INDEPENDENT AUDITOR'S REPORT

To the Members of Max India Limited (formerly Taurus Ventures Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Max India Limited (formerly Taurus Ventures Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including joint ventures in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and joint ventures as at March 31, 2018, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose financial statements include total assets of Rs 164,302.47 lakhs and net assets of Rs 57,729.39 lakhs as at March 31, 2018, and total revenues of Rs 65,226.73 lakhs and net cash inflow of Rs 680.18 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of joint venture, whose financial statements and other financial information reflect total assets of Rs 1,393.79 lakhs and net assets of Rs 1,155.39 lakhs as at March 31, 2018, and total revenues of Rs 429.09 lakhs and net cash inflows of Rs 67.29 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of this joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

(c) The auditor of Max Bupa Health Insurance Company Limited, (Max Bupa), a subsidiary company, have reported that the actuarial valuation of liabilities in respect of claims Incurred but Not Reported (IBNR), including claims Incurred but Not Enough Reported ('IBNER') as at March 31, 2018 is the responsibility of the Company's Actuary (the 'Actuary') and has been duly certified by the Actuary. The Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the applicable guidelines and norms, if any, issued by Insurance Regulatory Development Authority of India (IRDAI) and the Actuary Society of India in concurrence with the IRDAI. The auditors of Max Bupa have relied upon the Actuary's Certificate in this regard for forming their opinion on the financial statements of Max Bupa.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and Joint ventures as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures companies incorporated in India, none of the directors of the Group's companies and joint venture companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies and joint venture companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint ventures Refer Note 37 to the consolidated financial statements;

ii. The Group and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2018.

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

per Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurugram
Date: May 29, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAX INDIA LIMITED (FORMERLY TAURUS VENTURES LIMITED)

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

In conjunction with our audit of the consolidated financial statements of Max India Limited (formerly Taurus Ventures Limited) as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Max India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these subsidiary companies and 1 joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint venture incorporated in India.

b) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, insofar it relates to a joint venture, which is unaudited, is based on management assessment of internal controls over financial reporting furnished to us by the management. In our opinion and according to the information and explanations given to us by the management, the joint venture is not material to the Group.

c) The auditor of Max Bupa Health Insurance Company Limited, (Max Bupa), a subsidiary company, have reported that the actuarial valuation of liabilities in respect of claims Incurred but Not Reported (IBNR), including claims Incurred but Not Enough Reported ('IBNER') as at March 31, 2018 is required to be certified by the Actuary as per the Insurance Regulatory and Development Authority (preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002 (the IRDA Financial Statements Regulations"), and has been relied upon by them, as mentioned in Other matter para of their report on the financial statements of the company as at and for the year ended March 31, 2018. Accordingly the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuary valuation is also certified by the Actuary and accordingly, the auditors of Max Bupa have relied upon the Actuary's certificate.

   Our opinion is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and management assessment of internal controls over financial reporting in respect of unaudited joint venture certified by the management.

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

per Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurugram
Date: May 29, 2018

Consolidated balance sheet

as at March 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
			(Rs. in Lakhs)
Equity and liabilities			
Shareholders' funds			
Share capital	4	**5,367.66**	5,345.40
Reserves and surplus	5	**115,121.37**	121,394.87
Money received against share warrants	6	**7,500.00**	-
		127,989.03	126,740.27
Preference shares		**-**	67.03
Minority interest		**13,392.07**	12,185.16
Non-current liabilities			
Long-term borrowings	7	**62,875.42**	52,454.47
Deferred tax liabilities	8	**768.54**	769.36
Other long-term liabilities	9	**25,561.14**	19,053.14
Long-term provisions	10	**1,510.07**	1,172.42
		90,715.17	73,449.39
Current liabilities			
Short-term borrowings	11	**5,185.84**	3,999.30
Trade payables	12		
• Total outstanding dues of micro enterprises and small enterprises		**-**	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		**32,091.17**	24,389.72
Other current liabilities	12	**16,359.87**	21,334.72
Short-term provisions	10	**30,915.60**	30,037.21
		84,552.48	79,760.95
TOTAL		**316,648.75**	292,202.80
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	13	**97,192.61**	50,228.33
Intangible assets	14	**3,587.13**	3,135.10
Capital work-in-progress		**2,065.06**	44,365.84
Intangible assets under development		**163.51**	64.77
Goodwill on consolidation		**58,380.24**	39,712.63
Non-current investments	15	**43,372.13**	40,940.67
Deferred tax assets (net)	8	**840.98**	838.85
Loans and advances	16	**31,685.86**	29,758.65
Trade receivables	17	**4,236.39**	1,558.73
Other non-current assets	18	**56.00**	56.52
		241,579.91	210,660.09
Current assets			
Current investments	19	**36,898.25**	54,318.89
Inventories	20	**1,555.58**	1,079.47
Trade receivables	17	**20,459.65**	13,068.25
Cash and bank balances	21	**4,836.40**	4,797.11
Loans and advances	16	**4,149.73**	4,223.15
Other current assets	18	**7,169.23**	4,055.84
		75,068.84	81,542.71
TOTAL		**316,648.75**	292,202.80
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 29, 2018

For and on behalf of the Board of Directors of Max India Limited

Mohit Talwar
(Managing Director)
DIN No - 02394694

Ashok Brijmohan Kacker
(Director)
DIN No. : 01647408

Jatin Khanna
(Chief Financial Officer)

V. Krishnan
(Company Secretary)

Place : New Delhi
Date : May 29, 2018

Consolidated Statement of Profit and Loss

For the year ended March 31, 2018

(Rs. in Lakhs)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Income			
Revenue from operations	22	**157,088.31**	141,605.99
Other income	23	**4,489.81**	2,437.63
Total revenue (I)		**161,578.12**	144,043.62
Expenses			
Cost of raw materials consumed		**58.42**	-
Purchase of pharmacy and pharmaceuticals supplies		**22,586.13**	19,446.29
(Increase)/ decrease in inventories of traded goods	24	**(253.57)**	(0.97)
Employee benefits expense	25	**42,694.36**	34,876.97
Other expenses	26	**86,141.13**	84,197.88
Depreciation and amortisation expense	27	**7,347.77**	5,323.64
Finance costs	28	**7,831.46**	5,270.35
Total expenses (II)		**166,405.70**	149,114.16
Loss before tax (I-II)		**(4,827.58)**	(5,070.54)
Tax expense			
Current tax		**1,598.35**	1,194.59
MAT credit entitlement		**(195.04)**	(565.16)
Tax related to previous years		**(46.45)**	(26.70)
Deferred tax		**244.03**	(277.38)
Total tax expense		**1,600.89**	325.35
Loss after tax from continuing operations (A)		**(6,428.47)**	(5,395.89)
Discontinued operations			
Profit before tax from discontinued operations		**491.01**	781.10
Tax expense		**-**	-
Profit after tax from discontinued operations (B)		**491.01**	781.10
Minority Interest (C)		**(1,192.02)**	(4.94)
Net loss (after adjusting minority interest) (A+B+C)		**(7,129.48)**	(4,619.73)
Earnings per equity share	29		
[Nominal value of share Rs. 2 (March 31, 2017: Rs. 2)]			
Basic (Rs.)			
Computed on the basis of net loss for the year		**(2.66)**	(1.73)
Computed on the basis of loss from continuing operations		**(2.84)**	(2.02)
Diluted (Rs.)			
Computed on the basis of net loss for the year		**(2.66)**	(1.73)
Computed on the basis of loss from continuing operations		**(2.84)**	(2.02)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 29, 2018

For and on behalf of the Board of Directors of Max India Limited

Mohit Talwar
(Managing Director)
DIN No - 02394694

Ashok Brijmohan Kacker
(Director)
DIN No. : 01647408

Jatin Khanna
(Chief Financial Officer)

V. Krishnan
(Company Secretary)

Place : New Delhi
Date : May 29, 2018

Consolidated Cash Flow Statement

for the year ended March 31, 2018

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Loss before tax from continuing operations	(4,827.58)	(5,070.54)
Profits before tax from discontinued operations	491.01	781.10
Loss before tax	(4,336.57)	(4,289.44)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation on continuing operations	7,347.77	5,323.64
Depreciation / amortisation on discontinued operations	147.60	555.96
Interest expense	7,080.46	4,871.50
Interest income	(6,032.17)	(5,206.25)
Option fees	-	(627.70)
Amortisation of discount/(premium) on investments	(442.56)	(322.04)
Net loss on sale of property, plant and equipment on continuing operations	14.15	36.14
Net loss on foreign exchange fluctuation	107.54	1.21
Net profit on sale of current investments	(2,273.92)	(2,691.08)
Profit on sale of long term investments	(183.82)	-
Doubtful advances written off	363.47	151.22
Provision for doubtful debts and advances	36.28	471.72
Liabilities/provisions no longer required written back	(520.99)	(234.72)
Employee stock option expense	44.75	20.06
Operating profit before working capital changes	**1,351.99**	**(1,939.78)**
Movement in working capital :		
Increase in short-term trade payables	8,221.99	4,105.68
Increase in long-term provisions	337.65	266.02
Increase in short-term provisions	1,261.14	1,999.75
Increase in other current liabilities	1,764.39	431.26
Increase in other long-term liabilities	6,508.00	7,953.69
Decrease in long-term trade receivables	(2,677.66)	129.40
Increase in short-term trade receivables	(7,544.95)	(1,940.19)
Increase in inventories	(476.11)	8.01
Increase in long-term loans and advances	(1,094.47)	(628.06)
Increase in short-term loans and advances	(617.24)	(972.85)
Increase in other current assets	262.98	161.58
Decrease / (increase) in other non-current assets	(0.49)	-
Cash generated from/(used in) operations	**7,297.22**	**9,574.51**
Direct taxes paid (net of refunds)	(2,766.52)	(1,792.05)
Net cash flow from /(used in) operating activities (A)	**4,530.70**	**7,782.46**
Cash flow from investing activities		
Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(18,060.37)	(25,412.43)
Proceeds from sale of property, plant and equipment	5,489.23	315.33
Purchase of investments in subsidiary	(18,930.15)	-
Purchase of investments	(78,942.83)	(131,298.89)
Proceeds from sale of investments	96,832.31	112,810.76

	For the year ended March 31, 2018	For the year ended March 31, 2017
		(Rs. in Lakhs)
Investment / redemption in deposits (having original maturity of more than three months)and margin money	86.42	(101.77)
Investment in escrow account	(3,764.11)	-
Option fee received	-	1,442.43
Interest received	6,334.50	4,306.23
Net cash flow from /(used in) investing activities (B)	**(10,955.00)**	**(37,938.34)**
Cash flow from financing activities		
Proceeds from issue of share warrants	7,500.00	-
Proceeds from issue of share capital (including share premium a/c)	694.22	5.72
Issue of shares by subsidiary to minority	-	23,213.28
Proceeds from long -term borrowings	4,124.20	14,598.75
Proceeds from/(Repayment) of short -term borrowings	1,186.54	(1,584.46)
Interest paid	(7,041.37)	(4,768.96)
Net cash flow from /(used in) financing activities (C)	**6,463.59**	**31,464.33**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	39.29	1,308.44
Cash and cash equivalents at the beginning of the year	4,797.11	3,488.67
Cash and cash equivalents at the end of the year	**4,836.40**	**4,797.11**

Note:

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

Components of cash and cash equivalent

		As at March 31, 2018	As at March 31, 2017
			(Rs. in Lakhs)
Cash on hand		71.80	52.96
Cheques/drafts on hand		362.62	344.56
Balance with banks			
On current account		3,336.32	3,581.70
Deposits with original maturity of less than three months		1,065.66	817.89
Total cash and cash equivalents		**4,836.40**	**4,797.11**
Summary of significant accounting policies	3		

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 29, 2018

For and on behalf of the Board of Directors of Max India Limited

Mohit Talwar
(Managing Director)
DIN No - 02394694

Ashok Brijmohan Kacker
(Director)
DIN No. : 01647408

Jatin Khanna
(Chief Financial Officer)

V. Krishnan
(Company Secretary)

Place : New Delhi
Date : May 29, 2018

Notes to Consolidated financial Statements for the year ended March 31, 2018

1. Basis of preparation

Max India Limited (the Company) (Goup Company) is a public limited company registered under Companies Act, 2013 and incorporated on January 01, 2015. The shares of the Company are listed on National Stock Exchange (NSE) and BSE Limited (BSE) effective July 14, 2016. The Company is primarily engaged in making business investment in its subsidiaries / joint ventures and providing shared services to the group companies.

The Consolidated Financial Statements (CFS) comprises the financial statements of Max India Limited ("the Company") and its Subsidiaries and Joint Ventures (hereinafter referred to as "Group Companies" and together as "Group". The CFS of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under historical cost convention on an accrual basis in compliance with all material aspects of Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendments Rules, 2016 as amended.

The financial statements of Max Bupa Health Insurance Company Limited, subsidiary of the company, which are included in these CFS, are prepared in compliance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015),read with Insurance Regulatory and Development Authority of India circular IRDAII/F&A/059/03/2015 dated March 31, 2015 (The Insurance Act) Insurance Regulatory and Development Authority Act, 1999,read with IRDAI/F&A/CIR/232/12/2013 and the regulations framed there under, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India.

2. Principles of Consolidation

The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra-Group balances and transactions and resulting unrealized gains/losses as per AS-21 "Consolidated Financial Statements" using the uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Investment in Joint Ventures have been accounted by using the proportionate consolidation method as per AS - 27; "Financial Reporting of Interest in Joint Ventures".

Minority interest in the net assets of Subsidiaries consist of :

(a) The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made;

(b) The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the CFS as Goodwill/ Capital Reserve. The goodwill arising on consolidation is not amortised but tested for impairment on periodic basis.

All the subsidiaries and joint ventures follow financial year as accounting year.

Notes to Consolidated financial Statements for the year ended March 31, 2018

2.1 The list of subsidiary companies considered in consolidated financial statements (as per AS-21):

Sl. No.	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2018	Proportion of ownership as at March 31, 2017
1	Max Bupa Health Insurance Company Limited	India	51.00%	51.00%
2	Antara Senior Living Limited	India	100.00%	100.00%
3	Antara Purukul Senior Living Limited (i)	India	100.00%	100.00%
4	Antara Gurgaon Senior Living Limited (i)	India	100.00%	100.00%
5	Pharmax Corporation Limited	India	85.17%	85.17%
6	Max Ateev Limited	India	100.00%	100.00%
7	Max Skill First Limited	India	100.00%	100.00%
8	Max One Distribution and Services Limited (ii)	India	100.00%	100.00%
9	Max UK Limited	United Kingdom	100.00%	100.00%

The list of joint venture of company considered in consolidated financial statements (as per AS-27):

	Name of Joint Venture	Country of incorporation	Proportion of ownership as at March 31, 2018	Proportion of ownership as at March 31, 2017
1	Forum I Aviation Limited (iii)	India	20.00%	20.00%
2	Max Healthcare Institute Limited (MHIL)	India	49.70%	45.95%

Notes:
(i) The entities are held through Antara Senior Living Limited
(ii) The entity is held through Max Skill First Limited
(iii) The entity is a Joint Venture of Pharmax Corporation Limited

2.2 Additional Information

Sl. No.	Name of the Subsidiary	Net Assets i.e total assets - total liabilities		Share in profit or loss	
		Amount (Rs. In Lakhs)	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss
Parent					
1	Max India Limited	168,714.35	131.82%	631.08	(8.85%)
	Indian Subsidiaries				
2	Max Bupa Health Insurance Company Limited	(21,365.65)	(16.69%)	1,164.83	(16.34%)
3	Antara Senior Living Limited	24,886.53	19.44%	(2,017.01)	28.29%
4	Antara Purukul Senior Living Limited	(47,414.40)	(37.05%)	(5,863.96)	82.25%
5	Antara Gurgaon Senior Living Limited	(2.49)	0.00%	(0.46)	0.01%
6	Pharmax Corporation Limited	1,017.37	0.79%	(111.60)	1.57%
7	Max Ateev Limited	(3,132.97)	(2.45%)	(5.26)	0.07%
8	Max Skill First Limited	340.77	0.27%	209.61	(2.94%)
9	Max One Distribution and Services Limited	(529.44)	(0.41%)	15.27	(0.21%)
	Foreign Subsidiaries				
10	Max UK Limited	(42.49)	(0.03%)	8.82	(0.12%)
	Minority interest in all subsidiaries	(13,392.07)	(10.46%)	-	-
	Joint Ventures				
1	Forum I Aviation Limited	406.62	0.32%	64.48	(0.91%)
2	Max Healthcare Institute Limited	18,502.90	14.46%	(1,225.27)	17.19%
	Total	**127,989.03**	**100%**	**(7,129.48)**	**100%**

Notes to Consolidated financial Statements for the year ended March 31, 2018

3. Summary of significant accounting policies

3.1 Use of estimates

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

3.2 Property, plant and equipment (PPE)

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

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

The Group 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.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.3 Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Group has used the following rates to provide depreciation on its PPE:

Assets	Useful life (years)
Factory building	30
Other building	60
Fences, wells & tubewells	5
Electrical installations and equipment	10
Plant and equipment	15-25
Medical equipment	13
Lab equipment	10
Furniture and fixtures	5-10
Office equipment	3-5
IT equipment (End user devices)	3
IT equipment (Servers and network)	3-6
Vehicles including ambulances	3-8

Leasehold improvement is amortized on a straight line basis over the period of lease
The management has estimated the useful life of the following classes of asset supported by internal technical assessment:

• MHIL - The useful life of MRI machine is estimated as 7 years which is included in medical equipment.

Notes to Consolidated financial Statements for the year ended March 31, 2018

3.4 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 loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets comprising of computer software and technical know-how are amortized over a period of two to six years based on management's estimate of economic useful life of the individual assets.

Cost of internally generated intangible assets

Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:
(i) the technical feasibility of completing the intangible asset so that it will be available for use.
(ii) its intention to complete the asset
(iii) its ability to use the asset
(iv) how the asset will generate future economic benefits
(v) the availability of adequate resources to complete the development and to use the asset
(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

3.5 Leases

Where the Group is lessee

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

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

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

Where the Group is the lessor

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the

Notes to Consolidated financial Statements for the year ended March 31, 2018

net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc.are recognized immediately in the statement of profit and loss.

3.6 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

3.7 Impairment of Property, Plant & Equipment (PPE)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

Impairment losses of continuing operations are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

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

3.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as

Notes to Consolidated financial Statements for the year ended March 31, 2018

long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

Insurance business:

Investments are made and accounted for in accordance with the Insurance Act, 1938, Insurance Regulatory & Development Authority (Investment) Regulations, 2000 & 2016 as amended and various other circulars/ notifications issued by the IRDA in this context from time to time.

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued upto the date of purchase.

Debt securities, including Government securities are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on constant yield to maturity basis in the Revenue Accounts and in the Profit and Loss Account over the period of maturity/holding.

Investment that are earmarked, are allocated to policyholder's or shareholder's as applicable; balance investment are segregated at Shareholder's level and policyholder's level notionally based on Policyholder's fund and shareholder's fund at the end of the period.

Listed and actively traded securities are stated at fair value as at the Balance Sheet date being the lowest of the last quoted closing price of the stock exchanges where the securities are listed. Unrealized gain/losses due to change in fair value of listed securities is credited/debited to 'Fair Value Change Account'.

Unlisted Securities are stated at cost.

Bonus entitlements are recognized as investments on the 'ex- bonus date'.

The realized gain or loss on the listed and actively traded securities and mutual funds is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a first in first out basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such loss or gain is transferred to revenue account on the trade date.

The company, at each balance sheet date, assesses investments for any impairment and necessary provisions are made for the same where required.

Investments in units of Mutual funds are valued at Net Asset Value (NAV) as at Balance Sheet date. Unrealized gains/losses are credited/debited to the 'Fair Value Change Account'.

Investments maturing within twelve months from the balance sheet date and investments made with specific intention to dispose off within twelve months are classified as Short Term Investments. Other Investments are classified as Long Term Investments.

3.9 Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes purchase price including duties, taxes and other cost incurred in bringing the inventories to the 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.

Notes to Consolidated financial Statements for the year ended March 31, 2018

3.10 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

Health Insurance Business

Premium Income

Premium is recognized as income on the commencement of risk/contract on a gross basis after adjusting for unearned premium (unexpired risk).

Reserve for unexpired risk (Unearned Premium)

Reserve for unexpired risk represents that part of premium (i.e. premium, net of reinsurance ceded) which is attributable to and set aside for subsequent risks to be borne by the company. In accordance with IRDAI circular dated April 4, 2016 reserve for unexpired is calculated at 50% of the net written premium of preceding twelve months.

Premium Deficiency

Premium deficiency is recognised for the Company at a line of business level when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks. Assessment of expected claim cost and related expenses has been certified by the Appointed Actuary in accordance with IRDAI (Assets, Liabilities and Solvency margin of General Insurance Business) Regulation, 2016.

Reinsurance ceded

Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangement with the reinsurers. Any subsequent revision to, refunds or cancellations of premium are recognized in the year in which they occur.

Commission on Reinsurance Premium

Commission income on reinsurance ceded is recognized in the year of cessation of reinsurance premium.

Profit share under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of the profits and as intimated by the reinsurer.

Interest/Dividend income

Interest income is recognised on accrual basis.

Dividend is recognised when right to receive the dividend is established.

Premium/discount on purchase of investments

Accretion of discount and amortization of premium relating to debt securities is recognized as per constant yield

Notes to Consolidated financial Statements for the year ended March 31, 2018

method over the period of maturity/holding.

Profit/loss on Sale/Redemption of investments

Profit or loss on sale/redemption of investments, being the difference between sale consideration/redemption value and carrying value of investments (i.e weighted average value) is credited or charged to statement of profit and loss. The profit/loss on sale of investment include accumulated changes in the fair value previously recognized in 'Fair Value Change Account' in respect of a particular security.

Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

Healthcare Business

Revenue from healthcare services are recognised 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.

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

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

Lease Rentals

In respect of lease rentals on non cancellable operating leases, revenue is recognized on the straight line basis and In respect of lease rental on cancellable operating lease, revenue is recognised on time proportionate basis as per related agreements. Contingent lease rent is recognized based on the occurrence of the contingency

Foreign exchange transactions

Initial recognition

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

Conversion

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

Exchange differences

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

Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contracts is amortised and recognised as an expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the period.

Notes to Consolidated financial Statements for the year ended March 31, 2018

Translation of non-integral foreign operations

The Group classifies all its foreign operations as "non-integral foreign operations." The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at average exchange rates which approximates the exchange rates at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

3.12 Employee Benefits

Provident Fund

The Group contributes to employees provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" (trust) managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The minimum interest rate payable by the trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date.

Gratuity

Employee benefit in form of gratuity plan is a defined benefit obligation. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at the end of each year end using projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Group has a recognised gratuity trust "Max India Limited Employees Gratuity Fund" which in turn has taken a insurance policy to cover the gratuity liability of the employees.

Long term incentive plan (MHIL & Max Bupa)

Employee benefit in form of long term incentive plan is a other long term employee benefit. The cost of providing benefit under this plan are determined on the basis of actuarial valuation at end of each year end using projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Long term incentive plan (Other companies)

Employee benefit in form of long term incentive plan is a other long term employee benefit. The cost of providing benefit under this plan are determined on the actual basis.

Compensated Absences

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

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

3.13 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India . The tax rates and tax laws used to compute the amount are those

Notes to Consolidated financial Statements for the year ended March 31, 2018

that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss

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

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

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same governing taxation laws.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.14 Employee Stock Option Scheme

Equity settled

Employees (including directors) of Max India Limited receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (SEBI) (Share based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. 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 expense or credit recognized in the statement of profit and loss 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.

Cash settled (MHIL)

Employees of MHIL 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).

Notes to Consolidated financial Statements for the year ended March 31, 2018

Stock options are measured in accordance with the Guidance Note on Accounting for Employee Share-based Payments using the intrinsic value method and recognised, together with a corresponding increase in the "Provision for employee stock options outstanding" in Provisions. The expense or credit recognised in the statement of profit and loss account for a year represents the movement in the cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefit expense.

3.15 Segment reporting policies

Identification of segments
The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on area of operations.

Inter-segment transfers
The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs
Common allocable costs are allocated to each segment in proportion to the relative revenue of each segment.

Unallocated items
All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as unallocated items.

Segment policies
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

3.16 Earnings Per Share

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

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

3.17 Provisions

A provision is recognized when the Group has a present obligation as a result of past event and 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.

3.18 Contingent liabilities

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

3.19 Cash and Cash equivalents

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

3.20 Other Health insurance business specific accounting policies

(a) Claims Incurred
Claims incurred comprises of claims paid, change in estimated liability for outstanding claims, change in

Notes to Consolidated financial Statements for the year ended March 31, 2018

estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising survey, legal and other directly attributable expenses.

Provision is made for estimated value of outstanding claims at the Balance Sheet date net of claims recoverable from reinsurance. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

IBNR and IBNER

Claims (net of amounts receivable from reinsurers/coinsurers) are recognized on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts. The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary in compliance with guidelines issued by IRDA vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and ALSM Regulation 2016 and applicable provisions of Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has used generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data.

(b) Allocation of Investment Income

Investment income on policyholders' investments have been allocated to Revenue Account and Investment income on shareholders' investments have been allocated to Profit & Loss Account.

(c) Fair Value Change Account

'Fair Value Change Account' represents unrealized gains or losses due to change in fair value of traded securities and mutual fund units outstanding at the close of the year. The balance in the account is considered as a component of policyholder's fund and shareholder's funds respectively basis on mutual fund mapped and not available for distribution as dividend. As per the IRDAI circular dated January 12, 2017 fair value changes has been bifurcated between shareholder and policyholder.

(d) Acquisition Cost of Insurance Contracts

Costs relating to acquisition of new and renewal of insurance contracts viz commission, policy issue expenses are expensed in the year in which they are incurred.

(e) Advance Premium

Advance premium represents premium received in respect of those policies issued during the year where the risk commences subsequent to the balance sheet date.

(f) Claims Incurred

Claims are recognized as and when reported. Claims are recorded in the revenue account, net of claims recoverable from reinsurers / co-insurers to the extent there is a reasonable certainty of realization. These estimates are progressively re-valued on availability of further information.

Estimated liability in respect of claims is provided for the intimations received upto the year end, information/ estimates provided by the insured/ surveyors and judgment based on the past experience and other applicable laws and practices.

(j) Allocation of Operating Expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses that are directly identifiable to a business class are allocated on actuals
- Other expenses, that are not directly identifiable, are allocated on the basis of Gross Written Premium (GWP) in each business class.

Notes to Consolidated financial Statements for the year ended March 31, 2018

4. Share Capital

		(Rs. in Lakhs)
	As at March 31, 2018	As at March 31, 2017
Authorised shares (Nos.)		
300,000,000 (March 31, 2017: 300,000,000) equity shares of Rs. 2/- each	**6,000.00**	6,000.00
	6,000.00	6,000.00
Issued, subscribed and fully paid-up shares (Nos.)		
268,383,065 (March 31, 2017: 267,270,049) equity shares of Rs. 2/- each fully paid up	**5,367.66**	5,345.40
	5,367.66	5,345.40

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2018		March 31, 2017	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
Equity Shares				
At the beginning of the period	**267,270,049**	**5,345.40**	250,000	5.00
Cancelled during the year	**-**	**-**	(250,000)	(5.00)
Issued during the period - Fresh Allotment	**-**	**-**	266,983,999	5,339.68
Issued during the period - ESOP	**11,116**	**22.26**	286,050	5.72
Outstanding at the end of the period	**268,383,065**	**5,367.66**	267,270,049	5,345.40

4.2 Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4.3 Details of shareholder holding more than 5% shares is set out below (legal and beneficial ownership)

Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 2/- each fully paid				
- Liquid Investment and Trading Private Limited	**23,818,876**	**8.87%**	23,818,876	8.91%
- Max Ventures Investment Holdings Private Limited	**66,158,030**	**24.65%**	66,158,030	24.75%
- Mohair Investment and Trading Company Private Ltd	**13,690,570**	**5.10%**	8,086,560	3.03%
- Reliance Capital Trustee Co Ltd A/C	**14,601,201**	**5.44%**	12,515,216	4.68%
- Xenok Limited	**-**	**-**	17,161,714	6.42%

Notes to Consolidated financial Statements for the year ended March 31, 2018

4.4 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 30.1.

4.5 Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has issued total 1,399,066 shares (March 31, 2017: 286,050) during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employees services.

During financial year 2015-16, pursuant to Composite Scheme of Arrangement and order of Hon`ble High Court of Punjab and Haryana dated December 14, 2015 (Order) sanctioning the Composite Scheme of Arrangement involving Max Financial Services Limited (formerly Max India Limited), Max India Limited (formerly Taurus Ventures Limited) (the Company) and Max Ventures and Industries Limited (formerly Capricorn Ventures Limited), the Company allotted 266,983,999 equity shares on May 14, 2016, in the ratio of 1 equity share of Rs. 2 each fully paid up of the company for every one equity share of Rs. 2 each fully paid up, held by shareholder of Max Financial Services Limited on January 28, 2016 (record date).

5. Reserves and surplus

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Capital reserve		
Balance as per last financial statements	**117,701.43**	117,701.43
Add: arising out of scheme of merger (Refer note 40)	**(327.98)**	-
Closing Balance	**117,373.45**	117,701.43
Securities Premium Account		
Balance as per last financial statements	**133.53**	-
Add: premium on issue of shares under ESOP	**671.96**	-
Add: transferred from stock option outstanding	**129.15**	133.53
Closing Balance	**934.64**	133.53
Employee stock option outstanding		
Balance as per last financial statements	**198.37**	227.34
Add/(less): compensation options granted during the year	**93.66**	104.56
Less : transferred to securities premium account	**(129.15)**	(133.53)
Closing Balance	**162.88**	198.37
Foreign Currency Translation Reserve		
Balance as per last financial statements	**21.33**	42.47
Increase/(decrease) during the year	**18.27**	(21.14)
Closing Balance	**39.60**	21.33
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	**3,340.21**	(8,074.56)
Add: Adjustment of taxes on account of merger	**294.21**	-
Add: Gain on dilution of stake in subsidiary / joint venture	**105.86**	16,034.50
(Less): loss for the year	**(7,129.48)**	(4,619.73)
Net Surplus in the statement of profit and loss	**(3,389.20)**	3,340.21
Total reserves and surplus	**115,121.37**	121,394.87

Notes to Consolidated financial Statements for the year ended March 31, 2018

6. Money received against share warrants

		(Rs. in Lakhs)
	As at March 31, 2018	As at March 31, 2017
19,384,854 (March 31, 2017: Nil) share warrants of Rs. 154.76/- each, partly paid up	**7,500.00**	-
	7,500.00	-

On May 11, 2017, the Board of Directors of the Company approved issuance of 19,384,854 share warrants at an exercise price of Rs. 154.76/- each on preferential basis to Mohair Investment and Trading Company Private Limited (one of the Promoter Group companies). Each warrant entitles the holder thereof to subscribe to one equity share of Rs. 2/- each in the equity share capital of the Company at a premium of Rs. 152.76/- per equity share. Each warrant is convertible into one equity share as per prevalent SEBI guidelines at any time before the expiry of 18 months from the date of allotment. The same has been approved in the Extra Ordinary General Meeting held on June 10, 2017.

The Allotment Committee in its meeting held on June 20, 2017 allotted the said warrants on receipt of Rs. 7,500.00 lakhs being 25% of the warrant subscription amount.

7. Long term borrowings

				(Rs. in Lakhs)
	Non-current portion		Current maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Term loans (Secured)				
From banks	**39,216.03**	49,234.73	**821.80**	8,528.42
From non-banking financial companies	**23,214.78**	2,843.64	**1,556.76**	190.63
Deferred payment liabilities (Unsecured)				
Deferred payment liabilities	**107.90**	-	**37.39**	40.22
Financial lease obligation (Secured)	**124.93**	161.09	**49.30**	40.95
Vehicle loans (Secured)	**211.78**	215.01	**124.52**	86.30
	62,875.42	52,454.47	**2,589.77**	8,886.52
The above amount includes				
Secured borrowings	62,767.52	52,454.47	**2,552.38**	8,846.30
Unsecured borrowings	107.90	-	**37.39**	40.22
Amount disclosed under the head "other current liabilities" (note 12)	-	-	**(2,589.77)**	(8,886.52)
	62,875.42	52,454.47	**-**	-

7.1 Term loans from banks

Max Healthcare Institute Limited (MHIL) and its subsidiaries

i) Loan of Rs.11,735.98 (March 31, 2017: Rs. 8,905.49 Lakhs) from IDFC Bank obtained by MHIL repayable in 52 quarterly installments starting from April, 2018.

The above loan is secured by:

(a) A First mortgage and charge on entire immovable properties of the borrower pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.

(b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of

Notes to Consolidated financial Statements for the year ended March 31, 2018

MHIL, including but not limited to goodwill and uncalled capital, intellectual property, 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/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of MHIL 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 MHIL in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of MHIL 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 MHIL under all insurance contracts.

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

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

ii) Rs. 1,490.93 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.

(b) First PP Charge on the moveable property, plant & equipment (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 Debt Fund.

(c) First PP Charge on the intangible asset of the borrower but not limited to Goodwill and uncalled capital, intellectual property, both present and future.

(d) First PP charge by the way of mortgage on the entire immoveable property, plant and equipment of the borrower situated at Max Saket Hospital and Max Shalimar Bagh Hospital both present and future.

iii) Loan of Rs. 745.47 (March 31, 2017: Rs. 689.21 Lakhs) from HDFC Bank Limited repayable in 20 structured quarterly installments starting from November 2019.

The above loan is secured by:

(a) First charge by way of hypothecation on movable PPE including movable plant and machinery, medical equipment, machinery spares, tools and accessories, furniture, fixtures and all other movable assets present and future.

(b) First charge on all the book debts, operating cash flows, receivables and revenue of what so ever nature, all current assets, operating cash flow, commissions and revenue, present and future, intangibles, goodwill uncalled capital, present and future, pari passu with the working capital facility of Rs. 5 Crore.

(c) Corporate guarantee by MHIL.

iv) Term loan of Rs. 6,682.35 Lakhs (March 31, 2017: Rs. 5,703.43 Lakhs) Term Loan from Axis bank are secured by first charge on the entire movable/ immovable property, plant and equipments, of MHIL, both present and future, excluding vehicles specifically charged to other lenders, both present and future and first charge

Notes to Consolidated financial Statements for the year ended March 31, 2018

on all the current assets of MHIL and collaterally secured by way of Corporate Guarantee of MHIL. The term loan is having a moratorium of 2.25 years repayable quarterly from Dec 31,2017 in 9 year and 6 months.

v) Term loan of Rs. 7,176.35 Lakhs (March 31, 2017: Rs.6,634.32 Lakhs) from Yes Bank Limited repayable in 48 structured quarterly installments from November 2018.

The above loan is secured by:

(a) A First pari passu charge on all Borrower's movables and immovables (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, and all other movable assets intangible, goodwill, uncalled capital, both present and future

(b) A First pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands, whatsoever of the Borrower in all documents executed by the borrower with SHRC including but not limited to the Hospital Service Agreement both present and future.

(d) Pledge of 25.50% share capital (on a fully diluted basis) of the Borrower (in compliance with BR Act) and option to increase it to 51% subject to inclusion of new lenders; and

(e) Negative lien for the remaining 21% shareholding of the Borrower. Total aggregate percentage of Pledge and negative lien not to exceed 51% of share capital at any time

(f) Corporate guarantee by Max Healthcare Institute Limited (MHIL)

vi) Term loan of Rs. 6,800.63 Lakhs (March 31, 2017: Rs.5,791.64 Lakhs) from Axis Bank Limited repayable in 52 structured quarterly installments from January 2019.

The above loan is secured by:

(a) First Pari passu charge over all movable fixed assets both present and future and immovable (if any acquired in future) of the borrower.

(b) First pari passu charge over all current assets (both present and future) of the borrower.

(c) First pari passu charge on book debts operating cash flow, receivables, commission, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.

(d) Unconditional and irrevocable Corporate Guarantee of Max Healthcare Institute Ltd. to remain valid during entire tenor of facilities.

(e) Assignment of all borrowers rights under the services agreement and any other such agreement for providing any other services to Saket City Hospital Pvt. Ltd. Letter of Credit, guarantee, or performance bond provide by any party for any contract related to the Hospital project in favor of the borrower on first pari passu basis.

(f) Assignment of all the contracts, documents insurance policies, rights, titles, permits/ approvals, clearances and interest of the borrowers pertaining to the Hospital project on first pari passu basis.

(g) Pledge of 25.5% equity shares of the Borrowers held by MHIL.

vii) Term Loan from banks includes Rs. 2,881.47 Lakhs (March 31, 2017: Rs. 2,668.15 Lakhs) raised from IDFC Bank Limited repayable in 52 structured quarterly installments from June 2018.

The above Loan is secured by:

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

Notes to Consolidated financial Statements for the year ended March 31, 2018

(b) A Charge on the entire current assets including cash flows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.

(c) First Pari Passu charge on all receivables, current assets, present and future, of the Borrower.

(d) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of MHIL in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of MHIL in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of MHIL in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of MHIL under all Insurance Contracts;

(e) An irrevocable and unconditional Corporate Guarantee of the Guarantor.

Security interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 1,000 Lakhs.

Security interest set out in sub clauses (a), (c) and (d) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 11,900 Lakhs.

viii) Term Loan from banks includes Rs. 2,524.64 Lakhs (March 31, 2017: Rs. 2,337.33 Lakhs) raised from IDFC Bank Limited repayable in 52 structured quarterly installments from June 2018.

The above Loan is secured by:

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

(b) A Charge on the entire current assets including cash flows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.

(c) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of MHIL in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of MHIL in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of MHIL in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of MHIL under all Insurance Contracts;

(d) An irrevocable and unconditional Corporate Guarantee of the Guarantor.

Security interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 1,000 Lakhs.

Security interest set out in sub clauses (a), (c) and (d) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 9,500 Lakhs.

7.2 Term loan from non-banking financial companies

MHIL and its Subsidiaries

(i) Term loan of Rs. 96.41 Lakhs (March 31, 2017: Rs. 279.31 Lakhs) from SREI Equipment Finance Private Limited

Notes to Consolidated financial Statements for the year ended March 31, 2018

repayable in 28 quarterly instalments from December 2011 is secured by way of exclusive charge over the medical equipment acquired from through this facility.

(ii) Term Loan from financial institutions includes Rs. 693.28 Lakhs (March 31, 2017: Rs. 640.96 Lakhs) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018.

The above loans are secured by following:

(a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company , including but not limited to goodwill and uncalled capital, intellectual property, 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.

(b) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the Borrower of whatsoever nature and wherever arising, both present and future.

(c) A first charge/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.

(d) An irrevocable and unconditional Corporate Guarantee of the Guarantor.

Security interest set out in sub clause (b) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 1,000 Lakhs.

Security interest set out in sub clauses (a), (c) and (d) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 11,900 Lakhs.

iii) Rs. 2,285.68 Lakhs (March 31, 2017: Rs. 2,113.68 Lakhs) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018.

The above Loan is secured by:

(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 , including but not limited to goodwill and uncalled capital, intellectual property, 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/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

Notes to Consolidated financial Statements for the year ended March 31, 2018

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 7,500 Lakhs.

Security interest set out in sub clauses (a), (b) and (d) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of up to INR 34,000 Lakhs.

Antara Purukul Senior Living Limited (APSL)

Term loan from Aditya Birla Finance Limited is Rs. 21,696.16 Lakhs (including current maturities of long term borrowings Rs. 1,416.16 Lakhs) (previous year with Axis bank Limited: Rs. 25,033.89 Lakhs, including current portion of Rs. 8,344.63) together with interest, additional interest, further interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Company is secured by the following security interest created in favour of the Bank or the Security Trustee:

a) Exclusive Charge by way of Equitable mortgage for facility 1 & 3 and Registered mortgage for facility 2, of the land on which Antara Purukul Senior Living Limited has built a senior living community" (`Project') admeasuring 13.5 acres situated at village chak Soloniwala Dehradun, owned by APSL and all the unleased flats.

b) Exclusive charge by way of hypothecation on entire current assets (including receivables both present and future) and movable fixed assets (excluding vehicles hypothecated to the financiers of the vehicles) of Aantara Purukul Senior Living Limited and Antara Senior Living Limited, both present and future.

c) Exclusive charge over designated account and over all cash flows of Antara Purukul Senior Living Limited APSL and Antara Senior Living including but not limited to cash flows arising out of sales / leasing of area /project receipts/all other cash flows pertaining to project.

d) Exclusive charge by way of hypothecation /mortgage/assignment as the case may be of; and

   (i) All the FSI ,rights,title,interest, benefits, claims and demands whatsoever of the company and ASL in respect of the project, in the project documents, all as amended, varied or supplemented from time to time;

   (ii) Subject to applicable law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company and ASL in the clearances, and

   (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company and ASL in any letter of credit, guarantee, performance bond , guarantee, bank guarantee provided by any vendor/contractor/party to the Company and ASL in relation to the project.

e) Corporate Guarantees of Max India Limited.

The loan is repayable in 72 structured monthly installments from January, 2018 with an option to prepay.

7.3 Deferred payment liabilities represent amount payable for the acquisition of capital goods and are repayable over a period of three years.

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

7.5 Vehicle Loans Rs. 336.30 Lakhs (March 31, 2017: Rs. 301.31 Lakhs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 1 to 5 years.

Notes to Consolidated financial Statements for the year ended March 31, 2018

8. Deferred tax liabilities

		(Rs. in Lakhs)
	As at March 31, 2018	**As at March 31, 2017**
Deferred tax liability		
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	**768.54**	769.36
Gross deferred tax liability	**768.54**	769.36
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**840.98**	838.85
Gross deferred tax assets	**840.98**	838.85
Net deferred tax liability	**(72.44)**	(69.49)

Few subsidiaries/joint ventures have a net deferred tax asset with brought forward losses and unabsorbed depreciation as a major component. Consequently, deferred tax asset has been recognised only to the event of deferred tax liabilities in those subsidiaries/joint ventures, since there is no convincing evidence which demonstrates virtual certainly of realisation of such deferred tax asset in the near future.

9. Other long term liabilities

		(Rs. in Lakhs)
	As at March 31, 2018	**As at March 31, 2017**
Other liabilities		
Advances from customers	**23,115.38**	17,643.16
Lease equalisation reserve	**833.55**	767.20
Security deposits received	**1,568.62**	162.39
Retention money payable	**43.59**	480.39
	25,561.14	19,053.14

10. Provisions

				(Rs. in Lakhs)
	Long - term		**Short - term**	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
Provision for employee benefits				
Provision for leave benefits	**-**	-	**1,210.80**	1,142.91
Provision for gratuity (note 25.1)	**1,316.92**	1,083.88	**207.84**	223.78
Provision for phantom stock options	**76.26**	-	**67.79**	46.68
Provision for long term incentive plan	**-**	-	**1.86**	303.00
Other provisions				
Provision for reserve for unexpired risk	**-**	-	**29,396.18**	28,208.10
Provision for income tax (net of advance tax)	**-**	-	**31.13**	112.74
Provision for restoration expenses under PPP	**116.89**	88.54	**-**	-
	1,510.07	1,172.42	**30,915.60**	30,037.21

Notes to Consolidated financial Statements for the year ended March 31, 2018

11. Short term borrowings

		(Rs. in Lakhs)
	As at March 31, 2018	As at March 31, 2017
Loans repayable on demand		
Cash credit from banks (secured)	**4,817.58**	3,999.30
Short term loan from banks (unsecured)	**368.26**	-
	5,185.84	3,999.30
The above amount includes		
Secured borrowings	**4,817.58**	3,999.30
Unsecured borrowings	**368.26**	-
	5,185.84	3,999.30

Max Healthcare Insittute Limited (MHIL) and its subsidiaries

(i) Cash credit loan of Rs. 304.65 Lakhs (March 31, 2017: Rs.142.44 Lakhs) from Yes Bank Limited bearing interest @ yes bank base rate plus 1.15% i.e presently @ 9.55% per annum payable monthly and is secured by way of :

a) First pari passu charge over all movable property, plant and equipment (both present and future) and immovable (if any acquired in future) of the borrower.

b) First pari passu charge over all current assets (both present and future) of the borrower.

c) First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.

d) Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited to remain valid during entire tenor of facilities.

e) assignment of all borrowers rights under the service agreement and any other such agreement for providing any other services to Saket City Hospitals Private Limited, letter of credit, guarantee, or performance bond provided by any party for any contract related to the Hospital project in favor of the borrower on first pari passu basis.

f) Assignment of all the contracts, documents, insurance policies, rights, titles, permits/approvals, clearances and interest of the borrower pertaining to the Hospital project on first pari passu basis.

g) Pledge of 25.5% equity shares of the borrower held by Max Healthcare Institute Limited.

(ii) Cash credit loan of Rs. 37.77 Lakhs (March 31, 2017: Nil) from Axis Bank Limited base rate plus 1.95% i.e presently @ 10.90% payable monthly and is secured by way of :

a) A first pari passu charge over Company's all present and future, moveable and immoveable asset, intangible assets and uncalled capital.

b) Pledge of 25.5% equity shares of the company held by Max Healthcare Institute Limited, the holding company and option to increase it to 51% subject to inclusion of new lenders.

c) Unconditional and irrevocable corporate guarantee of the holding Company, Max Healthcare Institute Limited, to remain valid during entire tenor of facilities.

d) Further, there is negative lien for 21% shareholding of the Company. Total aggregate percentage of pledge and negative lien not to exceed 51% of the share capital at any time.

e) First pari passu charge on all receivables, current assets, present and future, of the borrower.

f) A first pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefit, claims and demands whatsoever of the borrower

Notes to Consolidated financial Statements for the year ended March 31, 2018

in all documents executed by the borrower with SHRC including but not limited to the hospital service agreement, both present and future.

(iii) Cash credit facilities from bank for the company Homtrail Estate Private Limited and Homtrail Buildtech Private Limited is secured by:

a) First charge by way of hypothecation of the Hometrail Estate Private Limited and Hometrail Buildtech Private Limited entire current assets (present and future) to the extent allowed by existing term lenders and except escrow account with the Government of Punjab.

b) Second charge on entire movable fixed assets (excluding Vehicles) as provided to first charge holders of the Company both present and future.

(iv) Cash credit from bank is secured by way of hypothecation charge on entire current assets of the Alps Hospitals Limited. The cash credits are repayable on demand.

(v) Loan of Rs. 368.26 Lakhs (March 31, 2017 : Nil) from Indusind Bank Limited repayable by July 25, 2018 & is secured by way of hypothecation charge on entire current assets of the Company

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

(vii) Working capital facilities from Axis bank (Sanctioned Limit Rs 2,000 Lacs) to the extent of Rs. 818.02 Lakhs (March 31, 2017 : Rs. 680.48 Lkahs) secured by way of first charge on entire movable / immovable fixed assets of the company both present and future, excluding vehicles specially charged to other lenders, both present and future and first charge on all the current assets of the Company and collaterally secured by way of Corporate Guarantee of Max Healthcare Institute Limited.

12. Other current liabilities

		(Rs. in Lakhs)
	As at March 31, 2018	**As at March 31, 2017**
Trade payables		
• Total outstanding dues of micro enterprises and small enterprises (refer note 12.1)	**-**	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	**32,091.17**	24,389.72
Other liabilities		
Current maturities of long-term borrowings (note 7)	**2,540.47**	8,845.57
Current maturity of finance lease obligation (note 7)	**49.30**	40.95
Unearned Revenue - Premium received in advance	**39.28**	-
Interest accrued but not due on borrowings	**225.08**	232.83
Interest accrued and due on borrowings	**46.84**	-
Advance from customers and policyholders	**2,365.14**	1,861.34
Claims outstanding (includes claims pending investigation)	**5,220.05**	5,312.06
Unclaimed amount - policyholders	**155.83**	177.17
Other liabilities		
Security deposit received	**276.96**	250.34
Statutory dues payable	**2,270.85**	1,369.86
Unexpired discount on forward contracts	**17.15**	39.19
Capital creditors	**2,413.04**	2,894.62
Others	**739.88**	310.79
	16,359.87	21,334.72
	48,451.04	45,724.44

Notes to Consolidated financial Statements for the year ended March 31, 2018

12.1. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	**Nil**	Nil
The interest due on unpaid principal amount remaining as at the end of each accounting year.	**Nil**	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**Nil**	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	**Nil**	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	**Nil**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	**Nil**	Nil

13. Property, plant and equipment

(Rs. in Lakhs)

	Land (Freehold)	Land (Leasehold)	Building	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Leasehold Improve-ments	Electrical Installa-tions & Equip-ments	Computer & Data pro-cessing Units	Total
Cost											
Opening balance	5,884.67	3,753.71	19,387.71	32,181.56	2,958.29	1,745.68	1,277.77	6,027.29	1,747.77	3,881.27	78,845.72
Additions	122.26	-	39,912.20	10,868.23	1,916.33	549.88	269.66	457.95	240.79	1,397.53	55,734.83
Deletions/ Adjustments (Note 14.2)	(2,513.69)	-	-	(8,029.39)	(330.06)	(169.96)	(187.58)	(620.12)	(92.98)	(246.84)	(12,190.62)
Adjustment on account of acquisition	-	306.31	1,185.94	2,580.77	194.44	(10.90)	56.08	332.44	142.42	149.53	4,937.03
March 31, 2018	**3,493.24**	**4,060.02**	**60,485.85**	**37,601.17**	**4,739.00**	**2,114.70**	**1,415.93**	**6,197.56**	**2,038.00**	**5,181.49**	**127,326.96**
Depreciation											
Opening balance	-	-	2,826.69	15,225.34	1,859.51	1,226.61	430.19	3,485.45	929.24	2,634.36	28,617.39
Charge for the year	6.99	-	987.62	2,923.37	418.64	268.95	199.76	464.61	191.42	722.84	6,184.20
Deletions/ Adjustments (Note 14.3)	-	-	-	(4,851.09)	(309.17)	(155.51)	(115.71)	(618.57)	(81.04)	(242.99)	(6,374.08)
Adjustment on account of acquisition	-	-	171.95	1,160.47	120.40	15.84	16.07	33.98	76.46	111.67	1,706.84
March 31, 2018	**6.99**	**-**	**3,986.26**	**14,458.09**	**2,089.38**	**1,355.89**	**530.31**	**3,365.47**	**1,116.08**	**3,225.88**	**30,134.35**
Net Block											
March 31, 2017	5,884.67	3,753.71	16,561.02	16,956.22	1,098.78	519.07	847.58	2,541.84	818.53	1,246.91	50,228.33
March 31, 2018	**3,486.25**	**4,060.02**	**56,499.59**	**23,143.08**	**2,649.62**	**758.81**	**885.62**	**2,832.09**	**921.92**	**1,955.61**	**97,192.61**

Notes to Consolidated financial Statements for the year ended March 31, 2018

13.1 Max Healthcare Institute Limited (MHIL)

Land pertaining to hospital situated in Noida, Pitampura, Panchsheel and Shalimar Bagh is under perpetual lease

Land measuring 3.15 acres pertaining to hospital situated in Mohali & Bathinda has been provided by Punjab Government on long term lease of 50 years without consideration.

The Group has in its favour a sub lease for plot measuring 1.23 acres of land in Gurgaon for an initial period of 97 years, which can be further renewed for two terms of 97 years each.

13.2 Medical Equipment includes medical equipment taken on finance lease:

		(Rs. in Lakhs)
	March 31, 2018	March 31, 2017
Gross Block	**935.31**	899.65
Depreciation charge for the year	**92.93**	98.77
Accumulated depreciation	**424.92**	375.94
Net book value	**510.40**	523.71

14. Intangible assets

			(Rs. in Lakhs)
	Non compete fee	**Computer Software**	**Total**
Cost			
Opening balance	581.23	7,447.85	8,029.08
Additions	-	1,672.95	1,672.95
Deletions/ Adjustments	-	(85.08)	(85.08)
Adjustment on account of acquisition	47.45	196.76	244.21
March 31, 2018	**628.68**	**9,232.48**	**9,861.16**
Amortization			
Opening balance	143.43	4,750.55	4,893.98
Charge for the year	89.74	1,221.43	1,311.17
Deletions/ Adjustments	-	(71.97)	(71.97)
Adjustment on account of acquisition	58.92	81.93	140.85
March 31, 2018	**292.09**	**5,981.94**	**6,274.03**
Net Block			
March 31, 2017	437.80	2,697.30	3,135.10
March 31, 2018	**336.59**	**3,250.54**	**3,587.13**

14.1 Non compete fees represents amount paid to erstwhile owners of subsidiary of MHIL- Crossloy Remedies Private Limited as per the terms of share purchase agreement dated May 28, 2015. The non compete fees is amortised over a period of seven years.

14.2 Adjustments includes assets disposed off pertaining to discontinued operations. (Refer note 39.)

14.3 Includes depreciation of Rs.146.11 lakhs and amosrtisation of Rs.1.49 lakhs on assets disposed off under discontinued operations.

Notes to Consolidated financial Statements for the year ended March 31, 2018

15. Non- current investments

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Non-trade investments (valued at cost unless stated otherwise)		
Health Insurance Business:		
Bonds(quoted)	**7,577.86**	9,081.26
Government and trust securities (quoted)	**14,591.95**	14,251.46
Term deposits (unquoted)	**-**	225.00
Investment in infrastructure & social sector (quoted)	**15,547.10**	12,068.57
Other approved securities (quoted)	**5,655.22**	5,145.40
	43,372.13	40,771.69
Pharmax Corporation Limited		
Max Speciality Films Limited (unquoted)		
Nil (March 31, 2017: 3,38,350) Equity Share of Rs 10/- each fully paid up	**-**	168.98
	-	168.98
	43,372.13	40,940.67
Aggregate market value of quoted investments	43,663.85	42,030.24
Aggregate amount of quoted investments	43,372.13	40,546.69
Aggregate amount of unquoted investments	-	393.98

16. Loans and advances

(Rs. in Lakhs)

	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital advances				
Secured, considered good	**-**	81.20	**-**	-
Unsecured, considered good	**9,321.29**	10,107.92	**-**	-
A	**9,321.29**	10,189.12	**-**	-
Security deposits				
Unsecured, considered good	**15,879.57**	15,334.57	**14.91**	33.37
B	**15,879.57**	15,334.57	**14.91**	33.37
Advances recoverable in cash or in kind				
Secured, considered good	**-**	-	**17.79**	-
Unsecured, considered good	**161.52**	-	**1,106.21**	1,132.89
Doubtful	**-**	-	**1,101.08**	1,020.00
	161.52	-	**2,225.08**	2,152.89
Provision for doubtful advances	**-**	-	**(1,101.08)**	(1,020.00)
C	**161.52**	-	**1,124.00**	1,132.89
Intercorporate deposits				
Unsecured, considered good	**800.71**	505.42	**-**	-
D	**800.71**	505.42	**-**	-
Other loans and advances (unsecured, considered good unless stated otherwise)				
Balances with statutory/government authorities	**28.57**	26.42	**595.57**	383.45
Prepaid expense	**108.17**	15.16	**966.19**	924.52
Loans to employees	**1.04**	3.54	**4.81**	13.76

Notes to Consolidated financial Statements for the year ended March 31, 2018

(Rs. in Lakhs)

	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
MAT credit entitlement	**107.91**	107.39	**959.52**	831.22
Advance income tax (net of provisions)	**5,277.08**	3,577.03	**484.73**	903.94
E	**5,522.77**	3,729.54	**3,010.82**	3,056.89
Total (A+B+C+D+E)	**31,685.86**	29,758.65	**4,149.73**	4,223.15

i) The Group has till date recognised Rs. 1,067.43 Lakhs (March 31, 2017: Rs. 938.61 Lakhs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.

17. Trade receivables

(Rs. in Lakhs)

	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	**-**	-	**5,121.44**	2,381.43
Doubtful	**-**	-	**2,535.45**	2,405.50
	-	-	**7,656.89**	4,786.93
Provision for doubtful receivables	**-**	-	**(2,535.45)**	(2,405.50)
A	**-**	-	**5,121.44**	2,381.43
Other receivables				
Unsecured, considered good	**4,236.39**	1,558.73	**15,338.21**	10,686.82
Doubtful	**-**	-	**23.60**	-
	4,236.39	1,558.73	**15,361.81**	10,686.82
Provision for doubtful receivables	**-**	-	**(23.60)**	-
B	**4,236.39**	1,558.73	**15,338.21**	10,686.82
Total (A+B)	**4,236.39**	1,558.73	**20,459.65**	13,068.25

Notes:

a) On December 10, 2001, MMS a subsidiary of joint venture entity (MHIL) had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 2,431 Lakhs. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, "MMS" has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 Lakhs. The said consideration is repayable in equal instalments over 20.5 years from the handover date. Accordingly, the non current portion represents the Group share of Joint Venture with respect to this transaction.

b) 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. 504.63 Lakhs (March 31, 2017: Rs. 437.53 Lakhs) has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other Income" as income from deferred credit.

Notes to Consolidated financial Statements for the year ended March 31, 2018

18. Other assets

(Rs. in Lakhs)

	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless stated otherwise				
Other Bank Balances (Note 20)				
Deposit with original maturity for more than 12 months	-	-	-	0.16
Marginal money deposit	**33.65**	35.72	**3.34**	3.21
Deposit under lien	**18.51**	15.95	**61.32**	147.71
Balance in escrow accounts*	**-**	-	**3,912.48**	148.37
Others				
Interest accrued on fixed deposits	**3.84**	4.85	**19.39**	10.71
Interest accrued on investments	**-**	-	**1,782.88**	2,092.71
Interest accrued on loans	**-**	-	**624.11**	624.28
Unbilled revenue	**-**	-	**725.54**	903.04
Property, plant and equipment held for sale	**-**	-	**-**	13.78
Export benefits receivables	**-**	-	**21.92**	80.69
Forward Recoverable	**-**	-	**18.25**	31.18
	56.00	56.52	**7,169.23**	4,055.84

* includes amount paid to Vikuj Healthcare Private Limited of Rs.3,622.63 Lakhs (Refer note 44)

19. Current investments

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Current investments		
Health Insurance Business:		
Investment in infrastructure & social sector (quoted)	**6,292.41**	1,000.00
Bonds (quoted)	**7,407.23**	500.00
Term deposits (unquoted)	**5,977.00**	6,869.00
Unit in mutual funds (unquoted)	**2,488.32**	6,316.06
Commercial paper (quoted)	**1,031.00**	7,281.16
	23,195.96	21,966.22
Other Business (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted Mutual funds		
Aditya Birla Sun Life Cash Plus - Growth Direct Plan Growth	**-**	4,869.33
Nil (March 31, 2017: 1,895,100) units of Face value Rs. 100/- per unit fully paid		
DFHL Pramerica Insta Cash Plus Fund - Direct Plan Growth	**-**	1,481.74
Nil (March 31, 2017: 741,093) units of Face value Rs. 100/- per unit fully paid		
DSP BlackRock Liquidity Fund -Direct Growth	**-**	6,298.48
Nil (March 31, 2017: 280,058) units of Face value Rs. 1000/- per unit fully paid		
Franklin India Treasury Management Account Fund	**2,210.95**	-
86,669 (March 31, 2017: Nil) units of Face value Rs. 1000/- per unit fully paid		

Notes to Consolidated financial Statements for the year ended March 31, 2018

		(Rs. in Lakhs)
	As at March 31, 2018	**As at March 31, 2017**
IDFC Cash Fund - Direct Plan Growth	**751.96**	-
36,071 (March 31, 2017: Nil) units of Face value Rs. 1000/- per unit fully paid		
JM High Liquidity Fund (Direct) Growth	**1,817.45**	6,275.10
4,248,757 (March 31, 2017: 14,800,894) units of Face value Rs. 10/- per unit fully paid		
Invesco India Liquid Fund Direct Plan Growth	**2,400.00**	1,712.29
100,465 (March 31, 2017: 76,992) units of Face value Rs. 1000/- per unit fully paid		
L&T India Liquid Fund- Direct Fund Growth	**3,005.13**	3,020.01
136,772 (March 31, 2017: 140,003) units of Face value Rs. 1000/- per unit fully paid		
UTI Money Market Fund - Direct Fund Growth	**1,975.10**	6,395.00
102,804 (March 31, 2017: 356,604) units of Face value Rs. 1000/- per unit fully paid		
Tata Liquid Fund Direct Plan - Growth	**-**	68.41
Nil (March 31, 2017: 2,820) units of Face value Rs. 1000/- per unit fully paid		
Tata Money Market Fund - Direct Fund Growth	**206.60**	354.58
9,147 (March 31, 2017: 15,746) units of Face value Rs. 1000/- per unit fully paid		
Birla Sun Life Cash Plus - Direct Plan	**337.72**	100.00
136,374 (March 31, 2017: 47,885) units of Face value Rs. 1000/- per unit fully paid		
ICICI Prudential Saving Fund-Growth	**10.00**	10.00
21,330 (March 31, 2017: 21,330) units of Face value Rs. 100/- per unit fully paid		
SBI Ultra Short Term debt Fund-Regular plan-Growth	**10.00**	10.00
2,702 (March 31, 2017: 2,702) units of Face value Rs. 1000/- per unit fully paid		
HDFC Liquid Fund- Direct Plan- Growth Option	**329.69**	-
9,900 (March 31, 2017: Nil) units of Face value Rs. 1000/- per unit.		
ICICI Prudential Liquid-Direct Plan-Growth	**324.93**	
1,29,941 (March 31, 2017: Nil) units of Face value Rs. 100/- per unit.		
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	**237.15**	-
5,735 (March 31, 2017: Nil) units of Face value Rs. 1000/- per unit.		
Axis Liquid fund - Direct Plan (CFDGG)	**85.61**	1,757.73
4,557 (March 31, 2017: 98,078) units of Face value Rs. 1000/- per unit fully paid		
	13,702.29	32,352.67
	36,898.25	54,318.89
Aggregate market value of quoted investments	**14,738.38**	8,786.36
Aggregate amount of quoted investments	**14,730.64**	8,781.16
Aggregate amount of unquoted investments	**22,167.61**	45,537.73

20. Inventories (valued at lower of cost and net realisable value)

		(Rs. in Lakhs)
	As at March 31, 2018	**As at March 31, 2017**
Stores and spares	**145.74**	13.54
Traded goods of pharmacy and pharmaceuticals supplies	**1,405.12**	1,065.93
	1,555.58	1,079.47

Notes to Consolidated financial Statements for the year ended March 31, 2018

21. Cash and bank balances

(Rs. in Lakhs)

	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents				
Cash on hand	-	-	71.80	52.96
Cheques/drafts on hand	-	-	362.62	344.56
Balances with banks				
on current accounts	-	-	3,336.32	3,581.70
Deposits with original maturity of less than three months	-	-	1,065.66	817.89
	-	-	4,836.40	4,797.11
Other bank balances				
Deposits with remaining maturity for more than 3 months but less than 12 months	-	-	-	0.16
Deposits with remaining maturity for more than 12 months	-	-	-	-
Balance in escrow accounts	-	-	3,912.48	148.37
Margin money deposits	33.65	35.72	3.34	3.21
Deposit under lien	18.51	15.95	61.32	147.71
	52.16	51.67	3,977.14	299.45
Amount disclosed under other assets (note 17)	52.16	51.67	3,977.14	299.45
	-	-	4,836.40	4,797.11

Other bank balances includes deposits given as security
Rs. 1.00 Lakhs (March 31, 2017: Rs. 1.37 Lakhs) to secure bank guarantee given to sales tax authorities.
Rs. Nil (March 31, 2017: Rs. 2.74 Lakhs) to secure performance bank guarantee issued to customer.
Rs. 115.82 Lakhs (March 31, 2017: Rs. 198.64 Lakhs) to secure performance bank guarantee in favour of Government Authorities

22. Revenue from operations

(Rs. in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Traded goods		
Pharmacy and pharmaceuticals supplies	7,598.21	6,812.69
	7,598.21	6,812.69
Sale of services		
Healthcare services	75,298.93	64,848.18
Health insurance premium (net)	57,585.42	54,428.10
Lease rentals	539.53	1,488.15
Training income	3,794.02	3,794.62
Shared services income	2,641.15	1,812.91
Others	1,890.23	164.71
	141,749.28	126,536.67
Other Operating revenue		
Income from investment activities		
Interest income on		

Notes to Consolidated financial Statements for the year ended March 31, 2018

(Rs. in Lakhs)	For the year ended March 31, 2018	For the year ended March 31, 2017
Government securities	**1,631.02**	1,537.87
Bonds	**2,063.29**	1,680.73
Fixed deposits	**616.82**	962.19
Amortisation of discount/(premium)	**442.56**	322.04
Profit on sale of curren tinvestments	**2,120.07**	2,560.23
Option fee (Refer note 46)	**-**	627.70
	6,873.76	7,690.76
Other		
Other operating revenue from healthcare services		
- Sponsorship and educational income	**425.91**	224.22
- Income from ancillary activities	**277.31**	158.06
Export benefits	**163.84**	183.59
	867.06	565.87
Total Other operating revenue	**7,740.82**	8,256.63
Revenue from operations (net)	**157,088.31**	141,605.99

23. Other Income

(Rs. in Lakhs)	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on		
Inter corporate deposits	**1,232.64**	834.54
Fixed deposits	**152.46**	52.62
Others	**335.94**	138.30
Profit on sale of long term investment	**183.82**	-
Profit on sale of current investments	**153.85**	130.85
Liabilities/provisions no longer required written back	**520.99**	234.72
Income from deferred credit	**504.63**	437.53
Other non operating income	**1,405.48**	609.07
	4,489.81	2,437.63

24. (Increase) / decrease in traded goods

(Rs. in Lakhs)	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at end of year		
Traded goods - Pharmacy and pharmaceuticals supplies	**1,405.12**	1,065.93
	1,405.12	1,065.93
Inventories at beginning of the year		
Traded goods - Pharmacy and pharmaceuticals supplies	**1,065.93**	**1,074.29**
	1,065.93	1,074.29
(Increase)/ Decrease in traded goods	**(339.19)**	8.36
Less: Arising on account of change in stake	**85.62**	**(9.33)**
Net (Increase)/ decrease in traded goods	**(253.57)**	(0.97)
Details of inventory		
Traded goods		
Pharmacy and pharmaceuticals supplies	**1,405.12**	1,065.93
	1,405.12	1,065.93

Notes to Consolidated financial Statements for the year ended March 31, 2018

25. Employee benefits expense

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	**39,371.88**	32,028.66
Contribution to provident and other funds	**1,576.64**	1,166.55
Employee stock option scheme (note 30.1)	**44.75**	20.06
Gratuity expense (note 25.1)	**391.64**	400.53
Staff welfare expenses	**1,309.45**	1,261.17
	42,694.36	**34,876.97**

25.1. Gratuity

The group has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is partly funded with Life Insurance Corporation of India and Max Life Insurance Company Ltd. in form of a qualifying insurance policy.

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

Statement of profit and loss

Net employee benefit expense recognized in employee cost

		(Rs. in Lakhs)
	Gratuity	
	March 31, 2018	March 31, 2017
Current service cost	**331.07**	276.25
Interest cost on benefit obligation	**114.06**	90.73
Expected return on plan assets	**(22.74)**	(35.00)
Net actuarial (gain) / loss recognized in the period	**(36.57)**	68.55
Past service cost	**5.82**	-
Net benefit expense	**391.64**	400.53
Actual return on plan assets	**-**	(1.84)

Balance sheet

		(Rs. in Lakhs)
	Gratuity	
	March 31, 2018	March 31, 2017
Benefit asset/ liability		
Present value of defined benefit obligation	**1,937.32**	1,633.07
Fair value of plan assets	**412.56**	325.41
Funded Status	**(1,524.76)**	(1,307.66)
Plan asset / (liability)	**(1,524.76)**	(1,307.66)

Notes to Consolidated financial Statements for the year ended March 31, 2018

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

		(Rs. in Lakhs)
	Gratuity	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	**1,633.07**	1233.31
Value of obligation transferred on demerger	**-**	154.76
Interest cost	**114.06**	90.73
Current service cost	**331.07**	276.25
Past service cost	**5.82**	-
Benefits paid by fund	**(38.67)**	(47.79)
Benefits paid by employer	**(71.46)**	(175.36)
Actuarial (gains) / losses on obligation	**(36.57)**	101.17
Closing defined benefit obligation	**1,937.32**	1,633.07

Changes in the fair value of plan assets are as follows:

		(Rs. in Lakhs)
	Gratuity	
	March 31, 2018	March 31, 2017
Opening Fair value of plan assets	**325.41**	215.45
Expected return	**22.74**	20.32
Contributions by employer	**101.52**	104.81
Benefits paid	**(38.67)**	(47.79)
Actuarial gains / (losses)	**1.56**	32.62
Closing fair value of plan assets	**412.56**	325.41

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

	Gratuity	
	March 31, 2018	March 31, 2017
Discount rate	**6.95%-7.80%**	6.60%-7.35%
Expected rate of return on assets	**7.00%-10.00%**	7.00%-23.13%
Retirement Age	**58-65 years**	58-67 years
Employee turnover	**1%-72.3%**	1%-72.3%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the overall expected rate on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no significant change in expected rate of return on assets.

Amounts for the current year are as follows:

	March 31, 2018	March 31, 2017	March 31, 2016
Defined benefit obligation	**1,937.32**	1,633.07	1,233.31
Plan assets	**412.56**	325.41	215.46
Surplus / (deficit)	**(1,524.76)**	(1,307.66)	(1,017.85)
Experience adjustments on plan liabilities	**-**	5.65	(11.12)
Experience adjustments on plan assets	**-**	0.19	(1.85)

Notes to Consolidated financial Statements for the year ended March 31, 2018

25.2. Provident Fund

In prior year, in terms of the Composite Scheme of Arrangement amongst Max Financial Services Limited (formerly known as Max India Limited), Max India Limited (formerly known as Taurus Ventures Limited) and Max Ventures and Industries Limited (formerly known as Capricorn Ventures Limited) sanctioned by the Hon'ble High Court of Punjab & Haryana at Chandigarh vide letter dated December 14, 2015, the Company is contributing to a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" . 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 AS-15 (Revised).

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group.

The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its group companies 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)
	March 31, 2018	**March 31, 2017**
Plan assets at year end at fair value	**15,102.38**	12,308.44
Present value of defined benefit obligation at year end	**14,893.90**	12,150.32
Surplus as per actuarial certificate	**208.48**	158.12
Shortfall recognised in balance sheet	**-**	-
Active members as at year end (Nos)	**6,258**	5,405

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

	March 31, 2018	**March 31, 2017**
Discount rate for the term of the obligation	**7.18%**	6.67%
Average historic yield on the investment portfolio	**8.94%**	8.79%
Discount rate for the remaining term to maturity of the investment portfolio	**7.18%**	6.67%
Expected investment return	**8.94%**	8.79%
Guaranteed rate of return	**8.55%**	8.65%

26. Other expenses

		(Rs. in Lakhs)
	For the year ended March 31, 2018	**For the year ended March 31, 2017**
Claims and other benefits payout	**28,294.74**	27,856.25
Agents' commission for health insurance business	**2,267.27**	5,897.10
Policy issuance cost	**825.61**	720.17
Professional and consultancy Fees	**18,575.33**	16,222.86
Legal and professional	**7,384.12**	7,161.74
Concession Fee	**722.42**	682.78
Management service charges	**745.00**	745.00
Power and fuel	**2,433.58**	2,075.55

Notes to Consolidated financial Statements for the year ended March 31, 2018

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Recruitment and training expenses	**618.41**	823.99
Outside lab investigation	**635.45**	503.65
Patient catering expenses	**818.02**	795.89
Rent	**3,364.26**	2,930.26
Insurance	**625.54**	516.85
Rates and taxes	**623.89**	464.43
Repairs and maintenance:		
Building	**769.06**	707.25
Plant and equipments	**1,606.10**	1,788.31
Others	**4,399.21**	3,546.63
Printing and stationery	**553.22**	543.82
Travelling and conveyance	**1,982.29**	1,798.75
Communication	**946.56**	988.84
Directors' sitting fee	**228.58**	198.12
Commission to other than sole selling agents	**31.76**	19.49
Branding, advertisement and publicity	**6,232.39**	5,823.48
Provision for doubtful debts and advances	**36.28**	471.72
Net loss on sale/disposal of fixed assets	**14.15**	36.14
Doubtful advances written off	**363.47**	151.22
Charity and donation	**53.72**	30.69
Net loss on foreign exchange fluctuation	**107.54**	1.21
Provision for delay of possession	**88.15**	208.38
CSR Expenditure	**53.12**	65.87
Miscellaneous expenses	**741.89**	421.44
	86,141.13	84,197.88

26.1 As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting healthcare and rural development projects. The Group has provided for and spent Rs. 53.12 Lakhs (March 31, 2017: Rs. 65.87 Lakhs) on various CSR initiatives, during the year, on the projects mentioned below:-

			(Rs. in Lakhs)
		For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	Construction / acquisition of any assets	**-**	-
(ii)	On purpose other than (i) above		
	Healthcare activities	**35.62**	28.75
	NGO work on healthcare platform	**-**	21.00
	Rural development project	**17.50**	16.12
		53.12	**65.87**

The above contribution of Rs. 53.12 Lakhs (March 31, 2017: Rs. 65.87 Lakhs) has been made to an enterprise owned or significantly influenced by key managerial personnel or their relatives i.e. Max India Foundation, a trust registered under Indian Trust Act, 1882, with the main objective of working in the area of healthcare and rural development projects.

Notes to Consolidated financial Statements for the year ended March 31, 2018

27. Depreciation and amortization expense

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	**6,038.09**	4,384.54
Amortization of intangible assets	**1,309.68**	939.10
	7,347.77	5,323.64

28. Finance cost

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest	**7,080.46**	4,871.50
Bank charges	**751.00**	398.85
	7,831.46	5,270.35

29. Earnings per share (EPS)

		(Rs. in Lakhs)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Total operations		
Basic EPS (Nominal value of share Rs 2 each)		
Loss after tax (after adjusting minority interest) (Rs. in Lakhs)	**(7,129.48)**	(4,619.73)
Net loss for calculation of basic EPS	**(7,129.48)**	(4,619.73)
Weighted average number of equity shares outstanding during the year (Nos.)	**267,986,308**	267,112,526
Basic Earnings Per Share (Rs.)	**(2.66)**	(1.73)
Dilutive EPS (Nominal value of share Rs 2 each)		
Equivalent weighted average number of employee stock options outstanding	**1,548,739**	2,384,982
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	**269,535,047**	269,497,508
Diluted Earnings Per Share (Rs.)*	**(2.66)**	(1.73)
Continuing operations		
Loss after tax from continuing operations (Rs. in Lakhs)	**(7,620.49)**	(5,400.83)
Weighted average number of equity shares outstanding during the year (Nos.)	**267,986,308**	267,112,526
Net profit for calculation of basic EPS	**(2.84)**	(2.02)
Dilutive EPS (Nominal value of share Rs 2 each)		
Equivalent weighted average number of employee stock options outstanding	**1,548,739**	2,384,982
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	**269,535,047**	269,497,508
Net profit/(loss) for calculation of diluted EPS	**(2.84)**	(2.02)

*Note: The conversion effect of potential dilutive equity shares are anti dilutive in nature, hence the effect of potential equity shares are ignored in calculating diluted earnings per share.

Notes to Consolidated financial Statements for the year ended March 31, 2018

30. Max India Employee Stock Plan

30.1. Max India Limited

Max India Employee Stock Plan – 2016 ("the 2016 Plan"):

The Company had instituted the 2016 Plan, which was approved by the Board of Directors on March 29, 2016 and by the shareholders on September 27, 2016. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2016 Plan is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. The Option Price is determined by the Nomination and Remuneration Committee, from time to time, in accordance with the provisions of applicable law, provided that the Option Price shall not be below the face value of the equity shares of the Company.

Particulars	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Option outstanding at the beginning of the year	**2,242,904**	**2.00**	2,503,560	2.00
Granted during the year	**22,155**	**2.00**	25,394	2.00
Exercised during the year	**(1,113,016)**	**2.00**	(286,050)	2.00
Outstanding at the end of the year	**1,152,043**		2,242,904	-
Exercisable at the end of the year	**-**	**-**	-	-

Note

For the year, the weighted average share price at the exercise date was Rs. 140.84 (March 31, 2017: Rs. 142.55)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 1.14 years (March 31, 2017: 1.63 years). The range of exercise prices for options outstanding at the end of the year was 2.00 to 78.80 (March 31, 2017: 2.00 to 394.00).

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Particulars	March 31, 2018	March 31, 2017
Date of option granted	**1-Apr-17**	9-Nov-16
Stock Price Now (in Rupees)	**150.95**	140.00
Exercise Price (X) (in Rupees)	**2.00**	2.00
Expected Volatility (Standard Dev - Annual)	**31.60%**	31.60%
Life of the options granted (Vesting and exercise period) in years	**3.00 - 5.00**	3.00-5.39
Expected Dividend	**0.00%**	0.00%
Average Risk- Free Interest Rate	**6.68%-6.88%**	6.56%-6.75%
Weighted average fair value of options granted	**149.31 - 149.53**	138.36-138.61

Notes to Consolidated financial Statements for the year ended March 31, 2018

30.2. Max Healthcare Institute Limited

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

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

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

1. The total number of options to be granted : Not more than 5% of the aggregate numbers of issued equity shares of the company at any point of time, in one or more tranches, may be issued as stock options under the Scheme.
2. Identification of classes of employees entitled to participate in the ESOP Scheme :
   a) A permanent employee of the company who has been working in India or outside India; or
   b) A director of the company, whether a whole time director or not but excluding an Independent Director; or
   c) An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company, if any, but does not include –
      - an employee who is a promoter or a person belonging to the promoter group; or
      - a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.
3. Requirements of vesting and period of vesting (minimum and maximum period of vesting)
   - The exact proportion in which the options would vest shall be determined by the NRC, subject to the minimum vesting period of one year and maximum vesting period of 5 years, from the date of grant of options.
   - The NRC will decide on the vesting of the options, in full (“Bullet Options”) or in a graded manner (“Graded Options’) on any date beginning at the end of one year from the date of grant and concluding at the end of five year from the date of grant.
   - The NRC, in its discretion, at the time of each grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options are granted under the Scheme would vest (subject to the minimum and maximum vesting period as specified above).
4. Exercise Price or formula for arriving at the same

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

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

   The shares allotted under ESOP 2006 are subject to lock-in upto the time of listing of shares. The shares are not transferable during the said Lock-in period unless otherwise approved and/or waived (or relaxed with such other terms & conditions imposed, as the case may be) by the NRC after evaluation such matter on a case to case basis.

   Further, the shares arising out of the options exercised by the employees may be subject to such restrictions including but not limited to obligations in respect of drag along and right of first refusal and such other terms and conditions, as may be determined by the NRC from time to time.

Notes to Consolidated financial Statements for the year ended March 31, 2018

7. Maximum number of options to be granted per employee and in aggregate

   The maximum number of options to be granted in aggregate shall not exceed 5% of the aggregate of number of issued equity shares of the company at any point of time. The maximum number of options to be granted per employee shall be as determined by NRC from time to time.

8. The method which the company shall use to value its options

   the company shall use one of the methods (whether intrinsic value or fair value or other) as may be prescribed under the applicable laws from time to time.

9. Exit option for Stock options : The employee may opt to exit from the stock options granted by the company in full or in parts based on the share valuation price ,i.e., Valuation of shares of the company done by a Category -I merchant banker and/or valuation of shares of the company for any investment in the shares of the company , whichever is later. The difference between the exercise price and the Share price would be paid to such employee as deferred compensation.

10. Exit option for the employees who have been issued shares upon exercise of the Stock options : The employee is having an exit option by way of listing of shares. Prior to listing of shares of the company and/or upon the occurrence of any strategic event in the nature of a change in management control/ownership, the NRC may , at its sole discretion on case to case basis, endeavour to determine the methodology, price, timelines, restrictions and other relevant matters for offering appropriate exit mechanism to such employees.

The 2006 Plan gives an option to the employee to purchase the share at a price determined by remuneration committee subject to minimum par value of shares (Rs. 10/-). However employees have a right to choose to settle in cash at a value calculated as a difference between Fair Market value of Shares and Exercise Price of Share. the company have valued Employee Stock Option outstanding as at year end based on trend of last two years w.r.t. exercise of option in favour of Cash Settlement or Equity Settlement.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	**4,133,324**	**53.45**	3,937,340	51.55
Granted during the Year	**1,729,778**	**84.00**	754,234	54.40
Forfeited during the year	**298,702**	**74.05**	558,250	41.29
Exercised during the year	**1,481,911**	**47.49**	-	-
Outstanding at the end of the year	**4,082,489**	**66.99**	4,133,324	53.45
Exercisable at the end of the year	**-**	**-**	700,000	38.31

The weighted average fair value of stock options granted during the year was Rs 84.00 (March 31, 2017: Rs 54.40)

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2018 are as follows:

	March 31, 2018		March 31, 2017	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
1-Mar-12	**-**	**-**	220,000	4.14 Years
25-Mar-15	**593,000**	**5.92 Years**	893,000	6.25 Years
1-Jul-15	**828,343**	**5.83 Years**	1,585,068	6.35 Years
1-Aug-15	**356,038**	**5.91 Years**	508,626	6.44 Years
25-Aug-15	**105,452**	**5.98 Years**	150,646	6.50 Years
3-Feb-15	**-**	**-**	280,000	4.92 Years
1-Apr-16	**668,151**	**7.58 Years**	754,234	4.92 Years
1-Sep-17	**1,531,506**	**7.49 Years**	-	-

Notes to Consolidated financial Statements for the year ended March 31, 2018

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Black Scholes Option Pricing model

Particulars	**March 31, 2018**	**March 31, 2017**
A. Stock Price Now (in Rupees)	**73.54**	48.12
B. Exercise Price (X) (in Rupees)	**84.00**	54.40
C. Expected Volatility (Standard Dev - Annual)	**33.63%**	26.87%
D. Historical Volatility	-	-
E. Expected Life of the options granted (Vesting and exercise period) in years	**7.49 Years**	8.28 Years
F. Expected Dividend	**Nil**	Nil
G. Average Risk- Free Interest Rate	**7.52%**	7.25%
H. Expected Dividend Rate	**Nil**	Nil

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of options is indicative of future trends, which may also not necessarily be the actual outcome.

the company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Net loss after tax as reported	**(7,129.48)**	(4,619.73)
Add: Employee stock compensation under intrinsic value method	**44.75**	20.06
Less: Employee stock compensation under fair value method	**(601.77)**	(142.31)
Performa profit	**(7,686.50)**	(4,741.98)
Earnings Per Share		
Basic		
- As reported	**(2.66)**	(1.73)
- Performa	**(2.87)**	(1.78)
Diluted		
- As reported	**(2.65)**	(1.72)
- Performa	**(2.85)**	(1.76)

Notes to Consolidated financial Statements for the year ended March 31, 2018

31. Leases

31.1. Finance lease: group as lessee

The group has finance leases and hire purchase contracts for various items of medical equipments. Upon the expiry of lease term the absolute and unencumbered ownership of the equipment shall vest with the Group at the guaranteed residual value. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

(Rs. in Lakhs)

	March 31, 2018		March 31, 2017	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	**62.62**	**49.20**	56.71	40.92
After one year but not more than five years	**137.66**	**125.03**	185.17	161.12
More than five years	**-**	**-**	-	-
Present value of minimum lease payments	**200.28**	**174.23**	**241.88**	**202.04**

31.2. Operating lease: group as lessee

Lease rentals recognized in the statement of profit and loss for the year is Rs. 3,364.26 Lakhs (March 31, 2017: Rs. 2,930.26 Lakhs)

The group has entered into operating leases for its office, hospitals, nurse hostel and for employees' residence, that are renewable on a periodic basis. The average life of lease is from 3 to 30 years. The total of future minimum lease payments under non-cancellable leases are as follows: (Rs. in Lakhs)

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Not later than one year	**2,358.56**	1,900.86
Later than one year and not later than five year	**6,430.89**	6,356.67
Later than five year	**7,733.46**	8,093.62
Total	**16,522.91**	**16,351.15**

32. Capitalisation of Expenditure

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Opening balance	**9,128.19**	4,076.49
Arising on account of change in stake	**44.77**	-
Add:		
Rent	**480.86**	500.21
Salaries, wages and bonus	**190.30**	813.14
Interest Expenses	**180.95**	3,379.90
Legal & Professional	**50.11**	201.80
Miscellaneous Expenses	**6.46**	171.82
Power and Fuel	**16.90**	7.81
Total	**10,098.53**	9,151.16
Less: Capitalised during the year	**(9,032.41)**	(22.97)
Preoperative expenses pending capitalisation	**1,066.12**	9,128.19

33. Interest in a joint venture

The Group holds, 49.70% (March 31, 2017: 45.95%) interest in Max Healthcare Institute Limited (MHIL) (incorporated in India), a joint controlled entity which is involved in the business of healthcare services and 20.00% interest in

Notes to Consolidated financial Statements for the year ended March 31, 2018

Forum I Aviation Limited (FIAL) (incorporated in India), a joint controlled entity which is involved in the business of aircraft chartering services to its members.

				(Rs. in Lakhs)
	Max Healthcare Institute Limited		Forum I Aviation Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current assets	**22,636.81**	16,558.91	**240.35**	194.76
Non current assets	**141,207.43**	91,152.81	**1,153.43**	1,232.01
Current liabilities	**(23,683.44)**	(17,617.08)	**(24.00)**	(21.17)
Non Current liabilities	**(88,914.65)**	(36,473.35)	**(214.40)**	(315.22)
Equity	**51,246.15**	**53,621.29**	**1,155.38**	**1,090.38**
Revenue	**88,619.94**	77,040.59	**393.36**	462.81
Cost of material consumed	**(22,333.65)**	(19,445.31)	**-**	-
Depreciation	**(4,692.67)**	(4,386.58)	**(53.53)**	(53.53)
Finance cost	**(4,938.46)**	(4,695.34)	**(6.49)**	(3.25)
Employee benefit expenses	**(21,017.65)**	(16,279.55)	**(91.27)**	(103.24)
Other Expenses	**(36,954.22)**	(31,645.22)	**(236.78)**	(280.31)
Profit/(Loss) before tax	**(1,316.71)**	**588.59**	**5.29**	**22.48**
Tax expense	**494.49**	(79.49)	**(23.98)**	14.65
Loss after tax from continuing operations	**(1,811.20)**	**668.08**	**29.27**	**7.83**
Profit on discontinued operations	**491.01**	-	**-**	-
Loss after tax	**(1,320.19)**	**668.08**	**29.27**	**7.83**
Capital commitments	**4,505.10**	6,999.14		
Contingent liabilities	**48,178.94**	16,136.20		

34. Segment Information

34.1. Business Segments

The Company has considered business segment as the primary segment for disclosure. The products/ services included in each of the reported business segments are as follows:

a) Healthcare Business – The Company' Joint Venture and Subsidiary Companies of Joint Venture are engaged in the delivery of healthcare services in North India through its primary and tertiary healthcare centers. This also includes revenue from leasing of medical and other equipment.

b) Business Investments – This segment is represented by treasury investments.

c) Health Insurance – This segment relates to the health insurance business carried out pan India, by one of the Company's subsidiary.

d) Senior Living – One of the Company's subsidiaries is engaged in the business of senior living.

e) Learning and Development - This segment relates to learning and development activity carried out by its subsidiaries.

f) Others – The leasing activities undertaken by one of the Company's subsidiary are classified under this segment.

The above business segments have been identified considering:

(i) The nature of products and services

(ii) The differing risks and returns

(iii) Organizational structure of the group, and

(iv) The internal financial reporting systems

Segment Revenue consists of segment revenue from external customers and revenue from other segments.

Segment Result is the difference of segment revenue and segment operating expenses.

Unallocated Assets include assets pertaining to the holding company's corporate office such as, loans, advance and deposits.

Unallocated Liabilities include tax provisions and interest bearing loans not directly related to any business segment.

Unallocated Expenses - Expenses incurred at corporate office of the holding company relate to various business segments. As there is no reasonable basis of allocating this expenditure to various segments, the same are shown as unallocated reconciling expenses. Interest expense is not treated as part of a segment expense and is reflected as a separate line item.

Notes to Consolidated financial Statements for the year ended March 31, 2018

34.2. Geographical Segments

The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India.

34.3. Segment Information

(Rs. in Lakhs)

	Primary Segments	Healthcare business		Health Insurance business		Senior Living business		Business Investments		Learning and Development		Others		Total	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
a.	**Segment Revenue from**														
	Sales to external customers	**7,598.21**	6,812.69	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**7,598.21**	6,812.69
	Service Income	**76,964.04**	66,186.64	**57,585.42**	54,428.10	**572.98**	-	**-**	-	**3,794.02**	3,794.62	**2,832.82**	2,127.31	**141,749.28**	126,536.67
	Service/Interest Income from inter segments	**613.30**	424.95	**-**	-	**66.96**	69.03	**858.02**	645.76	**652.73**	635.66	**1,522.67**	480.06	**3,713.68**	2,255.46
	Income from investment activities	**-**	-	**5,083.95**	5,191.69	**-**	-	**1,789.82**	2,499.07	**-**	-	**(0.01)**	-	**6,873.76**	7,690.76
	Other operating revenue	**867.06**	565.87	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**867.06**	565.87
	Total Segment Revenue	**86,042.61**	73,990.15	**62,669.37**	59,619.79	**639.94**	69.03	**2,647.84**	3,144.83	**4,446.75**	4,430.28	**4,355.48**	2,607.37	**160,801.99**	143,861.45
	Less: Inter segment revenue	**613.30**	424.95	**-**	-	**66.96**	69.03	**858.02**	645.76	**652.73**	635.66	**1,522.67**	480.06	**3,713.68**	2,255.46
	Revenue from operations	**85,429.31**	73,565.20	**62,669.37**	59,619.79	**572.98**	-	**1,789.82**	2,499.07	**3,794.02**	3,794.62	**2,832.81**	2,127.31	**157,088.31**	141,605.99
b.	**Segments Results from continuing operations**	**2,173.98**	**4,331.78**	**4,534.77**	**765.16**	**(4,345.39)**	**(4,018.54)**	**1,789.82**	**2,499.07**	**(345.26)**	**(159.61)**	**205.41**	**(222.20)**	**4,013.33**	**3195.66**
	Add: Interest Income													**1,721.04**	1,025.46
	Sub-total													**5,734.37**	**4,221.12**
	Less:														
	Unallocated Expenses (Net of unallocated income)													**2,730.49**	4,021.31
	Interest Expenses													**7,831.46**	5,270.35
	Loss before tax from continuing operations													**(4,827.58)**	**(5,070.54)**
	Provision for taxation (includes provision for Deferred Tax)													**1,600.89**	325.35
	Loss after tax from continuing operations													**(6,428.27)**	**(5,395.89)**
	Profit after Tax from discontinued operations													**491.01**	781.10
	Less: Minority Interest													**1,192.02**	4.94
	Net Loss (after adjusted minority interest)													**(7,129.47)**	**(4,619.74)**

Notes to Consolidated financial Statements for the year ended March 31, 2018

(Rs. in Lakhs)

	Primary Segments	Healthcare business		Health Insurance business		Senior Living business		Business Investments		Learning and Development		Others		Total	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
c.	**Carrying amount of segment assets**	**90,054.29**	76,664.50	**81,642.37**	72,378.01	**54,875.72**	53,537.43	**13,643.91**	30,112.54	**1,736.95**	1,435.27	**3,855.31**	4,441.66	**245,808.55**	**238,569.41**
	Add: Unallocated assets													**12,459.97**	13,920.76
	Goodwill													**58,380.24**	39,712.63
	Total Assets													**316,648.76**	**292,202.80**
d.	**Segment Liabilities**	**18,153.93**	13,995.46	**55,782.02**	48,887.65	**26,931.70**	22,113.33	**-**	-	**1,610.36**	1,355.65	**410.64**	153.23	**102,888.65**	**86,505.32**
	Add: Unallocated liabilities													**72,379.00**	66,705.03
	Total Liabilities													**175,267.65**	**153,210.35**
e.	**Cost to acquire tangible and intangible fixed assets**	**6,744.52**	1,115.00	**2,003.11**	2,173.86	**5,868.64**	-	**-**	-	**30.98**	3.77	**250.25**	234.29	**14,897.50**	**3,526.92**
	Unallocated													**203.81**	97.97
	Total Addition													**15,101.31**	**3,624.89**
f.	**Depreciation and amortisation expenses**	**4,229.20**	4,387.01	**1,587.62**	1,154.79	**1,517.49**	109.20	**-**	-	**17.38**	20.04	**(90.92)**	(427.58)	**7,260.77**	**5,243.46**
	Unallocated depreciation & amortization													**86.99**	80.18
	Total depreciation and amortization													**7,347.76**	**5,323.64**
g.	**Non-cash expenses other than depreciation and amortisation**	**520.80**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**520.80**	**-**
	Unallocated non cash expenses													**44.75**	20.06
	Total													**564.75**	**20.06**

Notes to Consolidated financial Statements for the year ended March 31, 2018

35. Related parties disclosures

Joint Venture	1	Max Healthcare Institute Limited
	2	ALPS Hospital Limited (subsidiary of Max Healthcare Institute Limited)
Key Management Personnel (KMP)	1	Mr. Mohit Talwar (Managing Director)
	2	Mr. Jatin Khanna (Chief Financial Officer)
	3	Mr. V Krishnan (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	1	Max Financial Services Limited (upto May 14, 2016)
	2	Max Life Insurance Company Limited (upto May 14, 2016)
	3	Malsi Estates Limited (upto May 14, 2016)
	4	Siva Realty Ventures Private Limited (upto May 14, 2016)
	5	Piveta Estates Private Limited (upto May 14, 2016)
	6	Vana Retreats Private Limited (upto May 14, 2016)
	7	Max Speciality Films Limited (upto May 14, 2016)
	8	Veeras Kitchen Private Limited (upto May 14, 2016)
Employee benefit funds	1	Max Financial Services Ltd. Employees' Provident Fund Trust

35.1. Transactions with related parties during the period:

(Rs. in Lakhs)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Income from shares services								
Max Financial Services Limited	-	-	-	92.29	-	-	-	92.29
Reimbursement of expenses (Received from)								
Max Financial Services Limited	-	-	-	10.12	-	-	-	10.12
Max Life Insurance Company Limited	-	-	-	27.65	-	-	-	27.65
Reimbursement of expenses (Paid to)								
Max Life Insurance Company Limited		-	-	5.04		-	-	5.04
Insurance paid								
Max Life Insurance Company Limited	-	-	-	2.64	-	-	-	2.64
CSR activities								
Max India Foundation	-	-	**23.44**	45.00	-	-	**23.44**	45.00
Managerial Remuneration								
Mohit Talwar	**319.94**	177.14	-	-	-	-	**319.94**	177.14
Jatin Khanna	**124.78**	100.32	-	-	-	-	**124.78**	100.32
V Krishnan	**136.51**	113.20	-	-	-	-	**136.51**	113.20
Company's contribution to Max Financial Services Limited Provident Fund Trust	-	-	-	-	**927.56**	924.68	**927.56**	924.68

Notes to Consolidated financial Statements for the year ended March 31, 2018

36. Capital and Other Commitments

a) Capital Commitments

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	**14,600.91**	21,954.32
Less: Capital advances (note 16)	**9,321.29**	10,189.12
Net capital commitment for acquisition of capital assets	**5,279.62**	**11,765.20**

b) Other Commitments

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
General and administration expense	**0.55**	-
Export obligation as on date to be fulfilled, in the succeeding eight years from the date of license issued by EPCG for availing of concessional custom duty on imports under EPCG scheme to the extent of six times the duty saved.		
- Duty saved	**165.00**	-
- Export obligation	**141.64**	-
	307.19	-

36.1 Commitment with respect to leases refer note 31

37. Contingent Liabilities not provided for

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
i	Share of guarantee given by the jointly controlled entity (Max Healthcare Institute Limited) (Refer note (a))	**41,186.97**	10,853.65
ii.	Claims against the Company not acknowledged as debts (Refer note (b))		
	- Service tax demands	**617.25**	643.94
	- Sales tax	**122.75**	113.49
	- Legal cases and claims	**8,089.89**	4,845.96
iii.	Export obligation as on date to be fulfilled, in the succeeding eight years from the date of license issued by EPCG for availing of concessional custom duty on imports under 5% EPCG scheme to the extent of eight times the duty saved.	**340.43**	543.56
iv	Guarantee / Letter of Credit given by Banks (Deposit of Rs. 89.30 Lakhs (March 31, 2017 : Rs 179.14 Lakhs) held by bank as margin shown under the head "Cash and Bank Balances")	**480.86**	500.21
v	Income tax cases	**(note (c) and (d))**	(note (c) and (d))

Note:

a. Guarantees given by the Group on behalf of others is not considered as prejudicial to the interest of the Group as it provides opportunity for growth and increase in operations of the Group.

b. Claims against the Group not acknowledged as debts represent the civil cases that are pending with various Consumer Disputes Redressal Commissions / Courts. Based on expert opinion obtained, the management believes that the Group has good chance of success in these cases. In addition to this, as a measure of good

Notes to Consolidated financial Statements for the year ended March 31, 2018

corporate governance the company has taken Professional Indemnity Insurance Policy for claims pending against the Group to secure the Group from any financial implication in case of claims settled against the Group.

c) Max Bupa Health Insurance Company Limited ("Max Bupa")

For assessment year 2010-11 and 2011-12 under section 143(3) of the Income Tax Act, 1961, expenses amounting to Rs. 6,137.28 Lakhs have been disallowed by the Assessing Officer and the losses allowed to be carried forward by the Assessing Officer for the purpose of income tax assessment are lower to that extent. Accordingly, this may have effect on the taxability of future income of the company, depending on the outcome of the appeal. As on date, the matter is pending with CIT (Appeals). The management is confident that the outcome of these appeals would be in favor of Max Bupa.

d) Max Healthcare Institute Limited
Income Tax Cases

Assessment year	Pending before ITAT		Disallowances pending before CIT(A)	Disallowances pending - as at March 31, 2018 (Rs. In Lakhs)	Disallowances pending- as at March 31, 2017 (Rs. In Lakhs)	Demand (if any) (Rs. In Lakhs)	
	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**	171	**-**	-
2011-12	547	-	450	**997**	177	**-**	-
2012-13	-	1,191	455	**1,646**	711	**-**	-
2013-14	114	395	473	**982**	114	**-**	-
2014-15	-	-	708	**708**	90	**-**	-
2015-16	-	-	1,573	**1,573**	-	**9**	9
	5,061	**1,799**	**3,659**	**10,519**	**5,465**	**9**	**9**

38. Actuarial Assumptions

Health Insurance Business

Max Bupa's appointed actuary has determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims Incurred But Not Reported' (IBNR) amounting to Rs. 3,741 Lakhs that conform with Regulations issued by the IRDAI and professional guidance notes issued by the Institute of Actuaries of India.

(i) As at March 31, 2018, Max Bupa has made a provision of Rs. 53 Lakhs towards provider reconciliation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.

(ii) As at March 31, 2018, Max Bupa has made a provision of Rs. 1,622 Lakhs towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.

39. Discontinued Operations

In view of the emerging scenario and other commercial consideration, the management of the Group think appropriate to focus on the businesses other than leasing going forward and invest the resources of the Group in the direction. In the opinion of the board of the Group, the leasing business of the Group shall require a lot

Notes to Consolidated financial Statements for the year ended March 31, 2018

of capital to grow the business and in view of potential profitability it will be in the best interest of the Group to exit the business and invest and focus on remaining businesses. The Group has thus decided to undertake discontinued operations of the business undertaking of equipment leasing division.

During the year, pursuant to the approval of the Shareholders of Max Healthcare Institute Limited and other authorities, Max Healthcare Institute Limited has entered into a Business Transfer Agreement (BTA) dated June 30,2017 with "Devki Devi Foundation" to sell its Leasing division business by way of Slump Sale on going concern basis. At June 30, 2017, the Group has classified the lease division business as a discontinued operation. The total purchase consideration has been agreed at Rs. 2,241.12 lakhs and the sale of the business had been completed by June 30, 2017.

During the year, pursuant to the approval of the Shareholders of Saket City and other authorities, Saket City Hospitals Private Limited has entered into a Business Transfer Agreement (BTA) dated June 30,2017 with "Gujarmal Modi hospital & Research Centre for Medical Sciences" to sell its Leasing division business by way of Slump Sale on going concern basis. At June 30, 2017, The Group has classified the lease division business as a discontinued operation. The total purchase consideration has been agreed at Rs. 1,838.81 Lakhs and the sale of the business had been completed by June 30, 2017.

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

		(Rs. in Lakhs)
	For the year ended March 31, 2018	**For the year ended March 31, 2017**
Revenue from operations		
Other operating Income		
- Income from leasing activities	379.69	1,338.44
	379.69	1,338.44
Other income		
Other non-operating income		
- Gain on disposal of assets attributable to the discontinuing operations	262.40	-
Total income	**642.09**	**1,338.44**
Expenses		
Employee benefits expense		
Salaries, wages and bonus	0.50	1.38
Depreciation and amortization expense		
Depreciation of property, plant and equipment	146.11	549.99
Amortization of intangible assets	1.49	5.97
Other expense		
Miscellaneous Expenses	0.50	-
Legal and professional	2.48	-
Total expenses	**151.08**	**557.34**
Profit before tax from a discontinued operations	491.01	781.10
Tax Income/(expenses) of discontinued operations	-	-
Profit after tax from discontinued operation	**491.01**	**781.10**

The net cash flows attributable to discontinuing operations:

		(Rs. in Lakhs)
	For the year ended March 31, 2018	**For the year ended March 31, 2017**
Operating activities	638.62	1,337.06
Investing activities	65.60	(44.57)
Financing activities	-	-
Net cash outflow	**704.22**	**1,292.49**

Notes to Consolidated financial Statements for the year ended March 31, 2018

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	
Property, plant and equipment	3,160.28
Trade receivable	559.60
Loans and advances	402.30
Total assets (a)	**4,122.18**
Liabilities	
Current liabilities	0.50
Long term borrowings	304.15
Total liabilities (b)	**304.65**
Net assets directly associated with lease division disposed of (a-b)	**3,817.53**

40. Scheme of Merger

40A. Scheme of merger between Max Healthcare Institute Limited (MHIL), Max Medical Services Limited ("MMSL')

a. During the year, the one of the joint venture, MHIL has entered into a scheme of amalgamation 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 under the same management with the Group.

The Board of Directors of the MHIL had, at their meeting held on December 6, 2016, approved the amalgamation of Max Medical Services Ltd. (a wholly owned subsidiary of the MHIL) ["MMSL"] into the Company. The purpose of amalgamation 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 amalgamation 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 Amalgamating Company:-**
Max Medical Services Limited
MMSL 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 amalgamation and in terms of the said approved scheme, the authorised share capital of MHIL 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 MHIL stands at Rs. 96,000.00 Lakhs.

d. **Accounting treatment**
The Group has followed the accounting treatment prescribed in the said approved Scheme of Amalgamation, as follows:

The amalgamation of Max Medical Services Limited with MHIL has been accounted in the books by using the Pooling of interests method in accordance with the said approved Scheme of amalgamation and AS-14 as notified under the Companies Act, 2013. Since the subsidiary amalgamated were wholly owned subsidiary of MHIL, there was no exchange of shares to effect the amalgamation. The difference between the amounts recorded as investments of MHIL and the amount of share capital and security premium of MMSL have been adjusted in the capital reserve with Rs. 327.98 Lakhs.

Notes to Consolidated financial Statements for the year ended March 31, 2018

Accordingly, the Group 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, 2017, the details of which are as follows:

	(Rs. in Lakhs)
Liabilities	**Amount**
Equity and liabilities	
Shareholders' funds	
Share capital	1,696.68
Reserves and surplus	
Share premium	251.97
Profit and loss account	3,985.76
	5,934.41
Non-current liabilities	
Long-term borrowings	1,663.88
Deferred tax liabilities	570.03
Long-term provisions	0.50
	2,234.41
Current liabilities	
Trade payables	
• Total outstanding dues of micro enterprises and small enterprises	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	383.14
Other current liabilities	8.95
Short-term provisions	1.49
	393.58
TOTAL	**8,562.40**

	(Rs. in Lakhs)
Assets	**Amount**
Non-current assets	
Fixed assets	
Property, plant and equipment	2,182.23
Intangible assets	41.75
Intangible assets under development	23.36
Non-current investments	1,266.30
Loans and advances	261.41
Trade receivables	3,821.75
	7,596.80
Current assets	
Inventories	2.48
Trade receivables	921.89
Cash and bank balances	10.93
Loans and advances	33.30
	968.60
TOTAL	**8,565.40**

e. As the amalgamation is between MHIL and MMSL which is a subsidiary under common control in previous year, there is no change in the figures for the previous year ended March 31, 2017

Notes to Consolidated financial Statements for the year ended March 31, 2018

40B. Scheme of merger between Hometrail Buildtech Private Limited [HBPL] and Hometrail Estate Private Limited [HEPL]

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

41. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure

Particulars	As at March 31, 2018			As at March 31, 2017		
	Foreign Currency (in Lakhs)	Exchange Rate (Rupee)	Indian Rupee (in Lakhs)	Foreign Currency (in Lakhs)	Exchange Rate (Rupee)	Indian Rupee (in Lakhs)
Import capital creditors (EUR)	**0.14**	**80.62**	**10.76**	3.99	69.29	276.47
Import capital creditors (USD)	**4.62**	**65.04**	**300.49**	2.47	64.85	160.18
Import capital creditors (YEN)	**-**	**0.62**	**-**	0.30	0.58	0.17
Trade payables (GBP)	**-**	**92.28**	**-**	0.10	80.48	8.05

42. Max India Limited ("the Company") is a core investment company (non systemically important - CIC) under the Non-Banking Financial Company (NBFC) Rules as defined under the RBI Act, 1934. The financial for the year ended March 31, 2018 have been prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

43. During the year, the Company has acquired 201,49,399 equity shares at Rs. 105/- each (i.e. 3.75% equity share capital) of Max Healthcare Institute Limited (MHIL) held by International Finance Corporation, for a consideration of Rs. 21,156.87 Lakhs. Subsequent to such acquisition, shareholding of the Company in MHIL increased to 49.70%.

44. Deal with Vikrant Foundation, Vikuj Healthcare Private Limited

During the current year, a subsidiary of the Company's joint venture, Alps Hospital Limited (Alps) has entered into a agreement with Vikuj Healthcare Private Limited (VHPL) to acquire its 100% equity share capital. Alps purchased 26% stake in VHPL for a consideration of Rs.26,000 and for remaining 74% stake, MHIL has deposited Rs.72.89 crores in an escrow account which will get credited to VHPL once the required clearances from Delhi Development Authority to build hospital on that land will be received by VHPL.

Alps made investment in VHPL to obtain an exclusive rights of operating and managing the healthcare services to be rendered to the trust. For this, MHIL has also entered into a Medical service Sub contract agreement, wherein by virtue of this agreement medical service agreement as mentioned in (2) has been assigned to Alps Hospitals limited. In such model, the company charges medical service fees from trust which will become revenue for MHIL.

The Group has shown 49.70% of amount deposited i.e.Rs.3,622.63 lakhs in escrow account under head "Other assets".

Notes to Consolidated financial Statements for the year ended March 31, 2018

45. During the current year, in one of the Compnay's joint venture, MHIL, "Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi, 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 financial statement/auditor report 8th May, 2018 Accordingly, Max Super Speciality Hospital, Shalimar Bagh has resumed its operations on 20 December, 2017.

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

46. Till previous year, the Company had a put option to transfer upto 24% of its shareholding in Max Bupa Health Insurance Co. Limited (Max Bupa) and Bupa Singapore Pte. Limited (Bupa Singapore) had a call option under which the Company would be required to transfer 24% of its shareholding in Max Bupa to Bupa Singapore subject to approval under applicable laws and regulations. As a consideration of the call option granted by the Company, Bupa Singapore is obliged to pay an option fee.

During the previous year, on June 01, 2016, the Company divested its 23% stake in Max Bupa, to Bupa Singapore Pte. Limited for a consideration of Rs. 20,654.00 lakhs. Consequently, the Company's stake in Max Bupa has .reduced to 51% and the option agreement stands terminated effective June 09, 2016

47. Max Bupa (a subsidiary company) had received exemption from IRDA under the provisions of Sec 40 C (1) of the Insurance Act ,1938 read with rule 17 E of the Insurance Rules, 1939, which was valid for a period of 5 financial years staring from FY 2010-11 to FY 2014-15. Max Bupa had filed with IRDA for forbearance for exceeding the expenses of management over the allowable limit for 2015-16 along with a convergence plan. A sum of Rs. 10,556 Lakhs, which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account in accordance with the circular no. IRDAI/Reg./12/124/2016.

48. Details of utilisation of proceeds through preferential issue are as below:

	(Rs. in Lakhs)
	For the year ended March 31, 2018
Proceeds received during the year	7,500.00
Less: Amount utilised during the year	
(Investment in equity shares of joint venture)	7,500.00
Unutilised amount at the end of the year	-

49. The group has reclassified previous year figures to conform to this year's classification, wherever considered necessary.

As per our report of even date

For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date : May 29, 2018

For and on behalf of the Board of Directors of Max India Limited

Mohit Talwar
(Managing Director)
DIN No - 02394694

Ashok Brijmohan Kacker
(Director)
DIN No. : 01647408

Jatin Khanna
(Chief Financial Officer)

V. Krishnan
(Company Secretary)

Place : New Delhi
Date : May 29, 2018