Limited (Subsidiary)	**-**	400
Alps Hospital Limited (Subsidiary)	**2,100**	-
Crosslay Remedies Limited (Subsidiary)	**-**	100
Saket City Hospitals Private Limited (Subsidiary)	**150**	1,900
Repayment of loans and advances given		
Hometrail Estate Private Limited (Subsidiary)	**-**	552
Hometrail Buildtech Private Limited (Subsidiary)	**1,889**	2,590
Alps Hospital Limited (Subsidiary)	**200**	-
Crosslay Remedies Limited (Subsidiary)	**-**	100
Interest income		
Alps Hospital Limited (Subsidiary)	**646**	279
Hometrail Estate Private Limited (Subsidiary)	**-**	25
Hometrail Buildtech Private Limited (Subsidiary)	**433**	652
Crosslay Remedies Limited (Subsidiary)	**225**	265
Saket City Hospitals Private Limited (Subsidiary)	**244**	214
Finance arrangement fee		
Alps Hospital Limited (Subsidiary)	**8**	9
Hometrail Estate Private Limited (Subsidiary)	**32**	26
Hometrail Buildtech Private Limited (Subsidiary)	**29**	23
Crosslay Remedies Limited (Subsidiary)	**75**	63
Saket City Hospitals Private Limited (Subsidiary)	**143**	134

Sale of drugs, pharmaceuticals & medical supplies		
Alps Hospital Limited (Subsidiary)	**1,334**	1,434
Hometrail Estate Private Limited (Subsidiary)	**42**	30
Hometrail Buildtech Private Limited (Subsidiary)	**15**	333
Crosslay Remedies Limited (Subsidiary)	**18**	26
Healthcare services rendered		
Alps Hospital Limited (Subsidiary)	**974**	611
Hometrail Estate Private Limited (Subsidiary)	**410**	213
Hometrail Buildtech Private Limited (Subsidiary)	**38**	27
Crosslay Remedies Limited (Subsidiary)	**432**	309
Core Diagnostics Private Limited	**14**	-
Directors, KMP & their Relative	**8**	-
Professional Services rendered		
Alps Hospital Limited (Subsidiary)	**131**	177
Services received		
Max India Limited	**591**	150
Core Diagnostics Private Limited	**55**	81
Medecube Healthcare India Pvt Ltd	**145**	108
Ajit Singh	**50**	122

(Rs in Lakhs)

Transactions during the year	For the year ended March 31,2018	For the year ended March 31,2017
Sale of fixed assets		
Alps Hospital Limited (Subsidiary)	**-**	0.5
Hometrail Buildtech Private Limited (Subsidiary)	**-**	10
Crosslay Remedies Limited (Subsidiary)	**-**	18
Ruchi Mahajan	**1**	-
Director's remuneration		
Dr. Pradeep Chowbey (Key management personnel)	**136**	94
Mr. Rajit Mehta (Key management personnel)	**595**	446
Remuneration to director's relative		
Ms. Priya Singh	**4**	-
Employee benefit funds		
Company's contribution to PF trust	**510**	441
Investment made in equity shares		
Hometrail Buildtech Private Limited (Subsidiary)	**-**	1,500
Investment made in debentures		
9% compulsory convertible debentures	**3,000**	-
SEIS license receivable		
Alps Hospital Limited (Subsidiary)	**5**	-
Crosslay Remedies Limited (Subsidiary)	**2**	-
Hometrail Estate Private Limited (Subsidiary)	**1**	-
Rental income from sub-lease		
Hometrail Buildtech Private Limited (Subsidiary)	**1**	-
Hometrail Estate Private Limited (Subsidiary)	**1**	-
Alps Hospital Limited (Subsidiary)	**1**	-
Cost to cost reimbursement of expenses		
Life Healthcare International (Pty) Limited	**14**	-
Investment made in preference shares		
Saket City Hospitals Private Limited (Subsidiary)	**-**	1,000

(Rs in Lakhs)

(C) Balances at the year end	As at March 31,2018	As at March 31,2017
Investment		
Hometrail Estate Private Limited (Subsidiary)	**7,701**	7,701
Hometrail Buildtech Private Limited (Subsidiary)	**8,001**	8,001
Alps Hospital Limited (Subsidiary)	**6,048**	3,048
Crosslay Remedies Limited (Subsidiary)	**24,696**	24,696
Saket City Hospitals Private Limited (Subsidiary)	**33,500**	33,500
Loan and advances		
Hometrail Buildtech Private Limited (Subsidiary)	**246**	2,506
Crosslay Remedies Limited (Subsidiary)	**2,000**	2,421
Saket City Hospitals Private Limited (Subsidiary)	**2,611**	2,318
Alps Hospital Limited (Subsidiary)	**2,215**	-
Non convertible preference shares in Alps Hospital Limited	**3,070**	2,759
Non convertible preference shares in Hometrail Buildtech Private	**3,074**	2,763
Trade payable		
Max India Limited	**632**	282
Core Diagnostics Private Limited	**2**	14
Medecube Healthcare India Pvt Ltd	**1**	2
Life Healthcare International (Pty) Limited	**14**	-
Trade receivables		
Core Diagnostics Private Limited	**8**	-
Alps Hospital Limited (Subsidiary)	**1,044**	115
Hometrail Estate Private Limited (Subsidiary)	**53**	9
Hometrail Buildtech Private Limited (Subsidiary)	**5**	401
Crosslay Remedies Limited (Subsidiary)	**152**	413
Saket City Hospitals Private Limited (Subsidiary)	**167**	200

27.11 Corporate social responsibility

As per the provision of section 135 of the Companies Act, 2013 the Company has to incur at least 2% of average net profit of the preceding three financial years toward Corporate social responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activity as per schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. Nil (March 31, 2017 : Rs. 10 lakhs) toward this cause and debited the same to the statement of profit and loss.

(Rs in Lakhs)

			For the year ended March 31, 2018	For the year ended March 31, 2017
Details of CSR expenditure :				
(a) Gross amount required to be spent by the Company during the year			-	13
(b) Amount spent during the year ended March 31, 2018				
	Paid in cash		**Yet to be paid in cash**	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
(i) Construction/acquisition of any asset	**-**	-	-	**-**
(ii) On purpose other than (i) above	**-**	10	-	**3**
	-	10	-	**3**

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27.12 Earnings per share (EPS)

			(Rs in Lakhs)
		Year ended March 31, 2018	**Year ended March 31, 2017**
i)	**Earning per share from continuing operations**		
a)	**Basic earnings per share**		
	Numerator for earnings per share		
	Loss after taxation	(3,490)	(580)
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	53,72,44,328	53,66,13,715
	Earnings per share-Basic (one equity share of Re. 10/- each)	**(0.65)**	**(0.11)**
b)	**Diluted earnings per share**		
	Numerator for earnings per share		
	Loss after taxation	(3,490)	(580)
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	53,79,55,084	54,10,71,359
	Earnings per share- Diluted (one equity share of Re. 10/- each) *	**(0.65)**	**(0.11)**
ii)	**Earning per share from discontinued operations**		
a)	**Basic earnings per share**		
	Numerator for earnings per share		
	Profit after taxation	732	1214
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	53,72,44,328	53,66,13,715
	Earnings per share-Basic (one equity share of Re. 10/- each)	**0.14**	**0.23**
b)	**Diluted earnings per share**		
	Numerator for earnings per share		
	Profit after taxation	732	1,214
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	53,79,55,084	54,10,71,359
	Earnings per share- Diluted (one equity share of Re. 10/- each)	**0.14**	**0.22**
iii)	**Earning per share from continuing and discontinued operations**		
a)	**Basic earnings per share**		
	Numerator for earnings per share		
	Profit/(Loss) after taxation	(2,758)	634
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	53,72,44,328	53,66,13,715
	Earnings per share-Basic (one equity share of Re. 10/- each)	**(0.51)**	**0.12**
b)	**Diluted earnings per share**		
	Numerator for earnings per share		
	Profit/(Loss) after taxation	(2,758)	634
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	53,79,55,084	54,10,71,359
	Earnings per share- Diluted (one equity share of Re. 10/- each)	**(0.51)**	**0.11**

* The conversion effect of potential equity shares is anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

27.13 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, less cash and cash equivalents, excluding discontinued operations.

		(Rs in Lakhs)
	As at March 31,2018	**As at March 31, 2017**
Borrowings (refer note 12, 16)	38,552	31,394
Less: cash and cash equivalents (refer note 9)	(424)	(459)
Net debt	**38,128**	**30,935**
Equity (refer note 11)	1,31,008	1,33,774
Total capital	**1,31,008**	**1,33,774**
Total capital and net debt	**1,69,136**	**1,64,709**
Gearing ratio	**22.54%**	**18.78%**

27.14 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	Alps Hospital Limited	-	2,100	200	1,900	For business operations, new business acquisition and other general corporate purpose
2	Hometrail Buildtech Private Limited	2,135	-	1,889	246	For business operations, repayment of debts and other general corporate purpose
3	Crosslay Remedies Private Limited	2,000	-	-	2,000	For business operations, repayment of debts and other general corporate purpose
4	Saket City Hospitals Private Limited	2,100	150	-	2,250	For business operations, repayment of debts and other general corporate purpose

(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 Bank Ltd	Hometrail Estate Private Limited	5,087	-	7	5,080	For refinancing of existing loans
2	IDFC Infrastructure Finance Limited	Hometrail Estate Private Limited	1,395	-	-	1,395	For refinancing of existing loans
3	IDFC Bank Ltd	Hometrail Buildtech Private Limited	5,807	-	9	5,798	For refinancing of existing loans
4	IDFC Bank Ltd	Balaji Medical & Diagnostics Research Centre	5,277	-	910	4,367	For refinancing of existing loans
5	IDFC Infrastructure Finance Limited	Balaji Medical & Diagnostics Research Centre	1,576	-	100	1,476	For refinancing of existing loans
6	HDFC Bank Limited	Balaji Medical & Diagnostics Research Centre	8,000	-	600	7,400	For repayment of Max Healthcare Institute Ltd. loan and capital expenditure
7	IDFC Bank Ltd	Devki Devi Foundation	6,706	-	13	6,693	For refinancing of existing loans
8	IDFC Infrastructure Finance Limited	Devki Devi Foundation	2,086	-	-	2,086	For refinancing of existing loans
9	IndusInd Bank Limited	Devki Devi Foundation	-	2,000	-	2,000	For business operations, repayment of debts and other general corporate purpose
10	HDFC Bank Limited	Alps Hospital Limited	1,500	-	-	1,500	For repayment of Max Healthcare Institute Ltd. loan and other business activities
11	Axis Bank Limited	Crosslay Remedies Limited	14,414	1,032	-	15,446	For refinancing of the existing debt and financing the capital expenditure
12	Axis Bank Limited	Saket City Hospitals Private Limited	13,360	1,074	-	14,434	For refinancing of existing loans & expansion of bed capacity
13	Yes Bank Limited	Saket City Hospitals Private Limited	15,190	-	-	15,190	For refinancing of existing loans & expansion of bed capacity

(c) Particulars of investments made:

(Rs in Lakhs)

S.No.	Name of the investee	Opening balance	Investment made	Investment redeemed	Outstanding balance	Purpose
	Investment in subsidiaries					
1	Alps Hospital Limited	3,048	-	-	3,048	For business operations, repayment of debts and other general corporate purpose
2	Hometrail Estate Private Limited	7,701	-	-	7,701	For business operations, repayment of debts and other general corporate purpose
3	Hometrail Buildtech Private Limited	8,001	-	-	8,001	For business operations, repayment of debts and other general corporate purpose
4	Crosslay Remedies Limited	24,696	-	-	24,696	For business operations, repayment of debts and other general corporate purpose
5	Saket City Hospitals Private Limited	33,500	-	-	33,500	For business operations, repayment of debts and other general corporate purpose

(d) Particulars of investments made in preference shares:

(Rs in Lakhs)

S.No.	Name of the Investee	Opening balance	Interest	Preference shares reedemed	Outstanding balance	Purpose
1	Alps Hospital Limited	2,759	311	-	3,070	For business operations, repayment of debts and other general corporate purpose
2	Hometrail Buildtech Private Limited	2,763	311		3,074	For business operations, repayment of debts and other general corporate purpose

(e) Particulars of investments made in 9% compulsory convertible debentures

(Rs in Lakhs)

S.No.	Name of the Investee	Opening balance	Investment made	Investment redeemed	Outstanding balance	Purpose
1	Alps Hospital Limited	-	3,000	-	3,000	For business operations, new business acquisition and other general corporate purpose

27.15 Scheme of merger between Max Healthcare Institute Limited (the Company)("MHIL"), Max Medical Services Limited ("MMSL")

a. During the year, the company has entered into a scheme of amalgmation under section 391 to 394 of the Company Act, 1956 and other provisions of Companies Act , 1956 and Company Act, 2013, of Max Medical Services Limited, a wholly owned subsidiary Company under the same management with the Company.

The Board of Directors of the Max Healthcare Institute Limited had, at their meeting held on December 6, 2016, approved the amalgamation of Max Medical Services Ltd. (a wholly owned subsidiary of the Company) ["MMSL"] into the Company. The purpose of amalgmation is to more efficient utilization of the capital and create a stronger capital base for the future growth of the Company which will be beneficial to all it's shareholders.

National Company Law Tribunal ('NCLT") vide its order dated October 4, 2017 Approved the scheme of amalgmation of Max Medical Services Limited with the Company effective from October 1 , 2016 .

The Scheme became effective on November 02, 2017 on filling of the NCLT order with the Registrar of Companies.

b. **Name and Nature of Amalgmating Compnay:-**

Max Medical Services Limited

The company is engaged in the business of construction of hospital, leasing of medical equipments and other equipments and trading of goods.

c. **Combination of authorised capital**

Pursuant to the aforesaid amalgmation and in terms of the said approved scheme, the authorised share capital of the Company stands increased by the authorised share capital of Max Medical Services Limited aggregating to Rs. 3500 lakhs. accordingly, effective April 1, 2016, the authorised capital of the Company stands at Rs. 96000 lakhs.

d. **Accounting treatment**

The Company has followed the accounting treatment prescribed in the said approved Scheme of Amalgamation, as follows:

The amalgamation of Max Medical Services Limited with the Company has been accounted by the Company in the books by using the Pooling of interests method in accordance with the said approved Scheme of amalgamation and IND AS 103 as notified under the Companies Act, 2013. Since the subsidiary amalgamated were wholly owned subsidiary of the Company, there was no exchange of shares to effect the amalgamation. The difference between the amounts recorded as investments of the Company and the amount of share capital and security premium of the aforesaid amalgamating subsidiary have been adjusted in the capital reserve with Rs. 660 lakhs.

Accordingly, the Company has recorded all the assets and liabilities and reserves of Max Medical Services Limited at their respective book values as appearing in the books of Max Medical Services Limited as at April 1, 2016, the details of which are as follows:

(Rs in Lakhs)

Particulars	**Amount**
Assets	
Non current assets	
Property, plant and equipment	4,391
Intangible assets	84
Intangible assets under development	47
Investments in subsidiaries	2,548
Financial assets	
(i) Trade receivables	7,690
(ii) Other financial assets	105
(iii) Other bank balances	1
Other non current assets	420
Total	**15,286**
Current assets	
Inventory	5
Financial assets	
(i) Trade receivables	1,855
(ii) Cash and cash equivalents	22
Other current assets	67
Total	**1,949**
Retained Earning	**507**
Non-current liabilities	
Financial Liabilities	
Borrowings	3,348
Deferred tax liabilities (net)	1,147
Long Term Provision	1
Total	**4,496**
Current liabilities	
Financial Liabilities	
(i) Trade payables	771
(ii) Other financial liabilities	1
Short term provisions	2
Other current liabilities	18
Total	**792**
Accounting treatment	
Investment of MHIL in MMSL	(12,094)
Share capital of MMSL	3,414
Security Premium of MMSL	8,020
Capital reserve on merger with MMSL	**(660)**

e. Comparatives

In view of the amalgamation with effect from April 1, 2016, the figures for the current year are not comparable with the corresponding figures of the previous year. The following is the extract of profit and loss account of transferor Company, transferee Company and consolidated figures for the year ended March 31, 2017:

(Rs in Lakhs)

Particulars	MHIL	MMSL	Elimination of Transactions	Total
Continuing operations				
INCOME				
Revenue from operations	98,540	2,463		1,01,003
Other income	622	91		713
Finance income	2,363	1,057	361	3,059
Total income	1,01,525	3,611	361	1,04,775
EXPENSES				
Purchase of pharmacy, drugs, consumables and implants	27,103	2,387		29,490
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants	(68)	5		(63)
Employee benefits expense	24,855	65	(11)	24,931
Finance costs	3,515	361	361	3,515
Depreciation and amortization expense	5,061	20		5,081
Other expenses	42,353	48		42,401
Total expenses	1,02,819	2,886	350	1,05,355
Profit/(Loss) before tax from continuing operations	**(1,294)**	**725**	**11**	**(580)**
Tax expenses				
Current tax	-	577	217	360
Tax expenses of earlier year	-	-	28	(28)
Deferred tax	-	585	585	-
MAT credit entitlement	-	(488)	(156)	(332)
Total Tax	**-**	**674**	**674**	**-**
Profit/(Loss) after tax from continuing operations	**(1,294)**	**51**	**(663)**	**(580)**
Discontinued operations				
Profit before tax for the year from discontinued operations	-	1,214	-	1,214
Tax Income/(expenses) of discontinued operations	-	-	-	-
Profit after tax from discontinued operations	**-**	**1,214**	**-**	**1,214**
Profit/(loss) after tax	**(1,294)**	**1,265**	**(663)**	**634**

27.16 The Board of Directors of Hometrail Buildtech Private Limited [HBPL] and Hometrail Estate Private Limited [HEPL] at their meeting held on January 30, 2017, approved the amalgamation of the HEPL into HBPL. The petition for Scheme of Amalgamation amongst HBPL and HEPL, their respective shareholders and creditors, under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was filed with National Company Law Tribunal ("NCLT") on May 08, 2017 and the same is listed for hearing before NCLT on May 16, 2017.and Regional Director and /or official liquidator has submitted their reply on the letter issued to then by NCLT and matter is list for hearing before NCLT on May 22, 2018.

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27.17 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/-.

27.18 Figures relating to March 31, 2017 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

27.19 Note No.1 to 27 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

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

Sd/-

Per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 08,2018

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

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : New Delhi
Date : May 08,2018

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Particulars	Alps Hospital Limited	Hometrail Estate Private Limited	Hometrail Buildtech Private Limited	Crosslay Remedies Limited	Saket City Hospitals Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A
Share capital	288	1,295	1,650	14,319	2,965
Compulsorily convertible debentures	3,000	-	-	-	-
Reserves & surplus (Other Equity)	1,188	8,728	(9,746)	(8,468)	(4,224)
Total assets	15,059	19,978	8,336	26,637	30,893
Total Liabilities	10,583	9,955	16,432	20,786	32,152
Investments	-	-	-	-	-
Turnover	11,820	23,154	5,871	25,015	4,407
Profit/(Loss) before taxation	1,015	2,728	(2,539)	928	348
Provision for taxation	499	771	-	147	2
Profit/(Loss) after taxation	516	1,957	(2,539)	781	346
Proposed Dividend	-	-	-	-	-
% of shareholding	Equity - 100%	Equity - 100%	Equity- 100%	Equity -77.95%	Equity - 51% Compulsory Convertible Preference Shares - 100%

Notes:

1. In case of Saket City Hospitals Private Limited, Share Capital includes Compulsory Convertible Preference Shares of Rs.50 Lacs
2. Investments excludes investments in subsidiaries

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

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

Ruchi Mahajan
(Company Secretary)
Membership Number: F5671

Place : New Delhi
Date : May 08, 2018