INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Max Healthcare Institute Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
per **Manoj Kumar Gupta**
Partner
Membership No: 083906
Place of Signature:
Date: May 4, 2016

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

Re: **Max Healthcare Institute Limited** ('the Company')

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our option, is reasonable having regards to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the sale of goods and services related to healthcare, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax, sales tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to duty of excise are not applicable to the Company.

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

Name of the statute	Nature of the dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand under section 201 of the Income Tax Act, 1961 for non-deduction of tax at source.	0.46	AY 2010-11	Income Tax Appellant Tribunal
DVAT, 2005	Mismatch of VAT under section 32 and 33 of DVAT, 2005	128.72	FY 2012-13 and FY 2013-14	Additional Commissioner (VAT)
Service Tax	Demand Notice issued-Doctor Payout (Business Support Service)	1,184.81	FY 2006-07 to FY 2012-13	Commissioner of Central excise (Faridabad)

viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, and bank .The Company did not have any outstanding dues from debenture holders or Government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, and on overall examination of the balance sheet, we report that monies raised by the Company by way of right issue / term loans were applied for the purpose for which the money raised/ loans were obtained, though idle/ surplus funds which were not required for immediate utilization have been gainfully invested in mutual funds. The maximum amount of idle/ surplus funds invested during the year was Rs.13,954 lacs of which Rs. Nil was outstanding at the end of the year.

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

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

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

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

Sd/-
per **Manoj Kumar Gupta**
Partner
Membership No: 083906
Place of Signature:
Date: May 4, 2016

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

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

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

We have audited the internal financial controls over financial reporting of Max Healthcare Institute Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, 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, the standalone financial statements of Max Healthcare Institute Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 4, 2016 expressed an unqualified opinion thereon.

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

Sd/-
per **Manoj Kumar Gupta**
Partner
Membership No: 083906
Place of Signature:
Date: May 4, 2016

Max Healthcare Institute Limited

Balance Sheet

	Notes	As at March 31, 2016	As at March 31, 2015
			(Rs in Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**53,341**	48,881
Reserves and surplus	4	**75,617**	52,274
		128,958	101,155
Non-current liabilities			
Long-term borrowings	5	**17,715**	22,275
Long-term provisions	7	**722**	490
Other long term liabilities	6	**473**	199
		18,910	22,964
Current liabilities			
Short-term borrowings	8	**8,713**	4,029
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	9	**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9	**13,055**	11,123
Other current liabilities	9	**2,724**	4,830
Short-term provisions	7	**815**	803
		25,307	20,785
TOTAL		**173,175**	144,904
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**39,484**	41,710
Intangible assets	10	**3,029**	1,268
Capital work-in- progress		**645**	366
Intangible assets under development		**5**	1,086
Non-current investments	11	**87,992**	30,796
Long-term loans and advances	12	**24,832**	35,953
Other non-current assets	13	**-**	6
		155,987	111,185
Current assets			
Current investments	14	**-**	14,300
Inventories	15	**1,318**	1,274
Trade receivables	16	**11,927**	14,401
Cash and cash equivalents	17	**391**	1,952
Loans and advances	12	**2,354**	1,294
Other current assets	13	**1,198**	498
		17,188	33,719
TOTAL		**173,175**	144,904
Significant accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

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

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

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

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

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

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

Place : Gurgaon
Date : May 4, 2016

Place : New Delhi
Date : May 4, 2016

Max Healthcare Institute Limited
Statement of Profit and Loss

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
			(Rs in Lacs)
Income			
Revenue from operations (net)	18	**91,493**	78,957
Other income	19	**2,970**	3,310
Total revenue (I)		**94,463**	82,267
Expenses			
Purchase of pharmacy,drugs,consumables and implants		**26,069**	23,924
(Increase) in inventory of pharmacy, drugs and consumables and implants		**(44)**	(210)
Employee benefits expense	20	**21,725**	18,175
Depreciation and amortisation expense	21	**5,052**	4,944
Finance costs	22	**2,986**	4,317
Other expenses	23	**40,892**	34,931
Total expenses (II)		**96,680**	86,081
Loss before tax		**(2,217)**	(3,814)
Tax expenses			
Current tax			
Adjustment of tax relating to earlier periods		**(2)**	-
Total tax expense		**(2)**	-
Loss for the year		**(2,215)**	(3,814)
Earnings per equity share[Nominal value of shares Rs.10 (Previous year Rs.10)]	25		
Basic & Diluted		**(0.44)**	(0.85)
Signficant accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

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

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

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

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

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

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

Place : Gurgaon
Date : May 4, 2016

Place : New Delhi
Date : May 4, 2016

Max Healthcare Institute Limited
Cash Flow Statement

	For the year ended March 31, 2016	For the year ended March 31, 2015
		(Rs in Lacs)
A. Cash flow from operating activities		
Net Loss before tax	**(2,217)**	(3,814)
Adjustment for:		
Depreciation and amortisation expense	**5,052**	4,944
Loss on sale of fixed assets	**4**	44
Profit on sale of current investments	**(593)**	(202)
Provision for doubtful debts	**280**	489
Provision for doubtful advances	**40**	9
Provision for wealth tax	-	2
Bad debts/ sundry balances written off	**264**	-
Foreign exchange fluctuation (gain)	**-**	(1)
Liabilities no longer required written back	**(93)**	(143)
Interest income	**(2,012)**	(2,904)
Interest expense	**2,804**	4,131
Employee stock option expense	**15**	16
Operating profit before working capital changes	**3,544**	2,571
Movements in working capital :		
Decrease Trade receivables	**1,930**	2,492
(Increase) in Inventories	**(44)**	(210)
(Increase) in Loans and advances	**(255)**	(306)
(Increase)/decrease in Other assets	**(152)**	98
Increase/ (decrease) in Trade payables	**2,025**	(208)
Increase in Other liabilities	**321**	261
Increase in Trade Provisions	**233**	170
Cash generated from operations	**7,602**	4,868
Taxes paid (net of refunds)	**(1,197)**	(1,000)
Net cash flow from operating activities (A)	**6,405**	3,868
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	**(2,238)**	(5,426)
Proceeds from sale of fixed assets	**61**	44
Redemption/ maturity of bank deposits (having original maturity of more than three months)	**-**	90
Loan to subsidiaries/ fellow subsidiaries/ other healthcare institutions	**(122)**	(3,479)
Loan repaid by subsidiaries/ fellow subsidiaries/ other healthcare institutions	**10,115**	2,530
Investments in subsidiaries	**(57,196)**	(3,000)
Investments in mutual funds	-	(37,883)
Proceeds from redemption of mutual funds	**14,893**	23,785
Interest received	**1,476**	3,330
Net cash flow (used in) investing activities (B)	**(33,011)**	(20,009)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital including security premium (net of share issue expenses)	**30,018**	40,902
Redemption of 2% Cumulative Partially Convertible Preference Shares	**-**	(14,343)
Proceeds from long-term borrowings	**1,000**	2,915
Repayment of long term borrowings	**(7,870)**	(2,080)
Proceeds from short-term borrowings	**4,684**	-
Repayment of short-term borrowings	**-**	(5,587)
Interest paid	**(2,781)**	(4,189)
Net cash flow from financing activities (C)	**25,051**	17,618
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**(1,555)**	1,477
Cash and cash equivalents at the beginning of the year	**1,946**	469
Cash and cash equivalents at the end of the year	**391**	1,946

Max Healthcare Institute Limited
Cash Flow Statement

(Rs in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Components of cash and cash equivalents:		
Cash on hand	**80**	81
Cheques/drafts in hand	**66**	67
Balances with banks on current and escrow accounts	**245**	1,798
Balances with banks on special disbursement account		
Balances with banks on deposit accounts	**-**	-
Total cash and cash equivalents*	**391**	1,946

* Cash and cash equivalents does not include other bank balances of Rs. Nil (March 31, 2015 Rs. 6 Lacs).

The accompanying notes are integral part of the financial statements

As per our report of even date attached

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

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 4, 2016

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

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

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

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

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

Place : New Delhi
Date : May 4, 2016

1 Corporate Information

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

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

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

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on the accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly issued accounting standard is initially adopted or revision in accounting standard require a change in accounting policy hitherto in use.

Significant accounting policies

(a) Use of estimates

The preparation of 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 and appropriate changes are made as management become aware of the change in circumstances surrounding their estimate, 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.

(b) Tangible fixed assets

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

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

Gains or losses arising from sale/disposal/de-capitalisation of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of tangible asset and are recognised in the statement of profit and loss when tangible asset is derecognised.

(c) Depreciation on tangible fixed assets

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its tangible assets.

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

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of two to seven years.

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

Non compete fee paid is recognized as an intangible assets and amortized on a straight-line basis over the period as defined in the non compete agreement.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired.The amortisation period and the amortisation method are reviewed atleast at each financial year end.

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 intangible asset and are recognised in the statement of profit and loss when the intangible asset is derecognised.

(e) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company 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 fees, 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. However, if there is no reasonable certainty that the Company 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.

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 Company is the lessor

Lease in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance lease. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company 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 Company 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 fixed assets. 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.

(f) Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with arrangement of borrowings.

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.

(g) Impairment of tangible and intangible assets

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

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

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

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

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

(h) 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 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.

(i) Inventories

Inventories comprise of pharmacy, drugs, consumable and implants which are valued at lower of cost and net realizable value. Cost includes the cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

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

(j) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

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 (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.Hence, they are excluded from revenue.

Income from Services

Revenue from healthcare services (including drugs, consumables and implants used in delivery of such 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.

Interest

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

Incentive Income

Benefits under "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.

(k) Foreign currency translation

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 measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rates at the date when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company 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.

(l) Retirement and other employee benefits

Provident fund

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

Gratuity

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

Compensated Absences

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

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

(m) Long term incentive plan

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

(n) 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 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted,at the reporting date.Current income tax relating to items recognised directly in equity is recognised 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 reporting date.Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

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

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable profit will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company 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 profits 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 profits 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 tax liabilities relates to the same taxable entity and the same taxation authority.

(o) Employee stock compensation cost

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

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.

(p) Earnings Per Share

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

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

(q) Provisions

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

(r) Contingent liability

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

(s) 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.

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3. Share Capital

	As at March 31, 2016	As at March 31, 2015
		(Rs in Lacs)
Authorised Shares (Nos)		
925,000,000 (March 31, 2015: 925,000,000) equity shares of Rs.10/- each	**92,500**	92,500
125,000,000 (March 31, 2015: 125,000,000) Cumulative Preference Shares of Rs.10/- each	**12,500**	12,500
	105,000	105,000
Issued, subscribed and fully paid-up		
533,408,098 (March 31, 2015: 488,813,654) equity shares of Rs.10/- each	**53,341**	48,881
Total issued, subscribed and fully paid-up share capital	**53,341**	48,881

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

	As at March 31, 2016		As at March 31, 2015	
Equity shares	**No. of shares**	**(Rs in Lacs)**	No. of shares	(Rs in Lacs)
At the beginning of the year	**488,813,654**	**48,881**	427,282,355	42,728
Issued during the year				
- Fresh Issue	**44,444,444**	**4,445**	61,381,299	6,138
- ESOP	**150,000**	**15**	150,000	15
Outstanding at the end of the year	**533,408,098**	**53,341**	488,813,654	48,881

	As at March 31, 2016		As at March 31, 2015	
Cumulative partially convertible preference shares	**No. of shares**	**(Rs in Lacs)**	No. of shares	(Rs in Lacs)
At the beginning of the year	-	-	65,468,747	6,547
Redeemed during the year	-	-	(65,468,747)	(6,547)
Outstanding at the end of the year	-	-	-	-

3.2 Terms/rights attached to equity shares

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

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

3.3 Shares held by Max India Limited

Pursuant to the Composite scheme of Arrangement between Max India Limited, Taurus Ventures Limited ("TVL") and Capricorn Ventures Limited, approved by the Hon'ble High Court of Punjab and Haryana at Chandigarh on December 14, 2015, 246,848,537 (Twenty Four Crores Sixty Eight Lacs Forty Eight Thousand Five Hundred Thirty Seven) fully paid up Ordinary equity shares of Rs. 10 each held by erstwhile Max India Limited have been transferred to the Taurus Ventures Limited (renamed as Max India Limited).

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

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

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.5 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note no. 28

3.6 Aggregate number of Shares issued for Consideration other than cash during the period of five years immediately preceding the reporting date

22,955,268 (March 31, 2015: 22,955,268) Equity Shares have been allotted on conversion of 654,687,47 , 2% Cumulative optionally partially convertible preference shares issued to International Finance Corporation, USA (IFC) on July 28, 2007.

In addition, the Company has issued 2,700,000 Equity Shares (March 31, 2015 2,850,000) during the period of five years immediately preceding the reporting date, on exercise of options granted under the Employee Stock Option Plan 2006 to the permanent employees of the Company wherein part consideration was received in form of employee services.

Max Healthcare Institute Limited
Notes forming part of the financial statements

4. Reserves and surplus

	As at March 31, 2016	As at March 31, 2015
		(Rs in Lacs)
Capital reserve	**1**	1
	1	1
Securities premium account		
At the beginning of the year	**79,891**	46,987
Add: premium on issue of equity shares	**25,556**	35,294
Add: additions on employee stock option plan exercised	**30**	30
Add: transferred from employee stock options outstanding	**3**	3
Less: provision for GIRR on 2% Cumulative Partially Convertible Preference Shares*	**-**	(1,845)
Less: share issue expenses	**(30)**	(578)
Closing balance	**105,450**	79,891
Employee stock options outstanding		
Gross employee stock compensation for options granted in earlier years	**7**	7
Add: compensation for options during the year	**2**	3
Less: transferred to securities premium on exercise of stock options	**(3)**	(3)
Closing balance	**6**	7
Deficit in the statement of profit and loss		
Balance as per last financial statements	**(27,625)**	(23,322)
Loss for the year	**(2,215)**	(3,814)
Opening depreciation adjusted from retained earning	**-**	(489)
Net deficit in the statement of profit and loss	**(29,840)**	(27,625)
Total reserves and surplus	**75,617**	52,274

*During the last financial year, the Company has redeemed the entire 2% Cumulative optionally partially convertible preference shares alongwith a 'Guaranteed internal rate of return' (GIRR) of 11.25% which is inclusive of 2% dividend rate and premium on redemption.

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5. Long-term borrowings

(Rs in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Term Loans (secured)				
From financial institutions	**9,925**	14,513	-	2,513
From bank	**7,290**	6,882	**592**	370
From non-banking financial company	**408**	671	**263**	244
Finance lease obligation (secured)	**17**	111	**94**	119
Vehicle loans (secured)	**75**	98	**54**	67
	17,715	22,275	**1,003**	3,313
The above amount includes				
Secured Loans	**17,715**	22,275	**1,003**	3,313
Amount disclosed under the head "other current liabilities" (note 9)	-	-	**(1,003)**	(3,313)
	17,715	22,275	-	-

5.1 Term loans from financial institutions include :

(i) Rs. Nil (March 31, 2015: Rs.2,100 lacs) from Export Import Bank of India repayable in 15 half yearly installments from December 20, 2008.
(ii) Rs. 9,925 lacs (March 31, 2015: Rs.14,926 lacs) from Housing Developing Finance Corporation Limited repayable in 36 quarterly instalment from February, 2015.

The above loans are secured by following:

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

(iii) Satisfaction of charges of loan from Export Import Bank of India is in process.

5.2 Term loan from banks

(i) Loan of Rs. 6,882 lacs (March 31, 2015: Rs.7,252 lacs) from ICICI Bank Limited repayable in 36 quarterly installments from June 2014 is secured by way of :

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

(ii) Loan of Rs. 1,000 lacs (March 31, 2015: Nil) from Infrastructure Development Finance Company Bank Limited repayable in 52 quarterly installments from April, 2018.

(a) First pari-passu mortgage and charge over the present and future immovable property of the Company located at Shalimar Bagh and Saket.
(b) First pari-passu charge on the whole of movable fixed assets,both present & future (excluding vehicles/equipment finance loans) including medical equipment, movable plant and machinery, spares etc and intangible asset of the Company and its subsidiary namely Max Medical Services Limited, both, both present & future.
(c) First pari-passu charge on all the entire current assets, both present & future including book debts, operating cash flows, receivables,revenue, raw material, stock in trade and inventory of the company and the Company's wholly owned subsidiary (Max Medical Services Limited) subject to a prior charge in favour of working capital lenders restricted to working capital limit of Rs. 7,500 lacs in aggregate.
(d) First pari-passu charge on the whole of movable and intangible, both present & future fixed assets of the Company's wholly owned subsidiary (Max Medical Services Limited).
(e) Pledge on pari-passu basis of the Company's 30% shareholding in its subsidiary, namely Max Medical Services Limited.
(f) Charge creation of Infrastructure Development Finance Company Bank Limited is in process as per the terms defined in sanction letter.

5.3 Term loan from non-banking financial institutions

Loan of Rs. 671 lacs (March 31, 2015: Rs.915 lacs) repayble in 28 quarterly installments from December 2011 is secured by way of exclusive charge over the medical equipment acquired from SREI Equipment Finance Private Limited through this facility.

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

5.5 Vehicle Loans of Rs. 129 lacs (March 31, 2015: Rs.165 lacs) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

Max Healthcare Institute Limited
Notes forming part of the financial statements

6. Other long term liabilities

(Rs in Lacs)

	As at March 31, 2016	As at March 31, 2015
Lease equalisation reserve	**473**	199
	473	199

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7 Provisions

(Rs in Lacs)

	Long - term		Short - term	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Provision for employee benefits				
Provision for leave encashment	**-**	-	**627**	543
Provision for gratuity (note 26)	**722**	479	**142**	224
Provision for employee stock options (note 28)	**-**	11	**46**	32
Other provisions				
Provision for income tax (net of advance tax)	**-**	-	**-**	1
Provision for wealth tax	**-**	-	**-**	3
	722	490	**815**	803

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8. Short term borrowings

(Rs in Lacs)

	As at March 31, 2016	As at March 31, 2015
Cash credit from banks (secured)	**6,213**	4,029
Short term loan from bank (unsecured)	**2,500**	-
	8,713	4,029

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

Loan of Rs. 2,500 lacs (March 31, 2015: Nil) from HDFC Bank Limited with the maximum tenor of 180 days with a put/call option every 30 days after a lock in period of 2 months.

9. Current Liabilities

(Rs in Lacs)

	As at March 31, 2016	As at March 31, 2015
Trade Payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	**13,055**	11,123
Total outstanding dues of micro enterprises and small enterprises*	**-**	-
	13,055	11,123
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	**909**	3,194
Current maturity of finance lease obligation (refer note 5)	**94**	119
Interest accrued but not due on borrowings	**27**	4
Other advances	**20**	14
Capital creditors	**478**	344
Advance from patients	**294**	409
Statutory dues	**816**	665
Security deposits	**86**	81
	2,724	4,830
	15,779	15,953

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

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

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Max Healthcare Institute Ltd
Notes forming part of the financial statements

10. Fixed Assets

(Rs in Lacs)

Particulars	Gross Block				Depreciation/amortisation					Net Block	
	As at April 1, 2015	Additions	Deletions/ Adjustments	As at March 31, 2016	As at April 1, 2015	Depreciation to be adjusted from opening Retained Earnings*	Additions	Deletions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets											
Leasehold Land	6,256	-	-	6,256	-	-	-	-	-	6,256	6,256
Building	14,799	129	-	14,928	1,783	-	657	-	2,440	12,488	13,016
Leasehold Improvements	7,595	123	-	7,718	2,942	-	366	-	3,308	4,410	4,653
Medical Equipment	16,943	1,015	24	17,934	6,743	-	1390	24	8,109	9,825	10,200
Lab Equipment	76	-	-	76	54	-	14	-	68	8	22
Plant and Equipment	4,841	121	51	4,911	1,679	-	420	51	2,048	2,863	3,162
Office Equipment	980	20	12	988	625	-	173	12	786	202	355
Furniture and Fixture	2,172	58	12	2,218	1,071	-	238	8	1,301	917	1,101
Motor Vehicles	736	96	109	723	268	-	100	48	320	403	468
Computers and Data Processing Units	1,707	128	2	1,833	1,258	-	237	2	1,493	340	449
Electrical Installations and Equipment	1,968	160	1	2,127	755	-	208	1	962	1,165	1,213
Other Surgical Instruments	1,885	343	170	2,058	1,070	-	551	170	1,451	607	815
Total	**59,958**	**2,193**	**381**	**61,770**	**18,248**	**-**	**4,354**	**316**	**22,286**	**39,484**	**41,710**
Previous Year	57,837	2,781	660	59,958	13,778	489	4,553	572	18,248	41,710	
Intangible Assets											
Computer Software	3,171	1,194	-	4,365	1,903	-	566	-	2,469	1,896	1,268
Non Compete Fees (note 10.4)	-	1,265	-	1,265	-	-	132	-	132	1,133	-
TOTAL	**3,171**	**2,459**	**-**	**5,630**	**1,903**	**-**	**698**	**-**	**2,601**	**3,029**	**1,268**
Previous Year	3,007	164	-	3,171	1,512	-	391	-	1,903	1,268	

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

10.2 Medical Equipment incudes medical equipment taken on finance lease:

		Rs. In Lacs
	Mar 31, 2016	Mar 31, 2015
Gross Block	**719**	719
Depreciation charge for the year	**56**	56
Accumulated depreciation	**216**	160
Net book value	**503**	559

10.3 Tangible assets given as security

Tangible assets are subject to charge to secure the Company's secured long term borrowings as disclosed in note 5.

10.4 Non compete fees represents amount paid to erstwhile owners of "Crosslay 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.

11. Non- current investments

(Rs in Lacs)

	Non - Current	
	As at March 31, 2016	As at March 31, 2015
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries :		
Max Medical Services Limited		
34,142,535 (March 31, 2015: 34,142,535) equity shares of Rs.10/- each fully paid-up	**12,094**	12,094
Alps Hospital Limited		
431,034 (March 31, 2015: 431,034) equity shares of Rs.10/- each fully paid-up	**500**	500
Hometrail Estate Private Limited		
12,947,634 (March 31, 2015: 12,947,634) equity shares of Rs.10/- each fully paid-up	**7,701**	7,701
Hometrail Buildtech Private Limited		
13,010,000 (March 31, 2015: 13,010,000) equity shares of Rs.10/- each fully paid-up	**6,501**	6,501
Crosslay Remedies Private Limited (note i)		
111,625,297 (March 31, 2015: Nil) equity shares of Rs.10/- each fully paid-up	**24,696**	-
Saket City Hospitals Private Limited (note ii)		
14,864,817 (March 31, 2015: Nil) equity shares of Rs.10/- each fully paid-up	**32,500**	-
Unquoted Preference instruments		
Investment in subsidiaries :		
Alps Hospital Limited		
2,000,000 (March 31, 2015: 2,000,000) 0% Redeemable Preference shares of Rs.100/- each fully paid-up	**2,000**	2,000
Hometrail Buildtech Private Limited		
2,000,000 (March 31, 2015: 2,000,000) 0% Redeemable Preference shares of Rs.100/- each fully paid-up	**2,000**	2,000
Aggregate value of unquoted investments	**87,992**	30,796

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

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

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

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

12. Loans and advances

(Rs in Lacs)

	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Capital advances				
Unsecured, considered good	**2,189**	3,667	**-**	-
Security deposits				
Unsecured, considered good	**8,361**	8,140	**-**	23
Loans and advances to related parties (note 32)				
Unsecured, considered good	**9,925**	11,146	**500**	-
Advances recoverable in cash or kind				
Unsecured, considered good	**-**	-	**690**	671
Doubtful	**-**	-	**8**	8
	-	-	**698**	679
Provision for doubtful advances	**-**	-	**(8)**	(8)
	-	-	**690**	671
Loans and advances to other healthcare service providers				
Unsecured, considered good	**907**	10,179	**-**	-
Other loans and advances (Unsecured, Considered good, unless otherwise stated)				
Tax deducted at source recoverable	**3,378**	2,796	**761**	188
Balance with statutory/government authorities	**57**	-	**-**	-
Prepaid expenses	**15**	25	**403**	412
	24,832	35,953	**2,354**	1,294

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13. Other assets

(Rs in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Unsecured, considered good unless otherwise stated				
Non-current bank balances (note 17)	**-**	6	**6**	-
Interest accrued on loans	**-**	-	**588**	52
Interest accrued on fixed deposits	**-**	-	**1**	1
Unbilled revenue	**-**	-	**603**	445
	-	6	**1,198**	498

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14. Current Investments (valued at lower of cost and fair value, unless stated otherwise)

(Rs in Lacs)

	Current	
	As at March 31, 2016	As at March 31, 2015
Nil (March 31, 2015: 26,696,297) units of Rs.10/- each in ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	3,700
Nil (March 31, 2015: 88,556) units of Rs.10/- each in IDFC Cash fund -Growth Direct Plan	-	1,500
Nil (March 31, 2015: 69,038) units of Rs.1000/- each in Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	1,900
Nil (March 31, 2015: 43,759) units of Rs.1000/- each in Kotak Floater Short Term-Direct Plan Growth	-	1,000
Nil (March 31, 2015: 111,389) units of Rs.1000/- each in Reliance Liquid Fund - Cash Plan - Direct growth plan	-	2,500
Nil (March 31, 2015: 167,465) units of Rs.1000/- each in UTI-Floating Rate Fund -STP-Direct Growth Plan	-	3,700
Aggregate amount of quoted investments	-	14,300

15. Inventories (valued at lower of cost and net realizable value)

(Rs in Lacs)

	Current	
	As at March 31, 2016	As at March 31, 2015
Stock of pharmacy, drugs, consumables and implants	**1,318**	1,274
	1,318	1,274

16. Trade Receivables

(Rs in Lacs)

	Current	
	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**948**	2,822
Doubtful	**2,317**	2,037
	3,265	4,859
Provision for doubtful receivables	**(2,317)**	(2,037)
	948	2,822
Other receivables		
Unsecured, considered good	**10,979**	11,579
	10,979	11,579
	11,927	14,401

17. Cash and cash equivalents

(Rs in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	**245**	1,798
Cheques/drafts on hand	-	-	**66**	67
Cash on hand	-	-	**80**	81
	-	-	**391**	1,946
Other bank balances				
Deposits with remaining maturity for more than 12 months	-	-	-	2
Under lien	-	6	**6**	-
Margin money deposits	-	-	-	4
	-	6	**6**	6
Less: Amounts disclosed under non-current assets (note 13)	-	(6)	**(6)**	-
	-	-	-	6
	-	-	**391**	1,952

Margin money deposits given as security

Rs. 6 Lacs (March 31 2015: Rs. 6 Lacs) to secure bank Guarantee issued to customers.

Rs. 0.40 Lacs (March 31 2015: Rs. 0.34 Lacs) to secure bank Guarantee given to Registrar State Government.

Nil (March 31 2015: Rs. 3.91 Lacs) to Secured for Bank Guarantee and Foreign letter of credits.

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18. Revenue from operations

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from healthcare services (net)	**79,332**	68,029
Sale of products		
Pharmacy and pharmaceuticals supplies	**11,252**	10,115
Other operating revenue		
- Sponsorship and educational income	**387**	366
- Income from laundry services	**141**	265
- Income from ancillary activities	**195**	145
- Income from served from India scheme	**186**	37
	91,493	78,957

19. Other Income

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income on		
Bank deposits	**1**	76
Loans to subsidiary companies	**1,379**	1,505
Loans to other healthcare service providers	**450**	1,323
Income tax refund	**33**	-
Others	**149**	-
Profit on sale of current investments	**593**	202
Profit on foreign exchange fluctuation	**-**	1
Unclaimed Balances & excess provisions written back	**93**	143
Other non-operating income	**272**	60
	2,970	3,310

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20. Employee benefits expense

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	**19,780**	16,760
Contribution to provident and other funds	**737**	636
Gratuity expense (note 26)	**213**	165
Employee stock option scheme (note 28)	**15**	16
Staff welfare expenses	**980**	598
	21,725	18,175

21. Depreciation and amortization expense

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation of tangible assets	**4,354**	4,553
Amortization of intangible assets	**698**	391
	5,052	4,944

22. Finance Cost

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest	**2,793**	4,131
Bank charges	**182**	169
Processing fees	**11**	17
	2,986	4,317

23. Other expenses

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
Professional and consultancy fee	**20,336**	17,685
Outside lab investigation	**469**	298
Patient catering expenses	**1,074**	952
Rent	**3,089**	2,525
Insurance	**430**	292
Rates and taxes	**224**	224
Facility maintenance expenses	**1,630**	1,467
Power and fuel	**2,392**	2,353
Repairs and maintenance:		
Building	**240**	195
Plant and equipments	**661**	752
Others	**898**	801
Printing and stationery	**439**	347
Travelling and conveyance	**996**	848
Communication	**287**	221
Legal and professional	**3,360**	2,139
IT support expense	**577**	437
Watch and ward	**412**	379
Directors' sitting fee	**55**	42
Advertisement and publicity	**2,112**	1,562
Software expenses	**1**	2
Recruitment expenses	**122**	270
Charity and donation	**2**	35
Equipment hiring charges	**211**	257
Provision for doubtful debts	**280**	489
Provision for wealth tax	**-**	2
Provision for doubtful advances	**40**	9
Bad debts written off	**264**	-
Net loss on sale/disposal of fixed assets	**4**	44
Miscellaneous expenses	**287**	304
	40,892	34,931

Payment to auditor (included in legal and professional fee)

		(Rs in Lacs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
As auditor:		
Audit fee	**39**	34
Company law matters	**-**	7
Other services	**2**	-
Reimbursement of expenses	**2**	2
	43	43

24. Segment reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

25. Earning per share (EPS)

The following reflects the loss and share data used in basic and diluted EPS computation :

(Rs. in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Basic EPS		
(loss) after tax (Rs. in lacs) for the year	**(2,215)**	(3,814)
Weighted average number of equity shares outstanding during the year (Nos)	**504,199,036**	450,202,099
Basic Earnings Per Share (Rs.)	**(0.44)**	(0.85)
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	**3,126,446**	909,236
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	**507,325,482**	451,111,335
Diluted Earnings Per Share (Rs.)	**(0.44)**	(0.85)

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26. Gratuity

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

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

Statement of profit and loss
Net employee benefit expense recognized in employee cost **(Rs. in**

	March 31, 2016	March 31, 2015
Current service cost	**150**	122
Interest cost on benefit obligation	**62**	54
Expected return on plan assets	**(5)**	(5)
Net actuarial(gain) / loss recognized in the year	**6**	(6)
Net benefit expense	**213**	165
Actual return on plan assets	**(5)**	(5)

Balance sheet
Benefit asset/ liability

	March 31, 2016	March 31, 2015
Present Value of defined benefit obligation	**934**	767
Fair value of plan assets	**70**	64
Plan (liability)	**(864)**	(703)

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	**767**	621
Acquisition adjustment (Employees transferred from Max India Limited)	**23**	50
Interest cost	**62**	54
Current service cost	**150**	122
Benefits paid	**(74)**	(74)
Actuarial (gains) / losses on obligation	**6**	(6)
Closing defined benefit obligation	**934**	767

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	**64**	59
Expected return	**5**	5
Actuarial gains / (losses)	**1**	-
Closing fair value of plan assets	**70**	64

The Company expects to contribute Rs. 1,007 lacs to gratuity in next year (March 31,2015 : Rs. 244 lacs)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2016	March 31, 2015
	%	%
Life Insurance Corporation of India	**100**	100

The principal assumptions used in determining defined benefit obligations for the gratuity is shown below:

	March 31, 2016	March 31, 2015
	%	%
Discount rate	**7.50**	7.80
Expected rate of return on assets	**9.00**	8.32
Retirement Age	**60 Years**	60 Years
Employee turnover	**3.5 - 55**	30

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. The overall expected rate of return 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.

Amounts for the current and previous four years are as follows:

(Rs in Lacs)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	**934**	767	621	555	407
Plan assets	**70**	64	59	55	50
Surplus / (deficit)	**(864)**	(703)	(562)	(500)	(357)
Experience adjustments on plan liabilities	**3**	(16)	(23)	(53)	(62)
Experience adjustments on plan assets	**1**	-	-	-	-

27. Provident Fund

The Company is participating in a provident fund trust "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max India Limited, Joint Venture Partner . 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 Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2016 as per the actuarial valuation of active members are as follows:

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Plan assets at year end at fair value	**6,738**	5,468
Present value of defined benefit obligation at year end	**6,693**	5,268
Surplus as per actuarial certificate	**45**	200
Shortfall recognised in balance sheet	**-**	-
Active members as at year end (Nos)	**3,170**	3,090

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

	March 31, 2016	March 31, 2015
Discount rate	**7.72%**	7.93%
Withdrawal rate	**5.00%**	5.00%
Yield on existing funds	**9.06%**	9.01%
Expected guaranteed interest rate	**8.75%**	8.75%

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28. Employee Stock Option Plan

Employee Stock Option Plan – 2006 ("ESOP 2006 Scheme"):

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.

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

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

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

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

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

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

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

The details of activity under the Scheme are summarized below:

Particulars	**March 31, 2016**		March 31, 2015	
	Number of options	**Weighted average exercise price (Rs.)**	Number of options	Weighted average exercise price (Rs.)
Outstanding at the start of the year	**1,613,000**	**48.32**	1,370,000	28.83
Option grant during the year	**2,524,340**	**51.69**	893,000	64.60
Forfeited during the year	**-**	**-**	345,000	31.52
Exercised during the year	**200,000**	**28.75**	305,000	27.46
Outstanding at the end of the year	**3,937,340**	**51.48**	1,613,000	48.32
Exercisable at the end of the year	**230,000**	**42.22**	90,000	25.00

For options exercised during the year, the weighted average share price at the exercise date was Rs 28.75 per share (March 31, 2015: Rs 27.46) per share.
The weighted average fair value of stock options granted during the year was Rs 54.39 (March 31, 2015: Rs 64.60)

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2016 are as follows:

	March 31, 2016		March 31, 2015	
	Number of options	**Weighted average remaining life in years**	Number of options	Weighted average remaining life in years
1-Mar-12	**220,000**	**5.14 Years**	270,000	1.92
1-Oct-12	**300,000**	**5.84 Years**	450,000	2.34
25-Mar-15	**893,000**	**7.25 Years**	893,000	4.26
1-Jul-15	**1,585,070**	**7.35 Years**	-	-
1-Aug-15	**508,626**	**7.44 Years**	-	-
25-Aug-15	**150,646**	**7.50 Years**	-	-
1-Mar-15	**280,000**	**1.92 Years**	-	-

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

Black Scholes Option Pricing model

Particulars	**March 31, 2016**				March 31, 2015
	Inputs used for diff Grant Dates for Black Scholes Valuation of Option Granted				
	1-Jul-15	**1-Aug-15**	**25-Aug-15**	**1-Mar-16**	
A. Stock price now (in Rupees)	**47.65**	**47.65**	**47.65**	**47.65**	45.17
B. Exercise price (X) (in Rupees)	**54.4**	**54.4**	**54.4**	**30.00**	64.60
C. Expected volatility (Standard dev - Annual)	**44.93%**	**44.93%**	**44.93%**	**44.93%**	33.94%
D. Historical volatility					
E. Expected Life of the options granted (Vesting and exercise period) in years	**7.35 Years**	**7.43 Years**	**7.50 Years**	**1.92 Years**	4.26 Years
F. Expected Dividend	**Nil**	**Nil**	**Nil**	**Nil**	Nil
G. Average Risk- Free Interest Rate	**7.8%**	**7.8%**	**7.8%**	**7.4%**	7.80%
H. Expected Dividend Rate	**Nil**	**Nil**	**Nil**	**Nil**	Nil

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

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, 2016**	For the year ended March 31, 2015
Net Profit after tax as reported	**(2,215)**	(3,814)
Add: Employee stock compensation under intrinsic value method	**15**	16
Less: Employee stock compensation under fair value method	**(265)**	(52)
Proforma profit	**(2,465)**	(3,850)
Earnings Per Share		
Basic		
- As reported	**(0.44)**	(0.85)
- Proforma	**(0.49)**	(0.86)
Diluted		
- As reported	**(0.44)**	(0.85)
- Proforma	**(0.49)**	(0.85)

29. Leases

29.1 Finance lease: Company as lessee

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

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

(Rs. in Lacs)

Particulars	**March 31, 2016**		March 31, 2015	
	Minimum payments	**Present value of MLP**	Minimum payments	Present value of MLP
Within one year	**101**	**94**	137	119
After one year but not more than five years	**17**	**17**	118	111
More than five years	**-**	**-**	-	-
Total minimum lease payments	**118**	**111**	255	230

29.2 Operating lease: Company as lessee

i. The Company has entered into operating lease agreements for hospitals,premises office spaces and accommodation for its employees under operating lease agreements. The leases have an average life between 3 to 17 years.

ii. Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

(Rs. in Lacs)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Within one year	**1,386**	1,305
After one year but not more than five years	**6,136**	6,984
More than five years	**18,586**	11,809
Total	**26,108**	20,098

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30. Capitalisation of Expenditure

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

(Rs. in Lacs)

Particulars	**March 31, 2016**	March 31, 2015
At the beginning of the year	**7**	-
Add:		
Salaries, wages and bonus	**-**	15
Total	**7**	15
Less: Capitalised during the year	**7**	8
Closing balance	**-**	7

31. Capital and other commitments

a. Capital commitment

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account	**6,342**	13,153
Less: Capital advances	**2,189**	3,667
Balance value of contracts	**4,153**	9,486

b. Commitments relating to lease arrangements, refer note 29

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

d. Commitments relating to remaining capital acquisition of Crosslay Remedies Private Limited and Saket City Hospital Private Limited , refer note 11

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32. List of Related Party

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Subsidiary Companies	Max Medical Services Limited Alps Hospital Limited Hometrail Estate Private Limited Hometrail Buildtech Private Limited Crosslay Remedies Private Limited (w.e.f. July 10, 2015) Saket City Hospitals Private Limited (w.e.f. December 1, 2015)
Names of other related parties with whom transactions have taken place during the year	
Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture	Max India Limited (formally Taurus Ventures Limited) Life Healthcare International (Proprietary) Limited
Fellow Subsidiaries	Max Life Insurance Company Limited (till November 10, 2014) Pharmax Corporation Limited (till November 10, 2014) Max Neeman Medical International Limited (till November 10, 2014) Max Bupa Health Insurance Company Limited (till November 10, 2014)
Key Management Personnel	Mr. Rajit Mehta, Managing Director & Chief Executive Officer Dr. Pradeep Kumar Chowbey, Executive Vice Chairman Mr. Ajay Bakshi, Managing Director & CEO (till April 26, 2014)
Relatives of key management personnel	Ms. Piya Singh (Daughter of Mr. Analjit Singh) (till May 27, 2014)
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited (till May 27, 2014) Malsi Estates Limited (till May 27, 2014) Max India Foundation (till May 27, 2014)
Employee benefit funds	Max India Ltd. Employees Provident Fund Trust.
Additional related parties as per Companies Act, 2013	
Key Management Personnel	Mr. Yogesh Kumar Sareen, Chief Financial Officer Ms. Ruchi Mahajan, Company Secretary

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32.a. Transactions with related parties during the year

(Rs in Lacs)

Particulars	For the year ended March 31,2016	For the year ended March 31,2015
Purchase of fixed assets		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**14**	-
Alps Hospital Limited (Subsidiary)	**8**	1
Max Medical Services Limited (Subsidiary)	**-**	12
Max Life Insurance Company Limited (Fellow Subsidiary till November 10, 2014)	**-**	30
Loans and advances taken		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**-**	1,500
Repayment of loans and advances taken		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**-**	3,001
Loans and advances given		
Hometrail Estate Private Limited (Subsidiary)	**2**	333
Hometrail Buildtech Private Limited (Subsidiary)	**1,893**	1,645
Alps Hospital Limited (Subsidiary)	**1,000**	1,500
Crosslay Remedies Private Limited (Subsidiary)	**6,300**	-
Saket City Hospitals Private Limited (Subsidiary)	**200**	-
Repayment of loans and advances given		
Hometrail Estate Private Limited (Subsidiary)	**300**	1,515
Hometrail Buildtech Private Limited (Subsidiary)	**-**	696
Max Medical Services Limited (Subsidiary)	**3,015**	320
Alps Hospital Limited (Subsidiary)	**2,500**	-
Crosslay Remedies Private Limited (Subsidiary)	**4,300**	-
Interest income		
Max Medical Services Limited (Subsidiary)	**555**	864
Alps Hospital Limited (Subsidiary)	**114**	70
Hometrail Estate Private Limited (Subsidiary)	**80**	284
Hometrail Buildtech Private Limited (Subsidiary)	**435**	287
Crosslay Remedies Private Limited (Subsidiary)	**170**	-
Saket City Hospitals Private Limited (Subsidiary)	**4**	-
Finance Arrangement Fee		
Alps Hospital Limited (Subsidiary)	**10**	-
Crosslay Remedies Private Limited (Subsidiary)	**32**	-
Saket City Hospitals Private Limited (Subsidiary)	**44**	-
Interest expense		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**-**	115
Sale of drugs, pharmaceuticals and medical supplies		
Alps Hospital Limited (Subsidiary)	**1,423**	1,227
Hometrail Estate Private Limited (Subsidiary)	**12**	9
Hometrail Buildtech Private Limited (Subsidiary)	**2**	5
Crosslay Remedies Private Limited (Subsidiary)	**3**	-
Healthcare Services rendered		
Alps Hospital Limited (Subsidiary)	**361**	443
Hometrail Estate Private Limited (Subsidiary)	**109**	110
Hometrail Buildtech Private Limited (Subsidiary)	**22**	29
Crosslay Remedies Private Limited (Subsidiary)	**123**	-
Max Bupa Health Insurance Company Limited (Fellow Subsidiary till November 10, 2014)	**-**	165
Max Neeman Medical International Limited (Fellow Subsidiary till November 10, 2014)	**-**	1
Max India Foundation (owned/significantly influences by KMP/ their relatives till May 27,2014)	**-**	12
Professional Services rendered		
Alps Hospital Limited (Subsidiary)	**162**	-
Hometrail Estate Private Limited (Subsidiary)	**-**	19

(Rs in Lacs)

Particulars	For the year ended March 31,2016	For the year ended March 31,2015
Services received		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**163**	15
Max Medical Services Limited (Subsidiary)	-	25
Max Life Insurance Company Limited (Fellow Subsidiary till November 10, 2014)	-	36
Pharmax Corporation Limited (Fellow Subsidiary till November 10, 2014)	-	82
New Delhi House Services Limited (owned/significantly influences by KMP/ their relatives till May 27,2014)	-	31
Rent paid		
Malsi Estates Limited (owned/significantly influences by KMP/ their relatives till 27.05.2014)	-	132
Pharmax Corporation Limited (owned/significantly influences by KMP/ their relatives till 10.11.2014)	-	116
Liabilities transferred from Max India Limited on account of transfer of employees		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**26**	-
Purchase of goods		
Max Medical Services Limited (Subsidiary)	-	(35)
Salary		
Ms. Piya Singh (Relatives of Key Management Personnel) (till May 27, 2014)	-	1
Director's remuneration		
Dr. Pradeep Chowbey (Key Management Personnel)	**71**	72
Mr. Rajit Mehta (Key Management Personnel)	**376**	319
Dr. Ajay Bakshi (Key Management Personnel) (till April 26, 2014)	**-**	108
Employee Benefit Funds		
Company's contribution to PF trust	**383**	351
Investment made in Equity Shares		
Crosslay Remedies Private Limited (Subsidiary)	**24,696**	-
Saket City Hospitals Private Limited (Subsidiary)	**32,500**	-
Hometrail Estate Private Limited (Subsidiary)	-	1,500
Hometrail Buildtech Private Limited (Subsidiary)	-	1,000
Alps Hospital Limited (Subsidiary)	-	500

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32.b. Balance outstanding at the year end

(Rs in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Investment		
Max Medical Services Limited (Subsidiary)	**12,094**	12,094
Hometrail Estate Private Limited (Subsidiary)	**7,701**	7,701
Hometrail Buildtech Private Limited (Subsidiary)	**8,501**	8,501
Alps Hospital Limited (Subsidiary)	**2,500**	2,500
Crosslay Remedies Private Limited (Subsidiary)	**24,696**	-
Saket City Hospitals Private Limited (Subsidiary)	**32,500**	-
Corporate Guarantee given by holding company / investing party		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**-**	2,100
Loan and advances		
Max Medical Services Limited (Subsidiary)	**3,348**	6,363
Hometrail Estate Private Limited (Subsidiary)	**552**	851
Hometrail Buildtech Private Limited (Subsidiary)	**4,325**	2,432
Alps Hospital Limited (Subsidiary)	**-**	1,500
Crosslay Remedies Private Limited (Subsidiary)	**2,000**	-
Saket City Hospitals Private Limited (Subsidiary)	**200**	-
Interest Receivable		
Max Medical Services Limited (Subsidiary)	**-**	52
Hometrail Buildtech Private Limited (Subsidiary)	**427**	-
Crosslay Remedies Private Limited (Subsidiary)	**157**	-
Saket City Hospitals Private Limited (Subsidiary)	**4**	-
Trade payable		
Max India Limited (Investing party or venture in respect of which the reporting enterprise is an associate or a joint venture)	**(145)**	(3)
Trade Receivables		
Alps Hospital Limited (Subsidiary)	**57**	1,872
Hometrail Estate Private Limited (Subsidiary)	**21**	-
Hometrail Buildtech Private Limited (Subsidiary)	**22**	-
Max Medical Services Limited (Subsidiary)	**-**	5
Crosslay Remedies Private Limited (Subsidiary)	**144**	-
Saket City Hospitals Private Limited (Subsidiary)	**46**	-

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33. Contingent Liabilities

(Rs in Lacs)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by a subsidiaries of the Company and other healthcare service providers. (Refer note (a))	**74,158**	22,896
(ii)	Claims against the Company not acknowledged as debts		
	- Civil Cases (refer note b below)	**3,746**	2,327
	- DVAT cases	**129**	122
	- Service tax cases	**1,242**	-
	- Income Tax cases (refer note c below)	**9**	9

Note:

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

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

c. Income Tax Cases

Assessment year	Pending before ITAT		Disallowances pending before CIT(A)	Disallowances pending - as at March 31, 2016 (Rs. In lacs)	Disallowances pending- as at March 31, 2015 (Rs. In lacs)	Demand (if any) (Rs. In Lacs)	
	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, 2016	As at March 31, 2015
2003-04	**941**	**213**	**-**	**1,154**	1,154	**-**	-
2004-05	**641**	**-**	**-**	**641**	641	**-**	-
2005-06	**598**	**-**	**-**	**598**	628	**-**	-
2006-07	**462**	**-**	**-**	**462**	462	**-**	-
2007-08	**907**	**-**	**-**	**907**	917	**-**	-
2008-09	**239**	**-**	**-**	**239**	249	**-**	-
2009-10	**201**	**-**	**-**	**201**	211	**-**	-
2010-11	**171**	**-**	**-**	**171**	171	**-**	-
2011-12	**177**	**-**	**-**	**177**	177	**-**	-
2012-13	**-**	**-**	**711**	**711**	711	**-**	-
2013-14	**-**	**-**	**114**	**114**	-	**-**	-
2010-11*	**-**	**-**	**-**	**-**	-	**9**	-
2012-13**	**-**	**-**	**-**	**-**	-	**-**	9
	4,337	**213**	**825**	**5,375**	5,321	**9**	9

Note: -

* Appeal before ITAT for Withholding taxes.

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

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

34. Deferred Tax Asset/ (Liability)

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006 (amended vide dated March 31, 2016). Due to losses, the Company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

35. Particulars of unhedged foreign currency liability as at the balance sheet date

(Rs. in Lacs)

	Foreign Currency		Indian Rupees	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Import capital creditors(EUR)	**0.06**	0.06	**5**	4
Import capital creditors(USD)	**1.31**	0.04	**89**	3
Import capital creditors(YEN)	**0.66**	0.66	**0**	0

Closing rates are as under

	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
	TT Sell	TT Sell
USD	**67.61**	63.63
EUR	**76.59**	68.98
YEN(100)	**0.60**	0.53
GBP	**97.03**	94.50

36. Value of Imports calculated on cost insurance freight (CIF) Basis

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Capital goods	**319**	633
Traded goods	**-**	2
Total	**319**	635

37. Expenditure in foreign currency (accrual basis)

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Legal and Professional	**87**	121
Others	**19**	7
Total	**106**	128

38. Earnings in foreign currency (accrual basis)

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Healthcare Services	**4,201**	1,603
Total	**4,201**	1,603

39. Details of utilisation of Preferential/Right Issue Proceeds

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Opening balance	**13,954**	-
Amount received on preferential allotment of equity shares	**-**	41,432
Amount received on right issue of equity shares	**30,000**	-
Refund of capital advance*	**2,000**	-
Sub-total	**45,954**	**41,432**
Utilisation of Proceeds:		
Repayment of Debt	**5,000**	7,000
Redemption of Preference Share Capital	**-**	6,547
Premium on redemption of Preference Share Capital & Guaranteed internal rate of return	**-**	7,796
Capital advance	**-**	2,000
Capital Expenditure	**-**	442
Share Issue Expenses	**-**	578
Investment into Subsidiaries	**40,954**	3,000
Working Capital	**-**	115
Sub-total	**45,954**	27,478
Balance available as Investment in unquoted mutual funds	**-**	13,954

* In previous year, capital advance of Rs 2,000 lacs has been given out of preferential issue proceeds. During the year, the said advance was returned back due to termination of contract. Accordingly, the same has been considered as proceeds of preferential issue.

40. Disclosure required under Section 186 (4) of the Companies Act 2013

(a) Particulars of Loans given:

(Rs. in Lacs)

Sr. No	Name of the Loanee	Opening Balance	Loan given	Loan repaid	Outstanding balance	Purpose
1	Alps Hospital Limited	1,500	1,000	2,500	-	For repayment of loan
2	Hometrail Buildtech Private Limited	2,432	1,893	-	4,325	For business operations, repayment of debts and other general corporate purpose
3	Max Medical Services Limited	6,363	-	3,015	3,348	For business operations and other general corporate purpose
4	Hometrail Estate Private Limited	851	1	300	552	For business operations, repayment of debts and other general corporate purpose
5	Crosslay Remedies Private Limited	-	6,300	4,300	2,000	For business operations, repayment of debts and other general corporate purpose
6	Saket City Hospitals Private Limited	-	200	-	200	For business operations, repayment of debts and other general corporate purpose
7	Balaji Medical & Diagnostics Research Centre	8,906		7,999	907	For business operations, repayment of debts and other general corporate purpose
8	Devki Devi Foundation	1,273	-	1,273	-	For business operations, repayment of debts and other general corporate purpose

(b) Particulars of Guarantee given:

(Rs. in Lacs)

Sr. No	Name of the financial institutions / banks	Name of borrowing legal entity	Opening Balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	L & T Infrastructure Finance Company Limited	Hometrail Estate Private Limited	5,646	-	347	5,299	For new hospital construction
2	L & T Infrastructure Finance Company Limited	Hometrail Buildtech Private Limited	5,010	-	309	4,701	For new Hospital construction
3	Export-Import Bank of India	Balaji Medical & Diagnostics Research Centre	1,510	-	455	1,055	For capital expenditure
4	Housing Development Finance Corporation Limited	Balaji Medical & Diagnostics Research Centre	2,100	-	825	1,275	For expansion of bed capacity
5	HDFC Bank Limited	Balaji Medical & Diagnostics Research Centre	-	8,000	-	8,000	For repayment of Max Healthcare Institute Ltd. loan and capital expenditure
6	Indusind Bank Limited	Devki Devi Foundation	3,792	-	2,542	1,250	For working capital requirement
7	Axis Bank Limited	Devki Devi Foundation	-	2,500	-	2,500	Loan to pay outstanding obligation towards Max Healthcare Institute Ltd and Max Medical Services Ltd
8	ICICI Bank Limited	Devki Devi Foundation	-	5,000	-	5,000	For loan repayment of Max Healthcare Institute Ltd. and capital expenditure
9	HDFC Bank Limited	Alps Hospital Limited	-	2,000	-	2,000	For repayment of Max Healthcare Institute Ltd. loan and other business activities
10	Yes Bank Limited	Balaji Medical & Diagnostics Research Centre	4,838	-	288	4,550	For refinancing of PNB loan & capital expenditure
11	Canara Bank Limited	Crosslay Remedies Private Limited	-	327	-	327	For working capital requirement
12	Axis Bank Limited	Crosslay Remedies Private Limited	-	11,468	-	11,468	For refinancing of the existing debt and financing the capital expenditure
13	Axis Bank Limited	Saket City Hospitals Private Limited	-	13,355	-	13,355	For refinancing of existing loans & expansion of bed capacity
14	Yes Bank Limited	Saket City Hospitals Private Limited	-	13,378	-	13,378	For refinancing of existing loans & expansion of bed capacity

(c) Particulars of Investments made:

(Rs. in Lacs)

Sr. No	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding balance	Purpose
	Investment in subsidiaries					
1	Max Medical Services Limited	12,094	-	-	12,094	For business operations and other general corporate purpose
2	Alps Hospital Limited	2,500	-	-	2,500	For business operations and other general corporate purpose
3	Hometrail Estate Private Limited	7,701	-	-	7,701	For business operations, repayment of debts and other general corporate purpose
4	Crosslay Remedies Private Limited	-	24,696	-	24,696	New Strategic investment to expand reach and width of the healthcare services offered by the company.
5	Saket City Hospital	-	32,500	-	32,500	New Strategic investment to expand reach and width of the healthcare services offered by the company.
6	Hometrail Buildtech Private Limited	8,501	-	-	8,501	For business operations, repayment of debts and other general corporate purpose

41. Previous Year figures

Previous year figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

As per our report of even date attached

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

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 4, 2016

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

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

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

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

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

Place : New Delhi
Date : May 4, 2016

Form AOC-I

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

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

	Name of Subsidiaries					
	Details as on March 31, 2016					
Particulars	Max Medical Services Limited	Alps Hospital Limited	Hometrail Estate Private Limited	Hometrail Buildtech Private Limited	Crosslay Remedies Limited	Saket City Hospitals Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company	Same as Reporting Company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A	N.A
Share capital	3,414	2,288	1,295	3,301	14,426	2,915
Reserves & surplus	5,960	(545)	4,887	(5,995)	(11,448)	(4,936)
Total assets	13,520	6,301	15,690	8,702	20,268	28,205
Total Liabilities	4,146	4,558	9,508	11,396	17,290	30,227
Investments	-	-	-	-	-	-
Turnover	4,421	10,511	21,759	4,263	12,596	1,557
Profit before taxation	1,411	1,550	1,882	(2,513)	(233)	(1,304)
Provision for taxation	-	-	-	-	-	-
Profit after taxation	1,411	1,550	1,882	(2,513)	(233)	(1,304)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100%	100%*	100%	100%	77.95%	51%

* Direct holding = 14.96%
Indirect Holding through MMS (Subsidiary) = 85.05%

Notes:

1. Investments excludes investments in subsidiaries
2. For Crosslay Remedies Limited and Saket City Hospitals Private Limited, Turnover, Profit before taxation, Provision for taxation, Profit after taxation are reported from the date of becoming subsidiary of the Company. Crosslay Remedies Limited and Saket City Hospitals Private Limited became subsidiary of the Company on dated July 10, 2015 and November 27, 2015 respectively.

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

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 4, 2016

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

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

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

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

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

Place : New Delhi
Date : May 4, 2016