

September 07, 2021

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

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

Sub: SUBMISSION OF ANNUAL REPORT OF MAX HEALTHCARE INSTITUTE LIMITED ("THE COMPANY") FOR THE FINANCIAL YEAR 2020-21

Dear Sir/Ma'am,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2020-21. Annual Report is also available on the website of the Company viz. <https://www.maxhealthcare.in/investors>

You are requested to take the same on record.

Thank you

For Max Healthcare Institute Limited



Ruchi Mahajan
Company Secretary & Compliance Officer

Encl: as above

AGILITY TENACITY RESILIENCE

READ INSIDE

MAX HEALTHCARE AT A GLANCE

02-11

- 02 Chairman & Managing Director's Statement
- 04 Corporate Identity
- 06 Key Differentiators
- 08 Area of Operations
- 09 Best-in-class Technology
- 10 Key Milestones

YEAR IN REVIEW

12-17

- 12 Operational Highlights
- 14 Key Performance Indicators for Network
- 16 Accolades

AGILITY. TENACITY. RESILIENCE.

18-54

AGILITY

- 20 COVID-19 Response
- 24 Leveraging Digital

TENACITY

- 30 Speciality Strength
- 34 Strong Focus on Research and Academics
- 38 Educational Initiatives
- 42 Operational Excellence and Service Quality

RESILIENCE

- 46 Expansion and Improvement Projects
- 48 Leading The Way in Creating Awareness and Impact
- 52 Alternate Businesses

OUR APPROACH TO VALUE CREATION

55-57

- 55 Strategy

ESG FOCUS

58-71

- 63 Environment
- 64 Social
- 65 Governance
- 66 Board of Directors
- 69 Management Team
- 70 General Medical Advisory Council

STATUTORY REPORTS

72-143

- 72 Management Discussion and Analysis Report
- 89 Directors' Report
- 119 Corporate Governance Report

FINANCIAL STATEMENTS

144-290

- 144 Standalone Financial Statements
- 216 Consolidated Financial Statements

FY 2020-21 HIGHLIGHTS

NETWORK FINANCIAL PERFORMANCE

INR 3,881 CRORE

Gross Revenue | 10.9% ▼

INR 636 CRORE

Operating EBITDA | 7.9% ▲

17.5%

Operating margin | 290 bps ▲

AGILITY TENACITY RESILIENCE

As the world grappled with the biggest health and humanitarian crisis in more than a century, healthcare ecosystems swiftly geared themselves to address overwhelming challenges. Millions of lives were at stake, which needed swift coordination and decisive action.

At Max Healthcare Institute Limited ("Max Healthcare"), we remained resolute in the face of the crisis – tenaciously preparing and strengthening our people and processes to deliver the highest standards of care and save as many lives as we could, along with protecting our people from the perils of highly contagious COVID-19 infection.

Protecting the interests of our patients remained at the core of all our strategies. We proactively augmented our infrastructure and swiftly customised our services according to the need of the hour. From providing teleconsultation facilities to upgrading hospitals with necessary equipment and trained personnel, we did everything possible to ensure that our patients are provided with highest quality care. Given the proliferation of digital media following lockdowns, our remote monitoring capabilities through Max@Home services produced encouraging outcomes.

While the COVID-19 pandemic continued to transform ways of living, we were constantly adapting to new standards and adding convenience to healthcare delivery. In a year of extremes and extraordinary challenges, our teams rallied together and exhibited remarkable resilience. Their dedication and tenacity enabled us to counter the adversity and give the best care to our patients and create value for our stakeholders. Their passion to excel and provide quality care continues to inspire us and we are committed to serve with greater transparency, consistency, efficiency and collaboration.



NETWORK OPERATIONAL PERFORMANCE

INR 50.1

Average Revenue Per Occupied Bed (ARPOB)* (INR '000)

64.9%

Average Inpatient Occupancy

5.2 DAYS

Average Length of Stay (ALOS)

SOCIAL

5,50,000

Average Training Hours

132.5 CRORE

Worth Free Medical Treatment

6,314

Number of Students Trained

Safe Harbour Statement

Some information in this Annual Report may contain forward-looking statements which include statements regarding the Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

*ARPOB excludes revenue from Max Lab operations

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT



“Never was so much owed by so many to so few.” - Winston Churchill.

Mr. Abhay Soi
Chairman & Managing Director

DEAR MEMBERS,

The COVID-19 tsunami hit the Indian shores towards the end of March 2020. Within a week, the entire nation went into a stringent lockdown to battle the global pandemic. We found ourselves peculiarly being the first and last line of defense against unknown scrouge.

Very swiftly, we needed to set up infrastructure and processes for large-scale COVID-19 testing, alter the hospital infrastructure to create isolation zones, ensure the safety of our 25,000+ healthcare and contract workers, provide living spaces to our staff on the hospital premises and nearby hotels. In addition, we also needed to procure a large quantity of protective & diagnostic equipment, secure our supply chain for essential medicines and provisions during a period of extreme scarcity and disruption, and write clinical protocols for the treatment of a novel and highly infectious disease. Most importantly, we had to build courage across our ranks to perform roles none of us was trained for. And all this was needed to be done in a matter of days.

OUR RESPONSE TO COVID-19

Our teams took up these challenges on a war footing and worked tirelessly to serve thousands of patients. They showed great tenacity, agility, and tremendous resilience while fighting the pandemic. They did so in an uncertain environment at an unimaginable risk to themselves and their family members working in high viral load environments putting themselves at fatal risk and risk-taking the virus home to their near and dear ones.

MANY FIRSTS

Our topmost priority while battling COVID-19 remained the health and safety of our patients and staff. We rapidly implemented stringent infection control measures so that the hospitals don't become infection hotspots. I am proud to highlight that we were the first to publish the COVID-19 Clinical Guidelines online for the industry to adopt. We were the first private players to volunteer flagship hospitals in Delhi and Mumbai for the care of COVID-19 patients, one of the first private labs to start COVID-19 testing, the first ones to conduct convalescent plasma therapy trials for critically ill patients and the first ones to launch a unique

home isolation care service. Across our network, we worked closely with the State and Central Governments and initiated a comprehensive response plan to address various issues arising from the pandemic. We trained our nurses, frontline workers, and doctors extensively to use the specialised equipment and the ever-evolving treatment guidelines to manage COVID-19 patients. We commenced over 45+ clinical research projects around the management of COVID-19 to help understand and treat the disease better, many of which have been path-breaking and helped organisations worldwide to understand the virus better.

TAKING CARE OF OUR PEOPLE

To ensure the safety of our healthcare workers, we ensured an uninterrupted supply of high-quality personal protection kits (PPE's). Despite these precautions, over 750 of our healthcare workers fell sick, each one of whom was treated at our hospitals. We made arrangements for their stay at the hospitals and nearby hotels to ensure the safety of their families and loved ones. With access to vaccines in January 2021, we commenced an extensive vaccination drive for our healthcare workers and have since fully vaccinated all our staff. Our staff responded magnificently; the team morale remained consistently high, had very low attrition, and witnessed extraordinary team spirit throughout these challenging days.

LEVERAGING TECHNOLOGY

With COVID-19 induced lockdowns and disruptions, we realised that a sizeable chunk of our patients could not access our services at the hospitals. Thus, we significantly strengthened our digital presence and our Max@Home services to cater to their needs. We saw a large number of our patients using our teleconsultation services delivered through a new app. For the anxious relatives of patients, we introduced an innovative feedback and monitoring system, allowing us to keep them informed about the progress being

made by the patients. The Max@Home team used technology to remotely support and monitor over 2,800* patients at their homes.

SUPPORTING COMMUNITIES

COVID-19 and the resultant restrictions, including the stringent lockdown, brought a great deal of misery, especially to the weaker sections of society. We reached out to extend a helping hand. We treated ~2.35 Lakh indigent citizens free of charge over the year. In addition, during the lockdown, we opened our kitchens and served over ~3.0 Lakh nutritious meals to Migrants besides distributing free medicines to shelter homes.

THE COVID-19 OUTCOMES SO FAR

We have so far treated over 33,000* COVID-19 patients in our hospitals. We also managed over 1,150* patients in hotels, which were converted into COVID-19 facilities. The Max@ Home team supported over 2,800* patients at their homes. We conducted over ~6.4* Lakh RT-PCR tests and vaccinated over ~13.2* Lakh people across the country. Max Healthcare earned a reputation of being one of the finest institutions in the country for the treatment and management of COVID-19.

THE FINANCIAL HIGHLIGHTS

While we battled COVID-19 on all fronts, we also implemented structural cost-saving programs, leading to improved margins and COVID-19 related temporary cost reductions resulting in conserving cash and absorption of losses during the uncertain period.

Concurrently, the company also achieved other important milestones such as implementing a successful merger, Listing, and successful QIP.

Although the overall revenue de-grew by 11% (INR 3,881 Crore), through our efforts, we ensured the network operating EBITDA grew by 8% and stood at INR 636 Crore. The operating margins grew 290 bps YoY to 17.5%.

The Radiant Life Pvt Ltd and MHIL merger was approved in June, followed by a successful listing on the Bombay Stock Exchange and National Stock Exchange.

Later in the year, the company completed a successful fund raise of INR 1,200 Crore through a Qualified Institutional Placement (QIP). We have received interest from domestic and international marquee investors.

THE WAY AHEAD

The COVID-19 battle is far from over. We will further build on our learnings and successes since March 2020 and keep up our fight against the pandemic. We intend to continue our engagement in the vaccination drive across the country to help vaccinate as many fellow citizens as possible.

On the business end, we will continue to focus on optimising capacity utilisation at our existing facilities and improving channel mix to increase ARPOB, enhance case mix, embark upon our envisaged brownfield expansions, scale up our capital light adjacencies like Max Lab and Max@ Home and explore inorganic growth opportunities. In addition, we intend to pursue our strategy to unlock value in the retail pathology business.

I am very grateful to all our clinical teams for their dedication and commitment to fighting COVID-19. They displayed great courage, tenacity, agility, and resilience throughout the year to face an unprecedented challenge. I must also thank my fellow board members and the company's leadership team for their guidance, support, and efforts.

Regards,
Mr. Abhay Soi
Chairman & Managing Director

CORPORATE IDENTITY

COMMITTED TO CARE

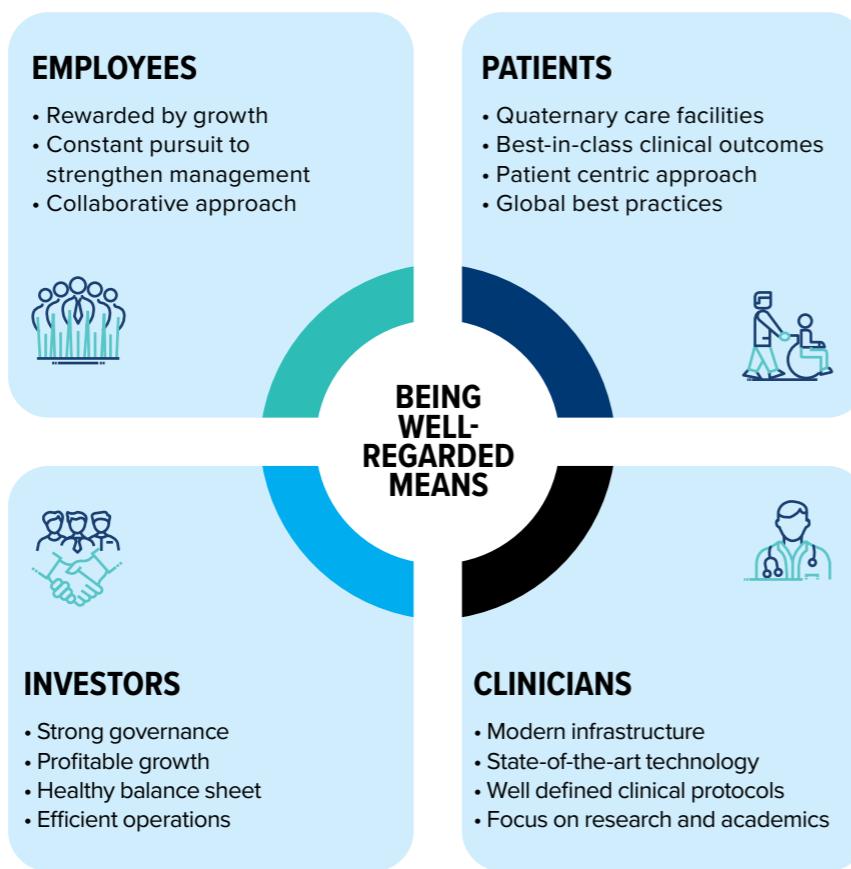
Max Healthcare is one of India's leading providers of integrated world-class healthcare services. It is the second largest healthcare chain in the country by revenue, supported by 17 healthcare facilities offering treatment modalities across 29 key specialities.

Our key specialities include oncology, cardiac sciences including heart transplant, neurosciences, urology, nephrology liver transplant & biliary sciences, gastroenterology, orthopaedics, bariatric, minimal access surgery, bone marrow transplant, kidney transplant, and aesthetic and reconstructive surgery. In addition to our core hospital business, we have two Strategic Business Units (SBUs), Max@Home and Max Lab. Max@Home is a platform that provides health and wellness services at home and Max Lab offers pathology services to patients outside our network of hospitals through various channels including third-party hospital laboratory management.

At Max Healthcare, we are committed to the highest standards of clinical excellence and patient care supported by latest technology and cutting-edge research. We continue to strengthen our position as a leading private healthcare provider by focusing on advanced patient-centric care. Our constant efforts to deliver superior services earned us the trust of our patients and exceed the expectations of our patrons.

OUR VISION

We seek to be the most well-regarded healthcare provider in India committed to the highest standards of clinical excellence and patient care supported by latest technology and cutting-edge research.



KEY FACTS

17

Facilities

~3,400

Bed capacity

4,800+

Clinicians

15,000+

Employees

OUR VALUES



COMPASSION

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



EFFICIENCY

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



EXCELLENCE

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



KEY DIFFERENTIATORS

PROGRESSING WITH RESILIENCE AND OPTIMISM



LEADING HOSPITAL BRAND

Over the last 20 years, Max Healthcare has built a strong reputation for offering high-end quaternary care with best-in-class clinical outcomes. We are among the leading hospitals in North India with a focus on oncology, neurosciences, cardiac sciences, orthopaedics, renal sciences, liver and biliary sciences and minimal access metabolic and bariatric surgery at our network healthcare facilities.

COMPLEX SURGERIES PERFORMED IN FY 2020-21

550+

Transplants⁽¹⁾

160+

Robotic surgeries

23,700+

Cardiac procedures⁽²⁾

7,600+

Neuro surgeries⁽³⁾

13,300+

Orthopaedic surgeries⁽⁴⁾

7,500+

Oncology surgeries⁽⁵⁾

PRESENCE IN PREMIUM MARKETS WITH SUPERIOR CASE MIX

Max Healthcare is focused on the premium markets in India, namely Delhi NCR and Mumbai. The two metros deliver the highest average revenue per occupied bed (ARPOB) and are the most profitable markets in the country (~84% of Max Healthcare beds are in metros).

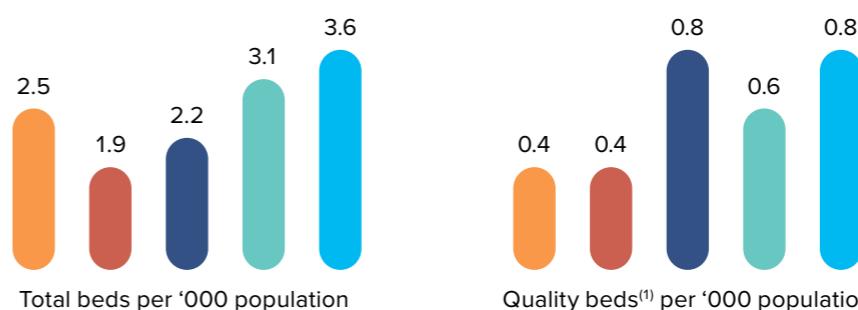
The key factors driving growth in these market are demand-supply mismatch, increased per capita income and insurance penetration. Max Healthcare enjoys higher ARPOB compared to peers largely due to higher share of operational beds in metros/northern urban areas and a superior case mix.

We have access to a very valuable land bank in the heart of both Delhi and Mumbai with the potential to build ~1,500+ beds in Max Smart Super

Speciality Hospital, Saket and Nanavati Max Super Speciality Hospital, Mumbai. This coupled with the possibility of adding beds in existing facilities takes the overall brownfield expansion potential to ~2,000+ beds across our network facilities. These land banks have lower capital employed per bed, quicker breakeven with lower risk leading to high return on incremental capital employed with higher visibility.

(1) Transplants includes kidney, heart, liver, pancreas, etc. (2) Includes Cardiac Surgery, Cardiac Paed. Surgery, Vascular Surgery, Angioplasty, Angiography and Other Cardiac Procedures (3) Includes Surgical and Spinal Surgeries (4) Includes Joints and Other surgeries (5) Includes Onco Surgical and bone marrow transplant (BMT)

High demand-supply gap in Delhi NCR & Mumbai



- Delhi NCR
- Mumbai
- Chennai
- Bengaluru
- Hyderabad

⁽¹⁾ High-end tertiary/quaternary beds
Source: Kotak and E&Y analysis

CUTTING-EDGE TECHNOLOGY

We employ high end medical technologies, state-of-the-art equipment and modern hospital facilities to offer quality healthcare services to our patients and expand our range of healthcare services. Our facilities are equipped with sophisticated technologies, including new generation diagnostics, surgical devices and radio therapy such as the da Vinci Xi® Surgical System to perform robotic surgeries, radixact-x9 tomo-therapy, Innova IGS 520 - floor-mounted image-guided system for

cath lab procedures, HIPEC System for chemotherapy treatment, Tomotherapy and O – arm™ O2 imaging System for neuro surgeries. Also, due to our continuous investment and upkeep we maintain very high level of uptime for our equipment.

CLINICAL EXCELLENCE WITH FOCUS ON QUALITY, RESEARCH AND ACADEMICS

Max Healthcare is well known for its very high standards of clinical care. All our hospitals are NABH accredited

except Max Noida which has been recommissioned as day-care medical centre in later part of FY20. Further, three of our hospital facilities – Max Hospital, Saket (East), Max Hospital (West) and BLK Max Hospital are also accredited with globally acclaimed Joint Commission International, USA (JCI). We are also highly focused on clinical research and academics and have significant ongoing strategic partnerships with leading institutes of international repute, such as Imperial College of Science, Technology and Medicine, London and Deakin University in Australia.

3

Hospitals JCI Accredited

~1,000

High index journal research publications in last 5 years

~15,000

Bio samples stored

~12,000

Trainees participate in various training programmes and exams annually

ABILITY TO BUILD ON CAPITAL LIGHT ADJACENCIES

Max Healthcare can leverage its established brand and clinical expertise to create and build on asset-light adjacencies. Max Lab offers diagnostic services to patients outside hospitals directly and through a network of partners. Max@Home is the out-of-hospital service division of Max Healthcare focusing on making quality healthcare accessible to patients at their home or workplace. Our aim going forward is to utilise Max Lab and Max@Home's plug-and-play approach to provide new services and scale digital business for future growth.

EXPERIENCED AND DYNAMIC MANAGEMENT TEAM

Max Healthcare has one of the best and most experienced management teams in the industry. Our Chairman and Managing Director, Mr. Abhay Soi is an experienced investor and turnaround specialist with experience of commissioning, restructuring and unlocking value of healthcare assets. Supporting him are team members with either deep expertise in the healthcare industry or world-class cross-industry functional expertise, enhancing diversity in the leadership team. Both experienced and skilled, our management team is fully geared up and eager to take up the challenges ahead.

ROBUST FINANCIAL PERFORMANCE

Our business has demonstrated attractive financial performance during last three fiscal years. The income grew by 11.1% in Fiscal 2020 as compared to Fiscal 2019, however, in Fiscal 2021 revenue was impacted primarily in H-1 due to nationwide lockdown triggered by coronavirus pandemic.

Operating EBITDA growth from INR 348 Crore in Fiscal 2019 to INR 590 Crore in Fiscal 2020, represents a growth of 69%. Also, we improved the EBITDA further by 7.9% in Fiscal 2021 to INR 636 Crore as compared to Fiscal 2020 despite lower revenues through timely and agile cost management actions.

AREA OF OPERATIONS

DEEPENING OUR REACH

Max Healthcare has major concentration in North India consisting of a network of 17 healthcare facilities. Of the total network, eight hospitals and four medical centres are located in Delhi and NCR and the others are located in the cities of Mumbai, Mohali, Dehradun and Bathinda.



- (1) Standalone speciality clinics with outpatient and day care services
- (2) 2 facilities at Lajpat Nagar
- (3) 320 beds in East Block and 201 in West Block
- (4) 2 facilities in Mohali



BEST-IN-CLASS TECHNOLOGY

ADVANCED HEALTHCARE INFRASTRUCTURE

Max Healthcare is a leader in the induction of technology to provide patients with highest standards in medical care.

The hospitals are equipped with advanced medical equipment like state-of-the-art Cath Labs, Robotics, OTs with HEPA filters, Nuclear Medicine, Gama Camera, LINAC for Radiotherapy, MRI and CT scan machines. In order to improve the medical outcomes, there is a continuous process of evaluation, upgradation and adoption of latest technologies both for diagnostics and treatment modalities in our network hospitals.



Robotics Da Vinci Xi

Advanced robotics provides high precision and enables minimal invasive surgery across multiple specialities such as Oncology, Neurology and Urology



Radixact – TomoTherapy System

Varian G Halcyon

Next generation TomoTherapy platform, designed to enable more efficient, effective and precise delivery of radiation to the entire spectrum of cancer indications



S8 Navigation with O-Arm Medtronic S8 navigation

StealthStation™ S8 navigation integrates with the O-arm (opens new window)™ imaging system, replacing intraoperative fluoroscopy with a fluid, 3D-navigated surgical experience



Cath Lab – Artis Zee Pure

Cath Lab Innova IGS 20

Philips FD10 Allura clarity

ArtisZee floor-mounted system with a large detector offers excellent performance for an improved clinical workflow with a larger field of view



Intra OP Portable CT

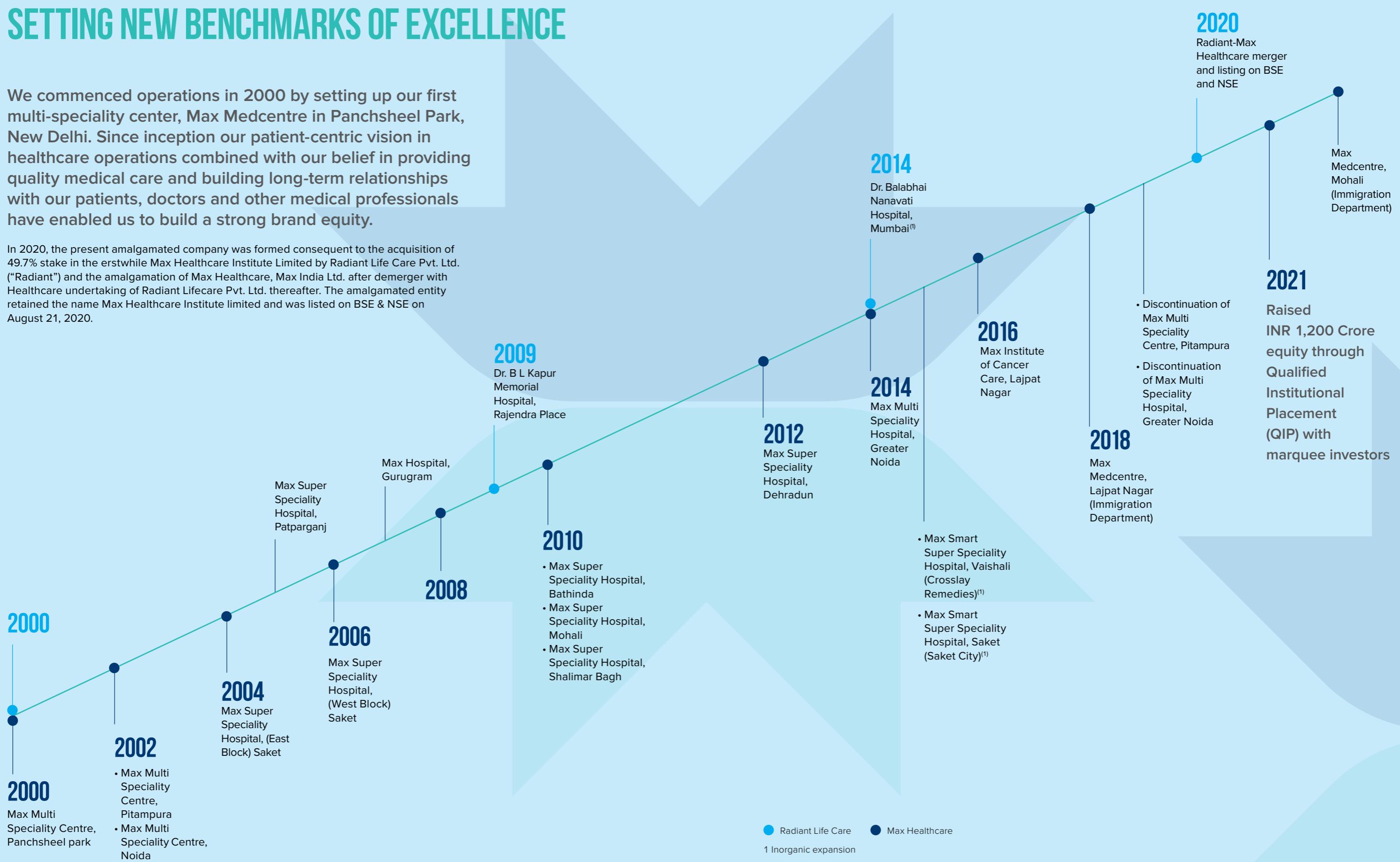
BodyTom® has the ability to perform axial, helical (CTA), and dynamic scanning, making it ideal for providing multi-departmental imaging solutions

KEY MILESTONES

SETTING NEW BENCHMARKS OF EXCELLENCE

We commenced operations in 2000 by setting up our first multi-speciality center, Max Medcentre in Panchsheel Park, New Delhi. Since inception our patient-centric vision in healthcare operations combined with our belief in providing quality medical care and building long-term relationships with our patients, doctors and other medical professionals have enabled us to build a strong brand equity.

In 2020, the present amalgamated company was formed consequent to the acquisition of 49.7% stake in the erstwhile Max Healthcare Institute Limited by Radiant Life Care Pvt. Ltd. ("Radiant") and the amalgamation of Max Healthcare, Max India Ltd. after demerger with Healthcare undertaking of Radiant Lifecare Pvt. Ltd. thereafter. The amalgamated entity retained the name Max Healthcare Institute limited and was listed on BSE & NSE on August 21, 2020.



OPERATIONAL HIGHLIGHTS

ROWING STEADILY IN UNCHARTED WATERS

FY 2020-21 brought overwhelming challenges with lockdowns and restrictions in mobility, which adversely impacted almost all sectors of the economy. The healthcare sector also navigated huge adversity. The healthcare service providers had to suddenly pivot their services from surgeries to managing very sick patients suffering from a highly infectious and a largely unknown disease.



FINANCIAL/CORPORATE



- > Merger of Radiant and Max Healthcare operations
- > Listing of MHIL on the BSE and NSE on August 21, 2020
- > New brand identity unveiled
- > Raised INR 1,200 Crore equity through the Qualified Institutional Placement (QIP)
- > Incorporated new wholly owned subsidiary in Dubai for strengthening international medical tourism
- > Incorporated new wholly owned subsidiary for non-captive pathology business
- > Ramped up occupancies in newly set up oncology block in Max Vaishali

CLINICAL UPDATE



- > Successfully implanted Bluetooth enabled MRI computability AICD to prevent sudden cardiac death
- > Treated a 6-month-old infant with Intracranial Extradural Hematoma successfully
- > Cured a 21-year-old woman with Progressive Acute Inflammatory Demyelinating Polyradiculopathy (AIDP) on ventilator with Intravenous Human Immunoglobulins
- > Successfully conducted Core Decompression and Osteoblast cell cultured Bone Implant in a patient of Multifocal Osteonecrosis at four sites in a single lower limb of the patient
- > Saved a young man's life suffering from a fulminating case of Fournier's Gangrene
- > Successful Video Assisted Anal Fistula Treatment (VAAFT) in a 36-year-old patient with a complex perianal fistula
- > Conducted laparoscopic subtotal cholecystectomy successfully with removal of 5 cms sized stone and Choledochoplasty by cuff of gall bladder on a patient with a rare Mirizzi's syndrome

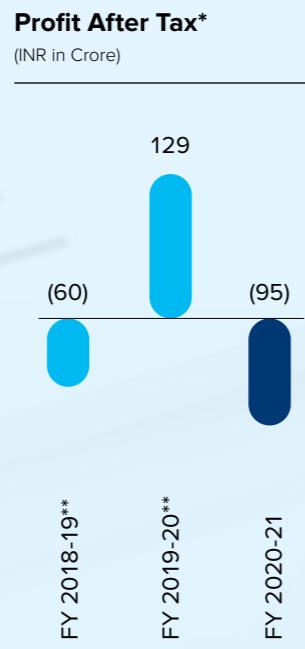
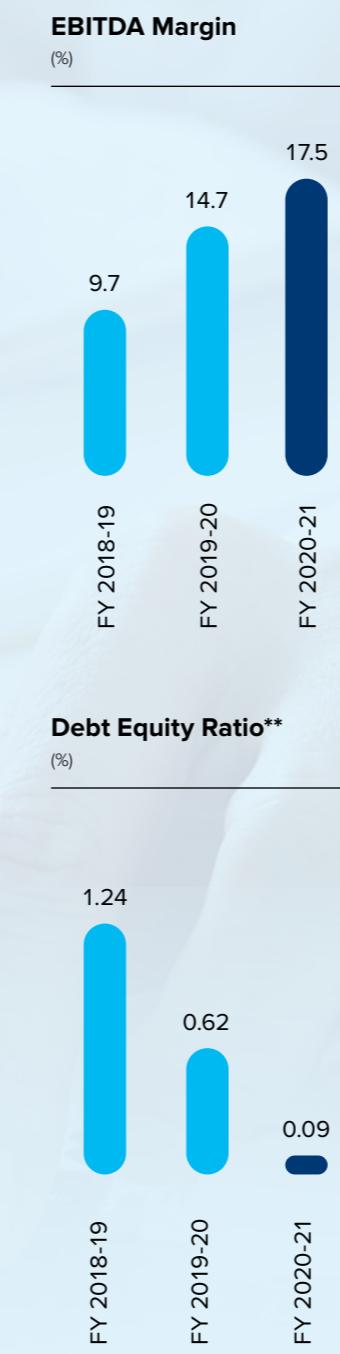
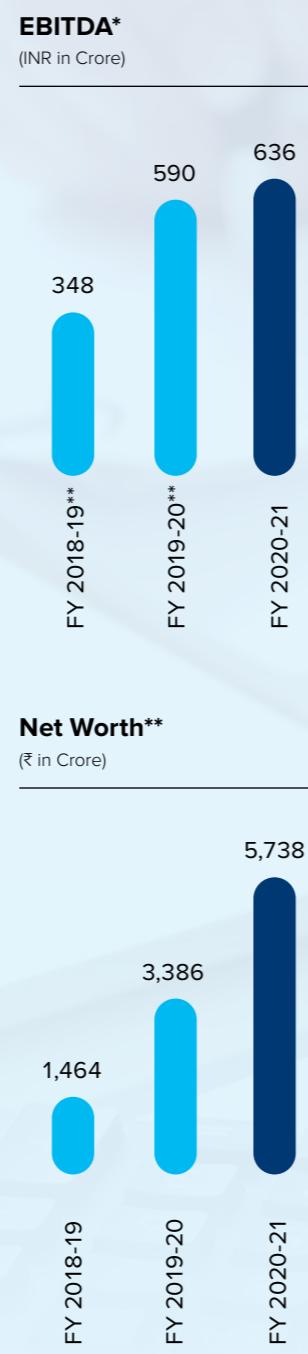
RESEARCH AND ACADEMICS UPDATE



- > 81 clinical trials and 13 grants ongoing across Max Healthcare
- > ~738 allied health internship, 56 observership and 49 fellowship students joined
- > 11 studies and trials on COVID-19 indications are going on across Max Healthcare
- > 70 non-COVID-19 clinical trials are now continuing
- > 13 ongoing grants across Max Healthcare comprising 3 International (European Union, NIHR & Innovate UK) and 10 national grants
- > Masters in Emergency Medicine International course extended to BLK-Max Super Speciality Hospital and Nanavati Max Hospitals
- > 3 hospitals approved as exam centres for DNB students by National Board of Examination
- > Diplomate of National Board (DNB) accreditation approval in 35 specialities; total strength of DNB residents across network hospitals at 433 currently

KEY PERFORMANCE INDICATORS FOR NETWORK FOCUSING ON SUSTAINABLE RETURNS

Despite a turbulent and challenging year, we listed the company's shares on the BSE and raised funds through the Qualified Institutional Placement (QIP) route. Consequent to the successful completion of equity fundraise through the QIP, the Company's net debt position inclusive of put option liabilities, improved significantly. We also implemented structural cost savings, which are long-term in nature. Overall, we delivered enhanced value to our stakeholders and fortified our balance sheet for pursuing inorganic growth.



*FY 2018-19 financials are pre-Ind AS 116 unaudited numbers based on arithmetic total of line items appearing in the pre-merger P&L of Max Healthcare and Radiant Lifecare

**FY 2018-19 & FY 2019-20 are based on arithmetic total of line items appearing in the pre-merger Balance Sheet of Max Healthcare and Radiant Lifecare

*** Capital employed excludes the impact of Purchase price allocation under IndAS 103 carried out on June 01, 2020

ACCOLADES

RECOGNISED FOR OUR AGILITY, TENACITY AND RESILIENCE

Our clinicians and paramedical staff are consistently recognised for their excellence and invaluable contribution to healthcare services in India.

- 1 Max Lab, Max Super Speciality Hospital, Saket awarded '**Excellence in Hospital Preparedness for COVID-19 – Standalone Diagnostic Centre or Blood Bank'** at FICCI Annual Healthcare Excellence Awards
- 2 Max Smart Super Speciality Hospital, Saket adjudged **Best Private Hospital combating COVID-19 management** by INDIA TODAY GROUP
- 3 Max Smart Super Speciality Hospital, Saket won **1st prize in Excellence in COVID-19 Management** by AHPI
- 4 BLK-Max Super Speciality Hospital, New Delhi won **Best Multi-Speciality Hospital** by ET Healthworld Hospital Awards
- 5 BLK-Max Super Speciality Hospital, New Delhi won **Best Hospital - Oncology, Cardiology, Neurology, Gastroenterology & Hepatology and Orthopaedics** by ET Healthworld Hospital Awards
- 6 BLK-Max Super Speciality Hospital, New Delhi won **COVID-19 Healthcare Provider at 4th CSR Health Impact Awards**
- 7 BLK-Max Super Speciality Hospital, New Delhi adjudged '**Best hospital to Work for'** by AHPI Award
- 8 Nanavati-Max Super Speciality Hospital, Mumbai won **Best Hospital in Patient Care- Cardiology** Excellence Awards Sept 2020
- 9 Nanavati-Max Super Speciality Hospital, Mumbai won **Excellence Award in Intelligent Hospital category – announced by AHPI in March 2021**
- 10 Max Super Speciality Hospital, Patparganj won **Diamond Award for Stroke Ready Centre** by WSO Angels Awards
- 11 Max Super Speciality Hospital, Mohali won **State Energy Conservation Award** by Punjab Energy Development Agency
- 12 Max Super Speciality Hospital, Vaishali won **Gold Award for Stroke Ready Centre** by WSO Angels Awards
- 13 Max Super Speciality Hospital, Vaishali won **QCI National D L Shah Award (Silver) - STROKE - Time is Brain**



2



3



10



12



AGILITY

THERE'S ONLY ONE WAY TO BATTLE COVID: ON A WAR FOOTING.

When faced with the spectre of COVID-19, we responded with speed, scale and efficiency. The fast-changing regulatory environment, the evolving clinical protocols and the nature of the disease itself made us adept at changing and pivoting the organisation and our services with great agility. We were the first to publish the COVID-19 Clinical Guidelines online for the industry to adopt. We were the first private players to volunteer flagship hospitals in Delhi and Mumbai for the care of COVID-19 patients. We were also one of the first private labs to start COVID-19 testing, the first ones to conduct convalescent plasma therapy trial for critically ill patients and the first ones to launch a unique home isolation care service.

COVID-19 RESPONSE

STEPPING UP DURING THE PANDEMIC

Being a best-in-class healthcare provider, we at Max Healthcare were on the frontlines of India's fight against COVID-19. We realised early that this unprecedented health crisis demanded that we transform the way we operate and constantly review how we connect with and deliver value to our stakeholders. We implemented a multi-pronged strategy to combat the pandemic and limit the overall impact on our operations.



INFRASTRUCTURE SUPPORT

Despite a nationwide lockdown during the first wave of COVID-19 pandemic, infrastructural changes were undertaken through round-the-clock site work during initial weeks. We were one of the first healthcare chains to offer treatment to COVID-19 patients and dedicated two of our flagship hospital in Delhi and Mumbai exclusively for the said purpose. In addition, we also tied up with nearby hotels to quickly cater to the surge of COVID-19 patients and bridge the shortage of beds.

The work included partitioning of areas to separate COVID-19 and non-COVID-19 patient service area (besides for movement of doctors, staff, nurses and support services such as Food & Beverages, Housekeeping, laundry, BM waste, mortuary, etc); modification of HVAC ducts, where required, to prevent mixing of air of two areas; creation of PPE donning, hand washing and PPE doffing areas at entry and exit points; setting up separate COVID-19 emergency (flu corner), OPDs; installing of additional fans to create negative pressure, etc. About 1,800 COVID-19 beds were readied across various hospitals of Max Healthcare. We also arranged for stay and transportation of our medical staff to ensure continuum of care and meet the requirements of both COVID-19 and non-COVID-19 patients.

Max Lab was among the very few labs in India to get the ICMR approval in early phase of the pandemic. Unlike standalone labs, we are one of the labs in the country which caters to both the Hospital samples 24x7 and retail

samples of COVID-19. We launched special mobile sample collection vans to reach up to the periphery of the city. COVID-19 test facilities (BSL II labs) were set up at Max Smart Super Speciality Hospital, Saket, BLK-Max Super Speciality Hospital, Nanavati-Max Super Speciality Hospital and Max Super Speciality Hospital, Mohali and more equipment and manpower was added in record period to cater to the increased demand of COVID-19 testing. Civil authorities were approached, and permission was sought to

ensure uninterrupted commuting of contractors' team, opening of godowns of suppliers, movement of trucks from godowns to deliver material, opening of manufacturing facility to manufacture HVAC equipment, and so on.

At Nanavati-Max Super Speciality Hospital, three buildings earlier vacated for an expansion project were readied on a war footing in two weeks period with structural strengthening, interiors and MEP works to house 200 doctors,

nurses and other personnel. This not only ensured their availability within hospital premises, but also substantially saved commuting and boarding expenses of hotels.

A hoist otherwise meant to transport team at construction site was hired and installed in external area at Nanavati Max to provide direct access to Dialysis Ward on the first floor so as to avoid mixing of dialysis patients with COVID-19 patients using common lift and staircase.

We also provided free of cost treatment to employees at any of the Max Hospitals, free RTPCR tests, pick & drop facility, stay and accommodation arrangements for staff on COVID-19 duty, dynamic rostering, redesigning of infrastructure to ensure safety. Since the vaccination drive commenced in January 2021 for healthcare workers, close to 14,000 employees across our network hospitals received both the doses.

INFRASTRUCTURE SUPPORT FOR COVID-19

~2,064

Peak COVID-19
beds occupied

~6,36,000*

RT PCR tests done

~13,16,000*

Vaccine doses administered

* These numbers are as on July 31, 2021.



COVID-19 RESPONSE

STRENGTHENED DIGITAL PLATFORMS

To ensure business continuity during strenuous times, it was important that our support staff is enabled to efficiently work from home and contribute to the organisational efforts to cater to the increasing number of both COVID-19 and non-COVID-19 patients, without compromising on the data security. This entailed not only providing new gadgets (like laptops etc), but also re-jigging the IT protocols to provide seamless access while retaining application's fidelity and uptime.

- > **Implementation of Video-consult platform** – We rolled out a video-consult platform during the pandemic to ease out domestic and international consultations between

doctors and patients from home. The Platform has four major components

- (i) mobile app for doctors
- (ii) mobile app for patients
- (iii) doctor web platform and
- (iv) appointment booking engine for our call centre teams and online booking

The platform offers – video, audio and chat features between doctors and patients, real-time prescription and invoice for patients, post consultation, uploading and sharing of any clinical documents with doctor, dynamic and static coupon code discounts, and integration with IOMT devices to record vitals by patients.

- > **Digitisation of Home Isolation package workflow** – We developed

a flawless workflow to provide home care and assistance to patients suffering from COVID-19 through Max@Home Isolation Care. It included a provision to allocate home care patients to available doctors and nurses, predefined templates for doctors to prepare prescription, capturing patient vitals in real-time, providing a view to attending physicians and nurses for regular monitoring, and contactless payment options.

> **Digitisation of COVID-19 Data Capturing** – Capturing the patient vitals required by Clinical Research Team for research and study purpose to monitor and improve clinical outcomes

> **Robotic Automation Process (RPA)** – RPA was implemented for ICMR entries for RTPCR testing and results thereof

COVID-19 RESEARCH AND INNOVATION

Max Healthcare has taken a leading role in COVID-19 related research in these times of the pandemic and has initiated over 80 research initiatives purely related to COVID-19, which includes sero epidemiological studies, investigator driven work and sponsored drug and clinical trials.

- > Over 418 publications were published in FY 2020-21 in high index peer reviewed journals by our medical personnel, academicians and researchers across the Max Healthcare network. 91 publications were related to COVID-19 and 327 related to non-COVID-19 topics.
- > Conducted and completed a self - sponsored clinical trial approved by CDSCO (Indian Drug Regulator) in relation to COVID-19 for convalescent plasma. We also

published an article on convalescent plasma with relation to COVID-19 which was one of largest pooled data from a single organisation in India. We were one of the first centres in India to register our research study in Clinical Trial Registry of India (CTRI) and ClinicalTrials.gov (USA).

CREATING MASS AWARENESS FOR COVID-19

Max Healthcare has been at the forefront of fighting the COVID-19 pandemic right when the crisis hit the country. Sustained activities under #IndiaCoronaNegative for COVID-19 education and related communication through digital and social media were undertaken. Over 2,700 webinars in the community, corporates and PSU institutions reaching over 1.5 Lakh people were conducted to impart awareness and information around

prevention, treatment and post-care for COVID-19 and other diseases.

Our brand communication strategies were designed to optimise digital communication opportunities to establish COVID thought leadership and mindshare dominance. Content and collaterals were developed to educate general public, RWAs and corporate partners about COVID-19 on various guidelines for home isolation, travel, work, resetting and opening up. This was widely disseminated and appreciated across the digital media. Over 3,500 webinars for Max Extended Care Program (MECP) doctors and in upcountry, reaching over 60,000 people were organised.

PATIENTS TREATED

~33,000*
at hospital

~2,800+*
at home

~1,150*
at hotels converted to
temporary hospitals

2,700
Webinars in the
community, corporates
and PSU institutions

3,500
Webinars for MECP
doctors

~1.5 LAKH
People reached by
imparting awareness
on COVID-19 treatment

* These numbers are as on July 31, 2021



REALIGNING TO GUIDE PATIENTS WITH CARE

The Front Office teams at the Hospitals embraced the challenge of managing a variety of patients' queries ranging from COVID-19 testing and reporting to bed availability in the right spirit. At the same time, the team strategised, designed and learned SOPs as they evolved on-the-go as it was unprecedented times for the entire fraternity. While we came up quickly with the online consultation platform, front office team had to learn the entire ecosystem of running operations around this extremely helpful and needed solution.

Our team led from the front to manage the online appointment and video consultation process in a seamless and efficient manner which was of great convenience to the patients as well

as Max Healthcare flag bearers – our clinicians. This shows the agility of the team deliver organisational goals and ensure patients' safety. Team showed great character and strength to manage the footfall with limited available manpower without compromising on the patient experience and other critical business metrics.

VACCINATING FOR A SAFER FUTURE

Max Healthcare was at the forefront of the vaccination drive. Right from the beginning, when the vaccination started with senior citizens, we began the process at multiple sites at the hospitals. We tied up with some of the largest corporates and industry houses across sectors like IT, ITES, Manufacturing, Ecommerce, telecom, food-delivery in the country, covering

cities such as Bengaluru, Cochin, Hyderabad, Jodhpur, Kolkata, Lucknow, Nagpur, Chennai, Pune, Vijayvada, Surat, Coimbatore, Mysuru, Jalgaon, Jhansi and Nashik to name a few to provide vaccination to their employees. Teams from across functions came together to run these drives in cities across the country. Jumbo vaccination sites were also setup in schools and other areas to facilitate mass vaccination for age groups above 18+. To facilitate the process of registration and BLK-Max Super Speciality Hospital setup, in record 3 days, one of the largest vaccination centres at Radha Soami Satsang centre near it, which had the capacity of vaccinating 10,000 people in a day. As a network, we have administered ~13,16,000 (till July 31, 2021) vaccinations and are still actively continuing on this drive.

LEVERAGING DIGITAL

REIMAGINING THE FUTURE WITH TECHNOLOGY

We believe that digital expertise is the future of healthcare and wellness and are committed to creating solutions that go beyond the literal meaning of healthcare.



ELECTRONIC HEALTH RECORD WEB VERSION

We launched the web version of Electronic Health Record (EHR) offering clinicians an optimised user interface, enhanced product and better user experience. This helped in improved discharge summaries with ability to upload tables, graphs and images and provided structured templates with marking of data fields for research purpose. The new version also provided a single view of complete clinical journey of a patient in hospital. Significant efforts were put forth for EHR change management of clinicians in terms of conducting end-to-end trainings, adoption session/workshops for clinicians, sensitising them on new application features, improvised workflow and reporting. The first site to go-live was Max Hospital, Gurugram.

ADVANCED SPEECH TO TEXT SOLUTION SCRIBETECH (AUGNITO)

The advanced speech to text solution was integrated with RIS at Max Super Speciality Hospitals in Shalimar Bagh and Vaishali, thus offering optimised radiology reporting/workflow. Digital Expert URLs/remote application centre solution from GE enabled better connect between radiologists offering online learning, virtual training, reducing scan time and meeting experts on demand.

IMPLEMENTATION OF BLOOD BANK MANAGEMENT SYSTEM AT BLK-MAX AND NANAVATI MAX

The Blood Bank Management System platform was successfully launched at BLK-Max Super Speciality Hospital and Nanavati Max Super Speciality Hospital. The system completely automated the workflow from ordering to dispensing of blood and its components. This resulted in ensuring regulatory compliance, minimising chances of manual error, faster processing of blood requests and online status visibility of the requests thereby enhancing the quality of care and bringing down the turnaround time. It has also enabled the donor traceability on donor referrals.

LAUNCH OF DOCUMENT MANAGEMENT SYSTEM (DMS)

The DMS platform successfully launched at all Max Healthcare hospitals, enabled easily accessible storage of patients' KYC documents in a central repository. This enhancement helped Max Healthcare reduce duplication of work, save cost of printing and stationery and improve workflow management of KYC requirements, and helped enhance services to our valued patient community.

DEVELOPMENT AND ROLL-OUT OF ONCOLOGY PATIENT TRACKER AND SCHEDULING TUMOUR BOARD MEETING

Oncology department came up with unique requirement of multi-modality (Medical Surgical Radiation) intervention. A new tool was developed by the in-house development team to automate the journey of new oncology patients to ensure minimal manual intervention, seamless coordination between modalities, timely follow ups and status update with patients and securing data for Research and Study purpose to monitor and improve clinical outcomes. The new tool helps clinical teams for timely information to all teams for planning, treatment and coordination for monitoring outcomes and recovery of patients.



DIGITAL

DIGITISATION OF PATIENT FEEDBACK MANAGEMENT

We launched one single platform for patient experience teams to consolidate and perform analysis, ticketing & bucketing of all complaints, special requests, suggestions and appreciations. This helped driving decision of re-opening and reassignment of tickets and do Root Cause Analysis (RCA) & Corrective and Preventive Actions (CAPA) for actionable tickets based on severity levels.

DETAILS OF PROJECTS INVOLVING USE OF AI/ MACHINE LEARNING MODELS

Artificial Intelligence (AI) initiatives in radiology was another focused area to augment reporting and decision-making. Details of the projects include:

- > Qure AI solution enabled marking images as normal/abnormal in lieu of sharing data (X Rays)/ COVID-19 algorithm with WhatsApp alert of AI processed results for radiologist review /reference. A cloud deployment was undertaken for two key sites namely Max Super Speciality Hospital, Saket and Max Smart Super Speciality Hospital, Saket



- > Predible's Lung IQ solution enabled increased sensitivity in Nodule detection, fibrosis quantification (CT scoring for each lobe/ COVID-19 quantification); COVID-19 algorithm deployed for Max Super Speciality Hospital, Saket/Smart. Helps radiologists save time and objectively calculate severity, study patient progression
- > Zebra's Osteoporosis Spine, Brain Bleed detection (CT) (Vertebral Compression Fracture-VCF and Intracerebral Hemorrhage-ICH) offering improved reporting

IMPROVEMENT OF CYBER SECURITY BY IMPLEMENTING KEY PROJECTS

- > **Distributed Denial of Service (DDOS)** – Implemented DDOS over the internet line to provide extra layer of cyber security on internet traffic
- > **Multifactor authentication (MFA)** – MFA is implemented to enhance security between VPN users and Max Data Centres
- > **Implementation of Central Hospital Information System (HIS) at BLK Max** –Integration of BLK Max with centralised database of Max Healthcare to improve efficiency and customer experience at Max Healthcare network hospitals.

VIDEO CONSULTATION PLATFORM AND WEBSITE RELAUNCH

Max Healthcare proactively launched a video consultation platform within a few days of the onset of the pandemic and disruption of physical OPDs in the hospital. The mobile app was widely promoted across digital and other media including promotion at retail pharmacies across cities. Over 7-8% consultations in FY 2020-21 were on the video platform. This helped ensure continuity of care as well as increasing the access to healthcare for communities.

Max Healthcare website was relaunched in the year with great emphasis on user journey and functionality. The focus was on offering convenience to people who were searching for doctors, treatments and getting appointments. Digital media campaigns to generate direct doctor appointments, video consults and leads for second opinion and treatment for specific procedures and specialities were continuously promoted in the year. In these times, as the consumer and channel landscapes rapidly evolve, we continue to be agile and responsive to leverage market opportunities and deftly navigate through the challenge.



FUTURE STRATEGY

INTEGRATED DIGITAL PLATFORM

We are also progressing to build an integrated, personalised, safe and efficient digital health ecosystem for patients, physicians and management for their respective requirements.

MOBILITY OF ELECTRONIC HEALTH RECORD

Complete health records such as X-ray, vitals, prescriptions, medical history, previous consultations, and discharge notes of the patients make accessible to the physicians on mobile. Informed decision making as key output with more judicious usage of EHR for improved patient care and specialised clinician workflows

VIRTUAL DESKTOP INFRASTRUCTURE (VDI)

VDI solution to provide cost benefit and security is being evaluated

SECURITY OPERATIONS CENTER (SOC)

- > 24X7 SOC service is being evaluated to analyse and remediate real time security risk
- > 24X7 cybersecurity proactive monitoring and real-time hunting of cyber threats
- > To strengthen the cyber security posture of all the servers, network and security devices

TENACITY

**EVEN WHEN
MANY OF OUR
FRONTLINE STAFF
WERE DOWN WITH
COVID-19, OUR
HOSPITALS WERE
UP AND RUNNING.**

FY 2020-21 has been a challenging and momentous year for Max Healthcare. The entire organisation came together to lead the fight against COVID-19. The clinical teams prepared detailed clinical protocols and kept them updated on a real-time basis to adapt to emerging developments and discoveries in the course of the treatment of COVID-19 patients worldwide. The clinical protocols were implemented at all our hospitals and also published on digital platforms for the benefit of others in the industry to quickly adopt. Despite myriad of challenges, the teams responded with great tenacity and responsibility. The operations team pivoted hospital infrastructure to create large isolation areas to accommodate COVID-19 patients and ensure non-COVID care could safely continue.

SPECIALITY STRENGTH

EXCELLENCE DRIVEN CLINICAL FOCUS ACROSS SPECIALITIES

Max Healthcare is home to 4,800+ doctors, most of whom are pioneers in their respective fields. Additionally, they are renowned for developing innovative and revolutionary clinical procedures.

Apart from fighting the pandemic at the forefront, this year our Clinicians had to meticulously plan safety protocols and ensure strict enforcement so that non-COVID care does not get compromised. While the pandemic had taken centre-stage, we realised that treatment for other diseases must not be ignored.



CARDIAC SCIENCES

Our Institutes of Heart and Vascular Sciences, are one of India's best heart centres across the country and provide treatment for conditions such as heart defects, congenital heart disease, pulmonary heart failure, and coronary artery diseases.

PATH-BREAKING PROCEDURES

- > World's second iVAC 2L PulseCath Hemodynamic support in human assisted Percutaneous Coronary Intervention (PCI)
- > India's first few Shockwave Lithotripsy Balloon IVL assisted PCI
- > India's first inbuilt Carelink Bluetooth Mobile compatible Pacemaker Implantation
- > Dual Chamber Pacemaker Endocardial Implantation by Hybrid approach in all occluded venous access patient
- > India's first bluetooth enabled pacemaker implanted
- > First Transcatheter Aortic Valve Implantation (TAVI) and First Intravascular Lithotripsy (IVL) done in the state of Uttarakhand



ONCOLOGY

At Max Institutes of Cancer Care, we offer a holistic and integrated treatment by consolidating views of experts in Surgical Oncology, Radiation Oncology, and Medical Oncology, and follow a disease management group approach for excellence in cancer treatment

PATH-BREAKING PROCEDURES

- > Combined hepatectomy and carcinoma pancreaticoduodenectomy after neoadjuvant therapy for all bladder carcinoma
- > Lifesaving Total Body Radiation (TBI) for an 18-year-old boy suffering from acute leukaemia followed by successful bone marrow transplantation carried out during the pandemic
- > First STER (Submucosal Tunneling Endoscopic Removal) for removal of 2 cm Submucosal Spindle Cell Tumour at the lower End of Esophagus
- > 12 cm Colonic Laterally Spreading Adenoma removed with combined technique of EMR and ESD. This is the largest tumour ever removed in North India



SPECIALITY STRENGTH

NEUROSCIENCES

The Institutes of Neurosciences provide round-the-clock, comprehensive Diagnostic and Therapeutic Neurological and Neurosurgical services, according to evidence-based protocols set as per internationally accepted guidelines.

PATH-BREAKING PROCEDURES

- > Complex brain stem surgery followed by RMSO craniotomy and evacuation of bleed done for a 4-year-old boy
- > Successfully treated a 6-month-old infant with intracranial extradural hematoma
- > Successfully treated a 21-year-old woman with Progressive Acute Inflammatory Demyelinating Polyradiculopathy (AIDP) on the ventilator with Intravenous Human Immunoglobulins
- > Emergency decompressive craniotomy with hematoma evacuation done on a 12 year old boy with Cerebral AVM



LIVER AND BILIARY SCIENCES

Max Centre for Liver Transplant and Biliary Sciences is one the busiest and a very popular destination for liver transplantation in India. The Centre has experienced doctors and the entire team has expertise in liver transplantation in India way back in 2001.

PATH-BREAKING PROCEDURES

- > First case in the world for successful ABO incompatible liver transplant from a COVID-19 recovered donor
- > Successful swap liver transplant during COVID-19 lockdown
- > Liver transplant for extensive Hepatocellular Carcinoma (HCC) and Acute-on-chronic liver failure (ACLF) after downstaging with Transarterial Chemoembolisation (TACE)
- > 10 Paediatric liver transplants (Domestic+ International Patients) from age group of 3 months to 3 years
- > Successful cadaveric transplant done by the team in which liver and kidney were transplanted



ORTHOPAEDICS

The Institutes of Musculoskeletal Sciences offer comprehensive care for several orthopaedic afflictions including knee, hip, and joint problems.

PATH-BREAKING PROCEDURES

- > Performed first multi ligament knee reconstruction with meniscus repair in day care
- > 2 original cost - effective arthroscopic surgical techniques to repair a meniscus tear and fix a
- > Posterior Cruciate Ligament (PCL) avulsion
- > Successful total hip replacement surgery on a bed-ridden patient with fractured pelvis and uncemented implant inside due to a previous operation at some other hospital, performed amid COVID-19 pandemic when implant arrangement was a challenge
- > Vascularised cartilage transfer for wrist reconstruction
- > Core Decompression and Osteoblast cell cultured bone Implant done in a patient of Multifocal Osteonecrosis at four sites in a single lower limb of the patient



MINIMAL ACCESS AND BARIATRIC SURGERY (MAMBS)

Our Institutes of Laparoscopic, Endoscopic and Bariatric Surgery are Centres of Excellence and set new benchmarks in the field.

PATH-BREAKING PROCEDURES

- > 39-year-old lady with severe malnutrition following bariatric surgery with efferent loop jejunal stricture at gastro-jejunostomy
- > underwnt laparoscopic jejuno-jejunostomy bypassing the stricture
- > Successful laparoscopic cholecystectomy for gangrenous and perforated gall bladder in 90-year-old gentleman with COPD, CAD and on multiple blood thinners
- > 30-year-old male patient of RHD with MV stenosis with severe LV dysfunction (EF 35%) on Warfarin with severe biliary colic and acute cholecystitis safely underwent laparoscopic cholecystectomy with harmonic scalpel to prevent bleeding



GASTROENTEROLOGY

Our Centres for Gastroenterology, Hepatology & Endoscopy provide best-in-class services for patients with acute gastrointestinal issues.

PATH-BREAKING PROCEDURES

- > Endoscopic Padlock Clip application for closure of duodenal perforation (done for the first time in Max Dehradun)
- > Long Foreign Body Removal (6 cm) from the trachea in a 3-year-old child
- > 70-year-old female, Cirrhotic Liver decompensated with Portal HTN NASH related (from March 2018) – successful microwave ablation



STRONG FOCUS ON RESEARCH AND ACADEMICS

INGENUITY AND INNOVATION FUEL OUR PROGRESS

Max Healthcare focuses on cutting-edge research on the characterisation, diagnosis, and treatment of a broad spectrum of diseases and conditions.

This year was no less, with multiple research projects on both COVID-19 and non-COVID underway.



USE OF ARTIFICIAL INTELLIGENCE (AI) IN RADIOLOGY

The radiology department is engaged in various artificial intelligence projects with collaborators.

- > Study to validate an AI Volumetric Analysis tool in normal volunteers
 - **Partner:** Neuroshield, 42/100 volunteers scanned - Data being reviewed parallelly
- > Study to assess AI tool using resting state functional MRI to evaluate different forms of dementia: Mild Cognitive Dementia, Alzheimer's and Fronto Temporal Dementia
 - **Partner:** Brainsight AI, 500 patients - Study to start in April 2021
- > Study to assess accuracy and efficiency of AI tools in quantifying COVID-19 pneumonia
 - **Partner:** Zebra Medical, Time based - Tool installed. Evaluation to start

~100 ONGOING CLINICAL RESEARCH PROJECTS

Since 2005, through the Clinical Research Programme established at Max Healthcare, the Office of Research has been able to successfully initiate 300+ sponsored clinical trials, of which around 220 have been completed and 100 are presently ongoing

R&D HIGHLIGHTS (APR 20-MAR 21)

Units	Clinical Trials (Drug & Device)	Grant Studies	Peer Reviewed Publications	Research Funding (INR in Lakh)
Max Super Speciality Hospital, Saket (East Block)	20	9	120	336
Max Super Speciality Hospital, Saket (West Block)	9	0	40	63
Max Smart Super Speciality Hospital, Saket	12	0	35	117
Max Super Speciality Hospital, Patparganj	4	3	33	33
Max Super Speciality Hospital, Shalimar Bagh	7	0	26	17
Max Super Speciality Hospital, Vaishali	3	1	26	3
Max Super Speciality Hospital, Mohali	5	0	18	4
BLK-Max Super Speciality Hospital	22	0	44	0
Nanavati Max Super Speciality Hospital, Mumbai	2	0	38	0
Max Super Speciality Hospital, Bathinda	0	0	6	0
Max Super Speciality Hospital, Dehradun	0	0	19	0
Max Hospital, Gurugram	0	0	10	0
Max Multi Speciality Centre, Noida	0	0	1	0
Max Multi Speciality Centre, Panchsheel Park	0	0	2	0
Total	84	13	418	573

STRONG FOCUS ON RESEARCH AND ACADEMICS

HIGHLIGHTS OF KEY RESEARCH PROJECTS

> The Institute of Endocrinology, Diabetes, and Metabolism at Max Hospital, Saket is a national leader in clinical care and research. It was one of the first in the country to initiate research on COVID-19 and devised five inter-linked projects to study the outbreak in India. The research teams initiated biological and phenotypic data collection at early stages of the outbreak - the studies have been the first to be registered on the Clinical Trials Registry of India and ClinicalTrials.gov portals from India. Together with co-applicants of this proposal from the CSIR-Institute of Genomics and Integrative Research, we have established one of the first COVID-19 bio-repositories in the country and till now have collected 3,000+ samples of suspected or confirmed cases of COVID-19. Our COVID-19 projects include:

- COVID-19 Clinical-genomic, viral-host response and serological testing for Research (CSIR-IGIB)

- Prospective longitudinal, observational study to screen healthcare workers for flu-like or COVID-19 symptoms - published work
- Prospective longitudinal, observational study to screen the general population for flu-like or COVID-19 symptoms
- Prospective longitudinal, observational study to assess the seroconversion status of front-line healthcare workers and comparison with the suspected or confirmed cases of COVID-19 patients at Max Healthcare (CSIR-IGIB) - published work
- COVID-19: Knowledge, practices and impact in South Asia (NIHR Global Health Research Unit on Diabetes and Cardiovascular Disease in South Asia)
- Assessing the correlation of QTc interval and Hydroxychloroquine intake in healthcare workers - published work

The recruitment for the seroconversion study with colleagues at the CSIR-Institute of Genomics and Integrative Research (healthcare workers and individuals visiting the hospital's dedicated clinics), is ongoing and its participants will be followed-up. The team has looked at monthly seroconversion rates among healthcare workers and observed an increase from 2.3% in April to 35.8% in July 2020, preliminary findings published. The study was the first in India to confirm that antibodies against the infection can be present for more than 60 days. This research is an important step in providing insight on SARS-CoV-2 antibody response kinetics, and thus better understanding of the infection recovery and re-infection pattern.

For the NIHR Global Health Research Unit on diabetes and cardiovascular disease in South Asia, the team has successfully facilitated key health authority partnerships for the running of three surveillance sites in primary health centres of the South Delhi Municipal Corporation and Salwan

Education Trust. This will serve as an important foundation to deliver the objectives of this study. Our research teams, meticulously trained on screening protocols and operating the multi-layered digital platform, have achieved high-quality surveillance data and can be rapidly trained on COVID-19 antibody testing protocols. We plan to build on this work and the trust developed with the communities to achieve our target of evaluating 10,000 Indians with partners of this proposal. This research group's work will be instrumental in generating evidence to inform prevention, treatment and vaccination policies formulated by the country to combat COVID-19.

> Max Institute of Cancer Care (MICC) Research team submitted Grant proposal to Biotechnology Industry Research Assistance Council (BIRAC). It's an Industry-Academia Collaborative Mission of Department of Biotechnology (DBT) for Accelerating Early Development for Biopharmaceuticals; to be

implemented by Biotechnology Research Assistance Council (BIRAC) - a public sector undertaking of DBT

> Clinical trials are currently an important bottleneck in the product development process as companies and institutions usually have to go through an ad-hoc process of finding sites with access to the required population that meet internationally accepted clinical and ethical standards. To solve this bottleneck, National Biopharma Mission (NBM) will support the establishment of a clinical trial networks (CTN) and strengthen clinical trial capacity in the country. Max Institute of Cancer Care, Saket along with other 10 NCG centres led by Tata Memorial Hospital collaborated to create a Clinical Research Network under the umbrella of BIRAC

> Sanction of the Competent Authority is accorded for the proposal entitled "To establish a ready network of clinical trial units across the National Cancer Grid to promote multi-centric

collaborative research in the field of drug and device development" submitted by Tata Memorial Centre, Mumbai at an estimated total budget of INR 126.70 Lakh for Max Super Speciality Hospital, Saket



EDUCATIONAL INITIATIVES

DEVELOPING TALENT TO FILL THE GAP IN THE HEALTHCARE INDUSTRY

Max Institute of Medical Excellence (MIME) is the educational division of Max Healthcare, which aims at improving the quality of healthcare delivery through its customised training programmes. These programmes are focused on augmenting the skills and competency levels of doctors, nurses, allied health professionals and support personnel. While this year, we had to modify our offerings following COVID-19 protocols, the enthusiasm and participation in trainings didn't reduce.



IMT PROGRAMME

Internal Medicine Training (IMT) forms the first stage of Speciality training for most doctors training in specialities, prepares trainees for participating at a senior level as well as managing patients with acute and chronic medical problems in outpatient and inpatient settings.

Number of IMT students

24

trainees in system



HIGHLIGHTS

Max Healthcare is the only centre in North India to run the IMT programme

Granted accreditation equivalent to UK standards

MRCP-UK Coaching programmes launched for external and in house IMT trainees



MASTERS IN EMERGENCY MEDICINE – INTERNATIONAL

A training programme in collaboration with The Ronald Reagan Institute of Emergency Medicine (USA) under The George Washington University Medical Center to enrich the resident doctors in emergency medical care.

- > Two new sites were added to 3-year skill building certificate course in emergency medicine making it 7 sites with total of 48 students
- > The programme was modified to include online classes and assessments. The final exam was also conducted online, and batch completed on time
- > There was 100% placement of all passing students
- > The MEM students and faculty contributed tirelessly as frontline warriors in the Emergency Departments at our hospitals

PARAMEDICAL DIPLOMA COURSES

Paramedical courses under the aegis of National Institute of Open Schooling (NIOS) & Indian Medical Association are running at BLK-Max in following fields:

Diploma in Medical Laboratory Technology (DMLT)

Diploma in Operation Theatre Technology (DOTT)

Diploma in X-Ray Technology (DXRT)

Due to COVID-19 no new admission were done in FY 2020-21.

EDUCATIONAL INITIATIVES



OBSERVERSHIP

Affiliation with Lincoln American University, Guyana for training of MBBS students at Max Hospitals, 5 students joined in the 1st batch at Max Super Speciality Hospital, Saket. Max Healthcare will accept 50 medical students every semester (a maximum of two semesters per year). The entire duration of clinical rotation

shall be a maximum of eighty-eight weeks. The clinical rotations will be divided amongst the core subjects of Medicine, Surgery, Obstetrics and Gynaecology, Paediatrics and Family Medicine and various electives like Gastroenterology, Urology, Nephrology, Psychiatry, Dermatology, Orthopaedics, Traumatology, Neurology and Neurosurgery, Cardiology and Cardio-Thoracic Surgery etc.

Number of students trained:
Internship - ~738
Observership - ~56
Fellows - 49

New fellowship courses started during 2020-21 - Minimal Invasive Gynaecology Surgery, Fellowship in Neuro Imaging, Fellowship in Spine Surgery, Fellowship in Infectious Disease Critical Care Medicine, Fellowship in Transplant Hepatology, Max Fellowship in Interventional Pulmonology



LIFE SAVER AND OTHER TRAINING PROGRAMMES

All training programmes were modified to ensure safety and avoid spread of infection – small batches, social distancing and sanitization of equipment

AHA BLS and ACLS provider and Instructor course and MEL Advanced course conducted at BLK Max Hospital, and 279 doctors and nurses trained before JCI

Workplace safety webinar conducted for the employees of Four Point Sheraton

Online webinars on COVID-19 were conducted for internal and external doctors

PEOPLE TRAINED

928
American Heart Association certified BLS/ACLS/PALS courses

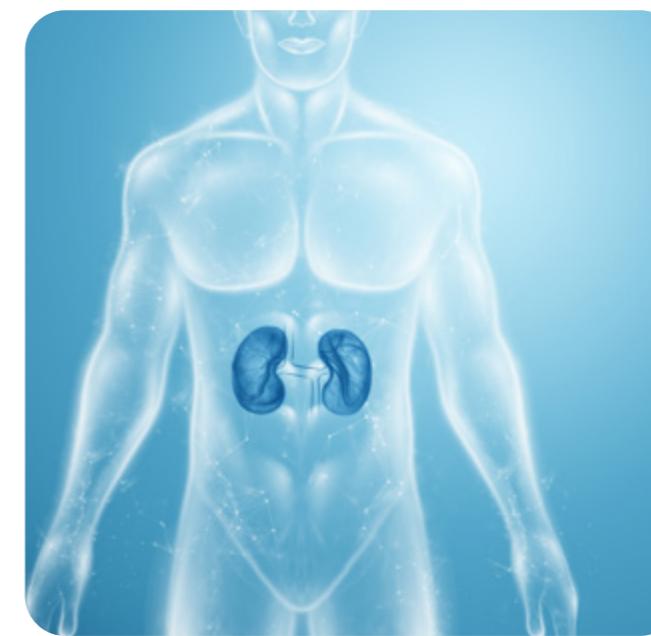
1,393
Max Emergency Life Support

3,865
Online CMEs & Bespoke trainings

433
DNB Students

INTERNATIONAL EXAMS

Max Healthcare is the only accredited center in north India to host the prestigious MRCP-UK PACES Examination. Max Healthcare also has the largest number of examinees at a single center in India. We have successfully hosted 4 successful examinations so far. This examination is designed to test the clinical knowledge and skill of doctors who hope to enter higher specialist training. Traumatology, Neurology and Neurosurgery, Cardiology and Cardio-Thoracic Surgery etc.



FUTURE PLANS

Max Healthcare will now provide end-to-end solution for obtaining the MRCP-UK for trainees within the system and external applicants. Preparatory courses for the MRCP Part 1, 2 & PACES to be launched in June 2021.

OPERATIONAL EXCELLENCE AND SERVICE QUALITY

DELIVERING BETTER HEALTH OUTCOMES

At Max Healthcare, we take pride in improving patient care by keeping transparency and listening to patients and their caregivers as our guiding principles. We focused this year on integrating our various listening posts and streamlining the process to be able to fast-track resolution of patient issues. While the country had gone into a lockdown, our operations and services were at the frontline of the COVID-19 battle and had to continue uninterrupted.



IMPROVING PATIENT EXPERIENCE

We receive feedback from patients, from a wide range of sources and try to incorporate patients' suggestions to improve care and enhance engagement and improve retention. While replacing the earlier application with the all new 'Patient Feedback Management System', we ensured to maximise the collation of Feedback across the network in areas like Inpatient, Outpatient, Emergency, Daycare and Preventive Healthcheck, based on a voluntary and an independent response via SMS feedback link.

Patient feedback provides us with a clear picture of patient experience while also offering insight into what matters to patients. Our other listening posts or feedback system existing in the organisation are:

1. In Room Feedback App (for IPD patients) - Feedback captured by Floor managers on daily rounds, directs instant notification alerts to process heads for addressing the concerns and expectations while the patient is with us
 2. Feedback in the OPD and other areas: Patient experience personal contact numbers are displayed in hospital areas across Max Healthcare for feedback/grievance, acknowledged by designated patient experience person at location
 3. Feedback forms (Manual) have been placed in all the areas of the hospitals
 4. Website feedback/compliments
 5. Social Media
- To ensure that the feedback we receive is appropriately responded to and resolved, every complaint that is logged in (PFMS) generates a unique ticket with a notification alert to the department owner. This helps in acknowledging the feedback, responding to the requisite concern, capturing patient expectations and thereby enhancing overall patient experience journey. Monthly and weekly reports on patient experience are provided to operational teams to fast-track quality improvement activities at our hospitals. We also supervise whether the improvements made have actually increased patient experience over time.

LAUNCHED SERVICE EXCELLENCE DASHBOARD

With an aim to improve service quality, we set up Max Operation Excellence Dashboard. Through this initiative, we were able to view the consolidated parameters in one report. This helps us to drive the service culture within the hospitals. The dashboard is based on the key inputs from 'Management Committee' and other stakeholders including Hospital heads and various key process heads. The Service Excellence dashboard has six work

systems comprising of 42 Measures of Success (MoS) and acquaints the recipients continuously on the best scores in the network, cluster average and respective unit performance. The service excellence dashboard with key attributes is also helping hospital teams in efficiently monitoring day-to-day performance.

CALL CENTRE

Our Centralised Call Centre operations continued with zero downtime even when the lockdown was announced and we were able to provide a seamless service to our patients. As part of our continuous improvement culture, we implemented 7 Level IVR solution for handling over 1.5 lacs calls every month and are soon moving towards providing personalised service to our existing patients. Going forward, we plan to introduce digitised solutions and self-care IVR services to enhance the patient experience which will further improve personalisation, appointment through WhatsApp and automated IVR calling. We are also working towards a digital solution for patients, to provide end-to-end care at both at our hospitals and also @home.

RESILIENCE

**WE MANAGED TO
NAVIGATE THE
COVID-19 WAVE.
WE ALSO
FOCUSSED ON
NON-COVID
HEALTHCARE.**

Fiscal year 2021 was a turbulent year which not only tested our resilience and perseverance but also sustainability of the business model at work at Max Healthcare. Despite seeing lowest ever average bed occupancy of 38% in April-May 20, the operating teams quickly repurposed and realigned the infrastructure and offerings to ensure optimum utilisation of available resources. Consequently, the average occupancies bounced back to 71% by Aug-Sep 20. In addition, we also used the opportunity to scale up Max Lab operations and Max@Home businesses to widen the reach and depth of our healthcare offerings to larger number of patients.

EXPANSION AND IMPROVEMENT PROJECTS

AIMING FOR SUSTAINED PROGRESS

Improvement projects in existing hospitals are undertaken to grow business and improve patient services. Such projects are also necessitated due to addition of state-of-the-art medical equipment, joining of a clinical team(s) requiring additional infrastructure and upgradation of old infrastructure. Reconfiguration of existing areas are undertaken to add OPDs/ ICU Beds/ IP Beds/ Procedure Rooms etc by optimising spaces and areas. Despite this being a year where we were fighting the pandemic, we continued on a few essential enhancement projects to ensure that our infrastructure supports the best quality of care for our patients.



MAJOR MEDICAL EQUIPMENT INSTALLED

Investments in technology continued this year with upgradations and new launches across Hospitals

- > Artis Zee Pure Cath labs at Max Super Speciality Hospital Hospital, Vaishali and Innova IGS20 Cath Lab at Max Super Speciality Hospital, Saket (East)
- > Radixact X9 Tomotherapy and CT Simulator at Max Super Speciality Hospital, Vaishali
- > Spect CT at Max Super Speciality Hospital, Saket (East) and CT at Max Super Speciality Hospital Saket (West)
- > GE Signa Explorer 1.5 Tesla MRI at Max Super Speciality Hospital, Dehradun

ADDITIONAL INFRASTRUCTURE

Areas in the Hospital were revamped with additional OPD clusters, beds and wards in order to cater to expansions

- > 6 OPD cluster at Max Hospital, Gurugram, 4 OPD cluster at Max Super Speciality Hospital, Saket (West) and 4 OPD cluster at BLK-Max Super Speciality Hospital
- > Chemo day-care ramped up from 10 to 23 beds at Max Super Speciality Hospital, Vaishali
- > Dialysis beds were ramped up from 15 to 37 at Max Super Speciality Hospital, Vaishali and from 8 to 11 at Max Hospital, Gurugram
- > 6 ICU beds added at Max Super Speciality Hospital, Dehradun
- > 6 ward beds added at Nanavati Max Super Speciality Hospital, Mumbai
- > Oncology procedure room at BLK-Max Super Speciality Hospital
- > A dedicated Max MedCentre for Immigration was launched in Mohali comprising of OPDs, diagnostics, Health check area. Additionally, a dedicated area for dialysis was added with 15 beds at the Centre

RENOVATION WORKS

Renovation was also undertaken at the hospitals for upgradation of the facility

- > Renovation of 12 beds in MICU, Dialysis Unit, 18 IP beds, Oncology Radiation Department, 2 patient/ visitor lifts at Max Super Speciality Hospital, Vaishali
- > New 13 fire doors and firefighting pumps were installed at Nanavati Max Super Speciality Hospital, Mumbai to enhance fire safety

EXPANSION PROJECTS

MAX SMART HOSPITAL, SAKET

Currently, Max Smart Super Speciality Hospital is a 248 bed facility. The main service line comprises of orthopedic, mother and child, emergency and trauma and general specialities. The expansion project has been planned to add ~1,100 beds in four phases. During Phase 1, basement structure of 900 beds block and superstructure for 600 beds will be constructed. Phase 1, 350 beds are planned to be commissioned during FY 2024-25.

NANAVATI MAX HOSPITAL, MUMBAI

Currently, Nanavati Max Hospital is a 328 bed facility. The expansion project will be carried out in two phases. The configuration of new building will be 3 basements + Ground + 11 floors with total height of 45 m. Total construction area of two phases will be 7.5 Lakh sq.ft. After construction, beds will increase to 657 and 765 respectively. Phase 1 beds are planned to be commissioned during FY 2024-25.

MAX HOSPITAL, SHALIMAR BAGH

Currently, Max Hospital, Shalimar Bagh is a 280 bed facility. Construction of Superstructure to add ~100 beds will commence in September 2021 and planned to be completed during FY 2023-24. The configuration of the building will be 2 basements + Ground + 11 floors with total height of 45 m. Total construction area will be 1.75 Lakh sq.ft.

MAX HOSPITAL, MOHALI

Currently, Max Hospital, Mohali is a 220 bed facility. The expansion project will be carried out after demolishing admin block and utilizing area of additional 0.92 acre land allotted by Government of Punjab to add 190 beds. The configuration of the new building will be 3 basements + Ground + 8 floors including three car parking floors on 1st to 3rd floor. Total construction area will be 2.82 Lakh sq.ft.



LEADING THE WAY IN CREATING AWARENESS AND IMPACT

BETTER STRATEGIES TO ENGAGE AND TOUCH LIVES

The events of 2020 fast forwarded digital adoption. We swiftly launched a platform for video consults, right at the start of the lockdown and started engaging with communities and corporates through informative webinars. Extensive effort was made to continuously communicate with all stakeholders the latest information on safety measures and treatment protocols of COVID-19. After the first wave, we focused on reiterating the safety protocols being followed in the hospitals so as to build patient confidence for treatment of other diseases which had been delayed due to the fear of COVID-19.



RECOVERY OF NON-COVID BUSINESS WITH ASTUTE FOCUS

Given the scare around safety in the hospital and its effect on physical OPDs and other treatment modalities in the hospitals, awareness campaigns on reassuring the public about safety measures were undertaken. A high decibel Max Safe and Green Campaign to assure non-COVID patients about safety protocols at Max facilities was launched, which helped regain the non-COVID-19 business and saw an increase in OPD consultations and non-COVID-19 revenue in September by ~ 90% over April. With continued efforts of the teams in upcountry cities we were able to retain 99% business from these markets in Q3 and over 107% in Q4 of the year.

CARDIAC SCIENCES PROMOTION – DIL KI BAAT

To promote the cardiac speciality, a first-of-its-kind pan-max campaign ‘Dil ki Baat’ on World Heart Day was developed with direct participation of 30+ super specialists across the network. Full Day Virtual Summit was organised on Heart Day with different sessions and activities inviting stalwarts from different industry unified for a common cause – ‘Healthy Heart’. Top experts from the network hospitals shared important information on heart health in a marathon summit which also had engaging sessions on Yoga & Wellness, Healthy Cook-out, and so on. Topics spanned the entire spectrum of cardiac diseases and treatment was organised and promoted on social media that received excellent engagement.

DEDICATED STROKE HELPLINE LAUNCH

Max Healthcare also launched Delhi NCR’s first dedicated 24*7 Stroke Helpline number to ensure that stroke cases are prioritised in emergency care. Triaging happens on call on the helpline numbers and the hospital Emergency Room and relevant neuro teams are informed approximately when to expect a stroke case. This ensures priority treatment to the stroke patient and prevention of any untoward outcomes.



Dil Ki Baat marathon online awareness session being conducted

~1,00,000

Video Consults conducted in the year

~1,800

Activities conducted for communities

~45,000

People reached through various activities

LEADING THE WAY IN CREATING AWARENESS AND IMPACT

CANCER AWARENESS CAMPAIGN – WORLD CANCER DAY

A high impact digital media and radio campaign was also launched for cancer awareness on the occasion of World Cancer Day where awareness tips from 60+ doctors across the network were promoted through the month on digital media as well as on radio. This also helped build awareness for the Cancer Speciality at Max Healthcare.

NEW BRAND LAUNCH AND IDENTITY ROLLOUT

A new brand identity to integrate the Vision, Values and Brand Positioning of the New Max Healthcare was arrived at. Considering the restriction due to the pandemic, the launch of New Brand Identity of Max Healthcare was planned on a virtual platform. This was a one-of-a-kind event and a first in the healthcare industry. 3D unveiling of the new logo identity by the CMD and Management was streamed live to thousands of viewers within and outside the organisation.

Our employees were brought up to date with the new Brand Vision, Values and Purpose though mass telecasts with social distancing in batches at the hospitals. Individualised collaterals, pocket booklets and stationery with new brand insignia and literature was distributed. All identity elements including patient stationery, hospital facades and other materials were revamped across Max network.

MECP OUTREACH

Through the Max Extended Care Programme (MECP), we ensured that we maintained our association with the external Clinician community even during the pandemic. Over 3500 webinars for MECP doctors were organised which saw very active participation from external clinicians. Online Sessions for knowledge sharing were organised on COVID-19 Protocols, diagnosis and management of COVID-19 patients and changing treatment modalities. This helped build external Clinician engagement

through the year. Clinician confidence and morale during COVID-19 was built through publications highlighting their work through: 207 Medinsiders – each edition had case details and solution of 4-5 complex cases solved during the pandemic by Non-COVID vertical clinicians highlighting approximately 621 cases during the year. Also, successfully released editions of the newsletters and medical journals. The MECP programme was successfully introduced at BLK-Max Super Speciality Hospital and Nanavati Max Super Speciality Hospitals as well during the year.

SUPPORTING THE COMMUNITY

We were also involved in multiple social initiatives to support the community in preventive healthcare. Community outreach initiatives under 'Community First' were done in the form of health awareness programmes, cleanliness drives, local area beautification and

special benefits to residents around the hospital. Over 40,000 people were enrolled in customer programmes such as Citizen Plus, Healthy Family offering various service and discount benefits. Over 1,800 activities were conducted in the communities around the hospitals and through various customer programmes and over 45,000 people were reached.

The year saw a lot of focus on activities in partnership with the communities centred around hygiene and health. Over 500 mass sanitisation drives were organised in societies, clubs and community offices and over 1,300 webinars conducted on COVID-19 awareness and safety. Engagement through digital medium became the norm with focus on video consultation, webinars, online workshops and expert talks. In Mumbai, Nanavati Max Super Speciality Hospital also organised a massive bike rally in association with Mumbai Police for road safety awareness.

INTERNATIONAL OUTREACH

Max Healthcare signed up with Dana Lifecare to set up a Max Patient Assistance Centre in Lagos, Nigeria. The centre is fully functional and is engaged in business development activities in Lagos and other cities in Southern Nigeria. Dana Lifecare is a part of the diversified Dana Group, which has interests in manufacturing, civil aviation, shipping, car dealerships and pharmaceuticals distribution. The Max Patient Assistance Centre has signed up local healthcare facilitators, private insurers, large Nigerian corporates and forged relationships with clinicians and medical institutions for assisting patients needing high-end medical care, which isn't presently available in Nigeria.

Max Healthcare has also entered into a contract with the Ministry of Health (MoH), Government of Iraq for treating patients referred by the ministry at two of its hospitals in New Delhi. Max Super Speciality Hospital, Saket successfully operated 8 patients, who were referred by MoH Iraq for congenital heart

conditions. We are confident of growing this relationship further once COVID-19 related restrictions on international travel are relaxed.

BLK-Max Super Speciality Hospital has also been treating needy Afghan citizens who are sponsored by the Ministry of External Affairs (MEA), Government of India. These individuals have mostly been treated for war related injuries and required orthopaedic and plastic surgeries.

Max Healthcare also continued its association with BILD Foundation, Germany and the American Foundation (USA), who continued to sponsor children from Philippines for life saving Liver Transplant surgeries.

While, we witnessed a sharp drop in international patient volumes because of the severe covid related restrictions on international travel, Max Healthcare reached out to all its partners and affiliates abroad and extended all possible support in transferring seriously sick patients for life-saving surgeries.



ALTERNATE BUSINESSES

CRAFTING GROWTH STRATEGIES FOR TOMORROW

The pandemic has only strengthened our determination to serve, as we reassess strategies, recalibrate priorities and optimise our resource allocation. With a clear belief in our industry potential, we maintain our long-term vision for growth and intend to fast-track multiple initiatives to expand operations.



MAX LAB

Max Lab is the pathology division of Max Healthcare and manages a network of 16 third party hospital laboratories, 92+ collection centres and 350+ partners.

Max Lab aims to provide world-class pathology services through conveniently located collection points and a technologically advanced digital platforms. The mother lab is a state of the art fully automated lab capable of accurate and quick reporting. We see Max Lab as a key driver of growth and value for the company in the future. This business will be aggressively scaled up.

~26 labs in Delhi-NCR and outside, including those at our hospitals

Over 400 strong team of trained pathologists, lab technicians, phelbos, trained in various sub-specialties

Over 3,800 average tests conducted every day

24X7 functioning, NABL certified high-quality labs

Wide test menu of over 1,900+ tests

Shubh Lab: 360-degree partner engagement programme to support channel partners

Presence in 11 cities

KEY FACTS

85+

Partner run collection centres

7

Company owned collection centres

100+

Phlebotomist At Site (PAS)

250+

Pick-up Points (PUP)

16

Hospital Based Labs Management (HLM)

In line with its strategy to increase penetration and improve market share, Max lab shall be setting up more third-party managed Patient Collection Centre (PCC), Pick up point (PUP) in doctor clinic and Hospital-based Lab Management (HLM) and also invest in high decibel sales and marketing campaigns to improve brand awareness.

Right from the onset of the pandemic Max Lab contributed to the cause of community by early involvement in the diagnostics of COVID-19. Our referral lab at Max Super Speciality Hospital, Saket has an in house BSL III lab, which we got accredited for COVID-19 RT PCR in the beginning of the pandemic and was among the very few labs in India to get the ICMR approval in early phase of this pandemic. The lab started catering to all network Hospitals to begin with and then expanded across our retail network. We also launched a special

mobile sample collection vans with complete facility of sample collection and safe transportation of samples in order to increase our reach up to the periphery of the city. To cater to the ever-increasing demand, COVID-19 test facilities (BSL II labs) were set up at Max Smart Super Speciality Hospital, Saket, BLK-Max Super Speciality Hospital, Nanavati Max Super Speciality Hospital and Max Super Speciality Hospital, Mohali and more equipment and manpower was added in record period.

Max Lab operations have shown considerable traction during COVID-19 times and the service offerings were widely accepted in NCR region. Over last few years, "Max Lab" has established itself as a reliable diagnostic player in NCR region. In view of the overwhelming response and the growth potential, we have established a wholly owned subsidiary to incubate and grow this vertical independently.



ALTERNATE BUSINESS

MAX@HOME

Max@Home – provides quality and accessible care at the doorstep of patients, be it home or workplace. Since inception, it has added a number of services to its portfolio and has the largest suite of services for any homecare provider. The services cover preventive, pre and post-hospitalisation care including critical care or ICU@Home, assistance-based services (nursing and health attendant), rehabilitation and physiotherapy, pathology testing, x-ray at home, medicine delivery, nursing procedures, medical equipment, doctor home visits, on-site medical rooms, among others.

Max@Home has scaled up to become the largest provider of home healthcare services in the region. The vertical has successfully created multi-channel access for patients with ability to book services over web, mobile application, WhatsApp and a 24x7 centralised patient helpline. Service delivery is supported through a custom, proprietary technology platform

available to all caregivers to ensure protocol-based care.

FY 2020-21 marked a unique year, given the sudden onset of the COVID-19 pandemic through the country. Max@Home played to its strengths to become among the first providers delivering end-to-end remote management of COVID-19 patients at home. Through the year, Max@Home served ~600 patients at home per day, with ~2,800 COVID-19 remote management patients. Even more noticeable was successful recovery of all COVID-19 home managed cases.

Max@Home started operations in Mumbai thereby extending its geographical footprint beyond Delhi NCR, Dehradun and Chandigarh Tri-City. The team size has grown to ~550 certified caregivers and support teams. The division has strong service delivery mechanism backed by technology, which is essential given its distributed workforce and has been able to maintain high levels of customer satisfaction through a well-defined

feedback protocol. Max@Home is accredited by The Quality Accreditation Institute – a member of the ISQua (International Society for Quality in Healthcare) reflecting upon the high standard of care delivered at patients' home.

Max@Home has built a strong foundation backed by a promising product suite, tech-based service delivery platform and a sizeable, trained frontline to cater to the growing home care demand; one of the fastest emerging healthcare segment in the country. With time the business aims to continue to add to its product suite with more innovative, patient relevant services. In parallel, the business aims to extend its technology capabilities to foray into digitally enabled healthcare making quality care even more accessible.



KEY FACTS

600+

Patients served at home per day

~2,800+

Remote management of COVID-19 patients

~550+

Certified caregivers and support teams

STRATEGY

FRAMEWORK FOR CREATING OPERATIONAL SYNERGIES

We are committed to adhere to high standards of clinical excellence and ethics in delivering patient care, and all our strategies are supported by advanced technology and in-depth research. At Max Healthcare, we are adapting to the new normal and seeking new opportunities to grow. The core fundamentals of our business are robust, and our long-term growth trajectory remains intact as we deliver on our strategy and achieve stronger synergies.

Key pillars to focus on over the next 2-3 years

1 OPTIMISE EXISTING NETWORK

2 INVEST IN GROWTH

3 DEVELOP ADJACENCIES

OPTIMISE EXISTING NETWORK

Initiatives undertaken during the year

ENHANCED CLINICAL CAPABILITIES AND LAUNCHED NEW PROGRAMMES

- > Enhanced the clinical teams for Liver and Gastrointestinal Sciences and Pulmonology at Max Super Speciality Hospital, Saket. Added new clinical teams for Minimal Access, Bariatric & Robotic Surgery, Spine Surgery and Thoracic Surgery at Max Super Speciality Hospital, Vaishali
- > Introduced new technologies like Radixact-x9 system, next generation tomo-therapy platform for cancer care at Max Super Speciality Hospital, Vaishali. Further, Innova IGS 520 catheterization lab, a floor-mounted image-guided system for cardiovascular and electrophysiology procedures in the catheterization lab was also introduced

Priorities for FY 2021-22

- > Continue developing high-end tertiary and quaternary care programmes
- > Invest in top rated clinicians and retain existing clinicians and senior leadership

IMPROVE OPERATING EFFICIENCY AND PROFITABILITY

- > Realignment of roles and responsibilities, leading to personnel cost optimisation
- > Reduction in corporate overheads
- > Renegotiation of contracts across material and other indirect costs
- > Transient cost management initiatives during the onset of COVID-19 pandemic
- > Improve average revenue per occupied bed per day
- > Improve occupancy rates and equipment utilisation at hospitals
- > Maximise efficiencies through greater integration, better supply chain management and human resource development

STRATEGY

OPTIMISE EXISTING NETWORK

Initiatives undertaken during the year

STRENGTHEN MEDICAL TOURISM

- > Established a wholly owned subsidiary MGHL in Nigeria, through which we aim to provide consultation services to patients and assess whether the patient needs to be brought to India for surgery or operations
- > Incorporated a wholly owned subsidiary in UAE for the purpose of business support services and/or activities in connection with the solicitation of the overseas patients

DIGITISING HEALTHCARE

- > Launched Video Consult platform for online consultations with doctors in record time and over ~1,00,000 video consults were done in the year
- > Use of Artificial Intelligence (AI) in radiology

INVEST IN GROWTH

Initiatives undertaken during the year and priorities for FY 2021-22

INVEST IN CAPACITY EXPANSION

- > Brownfield expansion across key hospitals in metros and proven geographies
- > Potential of 2,000+ beds through our brownfield expansion and extension capabilities - around 1,500+ beds in Max Smart Super Speciality Hospital, Saket and Nanavati Max Hospital and possibility of adding additional beds by utilising existing floor space in the rest of our network facilities

MOVE TO AN ASSET-LIGHT MODEL FOR FUTURE EXPANSION

- > Partner through asset-light models (e.g. O&Ms in partnership with REITs) for the delivery of healthcare services to expand domestic and international reach with operations and management arrangements, and other medical services agreements in metros and Tier 1 cities

PURSUE INORGANIC GROWTH OPPORTUNISTICALLY

- > Opportunistically look at inorganic expansion (large acquisition and/or string of pearls)

Priorities for FY 2021-22

OPTIMISE EXISTING NETWORK	Initiatives undertaken during the year	Priorities for FY 2021-22	DEVELOP ASSET LIGHT ADJACENCIES	Initiatives undertaken during the year	Priorities for FY 2021-22
STRENGTHEN MEDICAL TOURISM		<ul style="list-style-type: none"> > Set up offices globally and to facilitate direct to fly international business 	INVEST AND GROW NON-CAPTIVE RETAIL PATHOLOGY THROUGH EXPANDING CURRENT FOOTPRINTS	<ul style="list-style-type: none"> > Max Lab - Consistent revenue growth driven by 500+ active partner network across both B2B and B2C channels > Established wholly owned subsidiary with the name 'Max Lab Limited' to provide diagnostic service 	<ul style="list-style-type: none"> > Scale up and unlock value of Max Lab – non-captive pathology business
DIGITISING HEALTHCARE		<ul style="list-style-type: none"> > Leverage the increasing role of digitisation in the healthcare industry due to COVID-19 by digitising and connecting current back-end service delivery platform to enable more remote and virtual enabled services e.g., by providing 'on demand' virtual assessment by medical caregiver > Build an integrated, personalised, safe and efficient digital health ecosystem for patients, physicians and management for their respective requirements 	SCALE UP HOME CARE BUSINESS THROUGH NEW SERVICE LINES AND INCREASING DEPTH	<ul style="list-style-type: none"> > Max@Home launched ECG@Home service and also initiated post discharge follow-ups for continued care at home > Industry first Isolation@home services launched for COVID-19 and over 2,800+* patients treated at home 	<ul style="list-style-type: none"> > Continue to build the Home healthcare business through the digital platform and add to the product suite with more innovative, patient relevant services

* As on July 31, 2021



ESG

SUSTAINABILITY IS NON-NEGOTIABLE AT MAX HEALTHCARE

At Max Healthcare, we recognise that contributing to community wellbeing is as much our priority as delivering value to patients and stakeholders. Therefore, we focus on areas where opportunities for our business intersect with delivering positive social and environmental impact.

Therefore, having a robust set of ESG goals to define the parameters of our operations today and design a sustainable future is an imperative and not a choice for us. Our ESG commitments are a natural corollary of our vision to bring the best care to our patients, promote citizens to embrace better and healthier societies, prevent environmental damage, and be transparent and answerable to our stakeholders at all times.

As one of India's leading healthcare providers, we judiciously balance our financial goals with our ESG commitments to improve societal health outcomes and reduce our environmental footprint. We aim to drive a paradigm change in how ESG parameters are perceived in the healthcare sector, going beyond compliance to deliver tangible and lasting value.

ESG FOCUS

SETTING NEW PARADIGMS FOR ESG LED GROWTH FOR THE INDUSTRY

Environmental, Social, and Governance (ESG) criteria are strategic and operational standards used to assess Max Healthcare's sustainability and ethical practices that can positively impact the larger ecosystem and encourage holistic growth. These standards span the financial and non-financial parameters of our operations. It measures the societal value created by organisations, the impact of their operations on the planet while growing profits, and commitment to ethics and transparency.

At Max Healthcare, we have always known that our business is driven by a larger responsibility to ensure the overall wellbeing of society while creating sustained value for our stakeholders. Therefore, having a robust set of ESG goals to define the parameters of our operations today and design a sustainable future is an imperative and not a choice for us. Our ESG commitments result from our vision to bring the best care to our patients, promote healthy societies, prevent environmental damage, and be transparent and answerable to our stakeholders at all times.

As a responsible healthcare provider, we are conscious of the need to balance our social duty to enhance patient care and community health with a proportionate focus on the

environment and the governance standards. Along with a focus on holistic patient care, we are equally committed to using natural resources, water, and energy optimally, and managing waste responsibly. At Max Healthcare, we understand that a strong foundation of talent is the binding force that will give wings to our future aspirations. Therefore, we are building an organisation where our people lead with shared values in an environment that respects diversity, fosters inclusion, and recognises merit. Together, these principles help us to run ethical and transparent operations empowered by stakeholder trust. As one of India's leading healthcare providers, we judiciously balance our financial goals with our ESG commitments to improve

societal health outcomes and reduce our environmental footprint. We aim to drive a paradigm change in how ESG parameters are perceived in the healthcare sector, going beyond compliance to deliver tangible and lasting value.

This year, we are pleased to present our first ESG coverage as part of this Annual Report, a voluntary disclosure undertaken by Max Healthcare. Through this report, we discuss how we are conducting our business responsibly while committing to make a difference to the communities and the planet.

+ For details on our ESG performance and initiatives please refer to our ESG report.

"At Max Healthcare, our vision is to be the most well-regarded healthcare provider in India committed to the highest standards of clinical excellence and patient care, supported by latest technology and cutting-edge research.

We ask more of ourselves, so we can give more to our patients. We push the boundaries of excellence in everything we do, so we can deliver the highest standards in patient-centred care.

**Every day we come to honour a higher purpose -
To serve. To excel."**

**Abhay Soi,
Chairman & Managing Director**

DELIVERING ON OUR COMMITMENTS DURING COVID-19

In FY 2020-21, COVID-19 was an unprecedented crisis that impacted everyone globally, unleashing an all-encompassing misery. Globally, healthcare services were at the center of this societal disruption.

Max Healthcare was one of the first hospitals in India to provide treatment to COVID-19 affected patients in India and set up private labs for testing. We were the first to conduct convalescent plasma therapy trials for critically ill patients. To address the rapid spread of the virus, we established isolation facilities and operating procedures for screening, managing, and treating COVID-19 patients. Our operating procedures on infection prevention

and control and healthcare worker safety were strengthened. Stringent adoption of recommended protocols and guidelines for providing treatment covering COVID-19 and non-COVID patients ensured the safety of our employees and patients.

Max Healthcare has always endeavoured to be among India's most respected and trusted healthcare providers while creating sustained value for our stakeholders, including patients, employees, and investors. Despite the complex dynamics of the healthcare industry and other pandemic-led challenges of 2021, we successfully delivered on our business transformation and social and environmental commitments. At Max Healthcare, our team of over 15,000 physicians, nurses, paramedics, and others did exceptional work to deliver the best of patient care, enhance

operational efficiencies, live the organisational values, and stay safe.

We are grateful to our doctors, nurses, paramedics and other frontline teams who put their lives and that of their families at stake while delivering care to many. We are thankful for the trust of our stakeholders that empowered and motivated us to bring the best of care to patients through the pandemic.

OUR ESG APPROACH AND FOCUS AREAS

At Max Healthcare, we understand and embrace the importance of integrating the ESG into the culture and operations of the organisation. Max Healthcare will accelerate the adoption of enhanced ESG principles across our operations and future growth strategies through a responsive framework that will cover:



ENHANCED CLARITY AROUND ESG GOALS AND STANDARDS



COMMUNICATION THROUGH STRUCTURED DISCLOSURE AND MANAGEMENT PROCESS



FORMALISED GOVERNANCE FOR SMOOTH CROSS-FUNCTION COORDINATION

Max Healthcare's success results from our long-term business resilience, focus on ensuring the wellbeing of stakeholders, efficient operations, transparent transactions, and the environmental value we create.

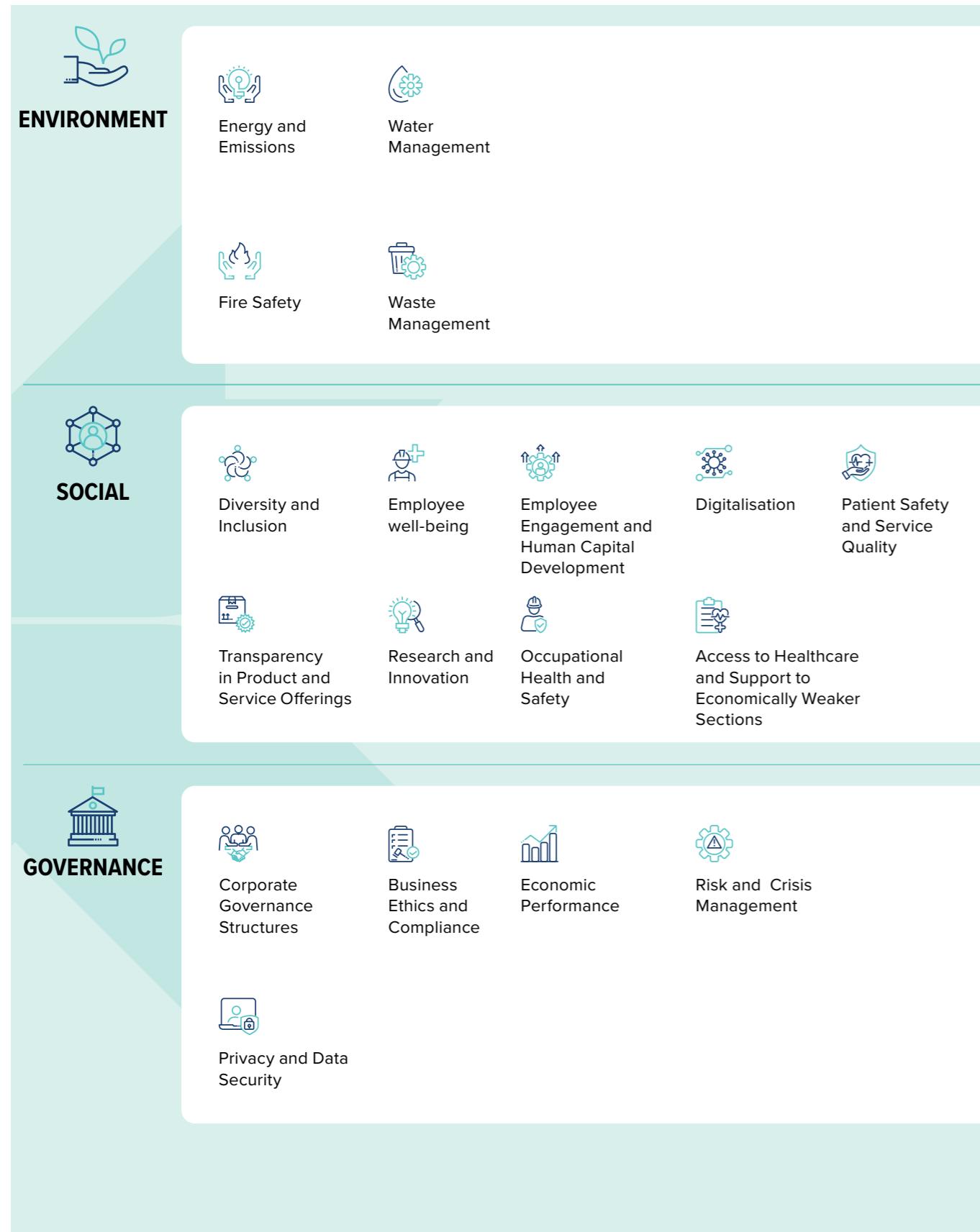
Our growth strategies have long-term implications for creating and preserving value for our patients, communities, and other stakeholders. To strengthen the foundations of inclusive, ethical, and sustained growth, we have to monitor and respond to the current and evolving interests of our internal and external stakeholders effectively and on time. We strive to identify and respond to existing and emerging issues that may materially impact business growth and value creation. The timely identification of material issues allows our stakeholders to get objective insights into parameters that can hamper, derail or disrupt our

operations and impact the ecosystem around us. Stringent identification and mitigation of such risks enable us to deliver sustainable value to our stakeholders in the short and long term.

In this regard, we conducted a detailed materiality assessment exercise covering both internal and external stakeholders to identify our ESG focus areas. We identified a broad list of material topics through a detailed analysis of our business objectives, risks and the change in global trends. The material issues were also benchmarked as per key global frameworks and rating requirements. We will be working further with all our stakeholder groups to integrate these focus areas in our business model and processes.

ESG FOCUS

Our ESG Focus Areas



Our Environment, Social, and Governance initiatives



ENVIRONMENT

For Max Healthcare conserving the environment while ensuring patient wellness is one of our key goals of responsible growth.

The adoption of practices aligned to globally benchmarked and India-relevant ESG best practices guide our initiatives going beyond just compliance with the regulatory requirements of the Pollution Control Board's and environmental bodies.

Through our dedicated environment management department, we undertake regular monitoring of our emissions, energy and water consumption and undertake several initiatives to optimise the same. We optimise resource consumption per bed, ensure operation of equipment's at their designed efficiencies, and spread awareness on adoption of energy-efficient and environmentally friendly technologies and measures across our facilities. During FY 2020-21, combined Scope1 and Scope 2 emissions stand at 35,292.70 tCO₂e as against 46,897 tCO₂e during FY2019-20.

Our plans to adopt facade glass and eco-friendly architecture for our buildings, energy-efficient electrical fixtures, and equipment are other measures to help reduce usage and lower our environmental footprint. We have successfully conserved energy



across our operations in FY 2020-21, even as footfalls at our network of hospitals increased.

We also plan to reduce water consumption and reuse treated water from Sewage Treatment Plants (STP) in the cooling towers of our Airconditioning systems, toilet flushes, and horticulture purposes. We also installed new modular rainwater harvesting system at few of our facilities for recharging of ground water.

Being a healthcare provider, ensuring Environmental Health and Safety (EHS) is a critical aspect of our operations. We have a dedicated task force in place for managing all our EHS related issues. Our task force is designed to lead a robust and positive safety culture necessary to maintain, support, and advance healthcare excellence at Max Healthcare. The team comprises of members drawn from different departments and functions. The team under Senior Director Operations and Planning is headed by the Senior Vice-President – Infrastructure & Compliance supported by heads of Engineering, Biomedical Engineering, Fire safety, Environment, Housekeeping, and Security.

Our last year's performance testifies to the progress of our environmental initiatives.



KEY HIGHLIGHTS

24%

YoY decrease in combined Scope 1 and Scope 2 emissions

43%

renewable energy used in the total mix

10%

reduction in total electricity consumption over previous year

35.86%

of water recycled in FY 2020-21 as against 31.46% in FY 2019-20

1.68 MILLION

square feet (sq. ft.) or over 50% of LEED gold-rated green buildings out of a total 3.28 million sq. ft. of built-up area

ESG FOCUS



SOCIAL

The 'S' or 'Social' of an ESG framework has always drawn attention for healthcare organisations, given its nature of community-oriented service. Today as the world battles the biggest health crisis of our times, the commitment to sustainable wellbeing of stakeholders has become even more critical. As we grapple with growing patient needs, we must understand the linear and non-linear linkages between social triggers and health outcomes and the changing role of healthcare providers. Using an ESG lens to evaluate material issues related to patient access, quality of care, and distribution of services is helping us develop a holistic approach to mitigating them and redesign future strategies. Embedding ESG principles in our strategy and business processes will accelerate our transformation to a healthcare provider geared to meet the demands of changing patient needs in the 'New Normal' as the pandemic recedes.

Max Healthcare has always believed in extending a helping hand to those in need. Last financial year was no exception. We served over 2.35 Lakh indigent patients for free last year and provided medical services worth over INR 132.5 Crore to patients who couldn't afford treatment. We also opened our kitchens and served

nutritious food to thousands of hungry people every-day. During the early days of the COVID-19, over a period of 6 weeks we served over 3,00,000 meals all across Delhi NCR.

As we expand our operations, we create economic value and employment opportunities for the communities in which we operate in. For every bed added in our hospitals, we generate employment for an average of 3.5 people. This, in turn, enhances the social and economic wellbeing of communities spread across India and fosters opportunities for local talent.

The healthcare industry is powered by the quality and commitment of the people who are part of it. Max Healthcare is focused on attracting people who are not only talented but also share our values of patient-centricity and compassionate duty. Our enviable talent pool of more than 15,000 help us deliver on our commitments and realise our aspirations every day as they serve over 15 Lakh patients yearly across 17 facilities. However, delivering healthcare services is also a very demanding profession. We are invested in ensuring the physical and mental wellbeing of our people, along with providing them an open,

safe and nurturing environment to work and build fulfilling careers. We also conducted several upskilling programmes last year to prepare our employees to adapt to the new normal.

KEY HIGHLIGHTS

51.2%
women employees

INR 132.5 CRORE
worth of medical services provided to the under-served

2.35 LAKH
needy patients treated for free



GOVERNANCE

Good governance is fundamental for any business to flourish and sustain. At Max Healthcare, our policies and frameworks are stringent yet enabling, implemented rigorously, and reviewed periodically. We have established comprehensive risk management and internal controls systems. Our framework of policies, procedures, and standards helps us identify and effectively mitigate risks on time. We maintain the highest standards of accuracy and transparency while reporting our financial and non-financial progress as well as the status of compliance with applicable laws, rules, and regulations.

Our Board of Directors leads from the front to ensure effective governance at all times. We have a diversified Board with skilled leaders drawn from varied professional and academic

backgrounds who share our values. Their rigor of ensuring adherence to all compliance and regulatory requirements is crucial to earning and retaining the trust of our stakeholders.

Our governance structure, policies and processes promote a culture of accountability and ethical conduct across our company. They help us realise our commitment to address global challenges through our core business. We have stringent policies benchmarked with global best practices to maximise stakeholder trust. These include - Code of Conduct, Nomination, Remuneration and Board Diversity Policy, Whistle-Blower Policy, Prevention of Insider Trading, Prevention of Sexual Harassment at Workplace, Code of Fair Disclosure, Risk Management Policy, and Corporate Social Responsibility Policy.



WAY FORWARD

With the growing recognition of healthcare providers' role to ensure the wellbeing of our society and economy, there is also a rising demand from stakeholders that they operate responsibly and ethically. We at Max Healthcare believe that ESG principles when embedded within an organization and across its value chain, both internally and externally, deliver the exceptional results of holistic, inclusive, and sustained growth. As an organisation committed to responsible growth beyond compliance, Max Healthcare is strengthening the foundation for effective inclusion of ESG consideration in everything we do through our robust, responsible, and transparent governance practices. We will continue to integrate the material ESG issues into our strategy and operations and improve our performance on these parameters. Each day, we are energised to lead with a mission beyond short-term profits to deliver sustainable value to our stakeholders while protecting our planet and improving the quality of life for people.

KEY HIGHLIGHTS

Four out of Seven Independent Directors on the Board

Two out of Seven Women Directors on the Board

8
Board Committees

BOARD OF DIRECTORS



MR. ABHAY SOI

Chairman & Managing Director

Mr. Abhay Soi is the Promoter, Chairman & Managing Director of Max Healthcare Institute Limited ("Max Healthcare"). Prior to the demerger of healthcare business of Radiant Life Care Private Limited ("Radiant Life") with Max Healthcare effective June 1, 2020, Mr. Soi was the Promoter, Chairman & Managing Director of Radiant Life.

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

Mr. Soi is also one of the leading voices for private healthcare in India and is regularly heard on national debates on issues facing private healthcare providers. He is also a member of the General Council of NATHEALTH, the premier industry body for healthcare in India.

Mr. Soi is an MBA from European University, Belgium and a Bachelor in Arts from St. Stephen's College, Delhi University. Mr. Soi was conferred with an honorary doctoral degree (*honoris causa*) by Amity University for his immense contributions to transform and improve the healthcare system in India.



MR. SANJAY OMPRAKASH NAYAR

Non-Executive Non Independent Director

Mr. Sanjay Omprakash Nayar is a Non-Executive Non Independent Director of our Company. He was appointed on the Board of our Company on June 21, 2019. He is the Chairman of KKR India. He joined KKR in 2009 and was Partner & CEO of KKR India until January, 2021. Prior to joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and was a member of Citigroup's Management Committee and Asia Executive Operating Committee from 2002 – 2009. Mr. Nayar also served Citibank /Citigroup for 25 years in various positions in India, UK and USA.

Mr. Nayar is a member of the Board of US-India Strategic Partnership Forum (USISPF), Governing Board of Indian School of Business (ISB), Executive Member of CII PE / VC Committee, and as recently as November 2020 tenured from SEBI's NISM Board of Governors after six years.

He is also on the Board of Avendus Capital Private Limited and JB Chemicals Limited, and is on the Advisory Board of Habitat for Humanity, Chairman of Grameen Impact Investments India (GIII), a Founding Member of Centre for Social and Economic Progress (formerly Brookings-India), and a Board member of Pratham Education Foundation and Pratham Institute for Literary Education & Vocational Training.



MR. MICHAEL THOMAS NEEB

Non-Executive Independent Director

Mr. Michael Thomas Neeb is Non-Executive Independent Director of our Company. He was appointed as an additional Director on the Board of our Company on June 21, 2019 and as Non-Executive Independent Director from July 15, 2019. He is an American businessman and has over 30 years of rich experience in healthcare industry. He has worked with HCA Healthcare UK for 12 years as Chief Executive Officer and as Chief Financial Officer of various companies in the past. He began his healthcare career as Director of finance and project for Harris Methodist affiliated hospitals in Fort Worth, Texas. He has also worked for accounting firms such as EY and Arthur Anderson LLP. He is on the Board of Directors of Evergreen Executive Advisors LLC, Telemetrix RPM, Inc. He has a bachelor's degree in accounting from Baylor University and a masters' degree in business administration from the University of Dallas.



MR. KUMMAMURI NARASIMHA MURTHY

Non-Executive Independent Director

Mr. Kummamuri Narasimha Murthy is a Non-Executive Independent Director of our Company. He was appointed on the Board of our Company on August 26, 2009 and as Non-Executive Independent Director from September 26, 2014. He has been reappointed as Non-Executive Independent Director for a second term of five consecutive years on the Board of our Company with effect from September 26, 2019. Also, he is on the Board of National Stock Exchange of India Limited, NELCO (A TATA Enterprise), Max Life Insurance Company Ltd., Max Speciality Films Ltd., Max Financial Services Ltd. and Shivalik Small Finance Bank Ltd. In the past, he was associated as a Director on the Board of ONGC, IDBI Bank Ltd., LIC Housing Finance Ltd., UTI Bank Ltd., (presently AXIS Bank), Member Board of Supervision NABARD, Unit Trust of India (UTI), Infiniti Retail Limited (TATA Croma), IFCI Ltd., STCI Finance Ltd., (formerly Securities Trading Corporation of India Ltd.), AP State Finance Corporation, APIDC Ltd., etc., He was also associated as a Member / Chairman of more than 50 High Level Government Committees both at State & Central Level. He is associated with the development of Cost & Management Information Systems for more than 175 Companies covering more than 50 Industries. He is a qualified Chartered Accountant and Cost and Works Accountant. He is also a Member on the Cost Accounting Standards Board of the Institute of Cost Accountants of India.

BOARD OF DIRECTORS



MR. MAHENDRA GUMANMALJI LODHA

Non-Executive Independent Director

Mr. Mahendra Gumanmalji Lodha is a Non-Executive Independent Director of our Company. He was appointed as an additional Director on the Board of our Company on June 21, 2019 and a Non-Executive Independent Director on July 15, 2019. He is a qualified Chartered Accountant and a law graduate.

He has over 40 years of rich experience in investment banking, corporate restructuring and corporate and project finance. He is on the Board of various companies such as Nitrex Chemicals India Limited and Amul Exim Limited and was earlier on the Board of Arvind Products Limited and Shyam Cotsyn India Limited.



MS. ANANYA TRIPATHI

Non-Executive Non Independent Director

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



MS. HARMEEN MEHTA

Non-Executive Independent Director

Ms. Harmeem Mehta is Non-Executive Independent Director of our Company. She was appointed on the Board of our Company on May 24, 2021. She is a renowned digital leader and has been driving Digital transformation in organizations across various industries and countries for over a decade. She has a deep background in Artificial Intelligence and a unique ability to incubate and grow new businesses as well as develop new innovative solutions and products.

Ms. Harmeem Mehta is the Chief Digital and Innovation Officer at BT Group Plc. She leads the digital innovation agenda, driving new digital experiences for customers and new markets while also simplifying the telco and also incubating new businesses and developing new digital solutions and products.

MANAGEMENT TEAM



COL. HARINDER SINGH CHEHAL

Senior Director & Chief Operating Officer- Cluster Two



DR. MRADUL KAUSHIK

Senior Director - Operations & Planning



MR. YOGESH KUMAR SAREEN

Senior Director & Chief Financial Officer



MR. ANAS ABDUL WAJID

Senior Director - Chief Sales & Marketing Officer



DR. SANDEEP BUDHIRAJA

Group Medical Director



MR. UMESH GUPTA

Senior Director - HR & Chief People Officer



MS. VANDANA PAKLE

Senior Director - Corporate Affairs



MR. PRASHANT SINGH

Director- IT & Chief Information Officer



MS. RUCHI MAHAJAN

Senior Vice President - Company Secretary & Compliance Officer

GENERAL MEDICAL ADVISORY COUNCIL



DR. SANDEEP BUDHIRAJA

Group Medical Director



DR. AMBRISH MITHAL

Chairman & Head - Endocrinology & Diabetes - Max Healthcare



DR. ANANT KUMAR

Chairman - Urology Renal Transplant & Robotics - Max Saket Complex and Uro-Oncology - Max Hospital, Saket



DR. SUBHASH GUPTA

Chairman - Max Centre for Liver Biliary Sciences



DR. ANURAG KRISHNA

Chairman - Paediatrics & Paediatric Surgery



DR. MRADUL KAUSHIK

Senior Director – Operations & Planning



DR. ANIL K. SINGH

Chairman- Max Institute of Neurosciences Dehradun & Chairman -Max Neurosciences Forum & Medical Advisor



DR. BALBIR SINGH

Chairman & Head - Cardiology, Max Healthcare



DR. DINESH KHULLAR

Chairman - Nephrology & Renal Transplant Medicine Max Saket Complex



MR. UMESH GUPTA

Senior Director - HR & Chief People Officer



DR. VINITAA JHA

Executive Vice President-Clinical Directorate



DR. HARIT CHATURVEDI

Chairman - Max Institute of Cancer Care



DR. PRADEEP CHOWBEY

Chairman - Max Institute of Laparoscopic, Endoscopic, Bariatric & Gastrointestinal Surgery



DR. S K S MARYA

Chairman & Chief Surgeon - Orthopaedics & Joint Replacement

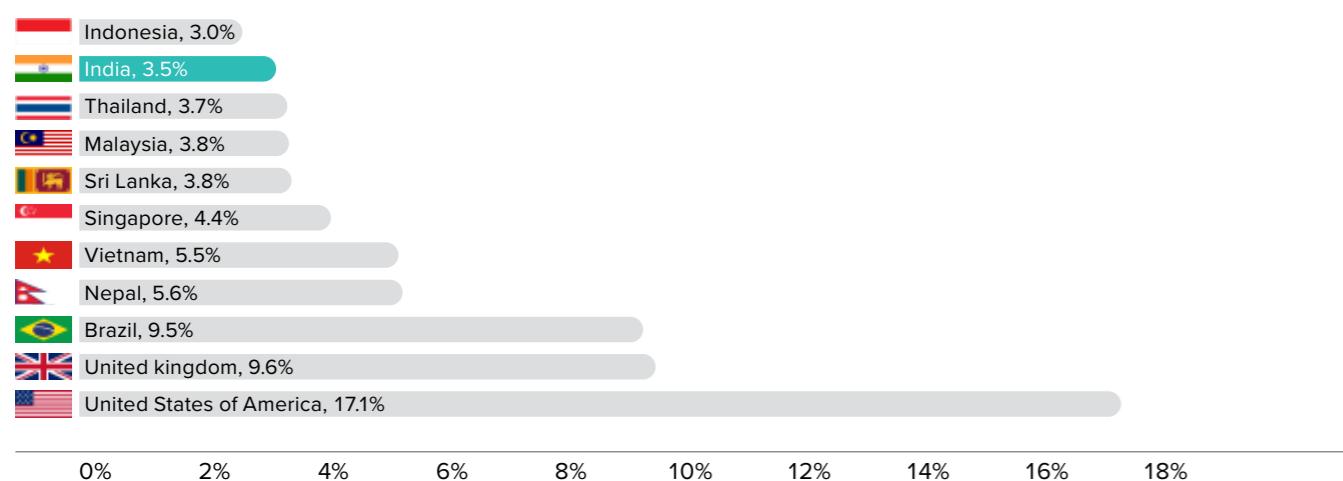
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is one of the fastest growing economies in the world and the second most populous country. Despite rapid development achieved in other fields, the performance when judged on healthcare parameters remains poor. Healthcare delivery in India is largely underdeveloped.

INDIA LAGS PEERS IN HEALTHCARE EXPENDITURE

Total healthcare expenditure as % of GDP

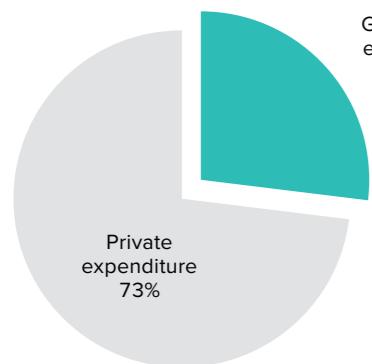


Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research (2017) data

According to the Global Health Expenditure Database compiled by the World Health Organisation (WHO), India's expenditure on healthcare was 3.5% of gross domestic product (GDP) in 2017. India trails behind not just developed countries, such as the United States (US) and the United Kingdom (UK), but also developing countries, such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand in healthcare spending in terms of percentage of GDP.

PUBLIC HEALTHCARE EXPENDITURE IS LOW, WITH PRIVATE SECTOR ACCOUNTING FOR BULK

Government expenditure on health as % of Current Health Expenditure



India's current healthcare expenditure is skewed more towards private expenditure as compared to public expenditure. Government expenditure on healthcare has remained range-bound at 20-30% of the current healthcare expenditure from calendar year 2010 to 2017. The rest of the expenditure is private in nature (expenditure from resources with no government control, such as voluntary health insurance, and the direct payments for health by corporations (profit, non-for-profit and non-government organisations) and households. However, the government aims to increase public healthcare expenditure to 2.5% of GDP from the current 1.2%, according to the National Health Policy - 2017.

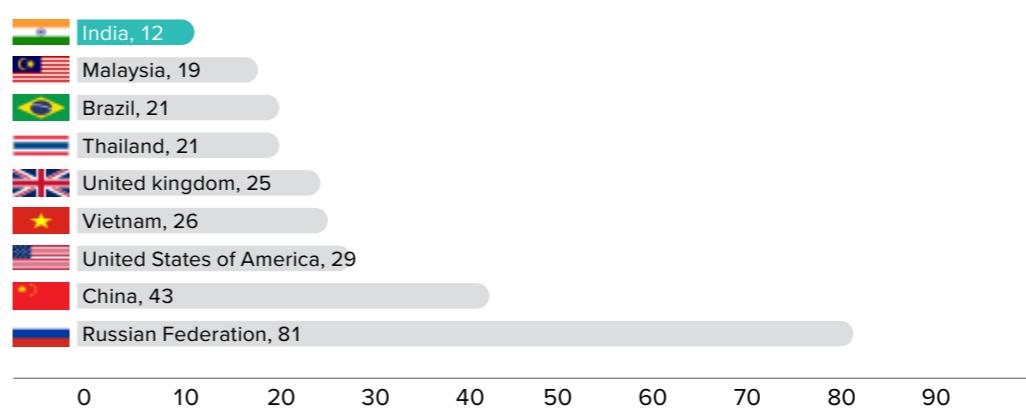
Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research (2017) data

INDIAN HEALTH INFRASTRUCTURE IN NEED OF IMPROVEMENT

The adequacy of a country's healthcare infrastructure and personnel is a barometer of its quality of healthcare.

For India, that's where the concern begins. The country comprises nearly a fifth of the world's population, but has an overall bed density of merely 12, with the situation being far worse in rural than urban India. India's bed density not only falls far behind the global median of 29 beds, but also lags behind developing nations, such as Brazil (21 beds), Malaysia (19 beds), and Vietnam (26 beds).

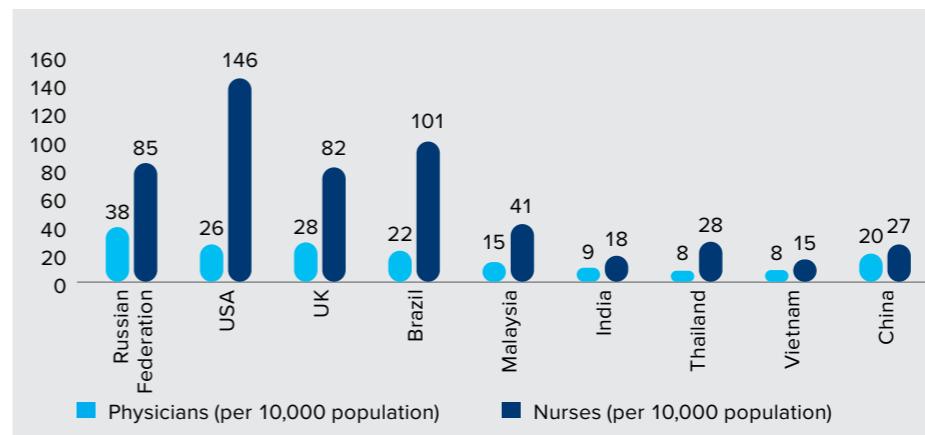
Bed Densities across Countries (Hospital Beds/10,000 People)



Note: India bed density is estimated by CRISIL Research

Source: Tracking Universal Health Coverage: 2017 Global Monitoring Report, World Bank Database, CRISIL Research

Healthcare Personnel: India vs other Countries



The paucity of healthcare personnel compounds the problem. At nine physicians and 18 nursing personal per 10,000 population, India trails the global median of 16 physicians and 38 nursing personal. Even on this parameter, India lags behind Brazil (22 physicians, 101 nurses), Malaysia (15 physicians, 41 nurses).

Physicians (per 10,000 population)

World average



16

India

9

Nurses (per 10,000 population)

World average



38

India

18

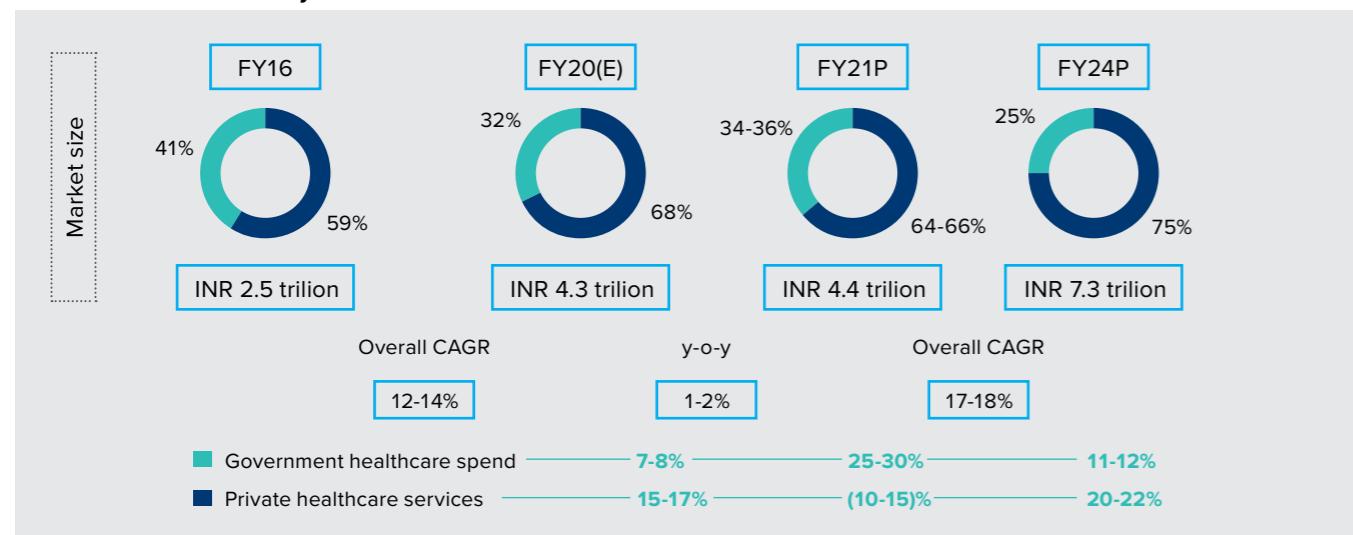
Source: WHO World Health Statistics 2020

Note: Map not to scale

Though the above data represents inadequate healthcare infrastructure, it also means that there exists a substantial potential for those involved in provision of healthcare services. In view of the same, the industry growth is expected at a CAGR of 17-18% and reach a value of INR 7.3 trillion by 2024.

HEALTHCARE DELIVERY INDUSTRY TO GROW 17-18% OVER NEXT FIVE YEARS

Overall healthcare delivery market



Source: CRISIL Research

The healthcare delivery industry clocked a compounded annual growth rate (CAGR) of 12-14% over fiscals 2016-2020. During the period, government healthcare spending grew 7-8%, slower than that of the private healthcare services which stood at 15-17% CAGR. The hospital industry growth is expected to slow down to 1-2% in the current fiscal due to the pandemic. The government's healthcare spending is expected to grow 25-30% in the current fiscal mostly to battle the pandemic. As against this, the private sector is expected to de-grow 10-15%. But once the infections subside, private players are expected to regain their momentum and drive industry growth.

The healthcare delivery industry is estimated at INR 4.4 trillion in FY21. This includes both in-patient treatments, which form almost 70% in value share, and out-patient consultations accounting for the balance 30%. While the government's share is estimated at 34-36%, the private sector enjoys lion's share of 64-66%. Within the private sector, large hospitals form only 10-15% of the industry with the balance dominated by small

and medium hospitals, indicating the fragmented nature of the industry.

Over the last four years, major hospital chains increased the supply (~70% of their incremental supply came during the period) in tier-II and -III locations. This was aimed at creating a referral network into their main centre by tapping into the underserved creamy tier-II areas. Other contributors to the demand are more structural in nature, such as increase in lifestyle-related ailments, increasing medical tourism, rising incomes and changing demography.

KEY GROWTH DRIVERS OF HEALTHCARE DELIVERY INDUSTRY

A combination of economic and demographic factors are expected to drive healthcare demand in the country. PMJAY scheme launched by the government would also be an additive to these drivers.



Source: CRISIL Research

1. Change in Demographic Profile

With improving life expectancy, the demographic of the country is also witnessing a change. As of 2011, nearly 8% of the Indian population was of 60 years or more, and this is expected to surge to 12.5% by 2026. However, the availability of a documented knowledge base concerning the healthcare needs of the elderly (aged 60 years or more) remains a challenge. Nevertheless, the higher vulnerability of this age group to health-related issues is an accepted fact.

Population in 60+ Age Group to Grow Faster

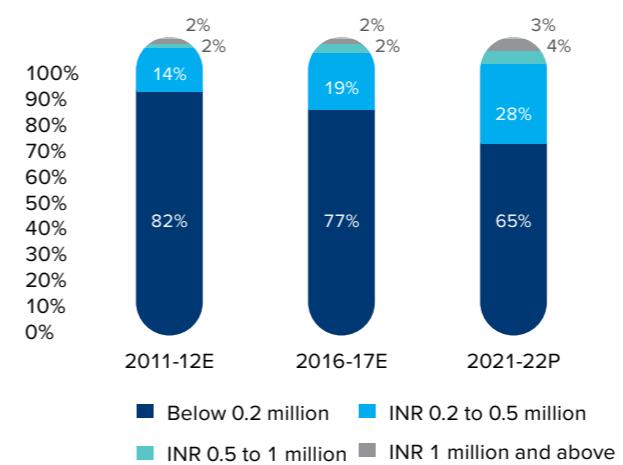


Source: Census, CRISIL Research

According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund (UNFPA) in November 2012, chronic ailments, such as arthritis, hypertension, diabetes, asthma, and heart diseases, were commonplace among the elderly, with ~66% of the respective population reporting at least one of these. In terms of gender-based tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies of contracting arthritis, hypertension, and osteoporosis.

With India's population expected to grow to ~1.4 billion by 2026 and, considering the above mentioned factors, the need to ensure healthcare services to this vast populace is an imperative. But this also provides a huge opportunity to expand into a space that bears huge potential.

Income Demographics



Source: CRISIL Research

2. Rising Income Levels to Make Quality Healthcare Services more Affordable

Even though healthcare is considered a non-discretionary expense, considering that an estimated 83% of households in India had an annual income of less than INR 0.2 million in fiscal 2012, affordability of quality healthcare facilities remains a major constraint.

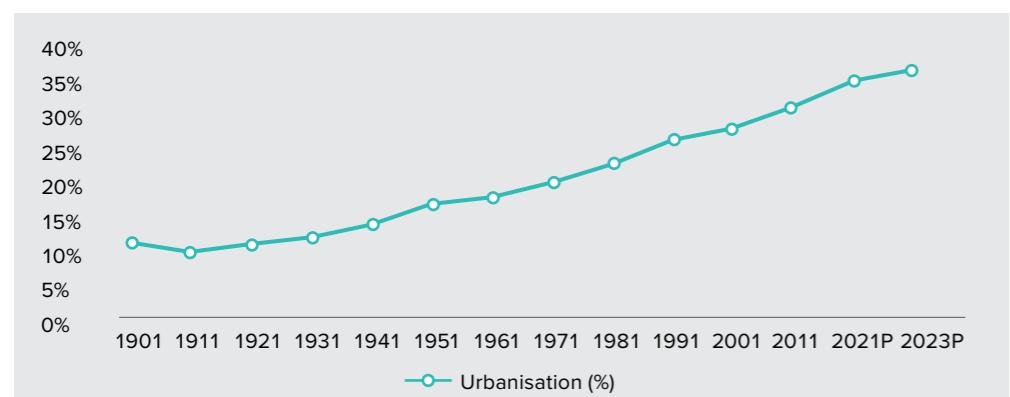
Growth in household incomes and, consequently, disposable incomes are critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above INR 0.2 million is expected to go up to 35% in fiscal 2022 from 23% in fiscal 2017, providing potential target segment (with more paying capacity) for hospitals.

3. Driving Health Awareness to Boost Hospitalisation Rate

Majority of the healthcare enterprises in India is more concentrated in urban areas. With increasing urbanisation (migration of population from rural to urban areas) and awareness among the general populace regarding presence and availability of healthcare, services for both preventive and curative care would increase.

The hospitalisation rate for in-patient treatment as well as walk-in out-patients will improve with increased urbanisation and increasing literacy.

Urban Population in India as a Percentage of Total Population



Source: UN World Urbanisation Prospects: The 2018 revisions

4. Non-communicable Diseases: A Silent Killer

As opposed to the decreasing rate in communicable diseases, lifestyle-related illnesses or non-communicable diseases (NCDs) have been increasing rapidly in India over the past few years. The contribution of NCDs to the disease profile has risen from 30% in 1990 to 55% in 2016. Statistics show that these illnesses accounted for nearly 62% of all deaths in India in 2016. As per the World Economic Forum, the world will lose nearly \$30 trillion by 2030 for NCD treatments and India's burden from this will be \$5.4 trillion.

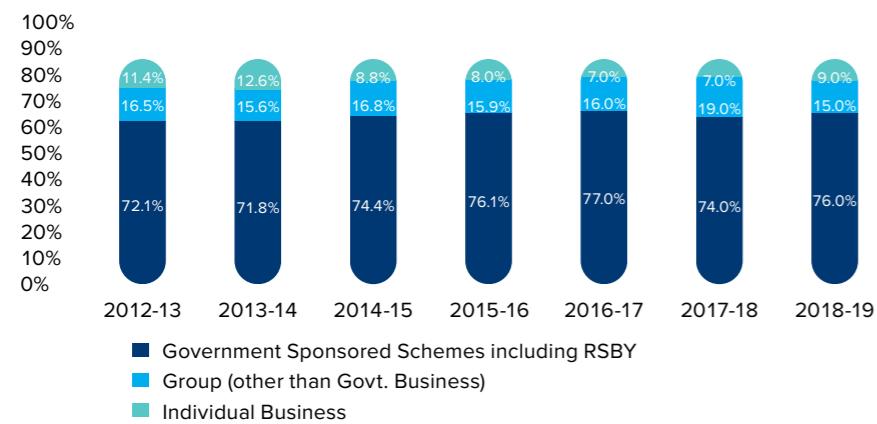
NCDs exhibit a tendency to increase in tandem with rising income. WHO projects an increasing trend in NCDs by 2030, following which demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes will rise. Another emerging market in the country is orthopaedics, which currently comprises a very small proportion compared

with NCDs, but has a potential market in the country. The orthopaedics market can be classified into four different segments, viz., knee, hip, trauma, and spine, of which the knee-replacement market holds the biggest share, followed by trauma and spine. Hip replacement in India is still a very small segment compared to knee replacement, whereas it is opposite around the world.

5. Growing Health Insurance Penetration to Propel Demand

Low health-insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower-income groups remain an issue. As per the Insurance Regulatory and Development Authority (IRDA), nearly 472 million people have health insurance coverage in India (as of FY19), as against 288 million (in fiscal 2015), but despite this robust growth, the penetration in fiscal 2019 stood at only 36%.

Percentage Share Of Health Insurance Schemes



Source: IRDA Annual Report

While low penetration is a key concern, it also presents a huge opportunity for the growth of healthcare delivery industry in India. With the PMJAY scheme, insurance coverage in the country is expected to directly increase to nearly 50%.

Additionally, with health insurance coverage in India set to increase, hospitalisation rates will likely go up. In addition, health check-ups, which form a mandatory part of health insurance coverage, are also expected to increase, boosting the demand for a robust healthcare delivery platform.

6. Medical tourism in India

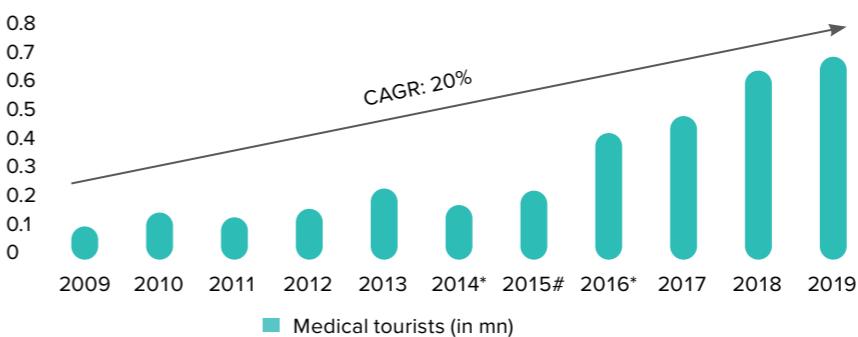
Healthcare costs in developed countries is relatively higher in comparison to India. Some of the factors, which make India an attractive destination for medical tourism, are the presence of technologically advanced hospitals with specialised doctors and facilities, such as e-medical visa.

Treatments mostly sought after in India are for heart surgery, knee implant, cosmetic surgery and dental care, due to the low costs of these treatments in India. Medical tourism in India is driven by the private sector in India.

As per the Ministry of Tourism, countries such as Singapore, Malaysia and Thailand also offer medical-care facilities to foreigners, but what differentiates India, besides the state-of-the-art infrastructure with reputed healthcare professionals, is traditional healthcare therapies, such as Ayurveda and Yoga, combined with allopathic treatments providing holistic wellness.

According to latest data available with the Ministry of Tourism, of the total foreign tourist arrivals in India, the proportion of medical tourists grew from 2.2% (0.11 million tourists) in 2009 to 6.4% (0.6 million tourists) in 2019.

Growth in Medical Tourists*



Note: * includes all types of medical and medical attendant visa; #includes medical visa and medical attendant visa Source: Ministry of tourism

Nearly 88% of the medical tourist are from countries like Africa, West Asia and other South Asian nations. Also, medical tourist from countries like United Kingdom and Canada are also seeing an increase, with the long waiting periods for availing treatments prevalent in these regions.

7. Government policies to improve healthcare coverage

The government has raised its healthcare budget by ~10% for fiscal 2021 to INR 69,000 Crore, keeping in line with its goal to raise its healthcare spending to 2.5% of GDP by 2025 under the National Health Policy 2017.

According to the government, inpatient hospitalisation costs have risen by 300% over the past 10 years and nearly six million families had to sell assets or borrow money to undertake treatment, thereby driving them to poverty.

The PMJAY was launched on September 23, 2018 with the objective of providing affordable healthcare. The scheme primarily has three objectives-

a) Strengthening physical health infrastructure: Sub-centres

Upgradation of 1.5 Lakh 'health and wellness' centres to provide comprehensive healthcare, including coverage of non-communicable diseases and maternal as well as child health services. These centres would also provide essential medicines and diagnostic services free of cost. Inclusion of new ailments under the ambit of the scheme would go a long way in ensuring focus on preventive care as opposed to only curative care. A strong referral network is vital in providing a continuum of care.

b) Strengthening of Physical Health Infrastructure: Government Hospitals

Setting up of 24 new government hospitals and medical colleges and upgradation of existing district hospitals. The intention is to have at least one medical college for three parliamentary constituencies. The government already has a scheme in place, Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) to correct the geographical imbalance in the availability of tertiary healthcare. Six AIIMS campuses, one each at Patna (Bihar), Raipur (Chhattisgarh), Bhopal (Madhya Pradesh), Bhubaneshwar (Odisha), Jodhpur (Rajasthan), and Rishikesh (Uttarakhand), have been set up. Another AIIMS campus is under construction at Rae Bareli (OPD services have started) and 13 new ones have been announced by the government. Tackling issues of inadequate physical and personnel infrastructure is targeted via this objective.

c) Expansion of health insurance coverage: Ayushman Bharat

This involves a provision of INR 5 Lakh assured healthcare coverage to each family who is eligible, selected on the basis of inclusion under the Socio Economic Caste Census (SECC) list. Nearly 10.74 Crore families will be covered under the scheme. All existing central and state health insurance schemes will be subsumed under Ayushman Bharat. The model of implementation of the scheme (via insurance company, trust or mixed model) is left to the prerogative of the states.

However, healthcare delivery at affordable prices would require a shift in focus towards capitalising

on volumes (with nearly 1,650 Lakh new people coming under a healthcare scheme) rather than on value (via margins).

Future trends

While the healthcare delivery sector in India faces several teething issues currently, it also presents immense opportunities for the players involved. Factors, such as inadequate bed density and insufficient personnel highlight India's poor healthcare infrastructure versus global levels, it reflects the immense potential in store for healthcare delivery players in the country.

This potential is further augmented with information and communication technology-enabled services gaining widespread popularity. Not only do these technologies increase the reach of healthcare facilities to the hitherto remote locations, they also help players achieve better efficiencies.

Data from the healthcare space is growing at a steady pace and this has driven hospitals to adopt artificial intelligence (AI)-based patient intelligence systems. These are expected to improve the operating metrics of the hospitals and drive timely detection of diseases.

The section highlights how certain emerging business models and technologies will help extend the reach and increase the efficiency of healthcare industry.

a) Single Speciality Healthcare Units

Single-Speciality healthcare units are those that treat patients with specific medical conditions, with the need of specific medical/surgical procedures. A single-speciality healthcare unit can be a hospital, clinic, or care centre. The advantage of these units is that, by focusing on providing care in a single segment, they can increase efficiencies as well as create a niche in the target segments. Nowadays, birthing centres are among the fastest growing single speciality centre. The occurrence of specific regulatory headwinds, however, can affect the margins of the business unit.

b) Day-Care Centres

The objective of day-care centres is to reduce the need for overnight hospitalisation. In this type of setup, a patient is allowed to go home on the same day after being treated. These centres have given rise to the concept of out-patient surgeries.

While this model is very popular in the eye care segment, other segments, such as arthroscopic surgery, general surgery, cosmetic surgery, and dental surgery have also been using this as a popular care delivery model. The advantage of the day-care centre model is that patients can save on bed/room rentals associated with overnight hospitalisation. The healthcare units, on the other hand, can have a streamlined setup with optimum equipment, staff and infrastructure, which helps bring down operational costs.

c) Geriatric Care Centres

The objective of end-of-life care centres or hospices and palliative care centres is to provide

care and support to patients, who are suffering from terminal illness with a life expectancy of six months or less. Hospice and palliative care focus more on pain management and symptom relief rather than continuing with curative treatment. These centres are designed to provide patients a comfortable life during their remaining days and cover physical, social, emotional, and spiritual aspects apart from the medical treatment. Such type of care can be delivered onsite, where special facilities are set up, in the hospital premises, or at the patient's home.

Palliative care is delivered with the help of an interdisciplinary team which may consist of patient's physician, hospice doctor, a case manager, registered nurses, counsellor, a dietician, therapist, pharmacologist, social workers, and various trained volunteers. Depending upon the patient's ailment and medical condition, the team prepares a customised care programme which comprises services such as nursing care, social services, physician services and trained volunteer support.

d) Home Healthcare

The primary objective of home healthcare services is to provide quality health care at the patient's premises. In India, these services are still in the nascent stages. With increasing geriatric population, nuclearisation of families and increasing disease burden causing a strain on conventional health delivery systems, home healthcare will be a preferred alternative. Multiple healthcare start-ups have started vying for growth in this space.

The revenue from ICU beds wanes as weeks pass by and, hence, reducing the strain (both on hospitals and patients) can be explored through home healthcare. Patients can avail of ICU care at home at nearly a fifth of the prices of hospital care. Hospitals can also benefit by this model not just through reduced overcrowding, but also relief from associated hospital acquired infections.

The services currently offered are post-intensive care, rehabilitation and services of skilled/unskilled nurses. Certain areas, such as home therapeutic care for infusion and respiratory therapy, dialysis and convenience centred teleconsultation, among others have huge potential for growth. Apollo HomeCare (by AHEL) & Max@Home (by MHIL) are home care services provided by two of the largest hospital chain operators in the country.

e) Leveraging Technology for Greater Healthcare Efficiency and Affordability

Historically, digital uptake healthcare has been extremely slow. However, with the proliferation of data and increased availability and use of technologies, health systems are rapidly moving to digitisation of transactions, tasks and processes (translational) and gradually to fully integrated and personalised solutions (transformative). The new generation of customers will drive the adoption of digital technologies as healthcare moves away from the confines of a hospital. Remote care and telemedicine is an ever-evolving approach of

diagnosis and treatment done remotely using telecommunication technologies. A number of corporate hospitals, such as Apollo Hospitals, Max Healthcare, Fortis Hospitals, Narayana Hrudayalaya and Tata Memorial Hospital have introduced telemedicine initiatives. Recent spread of COVID-19 has necessitated remote consultations and could pave way for widespread adoption of telemedicine not only during this crisis but also in the future.

AI applications in healthcare are rapidly changing medical specialities, such as radiology, pathology, ophthalmology, oncology, among others. Primarily used for screening, monitoring, and diagnostic assistance, AI applications include algorithms that analyse chest X-rays and other radiology images, read ECGs and spot abnormal patterns, automatically scan pathology slides and even assess fundus images for signs of retinopathy. Data-based decisions help improve quality of care, clinician productivity and address the challenges in scaling healthcare delivery to rural areas and make a huge impact on the masses. NIRAMAI's automated clinical decision solution to address a key issue in women's health has the potential to drastically reduce deaths due to breast cancer. The acceptability and incorporation of AI in healthcare going forward will increase efficiency, improve predictive capabilities and enable greater personalisation.

In the coming years, we are certainly going to see a robotics play a key role in the global as well as Indian healthcare market. While we are witnessing increase instances of robots being used for laparoscopic surgery, automated pharma, and so on, robot nurses as a concept still needs a familiarisation. But with growing aging population and medical staffing issues, it will be a necessity soon and the trend is sure to catch up.

3D printing is another technological aspect that has limited utilisation at present, but has the potential to revolutionise healthcare in the future years. Medical uses for 3D printing, both actual and potential, can be organised into several broad categories, including tissue and organ fabrication, creation of customised prosthetics, implants, and anatomical models, and pharmaceutical research regarding drug dosage forms, delivery, and discovery. 3D printing is a compelling new technology that has the potential to revolutionise cardiac interventions. For instance, size of heart valve varies from person to person and with the availability of this technique, it is easy to plan the exact sizing. Also, in a country like India where there is scarcity of organs donation, this technique is quite helpful and evolving.

COMPANY OVERVIEW

Currently, MHIL, its subsidiaries and silos comprise 13 healthcare facilities, including five hospitals and three medical centres in Delhi and the NCR region, with the remaining located in Mumbai, Maharashtra; Mohali and Bathinda in Punjab; and Dehradun in Uttarakhand. The Super Speciality Hospitals in Mohali and Bathinda are under PPP arrangement with the

Government of Punjab. Across all our 13 healthcare facilities, we had an average of 2,248 operating beds.

In addition to the above, we have the following 4 partner healthcare facilities:

- Max Super Speciality Hospital, Saket (a unit of DDF)
- Max Institute of Cancer Care, Lajpat Nagar (a unit of DDF)
- Max Super Speciality Hospital, Patparganj (a unit of BMDRC)
- Max Smart Super Speciality Hospital, Saket (a unit of GMHRC).

Partner healthcare facilities mean the hospitals and medical centres wherein the company and its subsidiaries provide healthcare services in key specialities for a fee and/or for a share of revenue.

Composite Scheme of Amalgamation and Arrangement:

The Scheme between the erstwhile Max India, Radiant, Max India (formerly known as Advaita Allied Health Services Limited), the Company and respective shareholders and creditors was approved by NCLT. The scheme involved a merger of the healthcare business of Radiant with the Company and an amalgamation of Max India with the Company. The certified copy of NCLT order was received on May 27, 2020 and accordingly the scheme became effective from June 1, 2020 after complying with necessary requirements under the Companies Act, 2013 ("the act") and Rules made thereunder.

Subsequent to the effective date of the scheme, healthcare business of Radiant Life (which is supported by global funding firm Kohlberg Kravis Roberts (KKR) has been demerged into the Company and also, residual Max India (i.e. post demerger of allied health and associated services into Advaita Allied Health Services Limited) which comprises healthcare activities (including its underlying investment in the Company) amalgamated with the Company. Pursuant to the Scheme, on June 19, 2020, 63,50,42,075 fully paid up equity shares of the Company were allotted to the shareholders of Radiant Life Care Private Limited (Radiant Life) as on the Record date 2 i.e. June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 fully paid up equity shares to the shareholders of Max India Limited as on record date 3 i.e. June 15, 2020 in the share exchange ratio of 99:100. Also, pursuant to the Scheme, 26,69,97,937 equity shares each held by Radiant Life and Max India, in MHIL, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant and Max India Limited as aforesaid, on June 19, 2020.

Post demerger and amalgamation, the Company has become the second largest healthcare delivery chain in India by revenue (considering only income from healthcare services aggregated for Company, Radiant and Partner Healthcare Facilities), in FY20, according to the CRISIL Report. The enhanced scale will enable it to drive efficiencies and improve capabilities.

Listing of Shares of the Company on NSE and BSE:

The equity shares of the Company are listed and actively traded on NSE under the symbol MAXHEALTH and BSE under the number 543220 effective August 21, 2020.

Our Service Profile

We provide a broad range of services, including advanced cardiac care, orthopaedics, oncology, renal sciences, neuro- sciences, transplants, minimal access metabolic and

bariatric surgery and other services, including obstetrics and gynaecology, paediatrics, nephrology and general surgery. We also provide outpatient services, including consultations for a range of ailments, preventive health screening and laboratory services as well as radiology, imaging and emergency services.

In addition to our core hospital business, we have two strategic business units, Max@Home and Max Lab. Max Lab offers diagnostic services to patients outside our hospitals directly as well as through a network of partners, such as clinicians, hospitals and nursing homes and pathology collection centres. It also offers pathology services to patients outside of our hospitals through a variety of other channels, including third-party hospital laboratory management. Presently, Max Lab has operations in the NCR region, Chandigarh, Panchkula, Mohali and other key cities in Punjab, Haryana and Uttarakhand.

Max@Home is the digitally-enabled service division of your Company focusing on making quality healthcare accessible to patients mainly at their home or workplace. Max@Home was launched in FY17 and has grown to have 12 service lines and 24/7 in-house customer support. Our services are supplemented with a care plan and an integrated technology platform.

Accreditations and Awards

We are focused on providing quality healthcare service since our incorporation, and strive to adhere to prescribed standards of clinical protocol in patient handling, surgical work, intensive care and emergency care. We aim to establish clinical and safety outcomes through a mix of accreditations (national and international), audits for continuous improvements, evidence-based practices, clinical leaderships, systems and protocols, patient safety goals and clinical indicators. All our healthcare facilities are NABH-accredited except Max Noida which has been recommissioned as daycare medical centre in latter part of FY20 and in addition, Max Super Speciality Hospital, Saket (West wing) and BLK Hospital are JCI accreditation and received the gold seal in February 2017 and April 2018, respectively. Similarly, all our hospital pathology labs are NABL-accredited and blood banks are NABH accredited.

We have won several awards for our facilities at different platforms, such as (i) Max Super Speciality Hospitals in Vaishali and BLK won the award for Quality Beyond Accreditation at the AHPI Healthcare Excellence Awards 2020 (ii) Max Nanavati Super Speciality Hospital, Mumbai won an excellence award in Intelligent hospital category by AHPI in March 2020, BLK Hospital won the Best hospital - Neurology (National), Gastroenterology & Hepatology (North), Orthopaedic (North) and Multi-Speciality Hospital (North) at ET Healthworld Awards 2020.

Medical Technology

We invest in medical technology and equipment as well as the modernisation of our hospital facilities to offer quality healthcare services to our patients and expand our range of healthcare services. Our facilities are fitted with contemporary medical technology and equipment, including new generation surgical devices to conduct minimally invasive surgeries, and we focus on obtaining the advanced technologies for providing healthcare services. We believe that investment in technology and equipment is critical to our operations as it leads to better outcomes, lowers ALOS and attracts reputed clinical talent. We also engage with medical technology companies and start-ups to apprise our staff of the latest technological innovations.

During the year, we installed Tomotherapy Radixact X9 system at Max Hospital Vaishali. The Radixact™ Treatment Delivery system is the next generation Tomotherapy platform, designed to enable doctors to more efficiently and effectively deliver precise radiation treatments to more patients.

Max Institute of Medical Excellence (“MIME”)

Max Institute of Medical Excellence (MIME) in Saket, New Delhi, is the educational division of your Company that provides medical education and training. It is one of the centres recognised by the Joint Royal Colleges of Physicians Training Board (JRCPTB) to deliver post-graduate internal medicine training outside of the UK and the programme has recently been awarded the Level 3 Accreditation by JRCPTB-UK, signifying equivalence to UK standards. We are the only accredited centre in North India to host the prestigious MRCP-UK PACES examination. MIME conducts master's programmes in emergency training, in collaboration with the George Washington University, U.S.A. Due to the pandemic, the methods of imparting training and education had to be recreated and use of online platforms, webinars, videos have now become the norm. Our students made us proud by being the frontline warriors in the face of the pandemic and providing exceptional services under the guidance of our stellar faculty.

Clinical Research

We built a strong foundation in managing several sponsored clinical trials, collaborative research and investigator-initiated trials/studies across all major therapeutic areas. This includes Endocrinology, Public Health, NCD Epidemiology, Cardiology, Oncology, Neurology, Internal medicine, Critical Care Medicine, Pulmonology, Psychiatry, Anesthesia, Minimal Access Metabolic and Bariatric Surgery, Radiology, Nephrology & Kidney Transplant, Obstetrics & Gynecology, IVF, Urology, Physiotherapy & Rehabilitation, Ophthalmology, Gastroenterology, Pediatrics, Neonatology, Urology, Liver and Biliary Sciences, Rheumatology and Emergency medicine covering the areas of drugs, devices, epidemiological, artificial intelligence and machine learning on clinical/medical data as well as post-marketing surveillance studies. Since 2005, through the clinical research programme established at our facilities, we have been able to successfully initiate more than 300 sponsored clinical trials for whole Max network.

However, majority of our research is being conducted at our partner healthcare facilities. All our clinical trials related to drugs and devices are conducted under strict supervision of Clinical Trial Registry – India (CTRI) and are designed to be compliant with applicable laws and regulations governing such procedures. Medical and para medical staff, including academicians and researchers publish their research work in high index peer-reviewed journals. For MHIL and subsidiaries, over 400 publications were featured in FY21, including both non COVID-19 and COVID-19 research. Also, we have taken a leading role in COVID-19 related research during the pandemic, which includes sero-epidemiological studies, investigator driven work and sponsored drug and clinical trials.

Digital Transformation

COVID-19 necessitated the need for adoption of digital technologies in the healthcare system and in the post-COVID-19 world, digital healthcare will be the new normal. In view of the same, Max Healthcare has taken range of digital initiatives to realise efficiency and ease the delivery of healthcare services. Video consultation platforms were

launched to connect patients and doctors remotely. The patients can book appointments, make payments and upload their documents using the mobile app. The doctors can review uploaded documents, conduct video consults, write, and share prescription on mobile/web app. The app is also integrated with IOMT devices (Omron and Kardia) for real-time monitoring of vitals. Other COVID-19 related initiatives include digitisation of home isolation package workflows, data capturing, among others. Digitisation is also applied in other non-clinical areas, such as patient and nurse feedback management, in-house kitchen processes and biometrics for employee attendance management.

Artificial Intelligence is being deployed in clinical areas especially radiology to augment reporting and decision-making. Our AI solution for chest X-rays is deployed in Max Saket and Max Smart. It marks any abnormality in the X-ray and hence, assists radiologists in making faster decisions. Similarly, Predictive Lung IQ solution enables nodule detection and fibrosis quantification for COVID-19 patients and hence, helps radiologists assess severity and disease progression. There are other solutions as well in the field of orthopaedics and neurosciences that are currently helping our doctors make informed clinical decisions.

Going forward, we are working towards creating an integrated digital platform that would help us deliver personalised and efficient healthcare services.

OPPORTUNITIES AND THREATS

Opportunities

1) Medical tourism business:

India is quickly emerging as a major medical tourism destination. We believe that India is highly competitive in terms of healthcare costs compared to other developed countries, such as the United States, the United Kingdom and Singapore.

Ailments (USD)	US	Thailand	Singapore	Korea	India
Hip replacement	50,000	7,879	12,000	14,120	7,000
Knee replacement	50,000	12,297	13,000	19,800	6,200
Heart bypass	1,44,000	15,121	18,500	28,900	5,200
Angioplasty	57,000	3,788	13,000	15,200	3,300
Heart valve replacement	1,70,000	21,212	12,500	43,500	5,500
Dental implants	2,800	3,636	1,500	4,200	1,000

Source: CRISIL Research

Currently, we are the leading players of international business in the Delhi-NCR and we intend to build on this further. We treated international patients from multiple countries, with key inflow from Iraq, Afghanistan, Kenya, Nigeria and Uzbekistan. We intend to focus on attracting more medical value travellers from select markets, including those in the Middle East, Africa, Southeast Asia and CIS countries by increasing our marketing efforts in these regions. We also believe that international medical value travellers can help contribute to higher revenues per bed day and increase our profitability, and we intend to further leverage our brand recognition, direct and indirect presence to attract medical tourists through our or partner sales offices, clinicians visiting for OPD consultations, health camps and existing patient base.

In furtherance of this strategy, we established a representative office in Nairobi, Kenya and a wholly owned subsidiary MGHL in Nigeria, through which we aim to provide consultation services to patients and assess whether the patient needs to be brought to

Corporate Social Responsibility

Max Healthcare Group has always believed in extending a helping hand to those in need. Last year was no exception, wherein we reached out to Lakh of patients, including the COVID-19 afflicted who were treated free of cost. We served over 1.12 Lakh indigent patients for free last year and provided medical services worth over INR 64.0 Crore to patients who couldn't afford treatment.

COVID-19 crisis management

In FY21, COVID-19 was an unprecedented crisis that impacted all businesses globally. We were at the forefront of the war against the deadly virus, and volunteered a few of our facilities towards the cause. We were one of the first private labs to start COVID-19 testing. We were also the first to conduct convalescent plasma therapy trial for critically ill patients. In response to the crisis, we created isolation facilities, established operating procedures on screening of patients, admission, management and treatment of COVID-19 patients. We also strengthened our operating procedures on infection prevention and control, healthcare worker safety and recommended protocols and guidelines on providing treatment, including performing surgeries of other patients during COVID-19 to help ensure the safety of our employees and patients. We leveraged technology to provide 'video consultation' for our patients. Max@Home offers home management and monitoring services to COVID-19 infected patients with mild symptoms.

India for surgery or operations. Also, we have recently resolved to incorporate a wholly owned subsidiary in the UAE for the purpose of business support services and/or activities in connection with the solicitation of the overseas patients. The wholly owned subsidiary is still under incorporation.

2) Brownfield Expansion in Existing Facilities

We have a total bed build-out potential of ~900 beds through our brownfield expansion and extension capabilities excluding 1,100+ additional beds in Partner Healthcare Facilities. We aim to explore the setting up of more hospitals over the next four to five (4-5) years and at the same time add incremental beds as extensions or additional wings in some of our existing facilities. This will help increase capacity and ramp up operations quickly in already established facilities.

3) Asset-light Models with Real Estate Investment Trusts (REITs) for Future Expansion

We believe that our core competence lies in providing healthcare services ranging from primary care to quaternary care. The healthcare sector is capital intensive and requires constant working capital for operations and expansion. In addition to building out our brownfield expansion capacity, we seek to move towards an 'asset light' model for the delivery of healthcare services through operation and management contracts, which we believe will enable us to focus on our core healthcare operations and our key medical competencies. We aim to implement this strategy by partnering with real estate developers who could build the hospital facilities as per our specifications and we would then operate and manage the hospital facilities by leveraging our brand and expertise in the healthcare industry.

4) Inorganic Growth Opportunities

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

5) Invest and Grow Pathology and Home Care Business

In addition to core hospital business, we plan to further scale up our MaxLab and Max@Home businesses to provide healthcare services outside our healthcare facilities. Going forward, we plan to build on both these adjacencies. For MaxLab, our initial focus is to deepen and widen our presence in the cities wherein Max Healthcare already has a presence through network facilities. In the long term, we plan to expand into new cities and grow our business by opening new collection centres, partnering with local collection centres for sample collection and signing new hospital lab management contracts. We plan to leverage the increasing digitisation of the healthcare industry due to COVID-19 by adapting current back-end service delivery platform to enable more remote and virtual enabled services, such as providing virtual assessment by medical caregiver. Using the power of digitisation, Max@Home also plans to technologically enable and automate existing customer acquisition channels within our network by allowing customers to directly place a home care request over multiple online mediums (e.g., through mobile-based applications) during their visit to the hospital, among others, in order to grow our Max@Home brand. We also intend to utilize MaxLab and Max@Home's plug and play approach to provide new services and scale our digital business for future growth.

We have already received an approval to establish a wholly owned subsidiary called Max Lab Limited or any other name as may be approved by the Central Registration Centre (CRC) as well as the Ministry of Corporate Affairs (MCA). This subsidiary will provide diagnostic services, including pathology lab services to retail and non-captive customers as well as third-party Hospital Lab Management, and is under incorporation.

6) Improve Case and Channel Mix

We are focusing on investing in medical technology, attracting skilled physicians and surgeons, and developing our expertise in tertiary care areas. This will help us add sophisticated procedures and hence, improve our case mix. Also, we intend to improve our channel mix by improving share of international, cash walk-in and private and public insured patients who have procured insurance coverage from third party insurance providers as these patients tend to provide higher average revenue per patient for similar procedures compared to central as well as state government and local body patients, due to tariff differences.

Also, we intend to build on our upcountry markets to improve share of high-end tertiary care procedures as patients travel from far-flung areas to metro cities, such as Delhi-NCR to get high-end treatments. MHIL gets drainage from all of North India, including Uttar Pradesh, Bihar, Jharkhand, Punjab, Haryana, Rajasthan and other key states. We intend to deepen our reach up country by penetrating new cities or regions and establishing more number of sales offices or OPD centres to cater to the local population and refer to our tertiary care facilities for high-end procedures.

THREATS

1) Increasing Competition Intensity

Healthcare being a high growth sector is attracting lot of new entrants. Most of these players are focused on metros and Tier 1 cities. Thus, there is increased competition in these markets that adversely impacts the profitability and growth potential for existing players. New players might offer lower rates and compete with us for doctors and other medical professionals. In that situation, we will reduce the price of our services or run the risk of attracting patients and doctors and other healthcare professionals to our healthcare facilities, adversely impacting the business.

2) Technology Disruption

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

Significant investment is required on an ongoing basis to prevent obsolescence of equipment and there is no assurance that we will have sufficient funds to continually invest in such equipment and facilities or access the latest technology on a timely basis. In the event that we are unable to keep up to date with the current trends and needs of the healthcare industry, our facilities may lose their competitiveness and market share, which may adversely affect our business.

3) Regulatory Risks Faced by the Healthcare Industry

Our business is affected by various challenges that are being faced by the Indian healthcare industry, including the provision of quality patient care in a competitive environment and managing costs at the same time. Healthcare costs in India have increased significantly over the past decade, and there have been and may continue to be proposals by legislators and regulators to limit the rate of increase, cap margins, fix the price of procedures and diagnostics, or lower healthcare costs in India. In FY17, the government had capped prices of drug-eluting stent and knee implants, which have had an impact on our operating margins. During the COVID-19 pandemic, the government imposed a cap on the treatment costs in private hospitals in regions, such as Maharashtra and Delhi to ensure that healthcare remains affordable. Such proposals by the Government of India impose limitations on the prices that we can charge for our services and increase the cost for our services, rendering an impact on our operating margins.

4) Higher Fixed Cost Operations

Our fixed costs typically include employee benefits expenses, other expenses towards professional and consultancy fees (including those paid to the doctors), rent, insurance, rates and taxes, facility maintenance expenses, power and fuel, repairs and maintenance, expenses for medical treatment of weaker sections, interest, depreciation, among others. Our fixed costs (MHIL consolidated excluding trusts) comprised 59%, 59% and 60% of our total expenses for FY19, FY20 and FY21, respectively. These fixed costs do not significantly vary depending on our revenue generated. For example, our occupancy rate dropped in FY21 due to COVID-19 pandemic and MHIL achieved occupancy of 64.7% in FY21 as compared to 71.0% in FY20. However, despite this decline, we did not experience a corresponding decline in our fixed costs. Thereby, going forward, if we experience an increase in fixed cost, or if we are not

able to grow our revenue in line with our fixed cost, our profitability will be severely impacted.

FINANCIAL PERFORMANCE

Pursuant to the merger of the healthcare undertaking of Radiant with MHIL, Radiant shareholders have been issued equity shares of MHIL (merged entity) and its pre-acquisition stake of 49.7% were cancelled upon implementation of scheme. The merger resulted in Radiant promoters taking control of the merged MHIL.

Above transaction resulted in a business combination under Ind AS 103 'Business Combinations' and further applying the criteria laid in the accounting standard, the merger is being accounted for as follows:

1. Radiant has been identified as the accounting acquirer and thus the merger qualifies as a 'reverse acquisition'
2. MHIL financials are considered to be the continuation of Radiant's healthcare undertaking financials (accounting acquirer) and thus all assets and liabilities of MHIL have been fair valued as per principles laid down in Ind AS 103. Demerged undertaking of Radiant is being accounted for at its carrying amounts
3. Further, since the business combination and control of Radiant over MHIL is achieved in stages, Radiant's previously held stake of 49.7%* (in pre-merger MHIL) is fair valued as on June 1, 2020 and the resulting loss, has been recognised in profit and loss

Strictly applying the principles of Ind AS 103, the financial result of MHIL (merged) for year ended March 31, 2021 includes 12 months of operations of Radiant and 10 months of operations of MHIL (merged) and comparative financial result of MHIL (merged) includes 12 months of operations of Radiant only for the year ended March 31, 2020. Hence, MHIL consolidated financials for FY21 are not comparable with MHIL consolidated financials for FY20 and investors might not be able to draw any meaningful comparative insight. However, we have enclosed below summary of Audited Financial Results for FY21 along with comparatives.

Audited Financial Results of MHIL (Consolidated)

	For the year ended 31-Mar-21	For the year ended 31-Mar-20	(INR in Crore)
Income			
Revenue from operations	2,505	1,059	
Other income	114	48	
Total income	2,619	1,107	
Expenses			
Purchase of pharmacy, drugs, consumables and implants	580	229	
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants	14	-12	
Employee benefits expense	589	230	
Professional and consultancy fee	533	247	
Other expenses	385	271	
Finance costs	179	83	
Depreciation and amortization expense	174	46	
Total expenses	2,453	1,094	
Net profit / (loss) before exceptional items, tax & share of profit/(loss) in associate	165	13	
EBITDA	518	142	
EBITDA Margin %	19.8%	12.8%	

To assist investors in evaluating MHIL's consolidated performance (inclusive of subsidiaries) subsequent to the effectiveness of the scheme, we have provided below:

- Combined results of Radiant and your Company for the 12 months ended March 31, 2021, and (FY21 pro-forma);
- Combined results of Radiant and your Company for the 12 months ended March 31, 2020, (Unaudited Combined pro forma statement of profit and loss for the year ended March 31, 2020 or FY20 pro-forma)



1. Numbers for MHIL and subsidiaries (including BLK and Nanavati) for FY20 and FY21, though, merger was effective from June 1, 2020; Numbers are post IND AS 116
2. Net revenue represents Total Income as per financial statement
3. EBITDA before exceptional items and share of profit/(loss) in associates

Pro-forma Unaudited Financial Results of MHIL (Consolidated)

	(INR in Crore)	
	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Income		
Revenue from operations	2,683	2,943
Other income	115	99
Total income	2,798	3,042
Expenses		
Purchase of pharmacy, drugs, consumables and implants	626	638
(Increase)/decrease in inventory of pharmacy, drugs, consumables and implants	13	-29
Employee benefits expense	646	679
Professional and consultancy fee	579	673
Other expenses	420	599
Finance costs	199	213
Depreciation and amortization expense	194	165
Total expenses	2,677	2,939
Net profit / (loss) before exceptional items, tax & share of profit/(loss) in associate	120	103
EBITDA	514	482
EBITDA Margin %	18.4%	15.8%

FY21 Pro-forma VS FY 20 Pro-forma

Total income: Total income decreased by INR 244.3 Crore or (8%) to INR 2,797.7 Crore for FY21 pro-forma, from INR 3,042.0 for FY20 pro-forma, primarily due to decline in revenue from operations by INR 260.6 Crore or (8.9%).

Revenue from operations: Revenue from operations decreased by INR 260.6 Crore or (8.9%) to INR 2,682.4 Crore for FY21 pro-forma from INR 2,943.0 for FY20 pro-forma. The decrease was primarily due to decline in the occupancy and ARPOB primarily in H-1 because of lower OPD footfalls, delays in elective surgeries and slowdown in medical tourism as a result of the pandemic. The up-country patient flow was also disrupted due to restrictions on free movement earlier and later due to farmer's protest related blockade.

Purchase of pharmacy, drugs, consumables and implants:

Purchase of pharmacy, drugs, consumables and implants decreased by INR 12.3 Crore or (1.9%) to INR 626.2 Crore for FY21 pro-forma from INR 638.5 Crore for FY20 pro-forma. This was in line with the decrease in the revenue from operations and due to material cost optimisation (minimised material cost and leveraged on economies of scale), which was partly set off against additional expenditure on PPE kit and other protection related consumables, such as mask, gloves and more.

Employee benefits expense: Employee benefits expense declined by INR 33.3 Crore or (4.9%) to INR 646.1 Crore for FY21 pro-forma from INR 679.4 Crore for FY20 pro-forma. The decrease was primarily due to improved workforce optimisation by helping enhance productivity of people as well as voluntary

temporary reduction of remuneration of senior and middle management during the year, which were fully restored by the third quarter of FY21.

Other expenses: Other expenses decreased by INR 178.5 Crore (29.8%) to INR 420.1 Crore for FY21 pro-forma from INR 598.6 Crore for FY20 pro-forma. The decrease was primarily due to (i) decrease in advertisement and publicity due to the raging pandemic and drop in International patient volume; (ii) decrease in outside lab investigation (iii) decrease in provision for doubtful debts and advances/bad debts written off (iv) implementation of cost optimisation programme, including re-negotiations with vendors, eliminating waste, reducing corporate overheads, deferment of discretionary expenses and increasing productivity of spend (v) Synergy benefits including policy level harmonisation initiatives across the network.

Professional and consultancy fees: Professional and consultancy fees decreased by INR 94.6 Crore or (14.1%) to INR 578.7 Crore for FY21 pro-forma from INR 673.3 Crore for FY20 pro-forma. The decrease was primarily due to re-negotiations of minimum guarantees and variable pay payable to doctors as well as by virtue of improving workforce productivity.

Finance costs: Finance costs decreased by INR 13.7 Crore or (6.4%) to INR 199.2 Crore for FY21 pro-forma from INR 212.8 Crore for FY20 pro-forma. The decrease was primarily due to decline in the borrowings in the fourth quarter of FY21.

Depreciation and amortization expense: Depreciation and amortisation expense increased by INR 28.7 Crore or 17.3% to INR 194.1 Crore for FY21 pro-forma from INR 165.4 Crore for FY20 pro-forma.

List of allottees allotted equity shares equal to or over 5% of the Issue size

#	Name of the Allottees	No. of Equity shares Allotted	% of Equity Shares Offered in the Issue
1	SBI-focused Equity fund	1,02,35,414	16.7%
2	HDFC Trustee Company Limited-HDFC Flexi Cap Fund	88,66,427	14.4%
3	HDFC Trustee Company Ltd - A/C HDFC Mid- Cap opportunities Fund	64,73,899	10.5%
4	BNP Paribas Arbitrage - ODI	46,67,349	7.6%
5	The Nomura Trust and Banking Co., Ltd as the Trustee of Nomura India Stock Mother Fund	43,75,639	7.1%
6	Polar Capital Funds PLC - Healthcare Opportunities Fund	41,50,284	6.8%
7	Veritas Funds PLC on behalf of Veritas Asian Fund	34,33,981	5.6%
Total		4,22,02,993	

Sharp Improvement in Net Debt Position

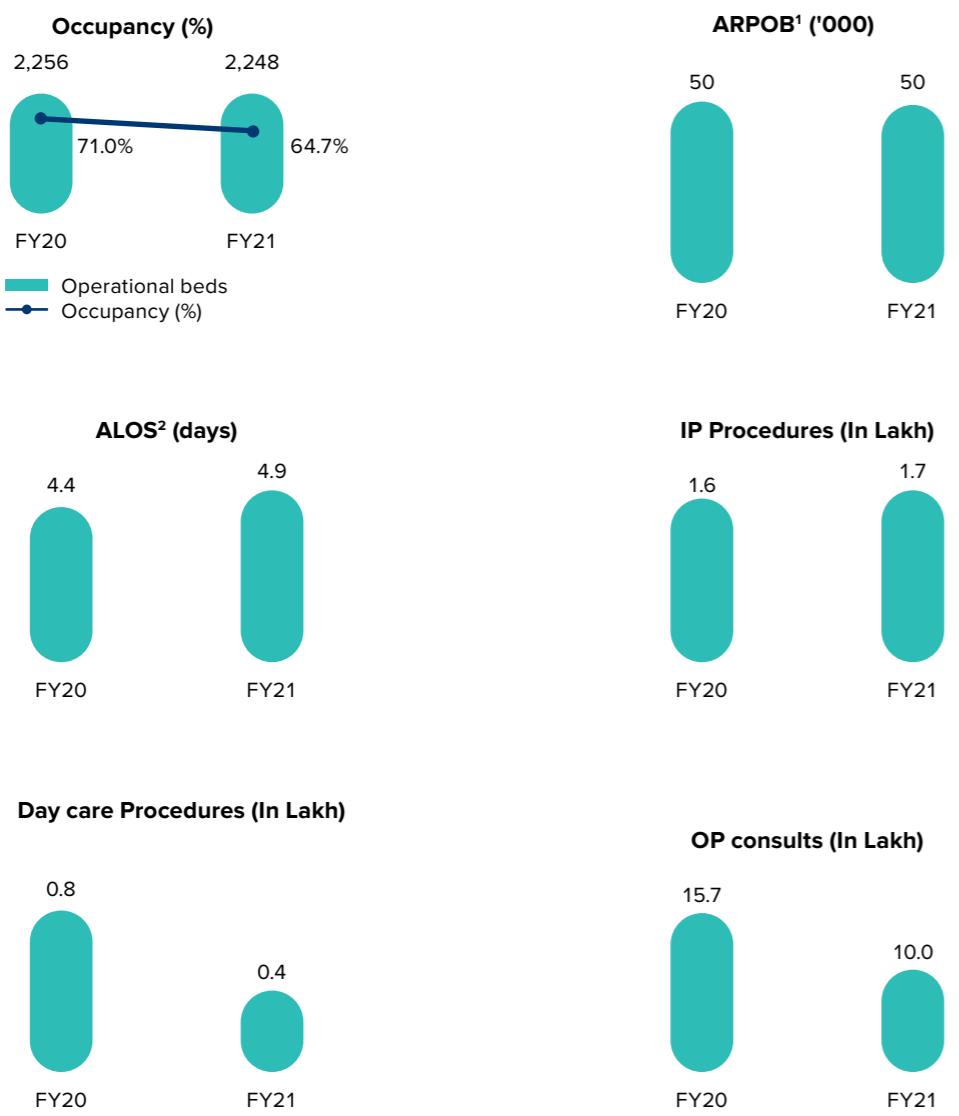
During the year, our net debt position (excluding lease liability) improved sharply from INR 1,888 Crore as on March 31, 2020 to INR 347 Crore as on March 31, 2021. Improvement is primarily driven by INR 1,200 Crore of funds raised by qualified institutional placement, INR 118 Crore of cash generated from cash flow from operating activities, INR 58 Crore of income tax refunds and so on.

	March 31, 2020	March 31, 2021
Gross debt	1,705	920
Put option liability	586	82
Gross debt, including put option liability	2,291	1,002
Cash and bank balance	404	655
Net debt (excluding lease liability)	1,888	347

ALPS Merger with SCHL

The Board of Directors of ALPS and SCHL, at their meeting held on March 26, 2021, approved the Scheme of Amalgamation (merger by absorption and hereinafter referred to as Scheme) under the provisions of Section 234, read with Sections 230

to 232 of the Companies Act, 2013 and relevant rules made thereunder. The Scheme is subject to necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal.

OPERATIONAL PERFORMANCE

1. ARPOB calculated as Gross revenue/ Total OBD. Gross Revenue excludes revenue from Max Lab Operations

2. ALOS calculated for discharged IP patients only

HUMAN RESOURCES

In an endeavour to be among the most well-regarded healthcare organisations, while creating greater value for all our stakeholders, including patients, employees and investors, we maintained a balanced focus on business transformation as well as people agenda last year. Owing to complex dynamics of the industry and bigger challenges pertaining to the pandemic, we focused on the vital elements of constantly delivering top-tier patient care, while also enriching the organisational culture as well as ensuring safety and well-being of our employees. The HR function focused on the following interventions to help build an engaged workforce that is committed to high-quality patient care.

Learning & Development: Our organisational success is built on the engagement, commitment and capabilities of our employees. To put our strategies to action, learning and development programmes play a crucial role in enabling employees in achieving specialized skill sets. To improve domain knowledge and incorporate customer-centric attitude

to keep pace with the changing times, we reinstated the functional learning path with enhanced focus on programmes like medical induction for clinicians, comprehensive induction (Virohan) for nursing and likewise (Aarambh) for front office team. Multiple workshops and training sessions were organised under the key pillars of service excellence, supervisory capability, and managerial capability development. To build organisational awareness and shape employees into brand ambassadors of the organisation, **Max Star Programme** was launched in October 2020 with three-level certifications (Silver, Gold and Platinum).

Digital HR: As part of the integration and to ensure uniformity, Disha (Human Resource Management System), inclusive of a performance management framework, was launched across networks to enhance employee experience. With these interventions, we shifted gears towards higher efficiency, productivity and sustainability during the year through continuous process enhancements and technological adaptations. In order to streamline monitoring of labour

compliances and create better visibility of compliance processes, we revamped the existing compliance tool to 'Complinity' and ensured seamless implementation across all our healthcare facilities.

Talent Acquisition and Management: Recruiting and retaining the best talent, keeps the organisation in a stronger position to deliver high quality care, translating into high levels of patient safety, satisfaction and overall organisational excellence. We, therefore, focused this year, on strengthening our clinical talent pool, and on-boarded several senior clinicians, nurses and paramedical staff across various units.

Employee Health and Wellness: The healthcare industry has been at the epicenter of the unprecedented challenge birthed by the COVID-19 pandemic. While our healthcare workers battled at the frontline in response to the pandemic, their health and well-being became the utmost priority for us. Some of the interventions undertaken in this regard included free treatment of employees at any of the Max Hospitals, free RTPCR tests, pick and drop facility, stay and accommodation arrangements for staff on COVID-19 duty, dynamic rostering, and redesigning of infrastructure to ensure safety.

Compensation and Benefits: In order to ensure pay parity within the network we instituted revision in the employee compensation structure, band structure and compensation philosophy. The new responsibility level bands were introduced with an underlying principle to ensure orderly movement of employees, vertically and horizontally, for positions encompassing a breadth of functions.

Governance: As a build up to our ongoing focus on strengthening governance, we rolled out a mandatory online training module on anti-bribery and anti-corruption policy for employees. Policies on background verifications were also revamped.

An engaged workforce is essential for long-term organisational growth. Thus, we made sincere efforts to understand how our employees feel at work and identify areas of improvement. Adoption of our four core values - Compassion, Consistency, Excellence and Efficiency, enable our people to inculcate behaviors and practices that truly empower us to deliver best-in-class patient care services.

Awards and Recognitions

List of awards won during the year (HR)

1. PeopleStrong New Code of Work Awards 2021 Winner - Mid-size enterprises
2. Consortium of Accredited Healthcare Organisations (CAHO) Encouragement Award 2021 for HR Best Practices

ENVIRONMENT, ENERGY AND FIRE SAFETY MATTERS

We are subject to a number of environmental regulations given that the activities carried out by our various establishments might have an impact on the environment. The aim is to prevent, abate and control pollution and conserve environment. With respect to the same, we undertake several initiatives, such as maximum recycling of treated wastewater, optimising water consumption in general and patient areas, re-use of dialysis RO reject water in cooling tower, organic waste convertors, installation of rainwater harvesting system and other

environment-friendly initiatives. Regular trainings are being conducted to better manage COVID-19 medical waste.

Steps are taken towards energy conservation in our hospitals. We have designed our facilities keeping in view the objective of minimum energy losses. We also conduct regular review of energy consumption and devise ways for effective control on utilisation of energy. We undertook several initiatives, such as LED-based lighting systems, green power purchase, improvement in energy performance of HVAC system, observation of Earth Hour, among others.

Our facilities are subject to risk of fire as we handle and use certain chemicals, such as alcohol, sanitisers, gases, fuel and other inflammable materials at our facilities. Any short circuit of power supply for our equipment and machines, including air conditioning plants could result in accidents and fires. Thus, regular comprehensive safety audits are conducted at all Max units by a third-party firm to verify and review safety and environment standard with respect to Indian and international norms, which include fire and electrical safety, environment management, chemical safety, security and general safety. In FY21, we undertook several initiatives to ensure fire safety at our hospitals. Some key initiatives include installation of gas suppression system at areas where conventional sprinklers cannot be installed, fire door installation to provide compartmentation, augmentation of smoke exhaust and ventilation at various units and other safety measures. Mock drills and fire safety trainings are also conducted regularly at our facilities.

RISKS AND CONCERNs

Given the wide scale of operations, our Company is exposed to a wide range of strategic and operational risks. The management is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of our risk management framework through the Audit Committee.

We follow detailed risk assessment and mitigation procedures, which are reviewed by the Audit Committee from time to time. Our risk management framework is approved by our Audit Committee for identifying risks and opportunities that may have a bearing on the organisation's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Audit and Risk Management Committee (A&RM Committee) assists the Board in evaluating our risk management system, including risk framework; risk management processes, which includes risk identification, assessment, classification/ evaluation, mitigation, monitoring/review and reporting, as down by the Management. The Audit Committee provides oversight on our management of key risks, including clinical, strategic, legal & compliance, human resource and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework. Our management with the help of risk owners re-assessed the risk register, and residual risk rating for two risks has been moderated, considering the current mitigation plans in place. It also identified the three newly emerging in course of current business scenario. Detailed update on risk mitigation plan is provided to the Audit Committee separately.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our Company has put in place an adequate system of internal financial control commensurate with its size and nature of business, which helps in ensuring the orderly and efficient conduct of business. The internal control framework is enabled by the electronic workflows, deployment of robotic process automations and IT-enabled controls.

These systems provide a reasonable assurance with respect to providing financial and operational information, complying with applicable statutes, safeguarding assets of our Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies. It also ensures that all transactions are properly authorised, recorded, and reported.

During the year, we performed our business process assessment and designed additional internal controls that should be taken care for periodic verification. Management performed testing for all key controls and no reportable material weakness in the design or operation was observed.

Our management has strengthened the internal control framework through a third-party tool called Complinify, and define workflow for each internal control testing. This tool requires periodic confirmation from control/process owners to confirm about discrepancy/effectiveness of control requirement from time to time, and require approval on their submission status by their reporting managers and HODs, to ensure any discrepancies will be identified on proactive basis so that remediate actions can be taken appropriately and timely. The tool is going live in phases and is expected to fully implemented by the end of June 2021.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide

reasonable assurance of achieving their control objectives. Further, in the design and evaluation of our disclosure controls and procedures, our management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

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

OUTLOOK

FY21 was an unprecedented year with the world grappling with the pandemic and ensuing stringent restrictions on public gatherings and travel. The pandemic in India triggered a nationwide lockdown in March 2020. The average inpatient occupancy rate of beds at our facilities dropped sharply in the first three months of 2020, with a gradual recovery seen across the network. Towards the later part of the year normalcy restored as the threat of the virus reduced, and our business started showing signs of improvement. However, in late March 2021, the second wave of COVID-19 emerged and hit even harder than the first wave. The second wave is expected to continue till the first quarter of FY22 with record high occupancy levels and majority of our beds filled with COVID-19 patients. In these tough times, we are making maximum efforts to service our patients with full dedication and sincerity. Though it's hard to be certain, but it seems that the situation will achieve normalcy post first quarter owing to increased vaccination as per new government regulations. However, we are being adequately prepared in case third wave hits the country in later part of the year. Further, in FY22, we, as an organisation will look for growth avenues through capacity expansion, acquisitions and improving operational metrics in the current facilities or businesses. We will also focus on strengthening our digital capabilities to ensure maximum reach and efficacy. Patient centricity, medical excellence and service excellence will continue to be an integral part of our vision of building an admirable institution.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure of presenting the 20th Annual Report on Business and Operations of the Company ("MHIL" or "Company") together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ("FY") ended March 31, 2021.

The Company reported a strong performance during the FY gone by but more importantly, in FY 2019-20 and FY 2020-2021, it has laid solid foundations for even stronger performance across key performance metrics in the years to come. The Company's financial results reflect the commitment to its vision "to be the most well regarded healthcare provider in India, committed to the highest standards of clinical excellence and patient care supported by latest technology and cutting edge research".

UPDATE ON COVID-19 PANDEMIC

During FY 2020-21, COVID-19 was an unprecedented crisis that impacted all businesses globally. Your Company was

in forefront of war against COVID-19 and volunteered a few of its healthcare facilities towards the cause. The Company was one of the first private labs to start COVID-19 testing. The Company through one of its partner healthcare facilities, was also the first to conduct convalescent plasma therapy trial for critically ill patients. In response to the crisis, isolation facilities were created, operating procedures on screening of patients, admission, management and treatment of COVID-19 patients were established. The Company also strengthened its operating procedures on infection prevention and control, healthcare worker safety and recommended protocols and guidelines on providing treatment including performing surgeries of other patients during the COVID-19 pandemic to ensure the safety of its employees and patients. Further, your Company leveraged technology to provide 'video consultation' for the patients and offered home management and monitoring services through Max@Home.

FINANCIAL RESULTS - STANDALONE AND CONSOLIDATED

The highlights of the Company's financial performance on Standalone and Consolidated basis, for the year ended March 31, 2021 are summarized below:

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	1,031	59	2,505	1,059
Other Income	106	66	114	48
Total Income	1,137	125	2,619	1,107
Total Expenditure	870	65	2,101	965
Operating Profit	267	60	518	142
Less: Finance Charges	112	60	179	83
Cash Profit	155	-	339	59
Less: Depreciation	91	3	174	46
Profit before exceptional items, tax and share of (profit)/loss in associates	64	(3)	165	13
Exceptional items	211	-	234	-
Tax Expense/(Income)	18	-	46	-
Net profit/(loss) after tax and before share of (profit)/loss in associates	(165)	(3)	(115)	13
Share of profit/(loss) in associates	-	-	23	(46)
Net profit/(loss) after tax for the year	(165)	(3)	(138)	59
Other Comprehensive Income/(loss) - Remeasurement loss on defined benefit	-	-	1	-
Total Comprehensive income/(loss), net of tax	(165)	(3)	(137)	59
Earnings per equity share*				
Basic & diluted (INR)	(1.91)	(0.05)	(1.59)	1.01

* Nominal value of INR 10 each

Note: Pursuant to filing of NCLT order approving the Composite Scheme of Amalgamation and Arrangement on June 01, 2020, the Company has accounted for the merger of healthcare undertaking of Radiant Life Care Private Ltd. ("Radiant") and erstwhile Max India Ltd. as "reverse merger" under Ind-AS 103 "Business Combination". Accordingly, the financial results for the year ended March 31, 2020 presented above is of Healthcare undertaking of Radiant and thus, not comparable with the current year. Further, financial year ended March 31, 2021 has the result of ten months operations of the Company and twelve months of Healthcare undertaking of Radiant.

FINANCIAL HIGHLIGHTS

The Company achieved revenue of INR 1,030.80 Crore in FY 2020-21. The revenues from healthcare services and those from low value added sale of pharmaceutical supplies contracted and stood at INR 960.60 Crore and INR 50.40 Crore respectively. Despite, a significant drop in financial performance during Q1 FY21 owing to COVID-19 induced lockdown, the Company displayed resilience and achieved sharp business recovery during the later half of the year. Overall, it was a satisfying performance on both revenue and profitability during the period.

The material costs to operating revenue ratios stood at INR 245.10 Crore (23.8%) during FY 2020-21.

Other costs to operating revenue (including employees, doctors, hospital services, sales and marketing, power and fuel etc.) stood at INR 624.80 Crore (60.6%) during FY 2020-21.

The operating profit before interest and depreciation was INR 267.40 Crore in FY 2020-21. The Cash Profit was INR 155 Crore, Net Profit stood at INR 64.10 Crore, Exceptional items of INR 210.70 Crore in FY 2020-21, Net Loss before tax after exceptional items stood at INR 146.50 Crore during FY 2020-21, Tax expense stood at INR 18.00 Crore and Net Loss after Tax stood at INR 164.50 Crore.

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

Your Company continue to be the second largest publicly listed hospital chain operator in India (considering only income from healthcare services aggregated for Company, Radiant and Partner Healthcare Facilities), in FY 2020-21, with a significant concentration of facilities in North India. Our network consists of 17 Network Healthcare Facilities, including eight hospitals and four medical centres in Delhi and NCR region, with the remaining located in Mumbai in Maharashtra, Mohali and Bathinda in Punjab and Dehradun in Uttrakhand. Your Company provides healthcare services across secondary and tertiary care specialities, with a focus on oncology, neurosciences, cardiac sciences, orthopaedics, renal sciences, liver and biliary sciences and minimal access metabolic and bariatric surgery ("MAMBS") at the Network Healthcare Facilities. In addition, the Company also provides (i) diagnostic, pathology, radiology, radiation oncology and clinical services, through fee and/or revenue-sharing agreements, in select specialities and departments to four of the Partner Healthcare Facilities; and (ii) diagnostics, radiation oncology and operation and management services to two Managed Healthcare Facilities; and (iii) related holistic healthcare services to two "super speciality" hospitals in Mohali and Bathinda, under a public private partnership arrangement with the Government of Punjab.

Additionally, the Company has established a representative office in Nairobi, Kenya under the name 'Truemax Healthcare', which helps in liaisoning with current and potential patients, and carrying out sales and marketing activities focused on building the Company's brand internationally. The Company has also incorporated MHC Global Healthcare (Nigeria) Limited ("MGHL") in Lagos, Nigeria as a wholly owned subsidiary on May 20, 2019 in line with the international strategy of the Company, to serve an increasing number of patients from abroad. MGHL will be operational once the COVID-19 situation stabilizes. The Company is in the process of incorporating a wholly owned subsidiary in the United Arab Emirates, primarily with a view to engage in providing business support services and/or activities in connection with solicitation of overseas

patients for the Company. Further, the Company is in the process of incorporating a wholly owned subsidiary for Non-captive Pathology Business and the same is expected to be operational in FY22.

All decisions at the Company are taken considering the interest of patients. In line with its objective of becoming the most trusted healthcare provider in India, the Company makes efforts to consistently improve the quality of all its services. The Company has put together a winning combination of ultra-modern healthcare facilities equipped with best-in-class diagnostic and therapeutic technology and a competent team comprising of some of the finest clinical and para-medical talent available in the country. All facilities owned and operated by the Company follow globally accepted medical protocols and procedures and are focused on delivering the best possible clinical outcomes.

FY 2020-21 was a challenging year for the healthcare sector due to COVID-19 pandemic. The pandemic created a huge strain on the sector's workforce, infrastructure and supply chain. The Company also witnessed these challenges and had to re-prioritise its key strategic areas earmarked for the year to focus on the management of the COVID-19 crisis. The Company's performance in both of its hospital and diagnostics businesses was significantly impacted during the first two quarters of the year due to country-wide lockdown in April and May 2020. However, both businesses witnessed significant recovery during the later half of the year to record the highest ever EBITDA consecutively for Q3 and Q4 FY 2020-21 respectively. The Company was also successfully able to navigate the challenges by ensuring sustainability and continuity of business operations and maintaining a comfortable liquidity position through the year.

DECLARATION OF DIVIDEND & TRANSFER TO GENERAL RESERVES

In view of the carried forward losses, the Board of Directors of the Company have not recommended any dividend for the year under review. Accordingly, there has been no transfer to general reserve for the year ended March 31, 2021.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has formulated Dividend Distribution Policy approved by the Board of Directors and the same can be accessible on the website of the Company at <https://www.maxhealthcare.in/investors/corporate-governance>.

SIGNIFICANT EVENTS DURING THE FY 2020-21

Your Company undertook a comprehensive strategic review and prioritized key areas to drive revenues and operational performance. These include aspects related to evaluating the current portfolio of the Company's facilities and planned bed expansion, initiating cost optimisation measures across the network, investing in technology and medical equipment and further strengthening its clinical excellence program. Further details in this regard have been provided under the Management Discussion and Analysis Report forming part of this Annual Report.

Further, the Company has from time to time during the year under review updated its stakeholders about the key developments that took place by disseminating necessary information to the stock exchanges and through various means

of communications to the investors. Some of key activities are mentioned below:

(a) Changes in the Board and Key Managerial Personnel ("KMP")

During the year under review, the Board of Directors and Key Managerial Personnel underwent changes, details whereof are separately disclosed in this Report.

(b) Discontinuance of operations at Max Multi Speciality Centre, Pitampura ("Max Pitampura")

The Board of Directors at their meeting held on June 27, 2020 accorded the approval to shut down and discontinue all operations at Max Pitampura w.e.f. July 1, 2020 on account of business and financial challenges faced w.r.t running and operating Max Pitampura.

(c) Effectiveness of the Scheme, Allotment and Listing of equity shares

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated January 17, 2020 sanctioned the Composite Scheme of Amalgamation and Arrangement amongst erstwhile Max India Limited, the Company, Radiant, Max India Ltd. (formerly known as Advaita Allied Health Services Limited) and their respective shareholders and creditors ("Scheme") and the Scheme was effective from June 1, 2020. Pursuant to the Scheme, the Company, on June 19, 2020, allotted 63,50,42,075 (Sixty Three Crore Fifty Lakh Forty Two Thousand Seventy Five) fully paid up equity shares to the shareholders of Radiant as on June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 (Twenty Six Crore Sixty Two Lakh Forty One Thousand Nine Hundred Ninety Five) fully paid up equity shares to the shareholders of erstwhile Max India Limited as on June 15, 2020 in the share exchange ratio of 99:100.

Further, 26,69,97,937 (Twenty Six Crore Sixty Nine Lakh Ninety Seven Thousand Nine Hundred Thirty Seven) equity shares each held by Radiant and erstwhile Max India Ltd., in the Company, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant and erstwhile Max India Limited as aforesaid, on June 19, 2020.

Subsequent to the effective date, healthcare business of Radiant was demerged into the Company and also, residual erstwhile Max India Ltd. (i.e. post demerger of allied health and associated services into Advaita Allied Health Services Limited) which comprises of healthcare activities (including its underlying investment in the Company) amalgamated with the Company. Post demerger and amalgamation, the Company has become the second largest healthcare delivery chain in India (considering only income from healthcare services aggregated for Company, Radiant and Partner Healthcare Facilities). The enhanced scale enabled the Company to drive efficiencies and improve capabilities.

Further, pursuant to the Scheme, the equity shares of the Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on August 21, 2020.

(d) Adoption of new set of Articles of Association ("AOA")

In terms of Shareholders' Agreement dated December 24, 2018 entered amongst the Company, Mr. Abhay Soi and Kayak Investments Holding Pte. Ltd. ("Kayak") ("Post Merger SHA") read with Deed of Accession and Adherence dated June 1, 2020 executed by the Company and pursuant to abovementioned NCLT order, the equity shares of the Company were listed on the NSE and BSE. Accordingly, several changes were proposed in AOA of the Company in compliance with SEBI Regulations relating to listing and other applicable laws, for the listing of equity shares on the aforementioned stock exchanges, as well as to incorporate the rights and obligations conferred on Mr. Abhay Soi and Kayak by virtue of said Post Merger SHA and the provisions related to general management of affairs of the Company as per Table F Schedule I of the Companies Act, 2013 ("the Act") with exception.

The requisite postal ballot notice containing the resolution for adoption of new set of AOA was sent to the shareholders through e-mail in terms of Section 110 and other applicable provisions of the Act read with Rule 20 and 22 of the Companies (Management & Administration) Rules, 2014 (the "Management Rules") read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 22/2020 dated June 15, 2020 issued by the Ministry of Corporate Affairs, Government of India ("MCA") in view of COVID-19, by way of voting through electronic means, for their approval. The shareholders accorded their approval for the above matter on July 30, 2020 with requisite majority.

(e) Amendment in Object Clause of the Memorandum & Association ("MOA")

The clause III B (45) of the MOA of the Company was amended to incorporate necessary enabling powers for investing and dealing with the assets/money and to lend/borrow money and to provide security or give guarantee including mortgaging, hypothecating or pledging or creating charge over the whole or any part of the property, for operational convenience and clarity. The resolution for amendment in the aforesaid object clause of MOA was sent to the shareholders of the Company through aforesaid postal ballot notice. The shareholders accorded their approval on July 30, 2020 with requisite majority.

(f) Issue of Securities to Eligible Qualified Institutional Buyers ("QIB")

Pursuant to the resolution passed by the Board of Directors on September 1, 2020 and special resolution passed by the shareholders of the Company on September 29, 2020 for issue of equity shares to QIBs, on March 10, 2021, the Company had issued and allotted 6,14,12,482 (Six Crore Fourteen Lakh Twelve Thousand, Four Hundred Eighty Two only) equity shares of face value of INR 10 each at a price of INR 195.40 per equity share (including a premium of INR 185.40 per equity share) aggregating to INR 11,99,99,98,982.80 (Indian Rupees Eleven Hundred Ninety Nine Crore Ninety

Nine Lakh Ninety Eight Thousand Nine Hundred and Eighty Two and Eighty Paise) to QIB pursuant to Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), Section 42 and other applicable provisions of the Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 made thereunder, each as amended, and the provisions of all other applicable laws inter alia to the extent possible, to achieve minimum public shareholding requirement.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT ("MD&A REPORT")

The Management Discussion and Analysis Report forms an integral part of this Annual Report and inter alia gives details of the overall industry structure, economic developments, performance and state of affairs of the Company's business in India and abroad, risk management systems and other material developments during the year under review.

REPORT ON CORPORATE GOVERNANCE ("CG REPORT")

The Company is committed to benchmarking itself with global standards of Corporate Governance. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and Listing Regulations are duly complied with, not only in form but also in substance.

In terms of Listing Regulations, a report on Corporate Governance along with the certificate from M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration No. P2001DE052900) confirming compliance of the conditions of Corporate Governance is annexed and forms an integral part of this Annual Report.

MINIMUM PUBLIC SHAREHOLDING THRESHOLD

As on the date of this Board Report, the public shareholding of the Company is 29.54% including 4.82% paid up equity capital (5.15% at the time of sale), sold by Max Ventures Investment Holdings Private Limited ("MVIHPL") and Mr. Analjit Singh, certain Promoters of the Company was not undertaken towards compliance with the Minimum Public Shareholding ("MPS") threshold. In terms of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") as amended and the Listing Regulations, the Company is required to achieve a minimum level of public shareholding of 25% of its paid-up equity share capital within one year from the date of listing, i.e., on or prior to August 20, 2021. The Company is taking necessary actions to ensure the compliance within the prescribed timelines.

RECLASSIFICATION OF PROMOTERS

The current Promoters of the Company are Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani, MVIHPL (collectively "Analjit Singh Group"), Mr. Abhay Soi and Kayak Investments Holding Pte. Ltd ("Kayak"). Pursuant to the Scheme, Analjit Singh Group is to be reclassified as public shareholders in accordance with the provisions of the Listing Regulations (such reclassification, the "**De-promoterisation**"). Such De-promoterisation will be undertaken only upon the Company achieving the MPS requirement as prescribed under the SCRR. Post such De-promoterisation, Mr. Abhay Soi and Kayak shall be the Promoters of the Company.

SHARE CAPITAL AND CHANGES IN THE CAPITAL STRUCTURE

The Authorised Capital of the Company has been increased from INR 10,85,00,00,000 (Indian Rupees One Thousand Eighty Five Crore) to INR 1385,00,00,000 (Indian Rupees One Thousand Three Hundred Eighty Five Crore) divided into 1,26,00,00,000 (One Hundred Twenty Six Crore) equity shares of INR 10 each by creation of additional 30,00,00,000 (Thirty Crore) equity shares of INR 10 each ranking pari passu in all respect with the existing equity shares of the Company and (ii) 12,50,00,000 (Twelve Crore Fifty Lakh) Cumulative Preference Shares having a nominal value of INR 10 each with the approval of shareholders of the Company in the Annual General Meeting ("AGM") held on September 29, 2020.

Pursuant to the Scheme, on June 19, 2020, 63,50,42,075 (Sixty Three Crore Fifty Lakh Forty Two Thousand Seventy Five) fully paid up equity shares of the Company have been allotted to the shareholders of Radiant as on June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 (Twenty Six Crore Sixty Two Lakh Forty One Thousand Nine Hundred Ninety Five) fully paid up equity shares to the shareholders of erstwhile Max India Limited as on June 15, 2020 in the share exchange ratio of 99:100.

Further, 26,69,97,937 (Twenty Six Crore Sixty Nine Lakh Ninety Seven Thousand Nine Hundred Thirty Seven) equity shares each held by Radiant and erstwhile Max India Ltd., in the Company, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant and erstwhile Max India Limited as aforesaid, on June 19, 2020.

On March 10, 2021, the Company has issued and allotted 6,14,12,482 (Six Crore Fourteen Lakh Twelve Thousand Four Hundred Eighty Two) equity shares of face value of INR 10 each at a price of INR 195.40 per equity share (including a premium of INR 185.40 per equity share) aggregating to INR 11,99,99,98,982.80 (Indian Rupees Eleven Hundred Ninety Nine Crore Ninety Nine Lakh Ninety Eight Thousand Nine Hundred Eighty Two and Eighty Paise) to QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 and other applicable provisions of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 made thereunder, each as amended and the provisions of all other applicable laws.

As on March 31, 2021, the issued, subscribed and paid up equity share capital stands at INR 9,65,94,50,060 (Indian Rupees Nine Hundred Sixty Five Crore Ninety Four Lakh Fifty Thousand Sixty only) divided into 96,59,45,006 (Ninety Six Crore Fifty Nine Lakh Forty Five Thousand Six) equity shares of INR 10 each fully paid up. The Company has only one class of equity shares with face value of INR 10 each, ranking pari-passu.

Except as mentioned above, the Company has not issued any shares during FY 2020-21.

CHANGE IN NATURE OF BUSINESS

During FY 2020-21, there was no change in the nature of Company's business.

STATEMENT OF DEVIATION OR VARIATION IN UTILIZATION OF PROCEEDS RAISED, IF ANY, DURING THE YEAR

As mentioned above, the Company has raised funds amounting ~INR 1,200 Crore (Indian Rupees Twelve Hundred Crore) by way of Qualified Institutions Placement ("QIP").

Pursuant to the Regulation 32(1) of the Listing Regulations, there is no deviation / variation in the utilization of proceeds as stated under "Use of Proceeds" in the placement document of QIP. Further, the details of the utilization of funds are submitted to the Stock Exchanges in the prescribed format in accordance with SEBI notification dated December 24, 2019.

The requisite **annexure** for the detail for utilization of proceeds of QIP has been provided in the CG Report.

DETAILS OF SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATES

As on March 31, 2021, the Company has six (6) subsidiaries i.e. Hometrail Buildtech Private Limited ("HBPL") (100%), Alps Hospital Limited (100%), Crosslay Remedies Limited ("CRL") (83.16%), Saket City Hospitals Limited ("SCHL") (100%), Radiant Life Care Mumbai Private Limited (99.99%) and MHC Global Healthcare (Nigeria) Limited ("MGHL").

Further, the Board of Directors of the Company at their meeting held on June 19, 2020, have adopted a policy for determining "material subsidiary" pursuant to the Listing Regulations. The said policy is available on the website of the Company at <https://www.maxhealthcare.in/investors/corporate-governance>.

Based on the Audited Financials of the Company for FY 2020-21, pursuant to Regulation 16(1) of Listing Regulations, HBPL and CRL are material subsidiaries of the Company for FY 2021-22.

Further, pursuant to Regulation 24(1) of the Listing Regulations, CRL is the material subsidiary of the Company for FY 2021-22 and on May 28, 2021, the Board recommended the appointment of Mr. K. Narasimha Murthy, an Independent Director on the Board of the Company, as a Director on the Board of CRL.

As on March 31, 2021, the Company has no associate/joint venture company.

Further, the Board at its meeting held on February 6, 2021 had accorded its approval to incorporate an offshore wholly owned subsidiary i.e. Max Healthcare FZ LLC to be registered in Dubai Healthcare City in UAE for the purpose of business development and support services in the healthcare industry. The incorporation of the Max Healthcare FZ LLC is under process.

Also, the Board at its meeting held on April 06, 2021, approved incorporation of a wholly owned subsidiary of the Company to inter-alia provide range of diagnostic services including pathology lab services to retail and non-captive customers as well as third party hospital lab management and the Company is in the process of incorporating the said subsidiary company i.e. Max Lab Limited.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

The Company has a robust and well embedded system of internal controls, which are reviewed and upgraded based on Risk Control testing performed from time to time. Comprehensive policies, guidelines and procedures are laid down for all business processes and these are accessible to the concerned employees through the designated web page. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements, management reporting for business performance management and for maintaining accountability of assets.

An extensive risk based programme of internal audits, theme based audits, exceptional reporting and IT based transaction controls, coupled with constant management reviews, provide assurance to the Board regarding the adequacy and efficacy of internal controls. The internal audit plan is dynamic and aligned to the business objectives of the Company and is reviewed by the Audit and Risk Committee ("A&RC") periodically. Further, A&RC also monitors the status of management actions emanating from internal audit reviews.

During the year under review, such controls were assessed and no reportable material weaknesses in the design or operation were observed. The statutory auditors during the course of their audit did not find any material weakness in controls and / or misstatement resulting from lack of internal controls.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of this Annual Report. In terms of the Section 136 of the Act financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate Annual Accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said Annual Accounts will be available for inspection. In terms of provision to Section 136(2) of the Act, the shareholders interested in obtaining a copy of separate audited or unaudited financial statements, as the case may be, as prepared in respect of each of the subsidiary(ies) of the Company may write to the Company Secretary at the Company's registered office or by email at investors@maxhealthcare.com.

A statement in **Form AOC-1** containing the salient features of the financial statements of the Company's subsidiary(ies) is also attached with Standalone Financial Statements.

REPORT ON PERFORMANCE & FINANCIAL POSITION OF THE SUBSIDIARIES

In terms of Rule 8(1) of the Companies (Accounts) Rules, 2014, the highlights on performance of subsidiaries and their contribution to the overall performance of the Company during FY ended March 31, 2021 are as follows:

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

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

During the year ended March 31, 2021, HBPL made a Profit after Tax ("PAT") of INR 36 Crore. The total comprehensive income for FY 2021 is INR 36 Crore.

- Alps Hospital Limited (ALPS):** ALPS was incorporated on May 26, 1989. ALPS shifted its registered office from National Capital Territory (NCT) of Delhi to State of Maharashtra i.e. 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra-400056 w.e.f. March 16, 2021. ALPS is a wholly owned subsidiary of the Company and also filed a petition before NCLT Mumbai Bench for Merger by absorption with another wholly owned subsidiary of the Company i.e. Saket City Hospitals Limited ("SCHL") on April 09, 2021.

It operates in the healthcare services business in India. Currently, it focuses on establishing, maintaining and running a hospital in Gurugram, Haryana ("Max Hospital, Gurugram"). It also has dispensaries, maternity and family welfare centers, diagnostic and pathology centers, emergency and trauma centers, X-Ray and E.C.G centers etc. Also, in order to effectively manage radiology services and to provide the services round the clock cover, during the year, ALPS has outsourced its Radiology and related services to SCHL.

During the year ended March 31, 2021, ALPS made a PAT of INR 2 Crore. The total comprehensive income for FY 2021 is INR 2 Crore.

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

CRL provides a spectrum of preventive, diagnostic and treatment alternatives with follow – up care in all medical specialities. It also provides key tertiary care specialities such as oncology, renal sciences, GI sciences, orthopedics and joint replacement, cardiac sciences and neurosciences etc.

In terms of the share purchase cum subscription agreement dated May 28, 2015, the Company acquired majority stake in CRL, pursuant to which it became the subsidiary. As on March 31, 2021, the Company holds 83.16% shares in CRL.

During the previous financial year ended March 31, 2020, the Relevant Shareholders Group exercised their put option and an amendment to Share Purchase Agreement ("CRL SPA") dated January 15, 2020 was executed amongst CRL, Relevant Shareholders Group and Company for acquisition of 3,15,68,142 (Three Crore Fifteen Lakh Sixty Eight Thousand And One Hundred Forty Two) equity shares by December 31, 2020, unless mutually extended. Pursuant to amendment agreement to CRL SPA dated June 18, 2020, 74,59,001 (Seventy Four Lakh Fifty Nine Thousand and one) equity shares (constituting ~5.21%) have been acquired for INR 23.32 Crore (Indian Rupees Twenty Three Crore and Thirty Two Lakh). As at March 31, 2021, the Company holds 83.16% equity stake in CRL and the timelines for the acquisition has been mutually extended. The Management basis its assessment of non-controlling interest under Ind AS 110, has concluded that as per the terms of amendment to CRL SPA dated June 18, 2020, the Company continues to have the present ownership interest with the right to purchase the remaining equity

shares and accordingly, treated CRL as a wholly owned subsidiary for consolidation purposes.

Further, by way of a second amendment agreement dated April 05, 2021, the Company has agreed to purchase remaining 16.84% of equity share capital of CRL in one or more tranches, from other shareholders of CRL. Subsequent to acquisition of remaining 16.84% of CRL equity shares, CRL will become wholly owned subsidiary of the Company in terms of the Act.

During the year ended March 31, 2021, CRL made a PAT of INR 44 Crore. The total comprehensive income for FY 2021 is INR 44 Crore.

- Saket City Hospitals Limited (SCHL):** SCHL was incorporated on January 8, 1991. In terms of Share Purchase Agreement dated November 27, 2015, amongst the Company, Smart Health City Pte. Limited ("Seller") and SCHL ("SCHL SHA"), SCHL became subsidiary of the Company w.e.f December 1, 2015 by way of acquisition of 51% of the paid up equity share capital of SCHL.

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

On March 26, 2020, the Seller, the Company, Dr. Bhupendra Kumar Modi, Kayak and SCHL entered into a Share Purchase Agreement, to buy the option shares from the Seller jointly by Kayak and the Company. Accordingly, the Seller transferred 16,81,883 equity shares (Sixteen Lakh Eighty One Thousand Eight Hundred and Eighty Three) and 1,26,00,000 (One Crore Twenty Six Lakh) equity shares to MHIL and Kayak respectively on March 27, 2020.

Simultaneously, on March 26, 2020, SCHL, MHIL and Kayak, had entered into a Share Purchase Agreement for purchasing the Kayak's stake (i.e. 1,26,00,000 equity shares). Pursuant to Amendment Agreement dated March 11, 2021 to this Agreement, the Company, has purchased 1,26,00,000 equity shares representing 42.8% of equity share capital ("Purchased Shares") of SCHL from Kayak (such transaction, the "Share Purchase Transaction"). Pursuant to the Share Purchase Transaction, SCHL has become a wholly owned subsidiary of the Company with effect from March 15, 2021. As on March 31, 2021 Company is holding 100% equity stake in SCHL.

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

During the year, Saket City Hospital Private Limited was converted into a public limited Company and its registered office was shifted from National Capital Territory (NCT) of Delhi to State of Maharashtra w.e.f March 18, 2021 at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra-400056. SCHL filed a petition before NCLT Mumbai Bench for Merger by absorption

with another wholly owned subsidiary of the Company i.e. ALPS on April 09, 2021.

During the year ended March 31, 2021, SCHL made a loss after tax of INR 6 Crore. The total comprehensive loss for the FY 2021 is INR 6 Crore.

- Radiant Life Care Mumbai Private Limited (RLCM):** RLCM was incorporated on May 21, 2014 under the Act. Its registered office is situated at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra – 400056.

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

During the year ended March 31, 2021, RLCM made a loss after tax of INR 7 Crore. The total comprehensive loss for the FY 2021 is INR 7 Crore.

- MHC Global Healthcare (Nigeria) Limited (MGHL):** MGHL was incorporated under the Companies and Allied Matters Act 1990 on May 20, 2019 and is having its registered office at Kresta Laurel Complex, 4th Floor, 376, Ikorodu Road, Maryland, Ikeja, Lagos, Nigeria. MGHL is a wholly owned subsidiary of the Company.

MGHL was incorporated in Lagos, Nigeria as a wholly owned subsidiary in line with Company's international strategy to serve an increasing number of patients from abroad. MGHL will be operational once COVID-19 situation stabilizes.

REPRESENTATIVE OFFICE IN KENYA

The Kenya branch office continued on its strong growth trajectory during the period under review. The Nairobi office expanded its footprints within Kenya by setting two smaller offices in the cities of Mombasa and Kisumu. The business rose significantly from these markets. The Nairobi office also focused on high end and high value procedures of Bone Marrow Transplants, Liver Transplants and Pediatric Cardiac Surgeries. The credit business through the key client National Health Insurance Fund (NHIF), remained very well managed and within approved credit limits.

PREVENTION OF INSIDER TRADING

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons ('the Code'). The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, the Company has complied with the standardized reporting of violations related to code of conduct under PIT Regulations. The Company has also put in place the institutional mechanism for prevention of insider trading along with policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price

sensitive information. The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the designated persons and their immediate relatives having access to unpublished price sensitive information.

As part of the awareness programme, the Company has imparted training to concerned persons by the subject matter expert and initiatives are being taken to educate and promote awareness on the practical aspects of PIT Regulations and the Code.

PUBLIC DEPOSITS

During the year under review, the Company has not invited or accepted any deposits from the public/shareholders of the Company pursuant to the provisions of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014. Accordingly, no amount on account of principal or interest on deposits from public/ shareholders of the Company was outstanding as on March 31, 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

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

The Company's policy is to have an appropriate blend of Executive and Non-Executive Directors including Independent Directors, representing a judicious mix of professionalism, knowledge and experience, in line with the Management's commitment for the principle of integrity and transparency in business operations for good Corporate Governance. The Board provides strategic guidance and direction to the Company to help achieve its vision, long-term strategic objectives and to protect the interest of the stakeholders.

As on March 31, 2021, the Board was comprised of 7 (seven) Directors (including one woman Director), out of which 1 (one) was a Promoter & Executive Director, 2 (two) were Non-Executive Non Independent Directors and 4 (four) were Non-Executive Independent Directors.

As on the date of this Report, the Board comprises of 7 (seven) Directors (including one woman Independent Director), out of which 1 (one) is a Promoter & Executive Director, 2 (two) are Non-Executive Non Independent Directors and 4 (four) are Non-Executive Independent Directors.

The following changes took place in the directorship and key managerial personnel of the Company during FY ended March 31, 2021:

- Mr. Abhay Soi, based on recommendations of Nomination & Remuneration Committee ("NRC") on June 19, 2020 and as approved by the Board on June 19, 2020 and shareholders of the Company on July 30, 2020, was appointed as the Chairman & Managing Director of the Company for a period of three consecutive years with effect from June 19, 2020 on the terms & conditions as set out in the employment agreement executed between the Company, the details whereof have been provided in the CG Report.

- Due to preoccupation elsewhere, Mr. Prashant Kumar stepped down from the Board as a nominee of Kayak with effect from June 19, 2020 and Ms. Ananya Tripathi joined the Board in his place as a nominee of Kayak with effect from June 19, 2020.
- Mr. Mohit Talwar, Ms. Tara Singh Vachani and Mr. Dinesh Kumar Mittal stepped down from the Board of the Company as nominee of erstwhile Max India Limited with effect from June 1, 2020.
- Dr. Mradul Kaushik was appointed as Manager of the Company in terms of section 203 of the Act, with effect from August 01, 2019 and subsequently he stepped down from the position of Manager with effect from June 15, 2020.

Subsequent to FY 2020-21, Mr. Upendra Kumar Sinha, Independent Director stepped down from the Board with effect from May 20, 2021. And, Ms. Harmeen Mehta was appointed as a woman additional Independent Director on the Board of the Company with effect from May 24, 2021.

In terms of the provisions of Section 152 of the Act, Ms. Ananya Tripathi, Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM of the Company. Being eligible, she has offered herself for re-appointment. Your Directors recommend her appointment at the ensuing AGM.

In accordance with the provisions of Section 161 of the Act and AOA of the Company, the Board of Directors on May 24, 2021 approved the appointment of Ms. Harmeen Mehta as an additional Director to hold the office upto the date of ensuing AGM of the Company and as an Independent Director for a term of five consecutive years on the Board of the Company with effect from the same date i.e. May 24, 2021, subject to the approval of shareholders in the ensuing AGM of the Company.

The Company has received notice in writing in terms of Section 160 of the Act, proposing the candidature of Ms. Harmeen Mehta for the office of Director of the Company. The Board recommends the appointment of Ms. Harmeen as an Independent Director for a term of five consecutive years with effect from May 24, 2021, at the ensuing AGM of the Company.

During the year under review, apart from the above stated facts, there was no change in the composition of Board of Directors and Key Managerial Personnel of the Company.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors of the Company as on date, Mr. K Narasimha Murthy, Mr. Mahendra Gujamalji Lodha, Mr. Michael Thomas Neeb and Ms. Harmeen Mehta, have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) and 25(8) of the Listing Regulations. They are also in compliance with Rule 6 (1) & (2) of the Companies (Appointment & Qualifications of Directors) Rules, 2014. There has been no change in the circumstances affecting their status as Independent Directors of the Company. All other Directors of the Company have also provided declarations on the fact that they are not debarred from holding the office of Director by virtue of any SEBI order or any other statutory authority as required under the Circular dated June 20, 2018 issued by BSE and NSE.

The Board of Directors of the Company is of the opinion that the Independent Directors possess a high level of integrity, expertise and experience which are beneficial to the Company and its stakeholders.

The disclosures with regard to resignation, appointment and re-appointment of Directors are available at website of the Company at <https://www.maxhealthcare.in/investors/corporate-governance>

KEY MANAGERIAL PERSONNEL

Mr. Abhay Soi, Chairman & Managing Director, Mr. Yogesh Kumar Sareen, Senior Director & Chief Financial Officer and Ms. Ruchi Mahajan, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company in accordance with the Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2021.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board meets at least four times in a year, with a maximum time gap of 120 days between any two meetings, to discuss and review the quarterly results and other items of agenda, including the minimum information required to be placed before the Board, as per Part A of Schedule II of the Listing Regulations. The Board also meet and conduct additional meetings as and when required and thought fit. The dates for the Board and Committee Meetings are decided in advance and timely communicated to the Directors.

The Chairman & Managing Director of the Board, Senior Director & Chief Financial Officer, Senior Director - Corporate Affairs and the Company Secretary & Compliance Officer, discuss the items to be included in the Board agenda. The agenda of the meeting along with relevant supporting documents and explanatory notes is generally circulated in advance to all the Directors entitled to receive the same, to facilitate meaningful and quality discussions during the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In case the detailed agenda is shared in less than seven days before the date of meeting, the agenda is taken up with the permission of the Chairman and with the consent of majority of the Members present in the Meeting, including one Independent Director. The Senior Management officials are also invited to various Board / Committee Meetings to provide additional input on the matters being discussed by the Board and its Committees.

As required under the Act and Listing Regulations, the Board has constituted four Committees viz., Stakeholders' Relationship Committee, Audit & Risk Committee ("A&RC"), Nomination and Remuneration Committee ("NRC") and Corporate Social Responsibility Committee ("CSR") and the details of membership of the Committees are disclosed in CG Report which forms an integral part of this Annual Report.

Keeping in view the requirements of the Act and Listing Regulations as amended from time to time, the Board reviews the terms of reference of these Committees and the nomination of Board Members to various Committees. The recommendations of these Committees are submitted to the Board for approval.

The details of meetings of Board and Committee(s), changes in composition of the Committee(s) during the FY 2020-21 has been provided under the CG Report forming part of this Annual report.

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

Pursuant to provisions of the Act, NRC of the Board, has formulated a Nomination, Remuneration and Board Diversity Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel (KMPs), Senior Management and other employees of the Company and to ensure diversity at the Board level.

The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors. It takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management and other employees is as per the Nomination, Remuneration and Board Diversity Policy of the Company.

The remuneration details of the Directors, Chief Financial Officer and Company Secretary, along with details of ratio of remuneration of each Director to the median remuneration of employees of the Company for the year under review are provided under **Annexure - 1**.

In compliance with the Listing Regulations, during the year ended March 31, 2021, the Company has updated its Nomination, Remuneration and Board Diversity Policy. The details of this policy are available on the Company's website and can be accessed at <https://www.maxhealthcare.in/investors/corporate-governance>.

The salient features of the Nomination, Remuneration and Board Diversity Policy are as under:

- Represents the approach of the Company for remuneration of Directors and Senior Management;
- Sets out the approach to have a diversity on the Board of the Company in terms of gender, age, cultural, educational & geographical background, ethnicity, profession, experience skills and knowledge;
- The compensation of Directors, Key Managerial Personnel, Senior Management and other employees is based on the following principles:
 - a. Aligning key executive and Board remuneration with the long term interests of the Company and its shareholders;
 - b. Minimizing complexity and ensuring transparency;
 - c. Linked to long term strategy as well as annual business performance of the Company;
 - d. Promoting a culture of meritocracy and linked to key performance and business drivers; and
 - e. Reflective of line expertise and market competitiveness so as to attract the best talent.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its NRC, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its

Committees and individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committees, such as adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meetings, Board's focus, regulatory compliances and corporate governance, etc. Similarly, for evaluation of individual Director's performance, the questionnaire covers various aspects like his/her skills, experience and level of preparedness which allows the person to clearly add value to discussions and decisions; sufficient understanding and knowledge of the Company and the sector in which it operates; understanding and fulfilling the functions as assigned to him / her as Director; ability to function as an effective team member; actively takes initiatives with respect to various areas; availability for Board meetings and attends the meeting regularly and timely, without delay; adequate commitment to Board and the Company; effective contribution to the Company and in the Board meetings; demonstrating highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.) and exercise of his / her own judgment and voices opinion freely.

The Board members had submitted their response on a scale of 1 (strongly disagree) to 4 (strongly agree) and evaluated performance of Board, its Committees and individual Directors, including Chairman of the Board. The Independent Directors had met separately without the presence of Non-Independent Directors and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Non-Executive Directors including Independent Directors. They have assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. The NRC has also carried out evaluation of each Director's performance.

The performance evaluation of the Independent Directors has been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it is determined whether to extend or continue their term of appointment, whenever their respective term expires.

The Independent Directors suggested that the Board need to spend more time in strategic discussion as the Company is going through its turnaround phase. Also, an annual session on technological developments in healthcare sector should be organized as a part of annual training to Directors. Based on majority of the feedback, the Directors expressed satisfaction with the overall evaluation process.

DECLARATION BY INDEPENDENT DIRECTORS OF THE COMPANY

A declaration of independence in compliance with Section 149(6) of the Act and Regulation 16(1)(b) and 25(8) of the Listing Regulations, has been taken on record from all the Independent Directors of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

As required under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 ("Accounts Rules") the particulars regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, are given in "**Annexure -2**" hereto and forms part of this Board Report.

WEB LINK OF ANNUAL RETURN

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under the 'Investors' section of the Company's website: <https://www.maxhealthcare.in/investors/corporate-governance>.

CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

A detailed note on the procedure adopted by the Company in dealing with contracts and arrangements with related parties has been provided in the CG Report.

All contracts, arrangements and transactions entered into by the Company with related parties during FY 2020 -21 were in the ordinary course of business and on an arm's length basis. There was no related party transaction requiring approval of Board. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on dealing with related party transaction.

Further, during FY 2020-21, there were no materially significant related party transactions entered by the Company with the Promoters, Directors, KMPs or other designated persons, which might have potential conflict with the interest of the Company at large.

Accordingly, the disclosure of related party transactions in Form **AOC-2** is not applicable. However, detailed disclosure on related party transactions as per IND AS- 24 containing the name of the related party and details of the transactions entered with such related party have been provided under Note No. 29.11 of the Standalone Financial Statements.

The policy on dealing with related party transactions is available on the Company's website <https://www.maxhealthcare.in/investors/corporate-governance>

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as **Annexure - 1** to this Board Report. The information as per Rule 5(2) of the Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Rules, the Board Report and Financial Statements are being sent to the shareholders of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of annual accounts for the FY ended on March 31, 2021, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit or loss of the Company for the FY ended on March 31, 2021.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.
- (v) The Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N) ("Deloitte"), were appointed as the Statutory Auditors of the Company at the AGM held on September 29, 2020 for a term of 5 consecutive years until the conclusion of the AGM of the Company to be held in the year 2025.

The notes on financial statement referred in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, comment, observation, reservation or adverse remark.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH FDI NORMS

Pursuant to Reserve Bank of India Circular Ref. RBI / 2013-2014 / 117A.P. (DIR Series) Circular No. 1 dated July 4, 2013 (as amended from time to time) and in terms of Rule 23(6) of Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Company has obtained a certificate from the Statutory Auditors as required under the said Rules regarding downstream investment. In the Certificate, the Statutory Auditors noted that, in some cases, Form DI with Reserve Bank of India and intimation to DPITT were not filed till date. The Management informed the Statutory Auditors that the delay was inadvertent and necessary form/intimation are being filed.

REPORTING OF FRAUD BY THE AUDITORS

During the year under review, the Statutory Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records & Audit) Rules, 2014, the Company had appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2020-21. The Company has made and maintained the Cost accounts and records in accordance with section 148 sub-section (1) of the Act read with Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report will be filed within the stipulated period of 180 days from the close of the FY.

Further, the Company has received a certificate from M/s Chandra Wadhwa & Co. confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for FY 2021-22.

The Company has appointed M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for FY 2021-22, at a remuneration of INR 5,72,000 (Indian Rupees Five Lakh Seventy Two Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses. Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed will be proposed for ratification by the shareholders of the Company in the ensuing AGM.

SECRETARIAL AUDITOR AND THEIR REPORT

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi as the Secretarial Auditor for FY 2020-21. The Secretarial Audit Report for FY ended March 31, 2021 is annexed herewith as "**Annexure-3**" to this Board Report.

The Secretarial Auditor of the Company has reported that during the period under review the Company has complied with the applicable provisions of the Act, Rules and Regulations, Guidelines including as prescribed under SEBI Act except to the extent as mentioned below:

As per Regulation 18(1) of the Listing Regulations, with respect to the composition of A&RC of the Board, the Company had not rounded off the fraction to the highest number as clarified under SEBI SOP circular dated January 22, 2020 read with Regulation 18(1)(b) of the Listing Regulations and accordingly, two-third of the members of this Committee were not Independent Directors from August 21, 2020 (date of listing of equity shares of the Company on BSE and NSE) till February 10, 2021. Thereafter, the Committee was reconstituted on February 11, 2021 and the composition of the said Committee was in due compliance with Regulation 18(1)(b) of the Listing Regulations. The Company paid the penalty of INR 4,10,640 (Indian Rupees Four Lakh Ten Thousand Six Hundred Forty) imposed by NSE and BSE respectively.

The management mentioned that the Committee was reconstituted on February 11, 2021 and the composition of the said Committee was in due compliance with Regulation 18(1)(b) of the Listing Regulations and penalties have been paid.

The Company is in compliance with Regulation 24A of the Listing Regulations. The Company's unlisted material subsidiaries undergo Secretarial Audit. The Secretarial Audit Reports of HBPL and CRL are annexed herewith as "**Annexure-4A and 4B**" to this Board Report. The Secretarial Audit Report of these unlisted material subsidiaries does

not contain any qualification, reservation, adverse remark or disclaimer.

Further, the Company has appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi as the Secretarial Auditor for FY 2021-22 pursuant to Section 204 of the Act.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, no amount was required to be transferred by the Company to the Investor Education and Protection Fund.

RISK MANAGEMENT

The Company has a risk management system aimed at identifying, analyzing, assessing, mitigating, monitoring risk or potential threat to achievement of our strategic and business objectives covering various aspects of our business, including operations, legal, treasury, regulatory, strategic and financial.

The A&RC reviews the mitigation plan for high and critical risk events that may adversely affect the operations and profitability of our business and suggest suitable measures to mitigate such risks. Our risk management framework is a combination of formally documented policies in certain areas such as financial, legal and regulatory and an informal approach to risk management in others. Risk management policies and systems are reviewed on a periodical basis to reflect changes in market conditions and our business activities.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

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

The Company has updated its Whistle Blower Policy in compliance with Listing Regulations and the PIT Regulations. This Policy, inter-alia, provides a direct access to the Chairman of the A&RC.

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

The above mechanism has been appropriately communicated within the Company across all levels and the details of establishment of vigil mechanism for Directors and employees to report genuine concerns are available at the website of the

Company and can be accessed at <https://www.maxhealthcare.in/investors/corporate-governance>.

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient have been disclosed in the Standalone Financial Statements under note 29.21 which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company has a well-documented CSR Policy, which is available on the Company's website at <https://www.maxhealthcare.in/investors/corporate-governance>. The CSR Policy of the Company outline its CSR focus areas, recommend the amount of CSR expenditure, execution process, review & monitoring mechanism, and reporting process to the Management and the Board of Directors of the Company.

As per the aforesaid Policy, MHIL group shall undertake CSR activities in all or any of the CSR activities as prescribed under the Act read with Schedule VII of the Act, however, it shall give primary importance to the identified sectors viz., Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company. In terms of Section 135 of the Act read with Companies (Corporate Social Responsibilities Policy) Rules, 2013, in view of the Company's carried forward losses, the Company was unable to contribute to the CSR activities for the FY 2020 -21.

However, MHIL as a Group always believed in extending a helping hand to those who are in need. The details of CSR initiative taken by Group has been given under the section Management Discussion & Analysis.

The CSR Policy of the Company has been amended on May 28, 2021, in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified on January 22, 2021 issued by Ministry of Corporate Affairs.

Annual report on Corporate Social Responsibility Activities is annexed hereto as **Annexure -5**.

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

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

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has complied with the provisions relating to constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is an ICC at every work locations / hospitals, which is responsible for redressal of complaints related to sexual harassment in accordance with the guidelines provided in the policy.

No complaints were pending as on the beginning of FY 2020-21 and details regarding the complaints during the year ended March 31, 2021 are disclosed in the CG Report.

PHANTOM STOCK PLAN ("2017 MHIL PS")

Prior to listing of securities of the Company, in order to align the interests of the employees to the interests of the Company and motivate them to contribute to the growth and profitability of the Company, pursuant to a resolution dated August 4, 2017 passed by the Board of Directors and resolution dated September 29, 2017 passed by the shareholders, approval was accorded to 2017 MHIL PS to offer, issue and allot options to the eligible employees of the Company. 2017 MHIL PS includes cash settled rights wherein the employees of the Company are entitled to cash compensation based on the Company's fair value. 2017 MHIL PS does not entail issuance of any form of stocks or securities and is designed to draw benefits from the positive growth and appreciation in the enterprise value of the Company which means the grantee employees shall benefit by way of settlement of appreciation through cash outlays.

The total number of options granted pursuant to 2017 MHIL PS is 59,34,298 (Fifty Nine Lakh Thirty Four Thousand Two Hundred Ninety Eight) options. Out of the granted options, an aggregate of 21,33,170 options have been vested, 18,80,244 (Eighteen Lakh Eighty Thousand Two Hundred Forty Four) options have been exercised, 32,76,109 (Thirty Two Lakh Seventy Six Thousand One Hundred Nine) options have been lapsed or cancelled and 7,77,945 (Seven Lakh Seventy Seven Thousand Nine Hundred Forty Five) options are outstanding as on the date of this Report. The details of options outstanding under 2017 MHIL PS are mentioned in Note no. 29.5 to Standalone Financial Statements.

EMPLOYEE STOCK OPTION SCHEME – 2020 ("2020 ESOP SCHEME")

In order to reward, attract, motivate and retain employees of the Company, its holding company, and its existing or future subsidiary companies, in or outside India, as may be applicable, for their high level of individual performance and for their efforts to improve the overall performance of the Company with the objective of achieving sustained growth of the Company and creation of shareholder's value by aligning the interests of the eligible employees with the long-term interests of the Company, pursuant to a resolution dated September 1, 2020 passed by the Board of Directors and resolution dated September 29, 2020 passed by the shareholders, approval was accorded to 2020 ESOP Scheme to offer, issue and allot equity shares to the eligible employees. The total number of stock options that can be granted pursuant to 2020 ESOP Scheme is 66,45,150 (Sixty Six Lakh Forty Five Thousand One Hundred Fifty) options in respect of 66,45,150 (Sixty Six Lakh Forty Five Thousand One Hundred Fifty) equity shares. The Company has received in – principle approvals on January 15, 2021 and January 28, 2021 from BSE and NSE, respectively, under Listing Regulations for the listing of the equity shares to be issued pursuant to the 2020 ESOP Scheme.

Applicable disclosures as stipulated under the SEBI (Share Based Employee Benefits) Regulations, 2014, with regard to 2020 ESOP Scheme are provided as **Annexure-6** to this report and are available on the Company's website, <https://www.maxhealthcare.in/investors/corporate-announcements>

The 2020 ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time and the related resolution passed by the members of the Company on September 29, 2020. The certificate in this regard from the Statutory Auditors shall be placed at the ensuing AGM for inspection by the members.

MATERIAL CHANGES AND COMMITMENTS

Except as disclosed elsewhere in this Annual Report, there have been no material change and/or commitment have occurred, which can affect the financial position of the Company between April 01, 2021 and the date of signing of this Board Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

STATUTORY DISCLOSURES

Your Directors state that there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the same:

1. Deposits from the public falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme, save and except ESOS referred to in this report.
4. The Chairman & Managing Director of the Company has not received any remuneration or commission from any of

its subsidiaries. As on March 31, 2021, there is no whole-time Director in the Company.

5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. Buy-back of shares or under Section 67(3) of the Act.
7. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
8. No settlements have been done with banks or financial institutions.

ACKNOWLEDGEMENT

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

Your Directors also thank the Shareholders, Financial Institutions, Banks/ other Lenders, Customers, Vendors and other Stakeholders for their confidence in the Company and its Management and look forward for their continuous support.

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

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

For and on behalf of the Board

Sd/-

Abhay Soi

DIN: 00203597

Chairman & Managing Director

Date : May 28, 2021

Place: New Delhi

ANNEXURE -1

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 ("THE ACT") READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. Comparison and ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the FY 2020-21:

S. No.	Name of Director	Designation	Median Remuneration of Employees (INR Crore)	Ratio	Remuneration (INR Crore)
1.	Mr. Abhay Soi	Chairman & Managing Director	0.03	1:0.0038	9.19

Note:

(i) Except Mr. Abhay Soi, Chairman & Managing Director of the Company, none of the Directors of the Company were in receipt of any remuneration for FY 2020-21. The Company has only paid sitting fees amounting to INR 1 Lakh per Board / Committee meeting to its Independent Directors.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2020-21:

During the FY 2020-21, there was no increase in remuneration and no increments were given across the Company due to COVID-19 pandemic.

Notes:

(i) Mr. Abhay Soi was appointed as Non-Executive Chairman of the Company (retiring Director) w.e.f. June 21, 2019 and he was re-designated as a non-retiring Director w.e.f. July 15, 2019 and was appointed as the Chairman & Managing Director of the Company w.e.f. June 19, 2020 for a period of three years on such terms & conditions as approved by the Board on June 19, 2020 and the shareholders of the Company on July 30, 2020. The details of the remuneration has been provided in the CG Report. There has been no increase in his remuneration from June 19, 2020 till date.

(ii) Dr. Mradul Kaushik was appointed as Manager of the Company in terms of section 2(51), 2(53) and 203 the Act w.e.f. August 01, 2019 and he stepped down from the position of Manager w.e.f. June 15, 2020. There has been no increase in his remuneration from August 01, 2019 till June 15, 2021

3. The percentage increase in median remuneration of employees in the FY 2020-21: NIL (there was no increase in remuneration and no increments were given across the Company due to COVID-19 pandemic).
4. The number of permanent employees on the rolls of Company as on March 31, 2021: 4,464 (Four Thousand Four Hundred Sixty Four) (Previous Year – 4,456 (Four Thousand Four Hundred Fifty Six)).
5. During the FY 2020-21, variable pay amounting to INR 85.12 Lakh (Indian Rupees Eighty Five Lakh and Twelve Thousand) was paid to Mr. Yogesh Kumar Sareen, Senior Director & Chief Financial Officer and INR 9.17 Lakh (Indian Rupees Nine Lakh and Seventeen Thousand) to Ms. Ruchi Mahajan, Company Secretary and Compliance Officer of the Company as per the prevailing terms of their remuneration.
6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: During the FY 2020-21, no increments were given across the Company due to COVID-19 pandemic.
7. It is hereby affirmed that remuneration is in line with the Nomination and Remuneration and Board Diversity Policy of the Company.

For and on behalf of the Board

Sd/-
Abhay Soi
DIN 00203597

Chairman & Managing Director

Date: May 28, 2021
Place: New Delhi

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 ("the Act") read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

A. CONSERVATION OF ENERGY

(i) & (ii) Steps taken for energy conservation / utilizing alternate source of energy:

Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy. Your Company has designed its facilities keeping in view the objective of minimum energy losses. During the year under review, your Company has taken following significant energy conservation measures across its various hospitals:

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

Impact of measures at (i) & (ii):

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

(iii) Capital investment on energy consumption equipment for FY 2020-21: ~INR 70 Lakh

B. TECHNOLOGY ABSORPTION:

(i) & (ii):

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

Medical technology plays a crucial role in enhancing the quality of delivery, reduction in turnaround time of workflows and thus, the overall cost, besides bringing in higher accountability into the system. Your Company employ high end medical technologies, state of the art equipment and modern hospital facilities to offer quality healthcare services to patients and expand its range of healthcare services.

Healthcare facilities of your Company are equipped with machines and devices with sophisticated technology, including new generation diagnostics, surgical devices and radio therapy such as the da-Vinci Xi® Surgical System to perform robotic surgeries, radiaxact-x9 tomotherapy, Innova IGS 520 - floor-mounted image-guided system for cath lab procedures, HIPEC System for chemotherapy treatment, Tomotherapy and O – arm™ O2 imaging System for neuro surgeries.

Your Company believe that investment in technology and equipment is critical for its operations as it leads to quick and precise diagnostics for treatment, better outcomes, faster recovery and attracts reputed clinical talent from India and overseas. Furthermore, your company also engage with medical technology companies and start-ups to apprise our staff of the latest technological innovations.

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

(iii) In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year), following information may be furnished: Not Applicable

(a) the details of technology imported:

(b) the year of import:

(c) whether the technology been fully absorbed:

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

ANNEXURE -2

(iv) The expenditure incurred on Research and Development for FY 2020-21: ~ INR 17.5 Lakh

Research & Development (R & D):

The areas of research being pursued by your Company include:

- Your Company has built a strong foundation in managing several sponsored global and national clinical trials and investigator initiated trials including studies in all major therapeutic areas Endocrinology, Public Health, Non Communicable Disease, Epidemiology, Cardiology, Vascular Surgery, CTVS, Oncology, Neurology, Internal Medicine, Critical Care Medicine, Pulmonology, Psychiatry, Pathology, Anesthesia, Minimal Access Metabolic and Bariatric Surgery, Radiology, Nephrology & Kidney Transplant, Obstetrics & Gynecology, IVF, Urology, Physiotherapy & Rehabilitation, Ophthalmology, Gastroenterology, Pediatrics, Neonatology, Urology, Liver and Biliary Sciences, Rheumatology and Emergency Medicine covering the areas of drugs, devices, epidemiological, artificial intelligence and machine learning on clinical / medical data and post marketing surveillance studies.
- Your Company has taken a leading role in COVID-19 related research in this challenging pandemic times and has initiated over 80 research initiatives purely related to COVID-19, which includes Sero- Epidemiological Studies, Investigator driven work and sponsored drug and clinical trials.
- One of the network hospitals of the Company, has conducted and completed a self - sponsored clinical trial approved by Central Drugs Standard Control Organization (CDSCO) in relation to COVID-19 for the product convalescent plasma. The Hospital has also published an article on convalescent plasma with relation to COVID-19 being one of largest pooled data from a single Organization in India. The Hospital was one of the first centre in India to register its research study in Clinical Trial Registry of India and Global registry - Clinical Trial.GOV (USA).

Benefits derived as a result of the above R&D

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

Future plan of action:

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

- a. To conduct various training and educational programmes on research areas like clinical research, medical writing, statistics through collaborations with the academic institutions in clinical research and renowned pharmaceutical companies to enhance the research skills of researchers.

- b. To explore opportunities to collaborate with other national and international research organization to broaden the scope of research in other speciality areas other than Endocrinology.
- c. Your Company also plans to augment its clinical research programme in various areas viz. Epidemiology (Studies involving collecting and analysing data about health and disease in target populations), Clinical Research (Innovation of techniques and ideas by physicians, supported by laboratory research) and Clinical Trials (Investigations of a new drug on human volunteers to determine safety, toxicity, efficacy, dosage).
- d. To form, "Research Foundation Independent to Hospitals", for grants allocation to get full benefits of DSIR towards research equipment purchasing and transfer.
- e. Explore the setup of a Bio Bank with national / international collaborators.
- f. Your Company is also planning to establish Grant office and Bio-informatics division to expand research programme.
- g. Your Company also plans to continue exploring research projects with pharmaceutical companies and collaboration with national & international research organization in the area of COVID-19 pandemic. The Company shall also be monitoring all its ongoing clinical trials and research projects in relation to COVID-19 pandemic and if necessitates shall generate interim analysis in accordance with the relevant regulations in India.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Activities relating to exports and initiatives taken to increase exports, development of new export markets for products and services, and export plans:** Your Company is engaged in the healthcare business and is not carrying on any export activities. The Company has appointed healthcare facilitators in various countries to cater to international patients.

(b) Total foreign exchange earned and used FY 2020-21:

Earnings: INR 27 Crores
Expenditure: CIF Value of Imports : INR 6.5 Crore
Others : INR 12.9 Crore

For and on behalf of the Board

Sd/-
Abhay Soi

DIN: 00203597

Chairman & Managing Director

Date: May 28, 2021
Place: New Delhi

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Max Healthcare Institute Limited
(L72200MH2001PLC322854)
401, 4th Floor, Man Excellenza,
S. V. Road, Vile Parle (West),
Mumbai, Maharashtra-400056

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Max Healthcare Institute Limited** (hereinafter called "the Company") and the equity shares of the Company were listed on August 21, 2020 on BSE Limited and National Stock Exchange of India Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
 - c) We have not verified the correctness and appropriateness of the financial statements of the Company.
 - d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
 - e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
 - f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
 - g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to COVID-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.
- Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information

provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not issued any debt securities during the financial year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
- (vi) We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the audit period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines and Standards, as mentioned above except that while determining the two-thirds of the members of audit committee (named as "Audit & Risk Committee"), the Company had not rounded off the fraction to the highest number as clarified under SEBI SOP circular dated January 22, 2020 read with Regulation 18(1)(b) of the Listing Regulations and accordingly, two-third of the members of this committee were not Independent Directors from August 21, 2020 (date of listing of equity shares of the Company on BSE Ltd. and National Stock Exchange of India Limited) till February 10, 2021. Thereafter, the Committee was reconstituted on February 11, 2021 and the composition of the said committee was in due compliance with Regulation 18(1)(b) of the Listing Regulations. Further, the Company has filed requisite forms with the Regulatory Authorities within the prescribed timelines and paid necessary fee, wherever applicable for delayed filing, in accordance with the applicable laws.

- (vii) The Company is engaged in maintaining and running hospitals, clinics, nursing homes, health centers in primary/ secondary/ tertiary care, pharmacy/ chemist shops, diagnostic and pathology centres and other similar establishments and programmes for providing treatment and medical services in all its branches/ centres by all available means in all kinds of research including clinical research and development work required to promote, assist or engage in setting up hospitals and facilities including setting of laboratories, purchase, take on lease and acquire any facility, equipment, instrument, required for carrying out medical research, to educate and train medical students, nurses, midwives and hospital administrators and to grant such diploma and degrees as recognition as the Company may prescribe or deem fit from time to time and to provide healthcare, medical, incidental and related services. It is engaged in the healthcare delivery services and networks of multi speciality hospitals, homecare business and pathology business under brand names Max@Home and Max Labs respectively.

Based on nature of its business activities, following are some of the laws specifically applicable to the Company:

- The Clinical Establishment (Registration and Regulation) Act, 2010 and Rules made thereunder;
- The Drugs Control Act, 1950 and Rules made thereunder;

- Drugs and Cosmetics Act, 1940 and Rules made thereunder;
- Delhi Nursing Homes Registration Act, 1953 and Rules made thereunder; and similar Registration Acts of other States, wherever applicable;
- The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and Rules made thereunder;
- Medical Termination of Pregnancy Act, 1971 and Rules made thereunder;
- Narcotic Drugs and Psychotropic Substances Act, 1985 and Rules made there under and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013;
- The Nursing Council Act, 1947;
- Indian Medical Council Act, 1956;
- The Transplantation of Human Organs Act, 1994 and bye laws made thereunder;
- Atomic Energy Act, 1962 ("Atomic Energy Act") and the rules thereunder and the Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001;
- Pharmacy Act, 1948;
- Bio-Medical Waste Management Rules, 2016;
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of the Board and Board committee meetings was given to all the Directors. The agenda and detailed notes on agenda were sent at least seven days in advance. In case of circulation of agenda or detailed notes on agenda at shorter notice, due consent of the respective Directors was taken for such circulation at shorter notice. The Company has a system in place where the Directors can seek further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and

operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events/activities having major bearing on the affairs of the Company took place:

- (i) the Composite Scheme of Amalgamation and Arrangement amongst erstwhile Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited ("Radiant") and Max India Ltd. (formerly known as Advaita Allied Health Services Limited) and their respective shareholders and creditors ("Scheme") as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") was made effective from June 1, 2020;
- (ii) Amendment to the Memorandum of Association ("MOA") of the Company, by altering the existing Object Clause III B (45) of MOA of the Company by way of Special Resolutions on July 30, 2020 through postal ballot;
- (iii) Adoption of new set of Articles of Association of the Company by way of Special Resolutions on July 30, 2020 through postal ballot;
- (iv) Issuance and allotment of 90,12,84,070 (Ninety Crore Twelve Lacs Eighty Four Thousand and Seventy) equity shares of the Company at par to the shareholders of Radiant Life Care Private Limited and erstwhile Max India Limited pursuant to the Composite Scheme of Amalgamation by the Board of Directors on June 19, 2020;
- (v) the Members at their Annual General Meeting held on September 29, 2020, inter-alia, passed, the following Special Resolutions:
 - a) Approval of 'Max Healthcare Institute Limited - Employee Stock Option Plan 2020' and grant of employee stock options to the eligible employees of the Company and to create, grant, offer, issue and allot at any time, in one or more tranches, up to 66,45,150 (Sixty Six Lacs Forty Five Thousand One Hundred Fifty) stock options exercisable into equity shares of the Company, in one or more tranches, not exceeding 66,45,150 (Sixty Six Lacs Forty Five Thousand One Hundred Fifty) equity shares of face value of INR 10 each of the Company, at such price or prices, and on such terms and conditions as may be fixed or determined by the Board in accordance with the MHIL ESOP-2020 and in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 and other Applicable Laws;
 - b) Grant of employee stock options under the 'Max Healthcare Institute Limited - Employee Stock

Option Plan 2020' to the employees of the Holding Company, if any, and/or Subsidiary Company (ies) of the Company;

- c) To issue of Securities to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations, by way of a Qualified Institutions Placement ("QIP"), pursuant to and in accordance with, the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and total amount to be raised through the issue of Equity Shares or other Eligible Securities or in any combination thereof for an issue size aggregating up to INR 1,200 Crore;
- d) To offer and issue in one or more tranches, the Secured/ Unsecured/ Redeemable/ Listed/ Unlisted Non-Convertible Debentures ("NCDs") aggregating upto INR 550 Crore (Indian Rupees Five Hundred Fifty Crore only), to the investors as approved by the Board from time to time, by way of private placement;
- e) Amendments to the Articles of Association, by altering the existing Article VII of Part II of the Articles of Association of the Company;
- (vi) Pursuant to the approval of Shareholder in Annual General Meeting held on September 29, 2020, On March 10, 2021, the Company issued and allotted 6,14,12,482 (Six Crore, Fourteen Lakh, Twelve Thousand, Four Hundred Eighty Two only) Equity Shares of face value of INR 10 each shares at a price of INR 195.40 per equity Shares (including a premium of INR 185.40 per equity share) aggregating to INR 11,99,99,98,982.80 (Indian Rupees Eleven Hundred Ninety Nine Crore, ninety nine Lakh, ninety eight thousands, nine hundred and eighty two and eighty paisa) to qualified institutional buyers in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and other applicable provisions of the Companies Act, 2013 ("Companies Act"), read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 made thereunder and all other applicable laws.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
Devesh Kumar Vasisht
Partner

Place: New Delhi
Date: May 28, 2021

CP No.: 13700 / F8488
UDIN: F008488C000384721

ANNEXURE - 4A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HOMETRAIL BUILDTECH PRIVATE LIMITED
CIN: U45400DL2008PTC176962
Registered office address:- N-110, Panchsheel Park,
New Delhi – 110017

We report that

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HOMETRAIL BUILDTECH PRIVATE LIMITED** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

COMPANY'S RESPONSIBILITIES

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

AUDITOR'S RESPONSIBILITIES STATEMENT

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

LIMITATIONS

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing

Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to lockdown to fight COVID-19 followed by restrictions imposed by local authorities and State Government, some of the documents and records mentioned above have been received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the company for certain areas which otherwise requires physical verification.

OUR OPINION & BASIS

We have followed the audit practices; secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON SECRETARIAL RECORDS AND COMPLIANCES THEREOF

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **[Not Applicable]**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **[Applicable to the extent of shares in Dematerialized form]**
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not Applicable]**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - Not applicable as the Company is not a listed entity
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
- (vi) Other laws applicable specifically to the Company namely:
 - i. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945
 - ii. Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004 and Guidelines to set up Nuclear Medicine Facility.
 - iii. The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and Rules made there under.
 - iv. Medical Termination of Pregnancy Act, 1971 and Rules made there under.
 - v. Narcotic Drugs and Psychotropic Substances Act, 1985 and Rules made there under and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013.
 - vi. The Transplantation of Human Organs Act, 1994 and Rules made there under.
 - vii. Food Safety and Standards Act, 2006 and Rules made there under.
 - viii. The Bio Medical Waste (Management & Handling Rules), 2016.
 - ix. Indian Explosives Act, 1884 and Rules made there under.
 - x. Other Environment and Labour Laws Act, 2006;

We have also examined compliance with the applicable provisions of the following:-

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s); **[Not Applicable]**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above

Note: For clause (vi) above, the scope of our audit was limited to check the requisite licenses, permissions and registration under the specified Acts as provided by the management of the company. For the purpose of examining the adequacy of compliances with other applicable laws including industry/sector specific, under both Central and State legislations, reliance has been placed on the Compliance Certificate issued by the Management, on a quarterly basis, which were placed before the Board meeting, based on the reports received by the Company from various hospitals, along with action taken/ to be taken, wherever required, as part of the Company's Compliance Management and Reporting System.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) has been given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings have been carried out with requisite majority of the members of the Board or unanimously. Further there is no case of views (if any) of the dissenting members as per the recordings in the minutes of the meetings of the Board.

We further report that there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has the following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines:

- i. **Amendment In the Articles of Association of the Company:** The Company subsequent to the approval of the Composite Scheme of Merger and Amalgamation executed amongst Max India Limited, Max Healthcare Institute Limited ("MHIL"), Radiant Life Care Private Limited and a wholly owned subsidiary of Max India incorporated for this purpose, MHIL has executed Deed of Accession and Deed of Adherence dated 01st June, 2020 to the Shareholders Agreement dated December 24, 2018, with Kayak Investments Holding Pte. Ltd. and Mr. Abhay Soi. The Board in its meeting held on 31st August, 2020, approved by the way of passing of

resolution unanimously with respect to amendment in the Articles of Association of the Company and subsequently it was approved by the shareholders by passing special resolution in the AGM held on 29th September, 2020.

- ii. Increasing of limits provided under Section 186(2) of the Companies Act, 2013 with respect to Inter-Corporate Loan, Guarantee, Investment and Security:** In order to have adequate financial feasibility, the Company has increased the limit upto INR 200 Crore in terms of granting of Inter-Corporate Loan, Guarantee, Investment and Security to any Body corporate. The Board has approved by passing of resolution unanimously in its meeting held on 6th February, 2021 and subsequently

approved by the shareholders by passing special resolution in their EGM held on 12th February, 2021.

For NP Gupta & Associates
Practicing Company Secretaries

Sd/-

Neha Gupta

Membership No.: A47714
C P No.: 17685
UDIN: A047714C000384811

Place: New Delhi
Date: 28/05/2021

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

ANNEXURE-A

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For NP Gupta & Associates
Practicing Company Secretaries

Sd/-

Neha Gupta

Membership No.: A47714
C P No.: 17685
UDIN: A047714C000384811

Place: New Delhi
Date: 28/05/2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CROSSLAY REMEDIES LIMITED
CIN: U24239DL2002PLC113719
Registered office address:- N-110, Panchsheel Park, New Delhi-110017 INDIA

Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to lockdown to fight COVID-19 followed by restrictions imposed by local authorities and State Government, some of the documents and records mentioned above have been received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the company for certain areas which otherwise requires physical verification.

We report that

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CROSSLAY REMEDIES LIMITED** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

COMPANY'S RESPONSIBILITIES

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

AUDITOR'S RESPONSIBILITIES STATEMENT

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

LIMITATIONS

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing

OUR OPINION & BASIS

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON SECRETARIAL RECORDS AND COMPLIANCES THEREOF

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **[Not Applicable]**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **[Applicable to the extent of shares in Dematerialized form]**
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

- Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) *The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) *The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) *The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - (i) *The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018
*Not applicable
- (vi) Other laws applicable specifically to the Company namely:
- i. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
 - ii. Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004 and Guidelines to set up Nuclear Medicine Facility;
 - iii. The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and Rules made there under;
 - iv. Medical Termination of Pregnancy Act, 1971 and Rules made there under;
 - v. Narcotic Drugs and Psychotropic Substances Act, 1985 and Rules made there under and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013;
 - vi. The Transplantation of Human Organs Act, 1994 and Rules made there under.
 - vii. Food Safety and Standards Act, 2006 and Rules made there under;
 - viii. The Bio Medical Waste (Management & Handling Rules), 2016;
- ix. Indian Explosives Act, 1884 and Rules made there under;
- x. Other Environment and Labour Laws Act, 2006.
- We have also examined compliance with the applicable provisions of the following:-
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) - **Not Applicable**
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above
- Note:** For clause (vi) above, the scope of our audit was limited to check the requisite licenses, permissions and registration under the specified Acts as provided by the management of the company. For the purpose of examining the adequacy of compliances with other applicable laws including industry/ sector specific, under both Central and State legislations, reliance has been placed on the Compliance Certificate issued by the Management, on a quarterly basis, which were placed before the Board meeting, based on the reports received by the Company from various hospitals, along with action taken/ to be taken, wherever required, as part of the Company's Compliance Management and Reporting System.
- We further report that**
The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice(s) has been given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings have been carried out with requisite majority of the members of the Board or unanimously. Further there is no case of views (if any) of the dissenting members as per the recordings in the minutes of the meetings of the Board.
- We further report that** there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.
- We further report that** during the audit period, the company has the following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines:
- i. **Increasing of limits provided under Section 186(2) of the Companies Act, 2013 with respect to Inter-Corporate Loan, Guarantee, Investment and Security:** In order to have adequate financial feasibility and to enable optimal financing structure within Max Healthcare Group,

the Company has increased the limit upto INR 200 Crore in terms of granting of Inter-Corporate Loan, Guarantee, Investment and Security to any Body corporate. The Board has approved by passing of resolution unanimously in its meeting held on 24th March, 2021 and subsequently approved by the shareholders by way of passing of special resolution in their Extra-ordinary general meeting held on 31st March, 2021.

ii. **Transfer of Shares :** During the period of audit the transfer of shares were taken place pursuant to the share purchase agreement dated 15th January 2020 and its amendment agreement dated 18th June 2020 executed amongst: (i) Persons set out in Schedule 1A of the Share Purchase Agreement ("Resident Sellers") (ii) Persons set out in Schedule 1B of the Share Purchase Agreement

("Non Resident Sellers") (iii) Max Healthcare Institute Limited ("MHIL/Buyer") and (iv) Crosslay Remedies Ltd. ("the Company") (hereinafter referred to as the "SPA").

For **S. KHANDELWAL & CO**

Sd/-

CS Sanjay Khandelwal

Proprietor

Membership No. 5945

C P No. 6128

Date: 28/05/2021

Place: New Delhi

UDIN: F005945C000384477

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

ANNEXURE-A

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. KHANDELWAL & CO**

Sd/-

CS Sanjay Khandelwal

Proprietor

Membership No. 5945

C P No. 6128

Date: 28/05/2021

Place: New Delhi

UDIN: F005945C000384477

ANNEXURE NO- 5

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES OF MAX HEALTHCARE INSTITUTE LIMITED ("COMPANY") FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

1. A brief outline on Company's Corporate Social responsibility Policy ("CSR Policy"):

As per the CSR Policy, the Company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Companies Act, 2013 ("Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendment thereof ("Rules"), however, it shall give primary importance to the identified sectors viz., Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition for underprivileged women and children and livelihood by way of vocational training and creating and supporting self-help groups for women led households in villages identified for adoption by the Company.

2. The Composition of the CSR Committee as on March 31, 2021:

The composition of CSR Committee meets the requirements of Section 135 of the Act. The composition of the Committee as on March 31, 2021, is as under:

S. No.	Name	Position	Category
1	Mr. Abhay Soi	Chairman	Executive Director
2	Ms. Ananya Tripathi	Member	Non-Executive Non - Independent Director
3	Mr. Mahendra Gumanmalji Lodha	Member	Non-Executive Independent Director

7. (a) Two percent of average net profit of the Company as per section 135(5) of the Act: Not Applicable
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
 (c) Amount required to be set off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): NIL

8. (a) CSR amount spent or unspent for financial year: Not Applicable

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (in INR)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency
1.	NA	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in INR)	Mode of implementation-Direct (Yes/No)	Mode of implementation – Through implementing agency Name Registration number

- (d) Amount spent in Administrative Overheads: Not Applicable
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil
 (g) Excess amount for set off, if any: Not Applicable

S. No.	Particulars	Amount in (INR)
(i)	Two percent of average net profit of the company as per section 135(5) of the Act	-
(ii)	Total amount spent for the financial year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) of the Act (in INR)	Amount spent in the Reporting Financial Year (in INR)	Name of the Fund	Amount (in INR)	Date of transfer	Amount remaining to be spent in succeeding financial years (in INR)
1.	Financial Year 2017-18	NA	NA	NA	NA	NA	NIL
2.	Financial Year 2018-19	NA	NA	NA	NA	NA	NIL
3.	Financial Year 2019-20	NA	NA	NA	NA	NA	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year (in INR)	Status of the project Completed /Ongoing
1.	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)

- (a) Date of creation or acquisition of the capital asset(s): None
 (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act: In view of the Company's carried forward losses, your Company was not required to spend on CSR for the FY 2020-21.

However, Max Healthcare as a Group always believed in extending a helping hand to those who are in need. The detail of CSR initiatives taken by the Group has been given under the MD&A Report forming integral part of this Annual Report

For and on behalf of the Board of Directors

Sd/-

Abhay Soi

DIN: 00203597

Chairman & Managing Director
Chairman of CSR Committee

Place : New Delhi
Date : May 28, 2021

ANNEXURE - 6

DISCLOSURES PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 ("ESOP GUIDELINES") READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ("ESOP CIRCULARS") ON ESOP DISCLOSURES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

The description of Max Healthcare Institute Limited - Employee Stock Option Plan 2020 ("the Scheme") is summarised as under:

S. No.	Particulars	Details
1.	Date of shareholders' approval	September 29, 2020
2.	Total number of options approved under the Scheme	66,45,150 (Sixty Six Lakh Forty Five Thousand One Hundred Fifty)
3.	Vesting requirements	<ul style="list-style-type: none"> • Vesting requirements under the Scheme are as under: <ul style="list-style-type: none"> – The stock options granted under the Scheme shall vest not earlier than 1 (one) year and not later than 5 (five) years from the relevant Grant Date. The vesting date(s) shall be determined by the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") in its sole discretion and may vary across Grantees or class of Grantees; – The NRC shall have the right to establish procedures and conditions for vesting, including conditions and procedures to accelerate, postpone or prevent vesting of stock options in respect of any Grantee or group of Grantees, subject to compliance with applicable laws; – The vesting of stock options shall be contingent upon the Grantee remaining employed with the Company or Subsidiary Company, as applicable, from the time of the Grant until the completion of the vesting period, unless otherwise provided in this Scheme. • Specific vesting requirements with respect to the stock options granted under the Scheme by NRC on September 29, 2020 ("2020 Grant") are as under: <ul style="list-style-type: none"> – Vesting schedule <ul style="list-style-type: none"> - At the end of the 1st year from the Grant Date- 70% of the granted options; - At the end of the 2nd year from the Grant Date- 30% of the granted options. – Vesting conditions: The Grantee should have minimum met expectations rating in the last performance review cycle and there shouldn't be any disciplinary issue / action against such Grantee.
4.	Exercise price or pricing formula	<ul style="list-style-type: none"> • Exercise Price or Pricing formula under the Scheme: <ul style="list-style-type: none"> – Subject to compliance of the Scheme and applicable laws, the Exercise Price shall be determined by the NRC at its sole discretion with respect to each Grant, and such Exercise Price shall not be less than the face value of the Shares as on date of such Grant and it may be different for different class/classes of Eligible Employees falling in the same tranche of Grant of Stock Options; – Subject to compliance of the Scheme and applicable laws, the NRC may alter the Exercise Price of any stock options which have not been Exercised (irrespective of whether or not such stock options have Vested), if the stock options are rendered unattractive due to a fall in the market price of the Shares, provided that such alteration shall not be detrimental to the interests of the Grantees and approval of the shareholders of the Company has been obtained for such alteration. • Exercise Price w.r.t 2020 Grant is INR 10 per stock option.
5.	Maximum term of options granted	The stock options granted to a Grantee under the Scheme shall be capable of being exercised within a period of not exceeding three years from the date of Grant of the respective options.
6.	Source of shares (primary, secondary or combination)	Primary
7.	Variation in terms of options	<ul style="list-style-type: none"> • Subject to applicable laws, the NRC will at its absolute discretion have the right to modify / amend the Scheme in such manner and at such time or times as it may deem fit, subject however that any such modification / amendment shall not be detrimental to the interest of the Grantees / Employees and approval wherever required for such modification / amendment is obtained from the shareholders of the Company in terms of the ESOP Guidelines; • During the year under review, no amendment / modification/variation has been introduced in terms of stock options granted by the Company.

S. No.	Particulars	Details																						
8.	Method used to account for the ESOP – intrinsic or fair value	<ul style="list-style-type: none"> • The employee compensation cost has been calculated using the fair value method for stock options using the Black- Scholes Options Pricing Model. The employee compensation cost as per the fair valuation method for the FY 20-21 is INR 26.51 Crore. 																						
9.	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	<ul style="list-style-type: none"> • Not Applicable, as the Company has calculated employee compensation cost using fair value method. 																						
10.	Weighted- average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the Stock	<ul style="list-style-type: none"> • Weighted- average exercise price of the stock options granted under the Scheme is INR 10. • Weighted-average fair value of the stock options granted under the Scheme is INR 104.63 																						
11.	Option movement during the FY 20-21	<table border="1"> <tr> <td>Number of options outstanding at the beginning of the period</td> <td>NIL (the stock options were granted under the Scheme for the first time on September 29, 2020)</td> </tr> <tr> <td>Number of options granted during the year</td> <td>61,65,265 (Sixty One Lakh Sixty Five Thousand Two Hundred Sixty Five Only)</td> </tr> <tr> <td>Number of options forfeited / lapsed during the year</td> <td>2,34,496 (Two Lakh Thirty Four Thousand Four Hundred Ninety Six)</td> </tr> <tr> <td>Number of options vested during the year</td> <td>NIL (September 28, 2021 is the date of first vesting under the Scheme)</td> </tr> <tr> <td>Number of options exercised during the year</td> <td>NIL</td> </tr> <tr> <td>Number of shares arising as a result of exercise of options</td> <td>NA</td> </tr> <tr> <td>No. of options vested but not exercised</td> <td>NA</td> </tr> <tr> <td>Money realized by exercise of options (INR), if scheme is implemented directly by the Company</td> <td>NA</td> </tr> <tr> <td>Loan repaid by the Trust during the year from exercise price received</td> <td>NA</td> </tr> <tr> <td>Number of options outstanding at the end of the year</td> <td>59,30,769 (Fifty Nine Lakh Thirty Thousand Seven Hundred Sixty Nine)</td> </tr> <tr> <td>Number of options exercisable at the end of the year (i.e March 31, 2021)</td> <td>Nil</td> </tr> </table>	Number of options outstanding at the beginning of the period	NIL (the stock options were granted under the Scheme for the first time on September 29, 2020)	Number of options granted during the year	61,65,265 (Sixty One Lakh Sixty Five Thousand Two Hundred Sixty Five Only)	Number of options forfeited / lapsed during the year	2,34,496 (Two Lakh Thirty Four Thousand Four Hundred Ninety Six)	Number of options vested during the year	NIL (September 28, 2021 is the date of first vesting under the Scheme)	Number of options exercised during the year	NIL	Number of shares arising as a result of exercise of options	NA	No. of options vested but not exercised	NA	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	NA	Loan repaid by the Trust during the year from exercise price received	NA	Number of options outstanding at the end of the year	59,30,769 (Fifty Nine Lakh Thirty Thousand Seven Hundred Sixty Nine)	Number of options exercisable at the end of the year (i.e March 31, 2021)	Nil
Number of options outstanding at the beginning of the period	NIL (the stock options were granted under the Scheme for the first time on September 29, 2020)																							
Number of options granted during the year	61,65,265 (Sixty One Lakh Sixty Five Thousand Two Hundred Sixty Five Only)																							
Number of options forfeited / lapsed during the year	2,34,496 (Two Lakh Thirty Four Thousand Four Hundred Ninety Six)																							
Number of options vested during the year	NIL (September 28, 2021 is the date of first vesting under the Scheme)																							
Number of options exercised during the year	NIL																							
Number of shares arising as a result of exercise of options	NA																							
No. of options vested but not exercised	NA																							
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	NA																							
Loan repaid by the Trust during the year from exercise price received	NA																							
Number of options outstanding at the end of the year	59,30,769 (Fifty Nine Lakh Thirty Thousand Seven Hundred Sixty Nine)																							
Number of options exercisable at the end of the year (i.e March 31, 2021)	Nil																							
12.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	<table border="1"> <tr> <td>The weighted-average values of share price of option granted</td> <td>113.40</td> </tr> <tr> <td>Exercise price (INR per stock option)</td> <td>10</td> </tr> <tr> <td>Expected volatility</td> <td>39.2%</td> </tr> <tr> <td>Expected option life, (Vesting & exercise period) in years</td> <td>2.50</td> </tr> <tr> <td>Expected dividends,</td> <td>-</td> </tr> <tr> <td>Average Risk-free interest rate</td> <td>4.70%</td> </tr> <tr> <td>The method used and the assumptions made to incorporate the effects of expected early exercise;</td> <td>An average of exercise period has been considered to cater the effects of expected early exercise to calculate time to maturity.</td> </tr> <tr> <td>How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;</td> <td>Expected Volatility has been calculated basis annual volatility of stock price of the peer Group from BSE for the latest historical period as per time to maturity.</td> </tr> <tr> <td>Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</td> <td>Inputs mentioned above such as risk free rate, stock price and volatility are already considered considering market conditions.</td> </tr> </table>	The weighted-average values of share price of option granted	113.40	Exercise price (INR per stock option)	10	Expected volatility	39.2%	Expected option life, (Vesting & exercise period) in years	2.50	Expected dividends,	-	Average Risk-free interest rate	4.70%	The method used and the assumptions made to incorporate the effects of expected early exercise;	An average of exercise period has been considered to cater the effects of expected early exercise to calculate time to maturity.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	Expected Volatility has been calculated basis annual volatility of stock price of the peer Group from BSE for the latest historical period as per time to maturity.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Inputs mentioned above such as risk free rate, stock price and volatility are already considered considering market conditions.				
The weighted-average values of share price of option granted	113.40																							
Exercise price (INR per stock option)	10																							
Expected volatility	39.2%																							
Expected option life, (Vesting & exercise period) in years	2.50																							
Expected dividends,	-																							
Average Risk-free interest rate	4.70%																							
The method used and the assumptions made to incorporate the effects of expected early exercise;	An average of exercise period has been considered to cater the effects of expected early exercise to calculate time to maturity.																							
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	Expected Volatility has been calculated basis annual volatility of stock price of the peer Group from BSE for the latest historical period as per time to maturity.																							
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Inputs mentioned above such as risk free rate, stock price and volatility are already considered considering market conditions.																							

13. Employee wise details as on March 31, 2021(name of employee, designation, number of options granted during the year, exercise price) of options granted to –

(a) Senior Managerial Personnel

S. No	Name	Designation	Number of options granted during the F.Y 20-21	Exercise Price per option (INR)
(i)	Mr. Anas Abdul Wajid	Senior Director - Chief Sales and Marketing Officer	3,24,938	10
(ii)	Mr. Atulya Sharma	Director - Legal, Compliance and Regulatory Affairs	1,16,574	10
(iii)	Col. Harinder Singh Chehal	Senior Director and Chief Operating Officer - Cluster 2	3,99,721	10
(iv)	Dr. Mradul Kaushik	Senior Director - Operations and Planning	4,18,026	10
(v)	Mr. Prashant Singh	Director - Information Technology and Chief Information Officer	2,51,899	10
(vi)	Ms. Ruchi Mahajan	Senior Vice President - Company Secretary and Compliance Officer	83,318	10
(vii)	Dr. Sandeep Budhiraja	Group Medical Director	4,04,407	10
(viii)	Mr. Umesh Gupta	Senior Director - Human Resource and Chief People Officer	3,54,695	10
(ix)	Ms. Vandana Ramesh Pakle	Senior Director - Corporate Affairs	4,18,026	10
(x)	Mr. Yogesh Kumar Sareen	Senior Director - Chief Financial Officer	4,81,961	10

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year

S. No	Name	Designation	Number of options granted during the F.Y 20-21	Exercise Price per option (INR)
(i)	Mr. Yogesh Kumar Sareen	Senior Director - Chief Financial Officer	4,81,961	10
(ii)	Dr. Mradul Kaushik	Senior Director - Operations and Planning	4,18,026	10
(iii)	Ms. Vandana Ramesh Pakle	Senior Director - Corporate Affairs	4,18,026	10
(iv)	Dr. Sandeep Budhiraja	Group Medical Director	4,04,407	10
(v)	Col. Harinder Singh Chehal	Senior Director and Chief Operating Officer - Cluster 2	3,99,721	10
(vi)	Mr. Umesh Gupta	Senior Director - Human Resource and Chief People Officer	3,54,695	10

14. Identified employees who were granted options, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

NONE

15. Diluted EPS on issue of shares pursuant to the Scheme (1.91) covered under the regulation shall be disclosed in accordance with Indian Accounting Standard 33 any other relevant Indian accounting standards as prescribed from time to time. (in INR)

16. Relevant disclosures in the terms of the "Guidance note on the accounting for employee share-based payments" issued by ICAI or any other relevant Indian accounting standards as prescribed from time to time.

Place : New Delhi
Date : May 28, 2021

For and on behalf of the Board of Directors

Sd/-
Abhay Soi
DIN: 00203597
Chairman & Managing Director
Chairman of CSR Committee

CORPORATE GOVERNANCE REPORT OF MAX HEALTHCARE INSTITUTE LIMITED ("MHIL" / "THE COMPANY")

Corporate Governance essentially is the system of structures, processes, rights, duties and obligations by which companies are directed and controlled. This governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the Board of Directors, Management, Shareholders, Creditors, Auditors, Regulators and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. This is reflected in the Company's philosophy on Corporate Governance. This Corporate Governance Report has been prepared in accordance with the requirements laid down under Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and with a view to meticulously attain standards of governance.

The prime focus of the Act, is on shareholders' democracy, higher transparency and more disclosures, e-governance, investor protection / minority shareholders and on professionals' enhanced role and accountability. The current Annual Report of the Company contains all the information and disclosures which are required to be given under the Act and Listing Regulations.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At MHIL, Corporate Governance is a reflection of its value system encompassing its culture, policies and relationships with its stakeholders. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Corporate Governance is the key attribute in ensuring commitment to values, ethical business conduct, investors' protection, excellent work environment leading to highest standards of management and maximization of everlasting long-term values. MHIL beholds Corporate Governance measures as an integral part of business which adds to considerable internal and external values and contributes to business growth.

MHIL believes in the philosophy of practicing Code of Corporate Governance that provides a framework by which the rights and responsibilities of different constituents such as the Board, employees and shareholders are defined.

The Company believes that timely disclosures, transparent accounting policies and a strong independent Board go a long way in maintaining good Corporate Governance, preserving shareholders trust and maximizing long-term corporate value. For establishing good Corporate Governance, the Company has put systems, procedures, policies, practices, standards in place to ensure effective strategic planning, optimum risk management, integrity of internal control and reporting. The Company's philosophy on Corporate Governance is, thus, concerned with the ethics, values and morals of the Company and its Directors who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their actions and properly comply with all the applicable legal and regulatory requirements.

BOARD OF DIRECTORS

Composition, category & size of the Board:

The Company's policy is to have an appropriate blend of Executive and Non-Executive Directors including Independent Directors, representing a judicious mix of professionalism, knowledge and experience, in line with the Management's Commitment for the principle of integrity and transparency in business operations for good Corporate Governance.

As on March 31, 2021, the Board was comprised of 7 (seven) Directors (including one woman Director), out of which 1 (one) was a Promoter & Executive Director, 2 (two) were Non-Executive & Non Independent Director and 4 (four) were Non-Executive Independent Directors. The composition of the Board is in conformity with the Act and Regulation 17(1) of the Listing Regulations.

Further, as on the date of this Corporate Governance Report, the Board is comprised of 7 (seven) Directors, out of which 1 (one) is a Promoter & Executive Director, 2 (two) are Non-Executive Non-Independent Directors and 4 (four) are Non-Executive Independent Directors (including one woman Independent Director). The composition of the Board is in conformity with the Act and Regulation 17(1) of the Listing Regulations.

The details of appointment / re-appointment of Directors at the ensuing Annual General Meeting ("AGM") of the Company have been provided in the Directors' Report forming part of this Annual Report.

Board membership criteria and selection process:

The Nomination and Remuneration Committee ("NRC") is responsible for identifying and evaluating a suitable candidate for the Board. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its Committees have an appropriate mix of skills, experience, independence and knowledge for continued effectiveness.

We acknowledge the importance of diversity in the Boardroom as a driver of effectiveness. For the Board, diversity encompasses plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. To ensure a transparent selection process, the guidance on eligibility criteria and attributes for an individual's appointment on the Board, including Independent Directors, has been defined in the Nomination, Remuneration and Board Diversity Policy of the Company. The candidate is, inter-alia, screened based on background, knowledge, skills, abilities, professional experience and functional expertise, educational and professional background, personal accomplishment, age, experience in the healthcare sector, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the NRC might consider relevant and applicable from time to time towards achieving a diverse Board.

The NRC recommends the appointment of a candidate based on the defined criteria and attributes. The Board, on recommendation of NRC and based on profile of the candidate, recommends the appointment of Directors to the shareholders of the Company, wherever applicable, for their approval.

Board functioning & procedure:

Background:

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion and decision by the Board, the Company has defined procedures for meetings of the Board of Directors and Committees thereof.

The Board is committed to ensure good governance through a self-governing style of functioning. The Directors enjoy complete freedom to express their opinion. The decisions are taken on the basis of consensus / majority arrived at after detailed discussions. The Directors are also free to bring up any matter for discussion at the Board Meetings.

Scheduling and selection of agenda items for the Board / Committee Meetings:

The Board of Directors is the apex body constituted by the shareholders and is vested with the powers of governance, giving strategic and operational direction and to control the affairs of the Company. In order to make an informed decision, the Board of Directors have access to all relevant information and are free to approach the employees of the Company as well as its subsidiaries. Driven by the principles of Corporate Governance Philosophy, the Board strives to work in best interest of the Company and its stakeholders.

The Board meets at least four times in a year, with a maximum time gap of 120 days between any two meetings, to discuss and review the quarterly results and other items of agenda, including the minimum information required to be placed before the Board, as per Part A of Schedule II of the Listing Regulations. The Board also meet and conduct additional meetings as and when required and thought fit. The dates for the Board and Committee Meetings are decided in advance and timely communicated to the Directors.

The Chairman & Managing Director of the Board, Senior Director & Chief Financial Officer, Senior Director - Corporate Affairs and the Company Secretary & Compliance Officer, discuss the items to be included in the Board agenda. The agenda of the meeting along with relevant supporting documents and explanatory notes is generally circulated in advance to all the Directors entitled to receive the same, to facilitate meaningful and quality discussions during the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In case the detailed agenda is shared in less than seven days before the date of meeting, the agenda is taken up with the permission of the Chairman and with the consent of majority of the Board / Committee members present in the Meeting, including one Independent Director. The Senior Management officials are also invited to various Board / Committee Meetings to provide additional input on the matters being discussed by the Board and its Committees.

Minimum information placed before the Board Members:

At MHIL, we believe that a diversified, active and well informed Board is necessary to ensure highest standards of Corporate Governance. Accordingly, in addition to the regular business

items and update, the Company provides the following information to the Board and its Committees as and when required, either as part of the agenda papers or by way of presentations and discussion material during the meetings:

- Annual operating plans & budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit & Risk Committee and other Committees of the Board and also Board Minutes of Unlisted Subsidiary Companies;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement, if any;
- Transactions, if any, that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problems and their proposed solutions;
- Any significant development in human resources/industrial relations front;
- Any sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken to limit the risks of adverse exchange rate movement if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

Recording minutes of meetings of the Board & its Committees and Shareholders:

The minutes of the proceedings of each Board / Committee / Shareholders' Meetings are recorded. Draft minutes of the Board / Committee meetings are circulated amongst all members of the Board / Committee for their feedback / comments. The finalised minutes are entered in the respective minute's books within 30 days from the conclusion of the meeting. A certified copy of the signed minutes are also circulated to the Board and respective Committee Members in compliance with the Secretarial Standards - 1.

Post meeting follow-up mechanism:

The Company has an effective post-meeting follow-up system. The Company tracks important decisions taken and discussions held at the Board and its Committee meetings till their closure. After each Board and Committee meeting, action points arising out of it, are informed to the respective owners for required action. An action taken report is placed before Board and Committee Meetings, as may be applicable.

The attendance of Directors at Board Meetings and last Annual General Meeting ("AGM") held on September 29, 2020 and number of other directorships and committee memberships / chairmanships as on March 31, 2021, is as under:

S. No.	Name of the Director & category of directorship	No. of Board Meetings held during FY 2020-21	Attendance at Meetings during FY 2020-21		No. of Directorship and Committee Memberships/ Chairmanship held in other Companies			Name of other listed companies & categories of directorship	
			Board	AGM	Directorship\$	Committee Membership**	Committee Chairmanship	Name of the Company	Category
1	Mr. Abhay Soi -Promoter & ED-CMD*	6	6	Yes	0	0	0	-	
2	Ms. Ananya Tripathi-NENID**	4	4	Yes	1	0	0	J B Chemicals and Pharmaceuticals Limited	NENID
3	Mr. Sanjay Omprakash Nayyar-NENID	6	6	Yes	2	2	0	J B Chemicals and Pharmaceuticals Limited	NENID
4	Mr. K Narasimha Murthy-NEID	6	6	Yes	6	6	4	Max Financial Services Limited	NEID
5	Mr. Mahendra Gumanmalji Lodha-NEID	6	6	Yes	4	2	2	Nelco Limited	NEID
6	Mr. Upendra Kumar Sinha-NEID***	6	6	Yes	3	4	3	Max Ventures & Industries Limited	NEID
7	Mr. Michael Thomas Neeb-NEID	6	6	Yes	0	0	0	-	
8	Mr. Prashant Kumar-NENID**	2	2	No					
9	Ms. Tara Singh Vachani- NENID***	1	1	No					
10	Mr. Dinesh Kumar Mittal- NENID****	1	-	No					
11	Mr. Mohit Talwar- NENID****	1	1	No					

Note:

CMD - Chairman & Managing Director, ED- Executive Director, NENID - Non-Executive Non Independent Director, NEID - Non-Executive Independent Director.

*Excludes directorship in foreign companies, membership of managing committees of various chambers/bodies/Section 8 companies and the Company as per Regulation 26 of the Listing Regulations wherever applicable.

\$In accordance with Regulation 26(1) of the Listing Regulations, memberships/chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been taken into account.

* Mr. Abhay Soi was appointed as the Non-Executive Chairman of the Company (retiring Director) w.e.f. June 21, 2019 as a nominee Director of Radiant Life Care Private Limited and he was re-designated as a non-retiring Director w.e.f. July 15, 2019 and was appointed as the Chairman & Managing Director of the Company w.e.f. June 19, 2020 for a period of three years.

**Due to pre-occupation elsewhere, Mr. Prashant Kumar stepped down from the Board w.e.f. June 19, 2020 and Ms. Ananya Tripathi joined the Board in his place as a nominee Director of Kayak Investments Holding Pte. Limited w.e.f June 19, 2020.

***Mr. Upendra Kumar Sinha resigned from the Board of the Company w.e.f May 20, 2021 and Ms. Harneen Mehta was appointed on the Board of the Company as a woman Independent Director w.e.f May 24, 2021, subject to approval of shareholders at the ensuing AGM of the Company.

****Mr. Mohit Talwar, Ms. Tara Singh Vachani and Mr. Dinesh Kumar Mittal stepped down from the Board of the Company as nominee Directors of erstwhile Max India Limited w.e.f June 1, 2020.

The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and the Listing Regulations. None of the Directors of the Company is serving as an Independent Director or as a Director in more than 7 listed companies. Further, none of the Independent Directors of the Company are serving as a Managing Director / Whole time Director in any listed company.

Disclosure of relationships between Directors inter-se:

Pursuant to Shareholders' Agreement dated December 24, 2018 (executed amongst Mr. Abhay Soi and Kayak Investments Holding Pte. Ltd. ("Kayak") and Deed of Accession and Adherence dated June 1, 2020 executed by the Company ("Post Merger SHA") applicable to the Company with effect from June 1, 2020, Kayak has nominated Mr. Sanjay Nayar and Mr. Prashant Kumar and consequent to resignation of Mr. Prashant Kumar, Ms. Ananya Tripathi was appointed as a nominee of Kayak with effect from June 19, 2020 on the Board of the Company. As on March 31, 2021, Mr. Sanjay Nayar and Ms. Ananya Tripathi are nominees of Kayak on the Board of the Company.

Except as mentioned above, none of the Directors is related to any other Director on the Board.

Number of shares and convertible instruments held by Non-Executive Directors (including Non-Executive Independent Director):

As on March 31, 2021, except Mr. K Narasimha Murthy, Independent Director, who is holding 4,950 (Four Thousand Nine Hundred Fifty) equity shares of MHIL (on account of his shareholding in erstwhile Max India Ltd. prior to the Merger and these equity shares were allotted to him pursuant to the Composite Scheme of Amalgamation and Arrangement amongst erstwhile Max India Limited, the Company, Radiant Life Care Private Limited ("Radiant"), Max India Ltd. (formerly known as Advaita Allied Health Services Limited) and their respective shareholders and creditors effective from June 1, 2020 ("Scheme"), none of the Non-Executive Directors

Key qualifications, core skills, expertise and attributes available with the Board:

In terms of requirement of the Listing Regulations and in the context of Company's business operations and activities, the Board has identified the knowledge / expertise / core skills/ behavioral traits of the Directors, as given below:

Core skills/ Expertise	Mr. Abhay Soi	Ms. Ananya Tripathi	Mr. Sanjay Omprakash Nayar	Mr. K Narasimha Murthy	Mr. Mahendra Gumanmalji Lodha	Mr. Upendra Kumar Sinha (resigned w.e.f May 20, 2021)	Mr. Michael Thomas Neeb	Ms. Harmeem Mehta (appointed w.e.f May 24, 2021)
People of proven business capability, people of integrity and reputation	✓	✓	✓	✓	✓	✓	✓	✓
Experience in handling senior level responsibility (especially in large complex organizations) either business or otherwise	✓	✓	✓	✓	✓	✓	✓	✓
Members are from diverse background that bring different perspective and experiences	✓	✓	✓	✓	✓	✓	✓	✓
Exposure and understanding of corporate governance, systems and control	✓	✓	✓	✓	✓	✓	✓	✓
Experience in health care industry	✓		✓	✓	✓	✓	✓	
Background in finance, risk management and control	✓		✓	✓	✓	✓	✓	✓
Background in general management, human resources, technology and administration	✓	✓	✓	✓	✓	✓	✓	✓

(including Independent Directors) hold any shares or convertible instruments in the Company (either on their own or on behalf of any other person on beneficial basis).

Familiarization programme for the Independent Directors:

The Company has established a familiarization programme for Independent Directors in terms of the provisions of the Listing Regulations.

All Independent Directors have been briefed about their roles, functions and responsibilities in the Company. A formal letter of appointment together with the induction kit is provided to the Independent Directors at the time of their appointment, setting out their roles, functions, duties, responsibilities and their fiduciary duties as a Director of the Company.

Independent Directors are provided with, amongst other documents, copy of the constitutional documents of the Company, latest annual report and internal policies to familiarize them with the Company's procedures and practices.

Interactions are held between the Directors and Senior Management of the Company to familiarize the Independent Directors with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are made at the meetings of the Board/ various committees of the Board, to familiarize the Independent Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

The familiarization programme aims at helping the Board members to understand the functions and operations of the Company, its management, its business model and business risks, nature of industry in which it operates, the regulatory challenges apart from their roles, rights, responsibilities in the Company, etc. Details of the familiarisation programme for the Independent Directors are put up on the Company's website at the link: <https://www.maxhealthcare.in/investors/corporate-governance>.

As far as skills namely business leadership, strategic thinking/ planning skills, problem solving skills, analytical skills, decision making skills and behavioral traits namely integrity, genuine interest, interpersonal skills/ communication and active participation are concerned, all Directors of the Company possess the same.

The Board is satisfied that it is comprised of highly qualified members who possess required skills, expertise, diversity and competencies which is required for effective functioning of the Company and allow them to make effective contributions to the Board and its Committees.

Confirmation regarding independence of Independent Directors:

The Nomination, Remuneration and Board Diversity Policy sets out the criteria for appointment of Independent Directors. Each Independent Director, at the time of appointment, and thereafter at the beginning of each financial year submits a declaration confirming their independence as well as compliances under section 149(6) and the rules made thereunder, Schedule IV of the Act and Regulation 16 and 25 of Listing Regulations and all other applicable provisions of the Act and Listing Regulations. The declaration of independence received from the Independent Directors are noted and taken on record by the Board.

On the basis of confirmations/ declarations/ disclosures received from the Independent Directors and on evaluation of the relationship disclosed, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the Act and Listing Regulations and are independent of the Management.

Independent Director databank registration:

In compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have registered themselves on the data bank maintained by the Indian Institute of Corporate Affairs. Requisite disclosures under Section 149(6) of the Act, have also been received from the Independent Directors in this regard.

Detailed reasons for the resignation of an Independent Director who resigns from the Board before the expiry of his tenure:

Mr. Upendra Kumar Sinha has stepped down from the position of Independent Director of the Company with effect from May 20, 2021 as he has accepted a more active advisory role in the Company with effect from June 1, 2021 to help the Company / its subsidiaries in strategic and regulatory affairs, in view of the unprecedented ongoing challenging COVID-19 pandemic time.

Except as mentioned above, there is no other material reason for his resignation.

Separate Meeting of Independent Directors:

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of Listing Regulations, for the FY 2020-21, a separate meeting of Independent Directors was

held on May 28, 2021. Except Ms. Harmeem Mehta (who was appointed on the Board on May 24, 2021), all Independent Directors attended this meeting.

The Independent Directors at the meeting, inter-alia, reviewed the following:

- Performance of Non-Independent Directors and Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of Non-Executive Directors (including Independent Directors);
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors suggested that the Board need to spend more time in strategic discussion as the Company is going through its turnaround phase. Also, an annual session on technological developments in healthcare sector should be organized as a part of annual training to Directors. Based on majority of the feedback, the Directors expressed satisfaction with the overall evaluation process

Code of Conduct:

The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The said Code has been communicated to the Directors and Senior Management Personnel and is also available on the website of the Company and can be accessed through the link: <https://www.maxhealthcare.in/investors/corporate-governance>.

Declaration from the Chairman & Managing Director confirming that the Company has received affirmations from the Board members and the Senior Management Personnel regarding the compliance of Code of Conduct during the year under review, is annexed as **Annexure - I** and forms part of this Report.

Succession Planning:

The Company believes that sound succession plan for the senior leadership is very important for creating a robust future for the Company. The NRC of the Company works with the Board on the leadership Succession plan to ensure orderly succession in appointments on the Board and in senior management.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. The Board members also bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

THE DETAILS OF COMMITTEES CONSTITUTED UNDER THE ACT AND LISTING REGULATIONS:

Audit & Risk Committee ("A&RC")

Composition:

The composition of A&RC of Board of Directors of the Company meets the requirements of Section 177 of the Act and Regulation 18 of Listing Regulations. The composition of A&RC as on March 31, 2021 (including the changes during the FY 20-21) is as under:

S. No.	Name	Position	Category
1.	Mr. Mahendra Gumanmalji Lodha	Chairman	Non-Executive Independent Director
2.	Mr. Abhay Soi*	Member	Executive Director
3.	Mr. Dinesh Kumar Mittal**	Member	Non-Executive Non Independent Director
4.	Mr. K. Narasimha Murthy	Member	Non-Executive Independent Director
5.	Mr. Michael Thomas Neeb***	Member	Non-Executive Independent Director
6.	Mr. Sanjay Omprakash Nayar	Member	Non-Executive Non Independent Director
7.	Mr. Upendra Kumar Sinha\$	Member	Non-Executive Independent Director

Notes:

Except Chairman of the Committee, all other names are in alphabetical order

* Appointed as member w.e.f. 19.06.2020.

** Ceased to be a member w.e.f. 01.06.2020.

***Appointed as member w.e.f. 11.02.2021.

\$ Subsequent to FY 2021, Mr. Upendra Kumar Sinha resigned from the Board of the Company w.e.f May 20, 2021 and Ms. Harmeet Mehta was appointed on the Board of the Company as a Woman Independent Director w.e.f May 24, 2021, subject to approval of shareholders at the ensuing AGM of the Company. Ms. Harmeet Mehta has also been co-opted as a member of the A&RC w.e.f. May 24, 2021.

As on the date of this Corporate Governance Report, the Committee comprises of Mr. Mahendra Gumanmalji Lodha (Chairman), Non-Executive Independent Director, Mr. K. Narasimha Murthy (Member), Non-Executive Independent Director, Mr. Michael Thomas Neeb (Member), Non-Executive Independent Director, Mr. Sanjay Omprakash Nayar (Member), Non-Executive Non Independent Director, Mr. Abhay Soi (Member), Executive Director and Ms. Harmeet Mehta (Member), Non-Executive Independent Director.

The Committee comprises of Directors with majority of Independent Directors. All members of the Committee are financially literate persons having vast experience in the area of finance, accounts, strategy and management. The Chairman of the Committee is an Independent Director.

The management is responsible for the Company's internal controls and the financial reporting process, while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the A&RC to supervise these processes and thus, ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Company Secretary of the Company is acting as the Secretary to the A&RC.

Terms of reference:

The terms of reference and scope of the A&RC, inter-alia include the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend to the Board, the appointment/ re-appointment, remuneration and terms of appointment of auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
 - Any changes in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosures of any related party transactions; and
 - Qualifications/ Modified opinion(s) in the draft audit reports.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval of, or any subsequent modification of, transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Reviewing the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding INR 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussions with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle blower Mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;
- To carry out any other duties/terms of reference which are incidental/necessary for the fulfilment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Review of information by A&RC:

Apart from other matters, as per Regulation 18(3) of the Listing Regulations, the A&RC reviews, to the extent applicable, the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
- Management letters / letters of internal control weaknesses, if any, issued by statutory auditors;

- Internal Audit Reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the internal auditors; and
- Statement of Deviations, if applicable:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
 - Annual statements of funds utilized for purposes other than those stated in the offer documents/ prospectus/ notice, if applicable, in terms of Regulation 32(7A) of the Listing Regulations.

Meetings of A&RC and attendance of members:

During the financial year 2020-21, 8 (Eight) meetings of the A&RC were held on June 19, 2020, June 27, 2020, September 1, 2020, October 27, 2020, November, 11, 2020, January 19, 2021, February 6, 2021 and March 30 2021. The attendance of members of A&RC at these meetings was as follows:

S. No.	Name	No. of meetings held during the FY 20-21	No. of meetings attended during the FY 20-21
1.	Mr. Mahendra Gumanmalji Lodha	8	8
2.	Mr. K. Narasimha Murthy	8	8
3.	Mr. Sanjay Omprakash Nayar	8	8
4.	Mr. Upendra Kumar Sinha	8	8
5.	Mr. Abhay Soi	8	8
6.	Mr. Michael Thomas Neeb	1	1
7.	Mr. Dinesh Kumar Mittal	-	-

The A&RC meets at least four times in a year, with a maximum time gap of 120 days between any two meetings.

Senior Director & Chief Financial Officer, Director - Legal, Compliance & Regulatory Affairs, Senior Vice President (Accounts and Finance) and Senior Director (Corporate Affairs) are the permanent invitees to the meetings of A&RC and provide such information and clarifications as required by the A&RC, which provides a deeper insight into the respective business and functional areas of operations. Apart from them, other officials of the Company attended one or more of the A&RC Meetings during the year under review, as may be required from time to time.

The Statutory Auditors, Cost Auditors and Internal Auditors also attend the respective A&RC Meetings, where statutory audit reports, financial results or limited review report/ cost audit reports/ internal audit reports are discussed.

The Chairman of the A&RC, Mr. Mahendra Gumanmalji Lodha was present at the last AGM of the Company held on September 29, 2020.

Nomination & Remuneration Committee ("NRC")**Composition:**

The composition of NRC of Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 19 of Listing Regulations. The composition of NRC as on March 31, 2021 (including the changes during the FY 20-21) is as under:

S. No.	Name	Position	Category
1.	Mr. Upendra Kumar Sinha ^a	Chairman	Non-Executive Independent Director
2.	Mr. Abhay Soi*	Member	Executive Director
3.	Ms. Ananya Tripathi**	Member	Non-Executive Non Independent Director
4.	Mr. K Narasimha Murthy	Member	Non-Executive Independent Director
5.	Mr. Mahendra Gumanmalji Lodha	Member	Non-Executive Independent Director
6.	Mr. Mohit Talwar***	Member	Non-Executive Non Independent Director
7.	Mr. Prashant Kumar ^d	Member	Non-Executive Non Independent Director

Notes:

Except the Chairman of the Committee, all names are in alphabetical order
^a Ceased to be member w.e.f. 20.05.2021 and consequent upon the resignation of Mr. Upendra Kumar Sinha from the Board of the Company, Mr. K Narasimha Murthy was designated as Chairman of the Committee in place of Mr. Sinha w.e.f. May 24, 2021.

*Ceased to be member w.e.f. 19.06.2020

**Appointed as member w.e.f. 19.06.2020

*** Ceased to be member w.e.f. 01.06.2020

^dCeased to be member w.e.f. 19.06.2020

As on the date of this Corporate Governance Report, the Committee comprises of Mr. K. Narasimha Murthy (Chairman), Non-Executive Independent Director, Ms. Ananya Tripathi, (Member), Non-Executive Non Independent Director, Mr. Mahendra Gumanmalji Lodha (Member), Non-Executive Independent Director and Ms. Harmeen Mehta (Member), Non-Executive Independent Director w.e.f. May 24, 2021.

Terms of reference:

The terms of reference of NRC, inter-alia include the following:

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Recommending to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;

- To review the adequacy of the organization structure of the Company in keeping with, and in the context of, the objectives of the Company;
- To review the adequacy and existence of a training and development framework to support the talent strategy of the Company;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
- To carry out any other duties/ terms of reference which are incidental/ necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Meetings of NRC and attendance of members:

During the financial year 2020-21, Six (6) Meetings of NRC were held on June 19, 2020, June 27, 2020, September 1, 2020, November 11, 2020, February 6, 2021 and March 30, 2021. The attendance of the members of the NRC at these meetings was as follows:

S. No.	Name	No. of meetings held during the FY 20-21	No. of meetings attended during the FY 20-21
1.	Mr. Upendra Kumar Sinha	6	6
2.	Mr. Mahendra Gumanmalji Lodha	6	6
3.	Mr. K Narasimha Murthy	6	6
4.	Ms. Ananya Tripathi	5	5
5.	Mr. Abhay Soi	1	1
6.	Mr. Mohit Talwar	-	-
7.	Mr. Prashant Kumar	1	1

The Company Secretary of the Company is acting as the Secretary to the NRC.

The Chairman of NRC at the time of last AGM (i.e. September 29, 2020) was present in that AGM.

Performance evaluation criteria for Independent Directors:

A formal evaluation of performance of the Board, its Committees, the Chairman and individual Directors was carried out for the FY 2020- 21, details of which are provided in the Board's Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC")**Composition:**

In terms of Regulation 20 of the Listing Regulations, the Company has constituted SRC on June 19, 2020. The composition of SRC of Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 20 of Listing Regulations.

The composition of SRC as on March 31, 2021 was as under:

S. No.	Name	Position	Category
1.	Mr. K Narasimha Murthy	Chairman	Non-Executive Independent Director
2.	Mr. Abhay Soi	Member	Executive Director
3.	Ms. Ananya Tripathi	Member	Non-Executive Non Independent Director

Except the Chairman of the Committee, all names are in alphabetical order

There is no change in composition of SRC since March 31, 2021 till the date of this Corporate Governance Report.

Role & terms of reference:

The SRC plays an important role in acting as a link between the management and ultimate owners of the Company i.e., the shareholders. The Committee looks after the redressal of investors' grievances and performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The terms of reference of SRC inter-alia, includes the following:

- Approve/refuse/reject registration of transfer/transmission of securities;
- Authorise printing of share certificates;
- Issuance of duly signed share certificates under the seal of the Company;
- Authorise affixation of the common seal of the Company on share certificates of the Company;
- Authorise managers/officers/signatories for signing share certificates;
- Authorisation for issuance of duplicate share certificates and share certificates after split / consolidation/ replacement;
- Maintain, preserve and keep in its safe custody all books and documents relating to the issue of shares, including allotment lists;
- Resolve and monitor the redressal of complaints related to transfer/transmission of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, approve issue of new/duplicate certificates and new certificates on split/consolidation/renewal etc.;
- Review the measures taken for effective exercise of voting rights by shareholders;
- Review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Perform all functions relating to the interests of Stakeholders of the Company and as assigned by the Board, as may be required under the provisions of the Act and relevant rules made thereunder, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and guidelines issued by the Securities and Exchange Board of India or any other regulatory or statutory authority, as applicable to the Company.

Meeting of SRC and attendance of the members:

During the FY 2020-21, One (1) meeting of SRC was held on February 06, 2021. The attendance of members of SRC at this meeting was as follows:

S. No.	Name of the Member	No. of meetings held during the FY 20-21	No. of meetings attended during the FY 20-21
1.	Mr. K Narasimha Murthy	1	1
2.	Mrs. Ananya Tripathi	1	1
3.	Mr. Abhay Soi	1	1

The Company Secretary & Compliance Officer of the Company is acting as the Secretary to the SRC. She is responsible for ensuring prompt and effective services to the shareholders and for monitoring the dedicated email address for receiving investor grievances.

The Chairman of SRC, Mr. K Narasimha Murthy was present at the AGM of the Company held on September 29, 2020.

Since the Company was listed on stock exchanges on August 21, 2020, so, there is no investor grievance pending in the beginning of FY 20-21. During the year under review, the Company has received 1 (one) investor grievance (relating to non-receipt of the shares allotted by the Company on June 19, 2020, pursuant to the Scheme in physical form) and the same was resolved satisfactorily and there were no pending investor grievance as on March 31, 2021.

The Company put utmost priority to the satisfaction of its shareholders. The Company maintains continuous interaction with its Registrar and Share Transfer Agent viz. Link Intime India Private Ltd. and takes proactive steps and actions for resolving shareholder complaints / queries. The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/ issues have been resolved expeditiously, except in case of dispute over facts or other legal constraints.

RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the Listing Regulations, based on the criterion of Market Capitalization data released by National Stock Exchange of India Limited and BSE Limited as on March 31, 2021, the Company was required to constitute a Risk Management Committee for monitoring & reviewing the Risk Management Plan of the Company and other related functions. Accordingly, the Board of Directors of the Company in their meeting held on May 28, 2021, designated the A&RC as the Committee for Risk Management in terms of Regulation 21 of the Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR COMMITTEE")

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

Composition:

The composition of CSR Committee meets the requirements of Section 135 of the Act. The composition of the CSR committee

as on March 31, 2021, (including changes during the FY 20-21) is as under:

S. No.	Name	Position	Category
1.	Mr. Abhay Soi	Chairman	Executive Director
2.	Ms. Ananya Tripathi*	Member	Non-Executive Non Independent Director
3.	Mr. Mahendra Gumanmalji Lodha	Member	Non-Executive Independent Director
4.	Mr. Mohit Talwar**	Member	Non-Executive Non Independent Director
5.	Mr. Prashant Kumar***	Member	Non-Executive Non Independent Directors
6.	Ms. Tara Singh Vachani**	Member	Non-Executive Non Independent Director

Notes:

Except Chairman of the Committee, all names are in alphabetical order

* Appointed as a member w.e.f. 19.06.2020.

** Ceased as a member w.e.f. 01.06.2020.

*** Ceased as a member w.e.f. 19.06.2020.

As on the date of this Corporate Governance Report, the CSR comprises of Mr. Abhay Soi, (Chairman), Executive Director, Mr. Mahendra Gumanmalji Lodha (Member), Non-Executive Independent Director and Ms. Ananya Tripathi (Member), Non-Executive Non Independent Director).

Terms of reference:

The terms of reference of the CSR Committee inter-alia, include the following:

- Formulation and recommendation of CSR Policy of the Company to the Board. The CSR Committee recommends the amount of CSR expenditure, as may be applicable, to the Board of Directors and monitor the implementation of CSR Policy of the Company;

Amendment to CSR Policy

The CSR Policy of the Company has been amended on May 28, 2021, in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified on January 22, 2021.

The CSR Policy may be accessed on the Company's website <https://www.maxhealthcare.in/investors/corporate-governance>.

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibilities Policy) Rules, 2013, in view of the Company's carried forward losses, the Company was not required to spend on CSR for the FY 2020-21 and accordingly, no meeting of CSR Committee was held during the FY 20-21.

Confirmation on recommendations of Committees of the Board

During FY 2020-21, the Board of Directors has accepted all recommendations of the committees of Board.

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY:

The Company's Remuneration Policy represents the approach of the Company for remuneration of Directors and Senior Management. The Company's policy on Board Diversity sets out the approach to have a diversity on the Board of the Company in terms of gender, age, cultural, educational & geographical background, ethnicity, profession, experience skills and knowledge.

The compensation of Directors, Key Managerial Personnel, Senior Management and other employees is based on the following principles:

- Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders;
- Minimizing complexity and ensuring transparency;
- Linked to long term strategy as well as annual business performance of the Company;
- Promoting a culture of meritocracy and linked to key performance and business drivers; and
- Reflective of line expertise and market competitiveness so as to attract the best talent.

The details of this policy are available on the Company's website and can be accessed at <https://www.maxhealthcare.in/investors/corporate-governance>.

REMUNERATION OF DIRECTORS

Remuneration of Executive Director i.e. Mr. Abhay Soi, Chairman & Managing Director ("CMD") as recommended by the NRC and approved by the Board of Directors at their respective meetings held on June 19, 2020 and shareholders of the Company by passing resolution through postal ballot dated July 30, 2020, is in accordance with Schedule V to the Act.

The remuneration is arrived at after considering various factors such as qualification, experience, expertise, criticality of the position held, prevailing remuneration in the industry etc. The remuneration is commensurate with the roles and responsibilities.

Remuneration to Executive Director:

The details of remuneration paid to the CMD during the financial year 2020-21 (w.e.f. June 19, 2020 till March 31, 2021) are as under:

Name of the Director & designation	Salary	Perquisites	Total	(INR in Lakh)
Mr. Abhay Soi (CMD)	9,13,98,008	4,58,169	9,18,56,177	

Notes:

- The tenure of office of Mr. Abhay Soi, CMD, is for a period of three years with effect from June 19, 2020. Further, Mr. Abhay Soi is also entitled to an Incentive Plan in his capacity as Promoter of the Company (which is objective, transparent and measurable and based on cost saving determinations and process as more specifically provided under the Post Merger SHA executed amongst Mr. Abhay Soi and Kayak Investments Holding Pte. Ltd. and in respect of which Deed of Adherence has been executed by the Company), to be implemented by way of a transfer of shares held by Kayak in the Company to him, in accordance with the Post Merger SHA, as amended from time to time.

The terms and conditions of the appointment of Mr. Abhay Soi is governed by the MD Employment Agreement executed between him and the Company.

- All elements of remuneration of Mr. Abhay Soi i.e., salary, perquisites and other benefits, etc. are given in Note no. 29.11 to the Standalone Financial Statements of the Company.

3. The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis.

4. Notice period : Shall be governed by the MD Employment Agreement that inter alia includes (i) One Hundred Eighty days' prior written notice by Mr. Abhay Soi on or before May 31, 2023; and (ii) One Hundred Eighty days' prior written notice by Mr. Abhay Soi and Ninety days' prior written notice by the Company after May 31, 2023.

5. Severance fees: Shall be governed by the MD Employment Agreement that inter-alia provides that in case of Mr. Abhay Soi terminating the MD Employment Agreement on account of change in control of the Company, MHIL shall pay to Mr. Abhay Soi 50% of his annual remuneration as compensation payment.

Presently, the Company is not paying any sitting fees to its Non-Executive Non Independent Directors.

The details of sitting fees paid to the Non-Executive Independent Directors during financial year 2020-21 are as under:

Name of the Director	Designation	(INR in Lakh)	Sitting Fees
Mr. K Narasimha Murthy	Non-Executive Independent Director		21
Mr. Mahendra Gumanmalji Lodha	Non-Executive Independent Director		20
Mr. Upendra Kumar Sinha	Non-Executive Independent Director		20
Mr. Michael Thomas Neel	Non-Executive Independent Director		7

The Independent Directors also gets reimbursement of the expenses incurred by them for attending the meeting of the Board and / or Committee thereof.

There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the Financial Statements for the FY ended March 31, 2021.

GENERAL BODY MEETINGS

Annual General Meetings ("AGM"):

During the preceding three years, the Company's AGM were held at the registered office of the Company. The date, location and time of the last three AGMs and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Date	Time	Venue	Special Resolution(s) Passed
2019-20	29.09.2020	12:00 Noon	Registered Office of the Company: 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai- 400018. (The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as per circular dated May 5, 2020 issued by the Ministry of Corporate Affairs. The deemed venue for the AGM was Registered Office of the Company.)	<ul style="list-style-type: none"> Approval of 'Max Healthcare Institute Limited Employee Stock Options Plan-2020' and grant of employee stock options to the eligible employees of the Company; Grant of employee stock options under 'Max Healthcare Institute Limited ESOP Plan-2020' to employees of the Holding Company, if any and/or subsidiary company(ies) of the Company; Issue of Securities to Qualified Institutional Buyers up to INR 1,200 Crore; Issue of Non-Convertible Debentures on Private Placement basis upto INR 550 Crore; Amendment to Articles of Association ("AOA") of the Company pursuant to the terms of amendment to the 'Cost Saving Incentive Plan' as mentioned in Clause 9A.1 of Shareholders' Agreement dated December 24, 2018 executed amongst Mr. Abhay Soi (as the Promoter) and Kayak Investments Holding Pte. Ltd. ("Kayak/ Investor"), in respect of which Deed of Accession and Adherence was executed by the Company on June 1, 2020 ("Post Merger SHA") and such other related provisions of Post Merger SHA between the Investor, Mr. Abhay Soi and the Company executed on September 06, 2020.
2018-19	24.09.2019	11:30 a.m.	167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai- 400018.	<ul style="list-style-type: none"> Re-appointment of Mr. K Narasimha Murthy as an Independent Director of the Company for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. September 26, 2019; Appointment of Dr. Mradul Kaushik as Manager of the Company for a period of 3 years w.e.f. August 01, 2019; Offer and issue of Non-Convertible Debentures on private placement basis to International Finance Corporation for an amount not exceeding INR 483.90 Crore.
2017-18	28.09.2018	11:30 a.m.	Ground Floor, Conference Room, N-110, Panchsheel Park, New Delhi – 110017.	<ul style="list-style-type: none"> Approval of terms of remuneration of Mr. Rajit Mehta as MD & CEO for the period starting from April 1, 2018 till March 31, 2019; Offer and issue of Redeemable Non-Convertible Debentures for an amount not exceeding INR 550 Crore (Indian Rupees Five Hundred and Fifty Crore only) by way of private placement.

Extra-Ordinary General Meetings ("EGM"):

The details of EGM held during the preceding three years and special resolutions passed thereat with requisite majority are as under:-

Financial Year	Date	Time	Venue	Special Resolutions Passed
2019-20	25.03.2020	06:00 p.m.	Meeting Room, Max Medcentre (Immigration Check), 26/A, 1 st Floor, Ring Road, Lajpat Nagar, New Delhi – 110024.	No special resolution was passed.
2019-20	25.02.2020	02:00 p.m.	Locus, Board Room, 7 th Floor, Tower A, DLF Centre Court, DLF City, Phase-V, Gurugram – 122002.	<ul style="list-style-type: none"> To increase the limit to make loan(s) or give guarantee(s) or provide security(ies) or make investment(s) in excess of the prescribed limit under Section 186 of the Act for an amount not exceeding INR 3,500 Crore at any point of time; To increase the borrowing limits under Section 180(1)(c) of the Act for an amount not exceeding INR 3,500 Crore at any point of time; To increase the limits under Section 180(1)(a) of the Act for creation of charge on movable and immovable assets of the Company not for an amount not exceeding INR 3,500 Crore at any point of time; Offer and issue of Non-convertible debentures of for an amount up to INR 100 Crore by way of private placement.
2019-20	12.08.2019	11:00 a.m.	Locus, Board Room, 7 th Floor, Tower A, DLF Centre Court, DLF City, Phase-V, Gurugram – 122002.	<ul style="list-style-type: none"> To increase the borrowing limits under Section 180(1)(c) of the Act from INR 1,000 Crore to INR 1,500 Crore; To increase the limits under Section 180(1)(a) of the Act, for creation of charge on movable and immovable assets of the Company for an amount not exceeding INR 1,500 Crore at any point of time.
2019-20	15.07.2019	11:00 a.m.	Locus, Board Room, 7 th Floor, Tower A, DLF Centre Court, DLF City, Phase-V, Gurugram – 122002.	No special resolution was passed.
2019-20	21.06.2019	06:30 p.m.	7 th Floor, Tower A, DLF Centre Court, DLF City, Phase-V, Gurugram – 122002.	<ul style="list-style-type: none"> Adoption of new set of AOA of the Company in terms of Shareholders Agreement dated December 24, 2018 executed between erstwhile Max India Limited, Radiant Life Care Private Limited and the Company.
2019-20	19.06.2019	09:00 a.m.	Ground Floor, Conference Room, N-110, Panchsheel Park, New Delhi – 110017.	<ul style="list-style-type: none"> Approval of terms of remuneration of Mr. Rajit Mehta as MD & CEO for the period starting from April 1, 2019 till July 28, 2019; Terms of remuneration of Mr. Yogesh Kumar Sareen as a Whole-time Director of the Company for FY 2019 – 2022.
2018-19	27.12.2018	04:00 p.m.	Ground Floor, Conference Room, N-110, Panchsheel Park, New Delhi – 110017.	<ul style="list-style-type: none"> Shifting of registered office from the "National Capital Territory of Delhi" to "State of Maharashtra (Mumbai)" and alteration of Memorandum of Association.
2018-19	31.10.2018	04:00 p.m.	Ground Floor, Conference Room, N-110, Panchsheel Park, New Delhi – 110017.	<ul style="list-style-type: none"> Amendment in the AOA of the Company enabling the Company and its Shareholders to agree in writing to deviate from the provisions of these Articles and all acts and/or omissions pursuant to and in compliance with such written agreement shall be valid and binding on the Company and the Shareholders and not be considered ultra vires the Articles.
2018-19	08.08.2018	04:00 p.m.	Ground Floor, Conference Room, N-110, Panchsheel Park, New Delhi – 110017.	<ul style="list-style-type: none"> Amendment in the AOA of the Company for increasing the number of Directors on the Board; Appointment of Mr. Yogesh Kumar Sareen as a Whole-time Director for a period of 5 years w.e.f August 08, 2018 and approval of terms of his appointment and remuneration till March 31st, 2019; Terms of remuneration payable to Mr. Yogesh Kumar Sareen as a Whole-time Director of the Company for the period starting from April 1, 2019 till March 31, 2021; Appointment of Mr. Rohit Kapoor as a Whole-time Director for a period of 5 years w.e.f. August 08, 2018 and approval of his terms of his remuneration till March 31st, 2019; Terms of remuneration payable to Mr. Rohit Kapoor as Whole-time Director of the Company for the period starting from April 1, 2019 till March 31, 2021.

* No EGM were held during the FY 20-21.

Postal Ballots:

During the FY 2020-21, the Company had passed following special resolutions with requisite majority on July 30, 2020 through e-voting conducted by way of Postal Ballots, result of which was declared on July 31, 2020:

Special Resolution (s) Passed	Votes casted in favour		Votes casted against	
	Number of votes	% of Votes	Number of votes	%
Alteration of Object Clause of the Memorandum of Association of the Company.	77,50,14,499	99.98%	1,80,640	0.02
Adoption of New set of Articles of Association of the Company.	77,50,14,903	99.98%	1,80,434	0.02
Appointment of Mr. Abhay Soi as Chairman & Managing Director of Company and approval of terms & conditions thereof.	77,50,14,756	99.98%	1,80,581	0.02

Person conducting the postal ballot exercise:

All the Directors of the Company, Ms. Vandana Ramesh Pakle, Sr. Director – Corporate Affairs, Mr. Atulya Sharma, Director – Legal, Compliance & Regulatory Affairs, Mr. Yogesh Kumar Sareen, Senior Director & Chief Financial Officer and Ms. Ruchi Mahajan, Company Secretary & Compliance Officer were authorized for conducting postal ballot process in a fair and transparent manner.

Mr. Devesh Kumar Vasisht, (Certificate of Practice No. 13700), Partner, M/s Sanjay Grover & Associates, Company Secretaries, New Delhi (Firm Registration No. P2001DE052900), was appointed as the Scrutinizer for conducting the postal ballot process (through remote e-voting) in a fair and transparent manner.

As on the date of this report, no special resolution is proposed to be conducted through postal ballot.

Procedure for Postal Ballot:

A detailed procedure followed by the Company for conducting the Postal Ballot is provided hereunder:

In compliance with provisions of Sections 108 and 110 and other applicable provisions of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and in accordance with the General Circulars issued by the Ministry of Corporate Affairs vide Nos.14/2020, 17/2020 and 22/2020 dated April 08, 2020, April 13, 2020 and June 15, 2020, respectively, issued by MCA ("MCA Circulars") on account of the threat posed by COVID-19, the Company extended only the remote e-voting facility for its shareholders, to enable them to cast their votes electronically instead of submitting the postal ballot form.

The Company availed the services of Link Intime India Private Limited for the purpose of providing e-voting facility to all its shareholders. The dispatch of Postal Ballot Notice pursuant to the Act, Secretarial Standards 2 and MCA Circulars for passing the resolutions as set out in the said Postal Ballot Notice whose names appeared in the Register of Members as on June 26, 2020 ("cut-off date") was completed on June 30, 2020 through Link Intime India Private Limited.

The voting period commenced on Wednesday, July 1, 2020, at 9.00 a.m. (IST) and ended on Thursday, July 30, 2020, at 5.00 p.m. (IST).

The shareholders of the Company holding shares as on cut-off date were entitled to vote on the resolutions as set out in the Postal Ballot Notice and voted through e-voting facility only as per the MCA circulars. Shareholders cast their votes on the designated platform viz., <https://instavote.linkintime.co.in>.

In compliance with the requirements of the MCA Circulars, the physical copy of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent

to the shareholders of the Company for this Postal Ballot and shareholders were required to communicate their assent or dissent through the remote e-voting system only.

Further, the Company sent the Postal Ballot Notice only by email to all its shareholders who have registered their email addresses with the Company or depository participants and the communication of assent / dissent of the shareholders took place through the remote e-voting system. As required by Rule 20 and Rule 22 of the Rules read with the MCA Circulars, the details pertaining to the Postal Ballot was published in the newspaper advertisement regarding completion of dispatch of Postal Ballot Notice was published by the Company in English 'Business Standard' and in Marathi 'Navshakti' on June 30, 2020.

Mr. Devesh Kumar Vasisht, Scrutinizer had carried out scrutiny of e-votes received upto 5:00 p. m. on July 30, 2020, being the last day of e-voting for Postal Ballot voting and prepared a consolidated Scrutinizer's Report on the basis of data/reports received by him.

The scrutinizer submitted his report to the Chairman, after the completion of scrutiny. The results of voting by postal ballot (through remote e-voting) were then announced by the authorized officer.

The results of postal ballot voting (through e-voting) along with the Scrutinizer's report was displayed at the registered office of the Company at that time i.e. 167, Floor 1, Plot-167 A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai-400018 and Corporate Office of the Company at that time i.e. at 5th, 6th and 7th Floor, Tower – A, DLF Center Court, DLF City, Phase – V, Sector – 42, Golf Course Road, Gurugram -122002 and also placed on the website of the Company at i.e. <https://www.maxhealthcare.in/investors/corporate-governance> and Link Intime India Private Limited i.e. www.linkintime.co.in. The same was also be published in the newspapers in English 'Business Standard' and in Marathi 'Navshakti' on August 1, 2020.

None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

Participation and voting at the 20th AGM:

Pursuant to the General Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively issued by the MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India ("SEBI Circular"), the 20th AGM of the Company will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and the detailed instructions for participation and voting at the meeting is available in the notice of the 20th AGM.

MEANS OF COMMUNICATION

The Company recognizes the importance of two way communication with shareholders and of giving balanced reporting of any disclosure, results etc. and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking any information or clarification, may contact the Company directly throughout the year. Some of the modes of communication are mentioned below:

Results:

The Quarterly/ Half-Yearly/ Annual results are published in the prominent daily newspapers, viz. Business Standard/Financial Express in English (all editions), Navshakti (in Marathi – Mumbai edition) the local newspaper published in the language of the region in which registered office is situated. The results were sent to the stock exchanges and are also displayed on the Company's website <https://www.maxhealthcare.in/investors/corporate-announcements>.

Intimation to the Stock Exchanges:

The Company also intimate/ made disclosures to the Stock Exchanges about all price sensitive matters or such matters which, in its opinion, are material and of relevance to the shareholders and subsequently, issues a press release on the matter, wherever necessary. The Company also regularly provides information to the stock exchanges as per the requirements of Listing Regulations.

News and Press Release:

The official news and press releases are disseminated to stock exchanges and displayed on the Company's website in a timely manner.

Earning calls and presentations to Institutional Investors / Analysts:

The Company organizes an earnings call with analysts and investors after the announcement of financial results. The transcript of the earnings calls are also uploaded on the Company's website voluntarily.

Presentations made to institutional investors and financial analysts on the financial results or otherwise are filed with

the stock exchanges from time to time and uploaded on the Company's website.

Compliance reports, corporate announcements, material information and updates:

The Company disseminates the requisite corporate announcements including the Listing Regulations compliances through NSE Electronic Application Processing System (NEAPS) / BSE Corporate Compliance & Listing Centre. The NEAPS / BSE's Listing Centre is a web-based application and periodical fillings like shareholding pattern, corporate governance report, financial results, material / price sensitive information, etc., are filed electronically on such designated platforms.

Annual Report:

The Annual Report for FY 2020-21 will be uploaded on the Company's website and will be circulated to shareholders and others entitled thereto in electronic mode. The Annual Report will also be submitted to the stock exchanges.

Website:

The Company's website contains a separate dedicated section for "Investors" where shareholders' information is available and the said section is being regularly updated with the financial results, annual reports, official news releases and other important events/ information.

SEBI Complaints Redressal System (SCORES):

The investor complaints are processed by SEBI in a centralized web-based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated exclusive email-ids:

The Company has designated the following email-id for investors servicing: investors@maxhealthcare.com. Investors can also mail their queries to Registrar and Transfer Agent at delhi@linkintime.co.in

GENERAL INFORMATION FOR SHAREHOLDERS:

i) Company Registration Details	The Company is registered in the State of Maharashtra, India. The Corporate Identity Number ("CIN") allotted to the Company by MCA is L72200MH2001PLC322854.
ii) Address of the Registered office	401, 4 th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra-400056.
iii) AGM Date, Time & Venue	The 20 th AGM is to be held on or before September 30, 2021, through VC / OAVM Means. The date and time shall be informed to the shareholders and the stock exchanges in due course of time. As the AGM will be held through VC or OAVM, the deemed venue for the AGM shall be the Registered office of the Company.
iv) Financial Year	The financial year of the Company covers the Period from April 01, 2020 to March 31, 2021.
v) Financial Results likely to be announced by the Company (tentative schedule subject to change)	1. Financial reporting for the quarter ending June 30, 2021- On or before August 15, 2021; 2. Financial reporting for the quarter and half year ending September 30, 2021- On or before November 15, 2021; 3. Financial reporting for the quarter and nine months ending December 31, 2021 - On or before February 15, 2022; 4. Financial reporting for the quarter and financial year ending March 31, 2022 - On or before May 30, 2022.
vi) Date of book closure	The book closure is not mandatory unless there is any corporate action for which the book closure is required. So, the Company is not closing its Share Transfer Books and Register of members for this AGM.
vii) Trading window closure for financial results	From the 1 st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available i.e. declaration of financial results by the Company.
viii) Dividend and Dividend Payment Date	In view of the carry forward losses for the FY 20-21, the Company has not declared any dividend.

ix) Listing on Stock Exchanges

(i) BSE Ltd. (BSE)
Pheroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Tel : 91-22-2272 1234, 1233,
Fax : 91-22-2272 3353/3355
Website : www.bseindia.com

(ii) National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051
Tel : 91-22-2659 8100 – 8114, Fax : 91-22-26598237/38
Website : www.nseindia.com

The Company has paid listing fees for the financial year 2021-22 to both the above stock exchanges and there is no outstanding payment as on date.

The Company has paid Annual Custody/ Issuer fee to both Depositories based on invoices received from the Depositories and there is no outstanding payment as on date.

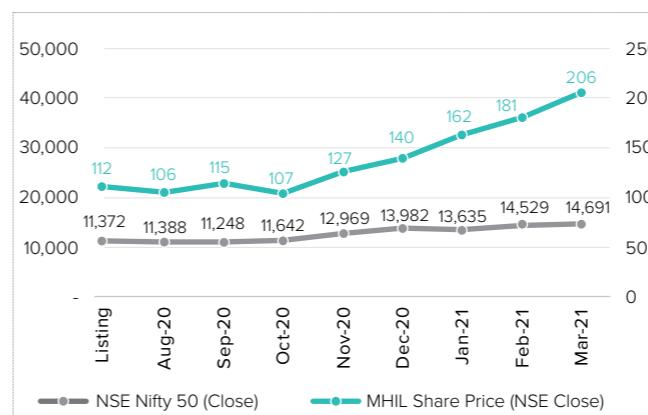
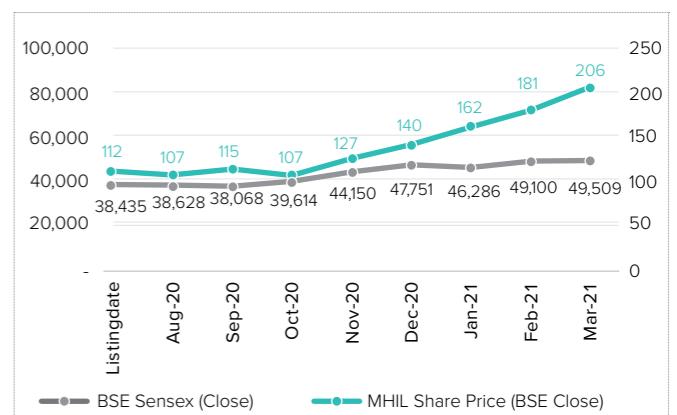
- Trade Symbol at NSE is MAXHEALTH.
- Scrip Code at BSE is 543220.

INE027H01010

Market Price data:

The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2021 are as under:

Month	Share Price (INR.) at BSE		Share Price (INR.) at NSE	
	High	Low	High	Low
April, 2020	-	-	-	-
May, 2020	-	-	-	-
June, 2020	-	-	-	-
July, 2020	-	-	-	-
August, 2020	129.95	107.00	129.30	106.40
September, 2020	133.80	101.65	133.95	101.10
October, 2020	119.05	102.50	119.10	102.35
November, 2020	129.15	106.15	129.20	97.15
December, 2020	151.90	126.60	151.90	126.00
January, 2021	171.00	140.70	170.00	140.00
February, 2021	213.25	163.50	213.40	163.00
March, 2021	215.00	161.20	214.40	180.60

Share Performance of the Company in Comparison to NSE Nifty**Share Performance of the Company in Comparison to BSE Sensex**

Share Price Performance in comparison to broad based indices - BSE Sensex & NSE NIFTY as on March 31, 2021:

Particulars	August 21, 2020	(in INR)	
		March 31, 2021	Changes in %
Max HealthCare Institute Limited's Share Price (closing) at BSE	107.00	206.05	92.57
BSE Sensex Closing Price	38434.72	49509.15	28.81
Max HealthCare Institute Limited's Share Price (closing) at NSE	111.75	205.75	84.15
NIFTY Closing Price	11371.60	14690.70	29.18

Registrar and Share Transfer Agent ("RTA"):

Link Intime India Private Limited is acting as RTA for handling the shares related matters, both in physical as well as dematerialized mode. All works relating to equity shares are being done by them. The Shareholders are, therefore, advised to send all their correspondence directly to the RTA. However, for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

Share Transfer System:

Pursuant to the Scheme, on June 19, 2020, the Company has issued the equity shares only in dematerialized form in compliance with the Companies (Prospectus and Allotment of Securities) (Third Amendment) Rules, 2018.

Accordingly, in respect of those shareholders who were holding shares in erstwhile Max India Ltd.(as defined in the Scheme) in physical form as on the Record Date (i.e. June 15, 2020), the Company has transferred the relevant equity shares allotted to these shareholders in 'Max Healthcare Institute Limited- Physical Shareholders' Demat Account" maintained separately by the Company for this purpose.

The Company had sent communication to the shareholders holding shares in physical form, encouraging them to dematerialize their holding in the Company. The communication, inter-alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. As soon as these shareholders follow the prescribed procedure as communicated to them, the Company is immediately crediting the eligible equity shares into the demat account of the concerned shareholder from 'Max Healthcare Institute Limited- Physical Shareholders' Demat Account.

SEBI has mandated that, effective April 01, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form.

In case of shares held in electronic form, the transfers are processed by National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL') through respective Depository Participants.

The Board of Directors of the Company constituted the Shares Committee on February 06, 2021 comprising of Ms. Vandana Ramesh Pakle, Senior Director (Corporate Affairs), Mr. Yogesh Kumar Sareen, Senior Director & Chief Financial Officer,

Dr. Mradul Kaushik – Senior Director (Operations and Planning) as the members and the Company Secretary shall act as the Secretary to this Committee. The Board inter-alia delegated the following powers to the Committee:

- To approve/ refuse/ reject registration of transfer/transmission of securities;
- To approve printing of share certificates;
- To authorise managers/officers/signatories for signing share certificates;
- To authorise issue of duplicate share certificates and share certificates after split / consolidation/ replacement;
- To approve/ refuse/ reject demat/remat of shares;
- To maintain, preserve and keep in its safe custody all books and documents relating to the aforesaid actions.

In compliance with regulation 40(9) of the Listing Regulations, the RTA provides a certificate from a Practicing Company Secretary on a half-yearly basis or such other period as may be prescribed from time to time, relating to transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. The certificates obtained during the FY 2020-21 confirmed that no request was received for transfer of equity shares (since the entire shareholding of the Company is in the dematerialized form) and no request was received for sub-division, consolidation, renewal or exchange of equity shares (since no re-materialization of any equity share has taken place). A copy of the certificate, so received, was submitted to NSE and BSE within the prescribed time.

As on March 31, 2021, all equity shares have been in dematerialized form, the shareholders may contact their respective Depository Participant (DP) to avail the nomination facility.

Reconciliation of Share Capital Audit:

The Company get reconciliation of share capital audit done by Practicing Company Secretary in each quarter to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The audit reports for FY 2020-21 confirmed that the total issued/ paid up capital is in agreement with the total number of equity shares admitted with NSDL and CDSL.

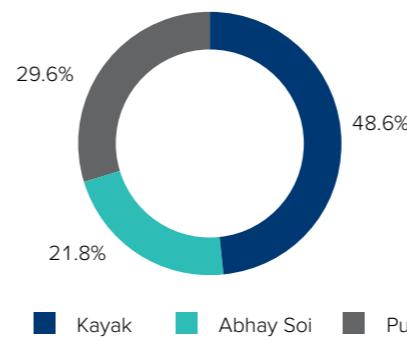
The Audit Reports for the quarter ended September 30, 2020, December 31, 2020 and March 31, 2021, have been filed with Stock Exchanges within one month of the end of the respective quarter or such extended time as prescribed by the SEBI.

**Distribution of Shareholding as on March 31, 2021:
Equity Shares:**

Sr. No.	Shareholding of Shares	Shareholders	% of Total No. of Shareholders	No. of Shares	% Shareholding
1.	1 to 500	38740	83.2456	4490099	0.4648
2.	501 to 1000	3790	8.1441	2977534	0.3083
3.	1001 to 2000	1936	4.1601	2881340	0.2983
4.	2001 to 3000	632	1.3581	1606726	0.1663
5.	3001 to 4000	253	0.5437	912024	0.0944
6.	4001 to 5000	262	0.563	1244081	0.1288
7.	5001 to 10000	407	0.8746	3038688	0.3146
8.	10001 to above	517	1.1109	948794514	98.2245
Total		46537	100	965945006	100

the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The equity shares of the Company are liquid and traded in dematerialized form on BSE and NSE.

**Shareholding Structure
(as on March 31, 2021)**

[^] Others include 4.82% of the equity share capital of the Company, which has not currently been considered towards compliance with the minimum public shareholding threshold

Dematerialization of Shares and liquidity:

As on March 31, 2021, all equity shares of the Company are held in dematerialized form. The shareholders who were holding equity shares in physical form in erstwhile Max India Limited, the relevant equity shares allotted to these shareholders were transferred in 'Max Healthcare Institute Limited- Physical Shareholders' Demat Account' maintained separately by the Company for this purpose.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as

For transfer/dematerialization of shares and any other query relating to shares:

Particulars	Contact Details	Address
For transfer/dematerialization of shares and any other query relating to shares	RTA : Link Intime India Private Limited	Noble Heights, 1 st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110 058 Telephone No.: +91 11 4941 1000; Extn.: 7106 Facsimile No.: +91 11 4141 0591 Investor grievance e-mail: swapann@linkintime.co.in Website: www.linkintime.co.in Contact person: Swapna Kumar Naskar SEBI registration number: INR000004058
For investors assistance	Ms. Ruchi Mahajan Senior Vice President - Company Secretary & Compliance Officer Max Healthcare Institute Limited	2 nd Floor, Capital Cyberspace Sector-59 Gurugram, Haryana-122011 Phone: 0124 - 620 7925 E-mail: investors@maxhealthcare.com
For institutional investors	Mr. Abhishek Agarwal General Manager Corporate Finance	2 nd Floor, Capital Cyberspace Sector-59 Gurugram, Haryana-122011 Phone: 0124 - 620 7925 E-mail: investors@maxhealthcare.com

Credit Rating:

List of all credit ratings obtained by the entity and its material subsidiaries during the financial year ended March 31, 2021, for various bank facilities are as below:

Entity	Credit Rating Agency	Type of Rating	Rating as on March 31, 2020	Movement	Rating as on March 31, 2021
Max Healthcare Institute Limited	CARE Rating Ltd.	Long Term Bank Facilities	CARE A	Revised from CARE A (Single A) and removed from Credit watch with Developing Implications; Stable outlook assigned	CARE AA-
		Short Term Bank Facilities	CARE A1	Revised from CARE A1 (A One) and removed from Credit Watch with Developing Implications	CARE A1+
Hometrail Buildtech Private Limited	CARE Rating Limited	Long Term Bank Facilities	CARE A	Revised from CARE A (Single A) and removed from Credit watch with Developing Implications; Stable outlook assigned	CARE AA-
		Short Term Bank Facilities	CARE A1	Revised from CARE A1 (A One) and removed from Credit Watch with Developing Implications	CARE A1+
Crosslay Remedies Limited	CARE Rating Limited	Long Term Bank Facilities	CARE A	Revised from CARE A (Single A) and removed from Credit watch with Developing Implications; Stable outlook assigned	CARE AA-
		Short Term Bank Facilities	CARE A1	Revised from CARE A1 (A One) and removed from Credit Watch with Developing Implications	CARE A1+

OTHER DISCLOSURES:**Related Party Transactions:**

In terms of Section 188(1) of the Act and Regulation 23 of the Listing Regulations, all related party transactions entered into by the Company during FY 2020-21 were carried out with prior approval of the A&RC. No approval of the Board was required as all transactions were on an arm's length basis and in the ordinary course of business. Related party transactions pursuant to Indian Accounting Standard 24 were, however, disclosed to the Board. The details of related party transactions as per IND AS-24 are discussed in detail in Note No. 29.11 to the Standalone Financial Statements.

Further, a confirmation as to compliance of Related Party Transaction as per the Listing Regulations is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance.

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other related parties, which may have a potential conflict with the interest of the Company at large.

The Board of Directors have approved and adopted "Related Party Transaction Policy". The policy on dealing with related party transactions is disclosed on the Company's website, link for which is <https://www.maxhealthcare.in/investors/corporate-governance>

Details of non-compliances by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

As per Regulation 18(1) of the Listing Regulations, with respect to the composition of A&RC of the Company, the Company had not rounded off the fraction to the highest number as clarified under SEBI SOP circular dated January 22, 2020

read with Regulation 18(1)(b) of the Listing Regulations and accordingly, two-third of the members of this Committee were not Independent Directors from August 21, 2020 (date of listing of equity shares of the Company on BSE Ltd. and National Stock Exchange of India Limited) till February 10, 2021. Thereafter, the Committee was reconstituted on February 11, 2021 and the composition of the said Committee was in due compliance with Regulation 18(1)(b) of the Listing Regulations. The Company paid the penalty of INR 4,10,640 (Indian Rupees Four Lakh Ten Thousand Six Hundred Forty) imposed by NSE and BSE respectively.

Except as stated above, no penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

Confirmation relating to suspension of trading of securities of the Company

The Securities of the Company have not been suspended for trading at any point of time from the date of listing i.e. August 21, 2020 till now.

Vigil Mechanism:

In compliance with the Act and the Listing Regulations, the Company has a policy/ mechanism on dealing with whistle blowers, which is approved by the A&RC of the Company. The A&RC reviews the same as and when required. During the year, no individual was denied access to the said Committee for reporting concerns, if any. The said policy/ mechanism is disclosed on the Company's website, link for which is <https://www.maxhealthcare.in/investors/corporate-governance>.

The Company has put in place a whistle blower policy to support the Code of Conduct. The details about the vigil mechanism form part of the Board's Report.

Statutory Compliance of Laws & Legal Compliance Management Tool

The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

The Company has in place a comprehensive and robust legal compliance management online tool, which is devised to ensure compliance with all applicable laws which impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company.

Prohibition of Insider Trading:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons ('the Code'). The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, the Company has complied with the standardized reporting of violations related to code of conduct under SEBI ('PIT Regulations'). The Company has also put in place the institutional mechanism for prevention of insider trading along with policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the designated persons and their immediate relatives.

As part of the awareness programme, the Company has imparted training to concerned persons by the subject matter expert and initiatives are being taken to educate and promote awareness on the practical aspects through audio-video mechanism.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

During the year, the Company raised an amount ~INR 1,200 Crore by issuing 6,14,12,482 (Six Crore Fourteen Lakh Twelve Thousand Four Hundred Eighty Two) equity shares of INR 10 each fully paid up at INR 195.40 per equity share (including premium of INR 185.40 per equity share) to Qualified Institutional Buyers ("QIB") by way of a Qualified Institutional Placement ("QIP"). Details of utilization of funds are available under **Annexure IV** and forms part of this report. Pursuant to SEBI notification dated December 24, 2019 details of the utilization of funds are submitted to the Stock Exchanges in the separate format as "Statement of Deviation / Variation in utilisation of funds raised" on quarterly basis.

Certification from Company Secretary in Practice:

A certificate has been received from M/s Sanjay Grover and Associates, Practicing Company Secretaries Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed as **Annexure-II** and forms part of this Corporate Governance Report.

Quarterly Reports on compliance with Corporate Governance:

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time and same are also available on website of the Company <https://www.maxhealthcare.in/investors/corporate-announcements>

Policies:

In accordance with its Corporate Governance philosophy for adhering to ethical and governance standards and ensure fairness, accountability, responsibility and transparency to all its stakeholders, the Company inter-alia has the following policies and codes in place. All these policies have been uploaded on the website of the Company.

Name of the Policy	Website Link
CSR Policy	https://www.maxhealthcare.in/investors/corporate-governance
Prevention of Sexual Harassment at Workplace Policy	https://www.maxhealthcare.in/investors/corporate-governance
Code of Conduct for Directors and Senior Management	https://www.maxhealthcare.in/investors/corporate-governance
Code of Conduct to regulate, monitor and report trading by Designated Persons	https://www.maxhealthcare.in/investors/corporate-governance
Code of practices procedures for fair disclosure of unpublished price sensitive information	https://www.maxhealthcare.in/investors/corporate-governance
Dividend Distribution Policy	https://www.maxhealthcare.in/investors/corporate-governance
Nomination Remuneration & Board Diversity Policy	https://www.maxhealthcare.in/investors/corporate-governance
Policy for determination of Materiality of events or information	https://www.maxhealthcare.in/investors/corporate-governance
Policy for determining Material Subsidiary	https://www.maxhealthcare.in/investors/corporate-governance
Policy for preservation of documents and archival of documents	https://www.maxhealthcare.in/investors/corporate-governance
Policy on Familiarization Programme for Independent Directors	https://www.maxhealthcare.in/investors/corporate-governance
Risk Management Policy	https://www.maxhealthcare.in/investors/corporate-governance
Related Party Transaction Policy	https://www.maxhealthcare.in/investors/corporate-governance
Stationery Control Policy	https://www.maxhealthcare.in/investors/corporate-governance
Whistle Blower Policy	https://www.maxhealthcare.in/investors/corporate-governance

Subsidiary Companies:

All subsidiary companies are managed by their Board of Directors including IDs, wherever applicable, having the rights

and obligations to manage such companies in the best interest of their stakeholders.

In terms of Regulation 16(1)(c) of the Listing Regulations, the Board of Directors has adopted a policy with regard to determination of material subsidiaries. The policy is available on the website of the Company and can be accessed through the link: <https://www.maxhealthcare.in/investors/corporate-governance>.

Based on the Audited Financials of the Company for financial year 2020-21, pursuant to Regulation 16(1) of Listing Regulations, Hometrail Buildtech Private Limited ("HBPL") (wholly owned subsidiary of the Company) and Crosslay Remedies Limited ("CRL") (subsidiary of Company) are the Material Subsidiaries of the Company for the financial year 2021-22.

Further, pursuant to Regulation 24(1) of the Listing Regulations, CRL is the material subsidiary of the Company for financial year 2021-22. On May 28, 2021, the Board recommended the appointment of Mr. K Narasimha Murthy, an Independent Director on the Board of the Company, as a Director on the Board of CRL, an unlisted material subsidiary of the Company for the financial year 2021-22, in terms of Regulation 24(1) of the Listing Regulations, subject to necessary approvals.

The A&RC of the Board of Directors of the Company reviewed the financial statements, in particular the investments made by all its Indian subsidiary companies.

The minutes of Board meetings of Indian subsidiary companies are placed at the Board Meeting of the Company and the significant transactions or arrangements entered into by the unlisted subsidiary companies are periodically informed to the Board.

Disclosure of Accounting Treatment:

The Company has prepared the financial statements for the year in compliance with the Indian Accounting Standards ('Ind-AS') notified by the Ministry of Corporate Affairs. The Significant Accounting Policies applied in preparation of the financial statements as per Ind-AS have been set out in the Notes to financial statements.

Risk Management:

The Company has risk management system aimed at identifying, analysing, assessing, mitigating, monitoring risk or potential threat to achievement of its strategic and business objectives covering various aspects of our business, including operations, legal, treasury, regulatory, strategic and financial. The A&RC reviews the mitigation plan for high and critical risks events that may adversely affect the operations and profitability of business and suggest suitable measures to mitigate such risks. The Company's risk management framework is a combination of formally documented policies in certain areas such as financial, legal and regulatory and an informal approach to risk management in others. The Risk management policies and systems are reviewed on a periodical basis to reflect changes in market conditions and business activities.

Fees paid to the Statutory Auditors:

Total fees for all services availed by the Company and its subsidiaries on a consolidated basis from the Statutory Auditor M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N) ("Deloitte") has been provided in

the consolidated financial statements of the Company under Note no. 31.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Number
Number of complaints filed during the financial year	03
Number of complaints disposed of during the financial year	02
Number of complaints pending as on 31 st March, 2021	01*

* Under investigation as on March 31, 2021

Disclosures with respect to unclaimed suspense account:

The Company has 4,85,657 (Four Lakh Eighty Five Thousand Six Hundred Fifty Seven) equity shares of INR 10/- each in respect of 2,222 (Two Thousand Two Hundred Twenty Two) equity shareholders lying in 'Max Healthcare Institute Limited Un-claimed Share Demat Suspense Account' (in demat account- IN30072410193928).

The requisite disclosures as per Schedule V (F) of the Listing Regulations are given below:

Particulars	No. of the Equity Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on August 21, 2020 (i.e. the date of listing of the Company on stock exchanges)	2221	4,85,657*
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	495
Number of shareholders to whom shares were transferred from suspense account during the year	1	495
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	2220	485162

*that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Debenture Trustee:

The Company had not issued any debentures and thus, no Debenture Trustee was appointed by the Company as on March 31, 2021.

COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

I. **Mandatory requirements:** Except as disclosed elsewhere in this Corporate Governance Report, the Company has complied with all mandatory requirements of the Listing Regulations with regard to Corporate Governance. M/s Sanjay Grover & Associates, Company Secretaries, have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the

Listing Regulations for the financial year ended March 31, 2021.

II. **Non-mandatory requirements:** The status on the compliance with the non-mandatory recommendations/discretionary requirements as specified in Part E of Schedule II to the Listing Regulations is as under:

a) **Modified opinion(s) in audit report:** The Company is in the regime of unmodified audit opinion on financial statements.

b) **Reporting of Internal Auditor:** Internal Audit operates on behalf of the Board and A&RC of the Company. The Head of Internal Audit functionally reports to the Chair of the A&RC and attends the relevant meetings of this Committee on a regular basis. Internal audit findings are reported directly to A&RC.

The role of Internal Audit is to provide an objective and independent review of the design and operation of risk management, control and governance processes operated across the Company. Internal Audit also adds value by providing advice to

management on improvements they can make to these processes.

Internal Audit reviews controls covering the appropriateness and effectiveness of risk management and governance processes; the reliability and integrity of financial and operating information; the effectiveness and efficiency of operations; safeguarding of assets, compliance with laws; regulations and contracts; the delivery of major programme and quality and continuous improvement.

The Head of Internal Audit is responsible for developing the Internal Audit framework and ways of working to support the consistent delivery and reporting of Internal Audit results and activities following principles that are aligned with International Internal Auditing Standards.

Internal Audit reviews design of and compliance with laid down policies and procedures, helps mitigate significant risks identified at a functional, business unit or organizational level, provides support on improvement initiatives and conducts ad hoc reviews in relation to risk and controls when required.

DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

As specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations:

S. No.	Regulation No.	Particulars	Compliance Status (Yes or No)
1.	17	Board of Directors	Yes
2.	18	Audit Committee	Yes
3.	19	Nomination and Remuneration Committee	Yes
4.	20	Stakeholders Relationship Committee	Yes
5.	21	Risk Management Committee	NA
6.	22	Vigil Mechanism	Yes
7.	23	Related Party Transactions	Yes
8.	24	Corporate Governance Requirements with respect to Subsidiaries	Yes
9.	25	Obligations with respect to Independent Directors	Yes
10.	26	Obligations with respect to employees including Senior Management Key Managerial Persons, Directors and Promoters	Yes
11.	27	Other Corporate Governance Requirements	Yes
12.	46(2)(b) to (i)	Website	Yes

CHAIRMAN & MANAGING DIRECTOR / CFO CERTIFICATION

The Chairman & Managing Director, Senior Director & Chief Financial Officer have certified, in terms of Part B of Schedule II of the Listing Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification of the Financial Statements and the Cash Flow Statement for the financial year 2020-21 is annexed as **Annexure - III** and forms part of this Corporate Governance Report.

For and on behalf of the Board

Sd/-

Abhay Soi

DIN: 00203597

(Chairman & Managing Director)

Place: New Delhi
Dated: May 28, 2021

ANNEXURE I

DECLARATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of Company's Code of Conduct for the Financial Year ended March 31, 2021.

For and on behalf of the Board

Sd/-
Abhay Soi
DIN: 00203597
Chairman & Managing Director

Place: New Delhi
Dated: May 28, 2021

ANNEXURE II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
MAX HEALTHCARE INSTITUTE LIMITED
401, 4th Floor, Man Excellenza,
S. V. Road, Vile Parle (West),
Mumbai, Maharashtra-400056

1. That Max Healthcare Institute Limited (CIN: L72200MH2001PLC322854) is having its registered office at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra-400056 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited w.e.f August 21, 2020.
2. We have examined the relevant disclosures received from the Directors, registers, records, forms and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the MCA portal i.e. www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the below named Directors on the Board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	*Date of appointment in Company
1.	Mr. Sanjay Omprakash Nayar	00002615	21/06/2019
2.	Mr. Upendra Kumar Sinha	00010336	21/06/2019
3.	Mr. Mahendra Gumanmalji Lodha	00012920	21/06/2019
4.	Mr. Narasimha Murthy Kummamuri	00023046	26/08/2009
5.	Mr. Abhay Soi	00203597	21/06/2019
6.	Ms. Ananya Tripathi	08102039	19/06/2020
7.	Mr. Michael Thomas Neeb	08522685	21/06/2019

Notes:

1. *Date of appointment of all the Directors are original date of appointment as per MCA Records;
2. Changes subsequent to March 31, 2021: Mr. Upendra Kumar Sinha resigned from the Board of the Company w.e.f. May 20, 2021 and Ms. Harmeet Mehta was appointed on the Board of the Company as a woman Independent Director w.e.f. May 24, 2021, subject to approval of shareholders at the ensuing Annual General Meeting of the Company.
4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
Devesh Kumar Vasisht
Partner
CP No.:13700
FCS No. F8488
UDIN.: F008488C000384556

Place: New Delhi
Date: May 28, 2021

ANNEXURE III

To,
 Board of Directors
 Max Healthcare Institute Limited
 401, 4th Floor, Man Excellenza, S. V. Road,
 Vile Parle (West), Mumbai, Maharashtra-400056

Sub: Compliance Certificate under Regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2021

Dear Sir / Ma'am,

We, Abhay Soi, Chairman & Managing Director and Yogesh Kumar Sareen, Senior Director & Chief Financial Officer of Max Healthcare Institute Limited ("the Company"), hereby confirm w.r.t the financial statements for year ended March 31, 2021 that:

- A. We have reviewed financial statements and the cash flow statement (Standalone & Consolidated) for the year ended and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit and Risk Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit and Risk Committee, as may be applicable:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - iii. there has not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You,

Sd/-
Abhay Soi
 DIN: 00203597
 Chairman & Managing Director

Date: May 28, 2021
 Place: New Delhi

Sd/-
Yogesh Kumar Sareen
 Senior Director &
 Chief Financial Officer

STATEMENT OF DEVIATION / VARIATION IN UTILIZATION OF FUNDS RAISED

Name of listed entity	Max Healthcare Institute Ltd.
Mode of fund raising	Qualified Institutional Placement
Date of raising funds	March 09, 2021
Amount raised (Gross)	120,000 Lakh
Report filed for Quarter ended	March 31, 2021
Monitoring Agency	Not Applicable
Monitoring Agency Name, if applicable	Not Applicable
Is there a deviation / variation in use of funds raised	No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable
If yes, date of shareholder approval	Not Applicable
Explanation for the deviation / variation	Not Applicable
Comments of the Audit Committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable
Objects for which funds have been raised and where there has been a deviation, in the following table	

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds utilized	Amount of deviation/variation for the quarter according to applicable object	Remarks if any
i. Part financing the funding requirements of the Company ii. Meeting the capital expenditure and working capital requirements of the Company, Subsidiaries, Managed Healthcare Facilities and Partner Healthcare Facilities and affiliates, if any, including investment or increasing our stake in existing or future subsidiaries, joint ventures and affiliates iii. Repayment of debt iv. Expansion and modernization v. General corporate requirements or any other purposes, as may be permissible under the applicable law and approved by our Board or its duly constituted committee	Not Applicable	117,916 Lakh (Net QIP Proceeds)	Not Applicable	66,810 Lakh	Not Applicable	

Deviations or variations could mean:

- (a) Deviations in the objects or purposes for which the funds have been raised or
- (b) Deviations in the amount of funds actually utilized as against what was originally disclosed or
- (c) Changes in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc

ANNEXURE IV

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of **Max Healthcare Institute Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of

the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

EMPHASIS OF MATTER

We draw attention to note 29.15 of notes forming part of the Standalone Financial Statement, which describes the circumstances arising due to COVID-19, the uncertainties associated with its nature and duration and the consequential impact of the same on the standalone financial statement of the Company.

As stated in the said note, the Company has made an assessment of likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non-current assets including goodwill, other intangible assets, property, plant and equipment and other financial exposures. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

Our report on the Standalone Financial Statements is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key Audit Matter	Auditor's Response
		Principal audit procedures performed
1.	Business combination	<p>With respect to the accounting for business combination, we:</p> <ul style="list-style-type: none"> Obtained an understanding of the transaction from the management and identified key terms relevant to the accounting for the transaction. Read relevant parts of the approved Scheme and assessed the Company's conclusion as regard business combination accounting in accordance with Ind AS 103 with respect to Reverse Acquisition and its impact on the financial statements. Obtained an understanding of management process and tested the Design, Implementation and Operating effectiveness of controls over Purchase Price Allocation (PPA) performed by the management in consultation with external fair valuation specialist (Management expert) and internal controls relating to accounting for the business combination. Assessed the competence, capabilities and objectivity of the management expert engaged by the Company and obtained understanding of the work of the management experts by reviewing the valuation reports. With the assistance of our fair value specialist, evaluated the appropriateness of the valuation methodology and reasonableness of the key valuation assumptions used by management and tested mathematical accuracy of the calculations used in the PPA. Evaluated the appropriateness of the accounting and disclosures in the financial statements in compliance with the accounting standards.
2.	Impairment of intangible assets (Goodwill and trademark)	<p>With respect to Impairment of intangible assets (Goodwill and trademark), we:</p> <ul style="list-style-type: none"> Evaluated the design, implementation and operating effectiveness of controls over impairment assessment, including controls relating to review of future cash flow forecasts (including forecast of future revenue and operating margins) and controls relating to review of assumptions of discount rates and the long term growth rates. Evaluated the reasonableness of the estimates used by management in assessment of future cash flow forecasts and operating margins by comparing them to Historical revenue and operating margins, latest Board approved targets and long term plans. With the assistance of our fair value specialist, evaluated the appropriateness of the valuation methodology and reasonableness of the key valuation assumptions used by management and tested mathematical accuracy of the calculations used in assessment of recoverable value. Evaluated the appropriateness of the accounting and disclosures in the financial statements in compliance with the accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by Section 143(3) of the Act, based on our audit we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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
- As required by the Companies (Auditor's Report) Order, 2016 ("the Order" or "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON

(Partner)
(Membership No. 95540)
(UDIN 21095540AAAABF6049)

Place: New Delhi
Date: May 28, 2021

A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 of the forming part of standalone financial statements.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 28.C of the notes forming part of standalone financial statements.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 29.23 of the notes forming part of standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order" or "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAX HEALTHCARE INSTITUTE LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Max Healthcare Institute Limited** ("the Company") as of March 31, 2021 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 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 of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's 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, to the best of our information and according to the explanations given to us, 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, 2021, based on the criteria for internal financial control over

financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

RASHIM TANDON

(Partner)

(Membership No. 95540)

(UDIN 21095540AAAABF6049)

Place: New Delhi

Date: May 28, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAX HEALTHCARE INSTITUTE LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed asset (Property, Plant and Equipment):
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in property, plant and equipment are pledged with the bank are held in the name of the Company based on the confirmations received by us from the lenders. In respect of immovable properties of land that have been taken on lease and disclosed as part of Right of use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, as per information and explanations given
 - (b) Details of dues of sales tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved* (INR in Lakh)	Amount unpaid (INR in Lakh)
Delhi Value Added Tax Act, 2004	Value Added Tax	Department of Trade and Taxes, Government of NCT of Delhi	2014-15	39	39
Delhi Value Added Tax Act, 2004	Value Added Tax	Department of Trade and Taxes, Government of NCT of Delhi	2015-16	75	75
Delhi Value Added Tax Act, 2004	Value Added Tax	Department of Trade and Taxes, Government of NCT of Delhi	2016-17	130	130

* Refer note 28.A forming part of the Standalone Financial Statements.

There are no dues of Income Tax and Goods and Services Tax as on March 31, 2021 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks. The Company did not have any outstanding dues from debenture holders or Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer (through Qualified Institutional Placement) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have

been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares (through Qualified Institutional Placement) during the year under review.

In respect of the above issue, we report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
(Membership No. 95540)
(UDIN 21095540AAAABF6049)

Place: New Delhi
Date: May 28, 2021

STANDALONE BALANCE SHEET

as at March 31, 2021

	Note No.	As at March 31, 2021 (Refer note 29.19)	As at March 31, 2020 (Refer note 2.1)	(INR in Lakh)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	61,517	435	
(b) Capital work-in-progress	4	815	-	
(c) Right-of-use assets	5	13,575	-	
(d) Goodwill	6	94,742	438	
(e) Other intangible assets	7	1,29,062	8,098	
(f) Intangible assets under development	7	19	-	
(g) Investments in subsidiaries	8	2,37,879	33,526	
(h) Financial assets				
(i) Investments	8	51	-	
(ii) Trade receivables	9	11,945	-	
(iii) Loans	9	56,809	30,783	
(iv) Other bank balances	9	10	6	
(i) Income tax assets (net)	10	6,760	2,315	
(j) Other non-current assets	11	4,926	85	
Total non-current assets		6,18,110	75,686	
Current assets				
(a) Inventories	12	2,149	-	
(b) Financial assets				
(i) Investments	13	-	2,13,598	
(ii) Trade receivables	13	30,744	8,390	
(iii) Cash and cash equivalents	13	59,777	6,576	
(iv) Bank balances other than (iii) above	13	1,322	-	
(v) Loans	13	755	51,014	
(vi) Other financial assets	13	799	-	
(c) Other current assets	14	639	17	
Total current assets		96,185	2,79,595	
TOTAL ASSETS		7,14,295	3,55,281	
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15 (i)	96,595	53,724	
(b) Other equity	15 (ii)	4,97,348	2,33,784	
Total equity		5,93,943	2,87,508	
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	31,692	-	
(ii) Lease liabilities	17	13,858	-	
(b) Provisions	18	1,918	88	
(c) Deferred tax liabilities (net)	29.2	45,199	-	
(d) Other non-current liabilities	19	170	256	
Total non-current liabilities		92,837	344	
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	1,435	65,782	
(ii) Trade payables				
-Total outstanding dues of micro enterprises and small enterprises	20	45	-	
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	19,259	1,390	
(iii) Lease liabilities	20	606	-	
(iv) Other financial liabilities	20	2,670	133	
(b) Other current liabilities	21	1,912	89	
(c) Provisions	18	1,588	35	
Total current liabilities		27,515	67,429	
Total Liabilities		1,20,352	67,773	
TOTAL EQUITY AND LIABILITIES		7,14,295	3,55,281	

The accompanying notes are integral part of the standalone financial statements

1-29

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place : New Delhi
Date : May 28, 2021

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

Place : New Delhi
Date : May 28, 2021

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place : New Delhi
Date : May 28, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

	Note No.	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)	(INR in Lakh)
I Revenue from operations				
II Other income				
III Total income (I+II)				1,13,729
IV Expenses				
(a) Purchase of pharmacy, drugs, consumables and implants				23,712
(b) (Increase)/decrease in inventory of pharmacy, drugs, consumables and implants				793
(c) Employee benefits expense	24			26,547
(d) Professional and consultancy fee				19,535
(e) Finance costs	25			11,245
(f) Depreciation and amortization expense	26			9,075
(g) Other expenses	27			16,401
Total expenses (IV)				1,07,308
V Profit /(Loss) before exceptional items and tax (III-IV)				6,421
VI Exceptional items	29.18			(21,067)
VII Loss before tax (V+VI)				(14,646)
VIII Tax expenses				
(a) Current tax	29.2			-
(b) Deferred tax charged/ (credit)	29.2			1,799
Total tax expenses (VIII)				1,799
IX Loss for the year (VII - VIII)				(16,445)
X Other comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
(a) Re-measurement gains/(losses) on defined benefit plans	29.3			(72)
(b) Income tax effect	29.2			38
Other comprehensive income/(loss) for the year				(34)
XI Total comprehensive loss for the year (IX+X)				(16,479)
XII Earnings per equity share (Nominal Value of share INR 10)				
Basic (INR)	29.12			(1.91)
Diluted (INR)				(1.91)

The accompanying notes are integral part of the standalone financial statements

1-29

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place : New Delhi
Date : May 28, 2021

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

Place : New Delhi
Date : May 28, 2021

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A) EQUITY SHARE CAPITAL

Particulars	Numbers	Amounts (INR in Lakh)
Equity shares of INR 10 each issued, subscribed and fully paid (Refer note 2.1)		
As at April 01, 2019	53,72,44,328	53,724
Add: Issue of equity shares	-	-
As at March 31, 2020	53,72,44,328	53,724
Less: Cancellation of shares upon business combination (refer note 15(i))	(53,39,95,874)	(53,399)
Add: Issue of shares pursuant to the Scheme (Refer note 2.1 and 15(i))	90,12,84,070	90,129
Add: Issue of shares under Qualified Institutional Placement (refer note 15 (i))	6,14,12,482	6,141
As at March 31, 2021	96,59,45,006	96,595

B) OTHER EQUITY

Particulars	Securities premium (Refer note 15(ii))	Share options outstanding account (Refer note 15(ii))	Retained earnings (Refer note 15(ii))	Total other equity (INR in Lakh)
As at April 01, 2019 (Refer note 2.1)	35,195	-	-	35,195
Loss for the year	-	-	(296)	(296)
Other comprehensive income for the year	-	-	35	35
Premium on issue of fresh equity shares	1,99,049	-	-	1,99,049
Less : share issue expenses	(199)	-	-	(199)
As at March 31, 2020	2,34,045	-	(261)	2,33,784
Loss for the year	-	-	(16,445)	(16,445)
Other comprehensive loss for the year	-	-	(34)	(34)
Pursuant to the Scheme (refer note 2.1)	1,64,661	-	956	1,65,617
Premium on issue of equity shares under Qualified Institutional Placement (refer note 15(ii))	1,13,859	-	-	1,13,859
Less: share issue expenses (refer note 15(ii))	(2,084)	-	-	(2,084)
Share-based payment to employees (refer note 15(ii))	-	2,651	-	2,651
As at March 31, 2021	5,10,481	2,651	(15,784)	4,97,348

The accompanying notes are integral part of the standalone financial statements

1-29

In terms of our report of even date attached

**For DELOITTE HASKINS & SELLS
Chartered Accountants**
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place : New Delhi
Date : May 28, 2021

**For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED**

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place : New Delhi
Date : May 28, 2021

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2021

The standalone cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(14,646)	(310)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on tangible assets	3,987	70
Depreciation on right of use assets	1,227	-
Amortization of intangible assets	3,861	265
Income on modification/termination of lease under Ind AS 116	(24)	-
Loss on foreign exchange fluctuation (net)	26	-
Provision for doubtful advances and doubtful debts (net)	482	-
Bad debts and Debit balances written off	317	-
Net loss/ (income) on sale/disposal of property, plant and equipment	(17)	-
Unclaimed balances and excess provisions written back	(245)	(54)
Loss on remeasurement of previously held equity interest by Radiant Life Care	17,289	-
Employee stock option scheme expenses - equity settled	2,383	-
Employee stock option scheme expenses - cash settled	604	-
Guarantee commission	-	(122)
Finance income	(9,317)	(6,425)
Interest on lease liability	1,223	-
Interest on debts and borrowings (including fair value change in financial instruments)	9,795	5,999
Operating cash flow before working capital changes	16,945	(577)
Working capital changes:		
(Increase)/ decrease in trade receivables	4,765	(2,146)
Decrease in inventories	793	-
(Increase) in other financial assets	(1,738)	(3)
(Increase)/Decrease in other current assets and security deposit given	(137)	23
Increase/(Decrease) in provision for gratuity and leave encashment	457	(68)
(Decrease) in trade payables and other financial liabilities	(2,387)	(18)
Increase in other current liabilities	912	-
Cash generated from/(used in) operations	19,610	(2,789)
Taxes (paid)/ refund - (net)	2,314	(823)
Net cash generated from/(used in) operating activities (A)	21,924	(3,612)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets, CWIP, capital creditors and capital advances	(3,141)	(297)
Movement in leasehold assets (net)	1,573	-
Proceeds from disposal of property, plant and equipment	135	-
Loan given to subsidiaries and other healthcare service providers	(6,689)	-
Loan repaid by subsidiaries and other healthcare service providers	13,483	-
Loan given to a jointly controlled entity	-	(43,927)
Purchase of equity instruments of Max Healthcare Institute Limited (Refer to Note 2.1)	-	(2,13,598)
Investments in Saket City Hospitals Limited	(46,810)	-
Investments in Crosslay Remedies Limited	(2,333)	-
Investments in Radiant Life Care Mumbai Private Limited	-	(2,000)
Finance income	9,317	6,197
Net cash flows from/(used in) investing activities (B)	(34,465)	(2,53,625)

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2021

		(INR in Lakh)
	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of equity share capital including security premium	1,17,916	-
Amount of issue of equity shares attributable to healthcare business of Radiant	-	1,85,752
Repayments of long term borrowings	(54,108)	(12,035)
Proceeds from/(repayments of) short-term borrowings (net of repayment)	(64,941)	66,312
Proceeds from long term borrowings	53,705	-
Payment of principal portion of lease liabilities	(1,886)	-
Payment of interest on lease liabilities	(1,223)	-
Interest on debts and borrowings paid	(9,795)	(6,805)
Net cash flows from/(used in) financing activities (C)	39,668	2,33,224
Net increase/(decrease) in cash and cash equivalents (A + B + C)	27,127	(24,013)
Cash and cash equivalents at the beginning of the year (refer note 13)	6,576	30,589
Increase in cash and cash equivalents pursuant to the Scheme (refer note 2.1)	26,074	-
Cash and cash equivalents at the end of the year (refer note 13)	59,777	6,576

COMPONENTS OF CASH AND CASH EQUIVALENTS:

		(INR in Lakh)
	As at March 31, 2021	As at March 31, 2020
Balances with banks on current accounts	551	5,922
Fixed deposits with banks of maturity less than three months	59,037	654
Cheques/drafts on hand and digital wallet receivables	119	-
Cash on hand	70	-
Total cash and cash equivalents	59,777	6,576

The accompanying notes are integral part of the standalone financial statements

1-29

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place : New Delhi
Date : May 28, 2021

**For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED**

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place : New Delhi
Date : May 28, 2021

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

1 CORPORATE INFORMATION

Max Healthcare Instituted Limited ("MHIL" or "the Company") was incorporated on June 18, 2001 and its registered office is located at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai 400056. The equity shares of the Company were listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited on August 21, 2020.

The Company is primarily engaged in provision of healthcare services through primary care clinics, multi speciality hospitals / medical centres and super-specialty Hospitals facilities. These facilities include medical facilities [including through the Operation & Management agreement (O&M) that the Company has entered into with Lahore hospital Society to manage the operation of Dr. B.L. Kapur Memorial hospital (being a unit of Lahore hospital Society) i.e. 'managed facilities' and medical facilities of third party healthcare providers with whom, the Company has entered into long term service contracts for providing operation and management, medical services, clinical, radiology, pathology services and related healthcare services.

Also, refer to note 2.1 below with respect to business combination pursuant to Composite Scheme of Amalgamation and Arrangement (hereafter referred to as 'the Scheme') amongst the Company, Radiant Life Care Private Limited ('Radiant'), erstwhile Max India Limited and its subsidiary company Advaita Allied Healthcare Services Limited (now known as Max India Limited ('Max India')) effective from June 01, 2020. On effectiveness of the Scheme, along with other developments as explained below, Abhay Soi and Kayak Investment Holdings Pte. Ltd. became controlling shareholders of the Company.

These financials issued under the name of Max Healthcare Institute Limited (legal acquirer) represent the continuation of the financials of Radiant Life Care (accounting acquirer), as more fully explained in note 2.1 below.

The financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 28, 2021.

2 BASIS OF PREPARATION

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

The financial statement have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair values (as explained in significant accounting policies 3 below) and accounting for business combination carried out by the Company during the period (as more fully explained in note 2.1 below).

The preparation of financial statement requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and reported amounts of revenues and expenses. The estimates are based on historical experience and various other assumptions. The management evaluates estimates on an ongoing basis and make changes to them as management becomes aware of changes in circumstances towards the estimates. Actual results may differ from these estimates. Refer to note 3.3 for significant accounting judgements, estimates and assumptions.

The following note provides list of the significant accounting policies adopted in the preparation of this financial statement.

2.1 Business combination during the year ended March 31, 2021

2.1.1 The Board of Directors of Max Healthcare Institute Limited in their meeting held on December 24, 2018, approved a Composite Scheme of Amalgamation and Arrangement (hereafter referred to as "The Scheme") amongst Max India Limited ("Max India"), Max Healthcare Institute Limited ("MHIL"), Radiant Life Care Private Limited ("Radiant Life") and a wholly owned subsidiary of Max India incorporated for this purpose viz. Advaita Allied Health Services Limited ("Advaita") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme inter-alia provides for following arrangement between Max India, MHIL, Advaita and Radiant Life:

- a) Demerger of the activity of making, holding and nurturing investments in allied health and associated activities (collectively known as "Demerged Undertaking") from Max India into Advaita.
- b) Demerger of healthcare business of Radiant Life into MHIL.
- c) Amalgamation of residual Max India (post demerger of the Demerged Undertaking), which comprises of healthcare activities (including its underlying investment in MHIL) with MHIL.

The Company, on May 27, 2020 received the certified copy of National Company Law Tribunal ('NCLT') approving the Composite Scheme of Amalgamation and Arrangement ("the Scheme") amongst the Company, Radiant Life Care Private Limited ('Radiant'), erstwhile Max India Limited and its subsidiary company Advaita Allied Healthcare Services Limited (now known as Max India Limited ('Max India')). Thereafter, the Board of Directors took note of the NCLT order approving the Scheme and filed the NCLT order with the respective Registrar of Companies on June 01, 2020 giving effect to the Scheme.

Consequently, Kayak Investments Holding Pte. Ltd. ("Kayak") and Mr. Abhay Soi, (the shareholders of

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

"Radiant Life Care" (Demerged healthcare business of Radiant) obtained control of the Company. The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with Radiant Life Care as the accounting acquirer and Max Healthcare Institute Limited as the accounting acquiree/legal acquirer.

Accordingly, these financials issued under the name of Max Healthcare Institute Limited (legal acquirer) represent the continuation of the financials of Radiant Life Care (accounting acquirer) except for capital structure and reflects the assets and liabilities of Radiant Life Care measured at their pre-acquisition carrying value

Details in respect of business combination is provided below:

No.	Particulars	(INR in Lakh)	Amount
A. Consideration transferred			
(i)	Fair value of the Radiant Life Care's previously held equity interest in the Company	1,96,309	
(ii)	Fair value of shares deemed to be issued on reverse acquisition	2,02,372	
	Total consideration (A)	3,98,681	
B. Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition			
Assets			
(i)	Property, plant and equipment	62,168	
(ii)	Right-of-use assets	16,351	
(iii)	Capital work-in-progress	332	
(iv)	Intangible assets	1,25,094	
(v)	Intangible assets under development	11	
(vi)	Non-current investments	1,54,994	
(vii)	Trade receivables (non-current)	11,578	
(viii)	Loans (non-current)	24,897	
(ix)	Other bank balances (non-current)	10	
(x)	Non-current tax assets (net)	6,797	
(xi)	Other non-current assets	4,613	
(xii)	Inventories	2,943	
(xiii)	Trade receivables (current)	27,952	
(xiv)	Cash and cash equivalents	26,074	
(xv)	Other bank balances	45	
(xvi)	Loans (current)	3,642	
(xvii)	Other financial assets (current)	332	
(xviii)	Other current assets	1,046	
	Total assets acquired (a)	4,68,879	
Liabilities			
(i)	Long term borrowings	31,337	
(ii)	Lease liabilities (non-current)	15,654	
(iii)	Other financial liabilities (non-current)	90	
(iv)	Long term provisions	1,463	
(v)	Deferred tax liabilities (net)	43,438	
(vi)	Other non-current liabilities	27	
(vii)	Short term borrowings	46,814	
(viii)	Trade payables	20,116	
(ix)	Lease liabilities (current)	697	
(x)	Other financial liabilities (current)	2,677	
(xi)	Other current liabilities	798	
(xii)	Short term provisions	1,391	
	Total liabilities acquired (b)	1,64,502	
	Net assets recognised pursuant to the Scheme (a-b)	3,04,377	
C. Goodwill (A-B)			
			94,304

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Goodwill represents residual consideration attributable to unidentified intangible assets acquired by acquirer. Goodwill recognised above is not deductible for tax purposes. Also refer note 6 for detailed disclosure.

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Company.

In view of the foregoing, the financial results of the accounting acquiree have been included from the effective date of the Scheme i.e. June 01, 2020. The previous year result presented above are, thus that of Radiant Life Care and not comparable with the current period. Financial results for the year ended March 31, 2021 have the result of ten months operation of Max Healthcare Institute Limited and twelve months of Radiant Life Care.

2.1.2 Pursuant to the Scheme becoming effective from June 01, 2020, on June 19, 2020, the Company allotted 635,042,075 and 266,241,995 shares of face value of INR 10 each to the existing shareholders who were holding shares of the Radiant and erstwhile Max India Ltd. respectively as on their respective record dates. Further the existing share capital held by Radiant and Max India were cancelled upon implementation of the Scheme. Pursuant to the Scheme, 424,676,811 and 210,365,264 equity shares were allotted to Kayak Investment Holdings Pte. Ltd. and Mr. Abhay Soi respectively. The details of shareholding have been submitted to the stock exchanges.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Tara Singh Vachani, Ms. Piya Singh, Mr. Veer Singh, Max Ventures Investment Holdings Private Ltd., Kayak Investments Holding Pte. Ltd. and Mr. Abhay Soi are Promoters of the Company. In terms of the Scheme, Analjit Singh, Neelu Analjit Singh, Piya Singh, Veer Singh, Tara Singh Vachani and Max Ventures Investment Holdings Private Limited will be de – promoterised subject to the provisions of the SEBI Listing Regulations. Post such de – promoterisation and consequent reclassification as public shareholders, Abhay Soi and Kayak shall be the promoters of the Company.

2.1.3 Revenue and profit contribution (also refer note 3.2)

The acquired business contributed revenue from operation of INR 1,08,017 Lakh and profit of INR 2,595 Lakh to the Company for the period 31 March 2021.

If the acquisitions had occurred on April 01, 2020, consolidated pro-forma revenue and profit/(loss) for the year ended March 31, 2021 would have been INR 1,24,818 Lakh and INR (19,348) Lakh respectively.

2.1.4 Acquisition of assets and liabilities of residual Max India

The assets and liabilities of residual Max India transferred to the Company pursuant to the Scheme is treated as the acquisition of individual assets and liabilities as these net assets acquired does not meet the definition of business as per Ind AS 103. The investment previously held by residual Max India amounting to INR 70,569.55 Lakh has been eliminated on merger as envisaged under the Scheme with the corresponding adjustment to equity of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES, BUSINESS COMBINATION, ESTIMATES AND ASSUMPTIONS**3.1 Significant accounting policies (also refer note 3.2)****a. Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

b. Property, plant and equipment

Property, plant and equipment (PPE) including capital work-in-progress are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises of purchase price, taxes, duties (including import duties paid through EPCG license), freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by Goods and Service Tax credit (GST) wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

The Company identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost and has useful life that is materially different from that of remaining asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets prescribed in schedule II of Companies Act 2013, except for certain classes of property, plant and equipment which are depreciated based on the technical assessment made by the independent valuation expert engaged by management. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life of the assets are as follows:

Assets	Useful lives (in years)
Leasehold improvements	Lower of the estimated useful life of tangible asset or respective lease term
Building	60 Years*
Medical equipment	7-13 Years*
Hand instrument	4 Years
Lab equipment	10 Years
Electrical installations and equipment's	7-10 Years*
Plant and equipment	15 Years*
Office equipment	5 Years
Computers & data processing units	3 - 6 Years
Furniture and fixtures	5-10 Years
Motor vehicles other than ambulance	8 Years
Ambulance	6 Years

*The Company has determined the remaining useful life of the PPE acquired on date of acquisition, based on the assessment made by independent valuation expert engaged by the Company. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

The useful life of following acquired assets estimated by independent valuation expert are as below:

Assets	Useful life
Building	5 - 60 Years
Medical equipment	4-24 Years
Electrical installations and equipment's	5-22 Years
Plant and equipment	4-23 Years

Any tangible assets cost of INR 5,000/- is depreciated within one year.

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

c. Intangible assets

Intangible assets acquired separately are stated at cost except for fair valued on business combination (Refer note 2.1). Following initial recognition, intangible assets are carried at cost less

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

accumulated amortization and impairment losses, if any. Cost of internally generated intangibles, excluding capitalized development cost, are reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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

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

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life.

Intangible Assets	Useful lives
Softwares	2-7 years
Non-Compete agreement	As per agreement period
Medical service agreement	As per agreement period
Radiology and pathology service agreement	As per agreement period
Operation and Management Right	As per agreement period

d. Impairment of non financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In the event such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment

loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which such estimates are made.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and such reduction in the carrying amount is recognised as impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e. Financial Instruments

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

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)

- Those measured at amortized cost

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iii) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Cash flow characteristics test : The asset's contractual cash flows represent sole payment of principal and interest (SPPI).

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

Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified

as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity instruments measured at FVTPL and fair value through other comprehensive income (FVTOCI)

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

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

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

Impairment of financial assets

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

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

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at the time of initial revenue

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on the historically observed default rates over the expected life of various categories of trade receivables and these are updated and changed based on forward looking estimates at every reporting date.

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

(ii) **Financial liabilities**

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

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

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

Loans and borrowings

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by a Company entity are initially measured at their fair values.

Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial instruments

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

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

f. *Investment in subsidiaries*

The investment in subsidiaries are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

g. Revenue

i) Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services net of returns and allowances, trade discounts and volume rebates. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither ownership nor effective control over the goods sold or services rendered.

Contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to an amount that reflects the consideration which the Company expects to receive in exchange for those services and is net of tax collected from customers and remitted to government authorities and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

a. Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmacy and pharmaceutical items. The Company collects goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company and thus excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

b. Revenue from healthcare services

Revenue from rendering of healthcare services (including drugs, consumables and implants used in delivery of such services) is recognized over the time based on the performance of related services to the customers as per the terms of contract.

Income from medical services and operation and management fee is recognised as and when obligations arising out of the contractual arrangements are fulfilled and services are provided in terms of such agreements.

II) Other Services Rendered

Income from other services like sponsorship income, education income, clinical trials and other ancillary activities is recognized based on the terms of the contract and it is probable that economic benefits associated with the transaction will flow to the entity and amount of revenue can be measured reliably.

III) Rental income

Rental income arising from operating leases and licences is accounted as per their respective terms of contract and is included in operating revenue in the statement of profit or loss due to its operating nature.

IV) Incentive Income

Benefits under "Service exports from India Scheme" and "Export promotion capital goods scheme" on 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 to the extent there is no significant uncertainty about the measurability and ultimate utilization.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

v) Other income

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

h. Inventories

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

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

i. Government Grants

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

Non-monetary government grants related to assets, shall be recognised for the amount incurred over and above the grant received and in case of nil consideration both Government grant & assets are recognised at a nominal amount.

j. Taxes

Current income tax

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

Current income tax relating to items recognized outside profit or loss is included either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to

situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, if any.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

k. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

A discontinued operation is a 'component' of the Company business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale. The Company considers the guidance in Ind AS 105 Non-Current assets held for sale and discontinued operations to assess whether a divestment asset would qualify the definition of 'component' prior to classification into discontinued operation.

i. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and charged to statement of profit and loss on the basis of effective interest rate (EIR) method. Finance cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Finance costs directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other finance costs are expensed in the period in which they occur.

m. Leases

As per Ind AS 116 applicable from April 01, 2019 The Company assesses at contract inception whether a contract is, or contains, a lease. i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities for payment to lessor and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the

underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Assets	Useful lives (in years)
Leasehold improvements	Over the leasehold period

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (Impairment of non-financial assets).

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its weighted average cost of debt as incremental borrowing rate as on initial recognition date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term/lease payments or a change in the assessment of an option to purchase the underlying asset and corresponding adjustment to right to use assets.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Short term leases and lease of low value assets

The Company applies the short term lease recognition exemptions to its short term leases of property like nursing hostels i.e. those leases that have a lease term of twelve months or less from commencement date and do not contain a purchase option. Lease payment on short term leases are recognized as expenses on a straight line basis over the term of the lease.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as per the term of lease agreement.

n. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such obligation. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

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

Contingent assets are disclosed in the financial statement by way of notes to accounts when an inflow of economic benefit is probable.

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

o. Employee benefits

Provident fund
Retirement/ post-employment benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the regional

PF Commissioner. The Company recognise contribution payable to provident fund scheme as an expenditure, when an employee renders related service.

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 companies towards a policy to partially cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the period-end and the balance of funds with the life insurance companies is provided as liability in the books.

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

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

(ii) Net interest expenses or income

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

Leave encashment

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

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

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Short-term obligations

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

Long term incentive plan

Employees of the 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.

p. Share-based payments

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Restricted bank balances and deposits having maturity more than 3 months are classified and disclosed as other bank balances.

r. Earning per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders (i.e. profit/(loss) after tax [including the post tax effect of exceptional items, if any]) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

s. Foreign currencies

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's Financial Statements are presented in Indian rupee ('the functional currency') which is also the Company's functional and presentation currency.

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

Measurement of foreign currency items at the balance sheet date

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

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

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of :-

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statement, the assets and liabilities of the Company's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

t. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in profit or loss account.

u. Fair value measurement

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

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

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

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

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

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

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

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

v. Segment accounting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Company's chief operating decision maker ("CODM").

The Company has identified only one reportable business segment as it deals mainly in provision of healthcare services

3.2 Business combination and goodwill

The Company accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the business are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard).

The consideration transferred for the acquisition of a business is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company in exchange for control of the business.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made retrospectively within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date or would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units or group of cash-generating units that is expected to benefit from the synergies of the combination.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the statement of profit and loss on disposal.

3.3 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

Judgements

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

(a) Impairment**(i) Impairment testing of goodwill and other intangible assets**

Goodwill and intangible assets (such as Trademarks), if any, that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other intangible assets (including Operation and management rights and Service agreement) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). During the year Company has done the impairment assessment of Goodwill and other intangibles (including those appearing in the subsidiaries) and have concluded that there is no impairment in value of goodwill and other

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

intangibles assets as appearing in the Financial Statements.

(ii) Impairment testing of non-Financial assets

The Company non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(iii) Impairment testing of Financial assets

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

(iv) Impairment testing of trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. In determining of impairment losses, the Company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows and a risk of default and expected loss rates exists. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or conditions which is based on historic loss rates, present developments such as liquidity issues and information about future economic conditions, with respect to reduction in the recoverability of cash flows.

(v) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any indication exists, or when annual impairment testing for an investment is required. The Company estimates the investment's recoverable amount. An investments amount is higher of an investment's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an investment or CGU exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present

value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investments. In determining fair value less costs of disposal, appropriate methods are taken into account. On disposal of investment, the difference between net disposal proceeds and the carrying amount are recognised in the Statement of Profit & Loss.

(b) Business combination

Business combination during the current year (as explained in note 2.1 above) has been accounted as reverse acquisition under Ind AS 103, "Business Combination". Significant estimates and judgements are required to be made in determination of business, accounting acquirer, accounting acquiree and acquisition date and identification of assets and liabilities acquired. Ind AS 103 requires Identification and valuation of assets (including intangible assets and trademarks) and liabilities (including contractual obligations) of the accounting acquiree & its subsidiaries as at the acquisition date. The Company engages third party experts to perform the valuation for identifiable tangible and intangible assets. Information about the business combination and related valuation is provided separately in these financial statements.

(c) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

(d) Taxes

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

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

conditions prevailing in the respective domicile of the companies.

(e) Assessment of claims and litigations disclosed as contingent liabilities

There are certain claims and litigations which have been assessed as contingent liabilities by the management (Also refer note 28) and which may have an effect on the operations of the Company. Claim and litigation should be decided against the Company. The management has assessed that no further provision / adjustment is required to be made in the financial statements for the above matters, other than what has been already recorded, as they expect a favourable decision based on their assessment and the advice given by the external legal counsels / professional advisors.

(f) Gratuity and Leave encashment

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

(i) Fair value measurement of financial instrument

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

3.4 (a) New Accounting standards issued but not yet effective

MCA notifies new standard or amendments to the existing standards. There is no such notification

which would have been applicable from April 01, 2021.

(b) New Amendments not yet adopted by the Company

On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013.

Key amendments relating to Division II which relates to the Company whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for any change in the ratio by more than 25% as compared to the preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

Statement of profit and loss :

- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.

These amendments are applicable from April 01, 2021. The Company is currently evaluating the impact of these amendment on the standalone financial statements.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

										(INR in Lakhs)
										Capital work in progress
										Total
										(INR in Lakhs)
Gross carrying amount (at cost)										485
As at April 01, 2019	-	-	-	-	471	5	1	8	-	485
Additions	-	-	-	-	2	-	292	3	-	297
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	-	471	7	1	292	11	-	782
Pursuant to the Scheme (Refer Note 2.1)	21,500	15,446	3,566	15,075	43	3,233	239	589	746	1,031
Additions	-	-	-	-	-	-	-	-	-	272
Disposals	-	-	-	-	-	-	-	-	-	62,168
As at March 31, 2021	21,500	15,691	3,490	16,645	48	3,734	302	540	1,430	514
Accumulated depreciation										571
As at April 01, 2019	-	-	-	-	266	4	1	6	-	277
Additions	-	-	-	-	66	-	3	1	-	70
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	-	-	332	4	1	3	7	347
Pursuant to the Scheme (Refer Note 2.1)	-	-	-	-	-	-	-	-	-	-
Additions (refer footnote 4.03)	261	390	1,967	4	381	89	230	174	187	174
Disposals	-	-	162	88	-	14	4	76	4	16
As at March 31, 2021	261	228	1,879	4	699	89	155	173	194	158
Net carrying amount										139
As at March 31, 2021	21,500	15,430	3,262	14,766	44	3,035	213	385	1,257	320
As at March 31, 2020	-	-	-	-	-	139	3	-	289	4
										435

4. PROPERTY, PLANT AND EQUIPMENT ('PPE') AND CAPITAL WORK-IN-PROGRESS

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

4.01 Property, Plant and Equipment for the year ended March 31, 2020 relates to assets pertaining to healthcare undertaking of Radiant Life Care Private Limited (Refer to note 2.1)

4.02 Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, identified tangible assets of accounting acquiree (as more explained in note 2.1) are measured at acquisition date fair value, as determined by independent valuation expert engaged by the Company. Fair value of the land of the hospital units of the accounting acquiree (Max Healthcare Institute Limited) is determined by the independent valuation expert based on active market prices, adjusted for difference in the nature, locations and conditions of the specific property. These assets include:

- Land pertaining to hospital situated at West Block, Saket and Shalimar Bagh has been taken from Delhi Development Authority under perpetual lease.
- Fair value and remaining useful life of other assets acquired namely hospital buildings / other buildings and medical equipment's, plant and machinery and other assets are also determined by independent

5 RIGHT-OF-USE ASSETS

	(INR in Lakh)	
	Leasehold Building	Total
Gross carrying amount (at cost)		
On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019		
Additions	-	-
Deletion	-	-
As at March 31, 2020		
Pursuant to the Scheme (Refer Note 2.1)	16,351	16,351
Additions	135	135
Deletion	1,714	1,714
As at March 31, 2021	14,772	14,772
Accumulated Depreciation		
On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019		
Additions	-	-
Deletion	-	-
As at March 31, 2020		
Pursuant to the Scheme (Refer Note 2.1)	-	-
Additions*	1,283	1,283
Deletion	86	86
As at March 31, 2021	1,197	1,197
Net carrying amount		
As at March 31, 2021	13,575	13,575
As at March 31, 2020	-	-

Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, lease contracts of accounting acquiree (Max Healthcare Institute Limited, as more explained in note 2.1) are measured at acquisition date fair value. These assets includes leased hospital at Dehradun, Panchsheel Park and Nursing hostels and other accommodations.

* The difference of depreciation amount from statement of profit and loss is INR 56 Lakh pertaining to depreciation expense capitalised on the ongoing projects of the Company.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

6. GOODWILL

Goodwill acquired in business combination is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	438	438
Additional amount recognised pursuant to the Scheme (Refer note 2.1)	94,304	-
Balance at end of the year	94,742	438

Allocation of goodwill to Cash-Generating Units (CGU)

Goodwill acquired on business combination is allocated, at acquisition, to the CGU that are expected to benefit from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The carrying value of the goodwill has been allocated as follows:

Cash Generating Unit	As at March 31, 2021	As at March 31, 2020
Radiation Oncology services at Dr. B L Kapur Memorial Hospital	438	438
Hospital operations acquired upon business combination effective June 01, 2020:		
Max Super Speciality Hospital, Saket (including related day care and other wings)	48,319	-
Max Super Speciality Hospital, Shalimar Bagh	20,729	-
Max Super Speciality Hospital, Dehradun	18,730	-
Max Labs	6,526	-
Total	94,742	438

The Company's evaluation of goodwill for impairment involves the comparison of the recoverable value of cash generating unit to its carrying value in accordance with Ind AS 36, Impairment of Assets. The recoverable amount is determined based on the higher of the fair value less cost of disposal or the value in use. The Company has determined recoverable value, which included use of discounted cash flow model to estimate recoverable value, and requires management to make significant estimates and assumptions related to future cash flow forecasts (including forecast of future revenue and operating margins), discount rates and the long term growth rates applied to these future cash flow forecasts. The cash flow projections generally cover a period of six years/balance tenure of O&M agreement.

The estimated cash flows reflects the assumptions for mid-term to long term market developments. The average long term growth rate used in extrapolating cash flows beyond the planning period is ranging from 3% to 5%. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. Discount rate used is ranging from 11% - 13% over the years.

The management has concluded that the recoverable value is higher than the carrying amount and accordingly, no impairment provision has been recorded as at 31 March 2021 and further believes that any reasonable possible change, including those related to the possible effects of the COVID-19 pandemic, in key assumptions on which recoverable amount is based, is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

7. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	Other intangible assets					(INR in Lakh)
	Operation and Management right (Refer foot note 7.01)	Computer software	Non compete fee	Trademarks (Refer foot note 7.02)	Service agreement (Refer foot note 7.02)	Total
Gross carrying amount (at cost)						
As at April 01, 2019	9,366	-	-	-	-	9,366
Additions	170	-	-	-	-	170
Disposals	248	-	-	-	-	248
As at March 31, 2020	9,288	-	-	-	-	9,288
Pursuant to the Scheme (Refer Note 2.1 & footnote 7.02 below)	-	2,357	1,311	49,378	72,048	1,25,094
Additions	2	59	-	-	-	61
Disposals	1,512	2	-	-	-	1,514
As at March 31, 2021	7,778	2,414	1,311	49,378	72,048	1,32,929
Accumulated amortization						
As at April 01, 2019	925	-	-	-	-	925
Additions	265	-	-	-	-	265
Disposals	-	-	-	-	-	-
As at March 31, 2020	1,190	-	-	-	-	1,190
Pursuant to the Scheme (Refer Note 2.1 & footnote 7.02 below)	-	-	-	-	-	-
Additions	1,104	590	429	-	1,738	3,861
Disposals	1,182	2	-	-	-	1,184
As at March 31, 2021	1,112	588	429	-	1,738	3,867
Net carrying amount						
As at March 31, 2021	6,666	1,826	882	49,378	70,310	1,29,062
As at March 31, 2020	8,098	-	-	-	-	8,098

7.01 Intangible assets for the year ended March 31, 2020 relates to assets pertaining to healthcare undertaking of Radiant Life Care Private Limited (Refer to note 2.1). These intangible assets include the following :

(a) Operations and Management rights is an intangible asset identified in terms of accounting principles of Ind AS in connection with Operations and Management Agreement with Dr. B L Kapur Memorial Hospital. Operation and management rights are amortised over the contract period i.e. 45 years till May 2054.

This includes:

i) difference between the refundable security deposit amounting to INR 1,500 Lakh (non interest bearing, refundable in 2054) and the discounted value of such interest free deposits given to Dr. B L Kapur Memorial Hospital at the transaction date and

ii) fair value of guarantee provided to the lenders of Dr. B L Kapur Memorial Hospital, for which no guarantee commission was charged at the transaction date. During the financial year ended March 31, 2021, Intangible asset against fair value of guarantee provided to

the lenders of Dr. B L Kapur Memorial Hospital is amortised as the Company has started to charge guarantee commission on corporate guarantee given to the lenders on behalf of Dr. B L Kapur Memorial Hospital.

(b) Apart from (a) above, Operation and Management rights includes intangible assets of INR 6,286.46 Lakh 'Operation and Management Rights' of Dr. B. L. Kapur Memorial Hospital, to the extent the value of investments in erstwhile Radiant Life Care Private Limited in the books of the Halcyon Investment over the fair value of net assets acquired by Halcyon on merger of erstwhile Radiant Life Care Private Limited and Halcyon Investment during the financial year ended March 31, 2017.

7.02 Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, identified intangible assets of accounting acquiree i.e. Max Healthcare Institute Limited (as more explained in note 2.1) are measured at acquisition date fair value, as determined by independent valuation expert engaged by the Company. These intangible assets include :

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Service agreement of an intangible asset identified in terms of accounting principles of Ind AS, arising from Medical Service Agreement and Radiology and Pathology Agreement ('Agreements'), between Max Healthcare Institute Limited and other healthcare service providers to provide medical services. The Company receives service fees in consideration of medical services provided. Upon business combination accounting on June 01, 2020, service agreement of INR 72,048 Lakh has been recognised in the merger transaction as per Ind AS 103 at acquisition date fair value determined by independent valuation expert engaged by the Company based on discounted cash flow method. Such service agreements are amortised over the period of respective Agreements.

Hospital units held by accounting acquiree (Max Healthcare Institute Limited, as more fully explained in note 2.1) operate under the name of 'Max Healthcare' Trademark name. This trademark are transferred as part of merger transaction and the Company will continue to use the 'Max Healthcare' trademark. The trademark have indefinite life and carried at acquisition date fair value less impairment losses.

Non compete fee of INR 1,311 Lakh has been recognised in the transaction upon business combination as per IND AS 103.

7.03 Intangible assets under development includes computer softwares.

8. INVESTMENTS

	As at March 31, 2021	As at March 31, 2020
Investment in equity instrument		
Unquoted equity shares		
(i) Investments in subsidiary company (valued at cost)		
Radiant Life Care Mumbai Private Limited	8,93,17,577 (March 31, 2020 : 8,93,17,577) equity shares of INR 10 each fully paid-up	33,526
(ii) Investment in subsidiary companies (fair valued at acquisition date)		
Pursuant to the Scheme (Refer Note 2.1)		
Alps Hospital Limited	28,81,034 (March 31, 2020 : Nil) equity shares of INR 10 each fully paid-up	14,799
Hometrail Buildtech Private Limited	5,09,39,078 (March 31, 2020 : Nil) equity shares of INR 10 each fully paid-up	40,659
Crosslay Remedies Limited	11,16,25,297 (March 31, 2020 : Nil) equity shares of INR 10 each fully paid-up Add : 74,59,001 equity shares purchased during the year (refer note (i))	34,432
Saket City Hospitals Limited	1,68,32,414 (March 31, 2020 : Nil) equity shares of INR 10 each fully paid-up Add : 1,26,00,000 equity shares purchased during the year (refer note (ii))	65,054
(iii) Deemed Investment in subsidiary companies (refer note (iii))		
Share based Payment - 5,97,786 equity options (March 31, 2020 : Nil)	267	-
Subtotal	2,37,879	33,526
(iv) Sandhya Hydro Power Projects Balargha Private Limited (refer note (iv))		
5,07,795 (March 31, 2020 : Nil) equity shares of INR 10 each fully paid-up	51	-
Total non-current investments [(i)+(ii)+(iii)+(iv)]	2,37,930	33,526
Aggregate value of unquoted investments	2,37,930	33,526
Amount of impairment in value of investments	-	-

(i) In terms of the Shareholders' Agreement ("SHA") dated May 28, 2015 executed amongst Crosslay Remedies Limited ("CRL"), its remaining shareholders ("Relevant Shareholders Group") and the Company and amended SHA dated July 10, 2015, put option can be exercised by the Relevant Shareholders Group after the expiry of lock in period of four years i.e. after July 9, 2019. During the year ended March 31, 2020, the Relevant Shareholders Group exercised their put option and an amendment to Share Purchase Agreement ("CRL SPA") dated

January 15, 2020 was executed amongst CRL, Relevant Shareholders Group and Company for acquisition of 3,15,68,142 (Three Crore Fifteen Lakh Sixty Eight Thousand and One Hundred Forty Two) equity shares by December 31, 2020, unless mutually extended.

Pursuant to amendment agreement to CRL SPA dated June 18, 2020, 74,59,001 (Seventy Four Lakh Fifty Nine Thousand and one) equity shares (constituting 5.209%) have been acquired for INR 2,332 Lakh

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(INR Twenty Three Crore and Thirty Two Lakh). As at March 31, 2021, the Company holds 83.16% equity stake in CRL. The Management basis its assessment of non-controlling interest under Ind AS 110, has concluded that as per the terms of amendment to CRL SPA dated June 18, 2020, the Company continues to have the present ownership interest with the right to purchase the remaining equity shares and accordingly, treated CRL as a wholly owned subsidiary for consolidation purposes.

Further, by way of a second amendment agreement dated April 05, 2021, the Company has agreed to purchase, remaining 16.84% of equity share capital of CRL in one or more tranches, from other shareholders of CRL. Subsequent to acquisition of remaining 16.84% of CRL Equity Shares, CRL will become Wholly owned subsidiary of the Company.

(ii) In terms of the Share Purchase Agreement dated March 26, 2020 executed amongst: Kayak Investments Holding Pte. Ltd. ("Kayak"), Max Healthcare Institute Limited ("Company") and Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited) ("SCHL") (hereinafter referred as "Kayak SPA") and an amendment

9. NON-CURRENT FINANCIAL ASSETS(i) **Trade receivables (unsecured)**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables - considered good	11,945	-
	11,945	-

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a members.

As at December 10, 2001, Max Medical Services Limited (merged with the MHIL) had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of INR 2,431 Lakh. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, the Company has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of INR 3,520 Lakh. The said consideration is repayable in

agreement dated March 11, 2021, in connection with the sale and transfer of 1,26,00,000 fully paid up equity shares of INR 10 each of SCHL, equal to 42.8% of the total equity paid up share capital of the SCHL held by Kayak were transferred on March 15, 2021 at a sale consideration in cash equivalent to USD 64,246,702 (equivalent to INR 46,810 Lakh) to the Company. Accordingly, on March 31, 2021, SCHL is a wholly owned subsidiary of the Company.

(iii) As per the ESOP scheme, the Company is eligible to issue ESOP to employee of the subsidiary. Further as per IND AS 102, if parent grants share-based payment to employees of subsidiary, parent will debit to investment in the subsidiary as a capital contribution and a credit to equity. Total 5,97,786 number of equity options granted under share based payment to employee of the subsidiary.

(iv) The Company holds 5,07,795 equity shares of Sandhya Hydro Power Projects Balargha Private Limited, a company engaged in the business of generation and sale of hydro energy.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(ii) **Loans (Valued at amortized cost) (unsecured considered good unless stated otherwise)**

	As at March 31, 2021	As at March 31, 2020
a) Loans to related parties (refer to note 29.11, 29.21 and footnote - i)	42,956	30,756
b) Loans and advances to other healthcare service providers (Refer to 29.21 and footnote - ii)	5,000	-
c) Preference shares in Hometrail Buildtech Private Limited (refer footnote - iii)	4,234	-
d) Security deposits - considered good (refer footnote - iv)	4,619	27
Security deposits - credit impaired	200	-
Less:- Impairment allowance for security deposits - credit impaired	(200)	-
	56,809	30,783

Notes:

(i) **Loan to related party**

(a) Interest bearing loan amounting to INR 33,856 Lakh (March 31, 2020 : 30,756 Lakh) given to Lahore Hospital Society, to fulfil obligation under the Operation and Management Agreement, in relation to Dr. B L Kapur Memorial Hospital, New Delhi. As per the agreement, the interest rate was 12% per annum. The interest rate has been reduced to 11% p.a w.e.f June 01, 2020 for the years ended March 31, 2021, based on mutual understanding.

(b) Interest bearing loan amounting to INR 9,100 Lakh (March 31, 2020 : Nil) given to Saket City Hospitals Limited, for business operations, repayment of debts and other general corporate purpose at interest rate of 11% per annum.

(ii) **Loan to other healthcare service providers** represents Interest bearing loan amounting to INR 5,000 Lakh (March 31, 2020 : Nil) given to Gujarmal Modi Hospital & Research Centre. These loans are provided by the Company as it provides opportunities to the Company to increase the depth and medium of its offering leading to growth in revenue & improve profitability. The Company

(iii) **Other bank balances**

	As at March 31, 2021	As at March 31, 2020
Fixed deposits under lien #	10	6
	10	6

Margin money deposits have been made to secure letter of credit issued by banks.

10. INCOME TAX ASSETS

	As at March 31, 2021	As at March 31, 2020
Advance income tax and tax deducted at source (net of provision)	6,760	2,315
	6,760	2,315

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

11. OTHER NON CURRENT ASSETS (UNSECURED CONSIDERED GOOD UNLESS STATED OTHERWISE)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Capital advances (refer footnote-i)	3,061	-
Others		
Prepaid expenses	170	85
Licenses receivable	39	-
Other Advances - considered good (refer footnote-ii)	1,656	-
Other Advances - credit impaired (refer footnote-ii)	308	-
Less:- Impairment allowance for Other Advances - credit impaired	(308)	-
	4,926	85

Notes :

- (i) Capital advances includes the amount of INR 1,618 Lakh paid on account of the advance towards land located at Greater Noida. This amounts was paid as per the terms of respective allotment letters. The aforesaid amounts were fair valued on acquisition date, based on the available market, at value of INR 2,898 Lakh. The Company has applied to Greater Noida Development Authorities for possession of land after payment of all due amount and waiting for grant of possession.
- (ii) Other advances as at March 31, 2021 include INR 1,686 Lakh paid as per the terms of Letter of Allotment ('LOA') towards land allotted to the Company by Greater Mohali Area Development Authority (GMADA) located at Medi City, New Chandigarh. Despite repeated request, GMADA has not been able to handover possession of vacant land to Company, due to which, Company has withheld the instalments of INR 534 Lakh and INR 498 Lakh due on July 20,2018 and July 20,2019 respectively. The aforesaid amounts were fair valued on acquisition date, based on the recoverability, at value of INR 1,464 Lakh. During the current year, the Company has vide letter dated September 30, 2020 withdrawn from LOA and surrendered the land back to GMADA and requested for the refund of amounts already paid along with interest. Subsequently GMADA has issued a notice dated December 2, 2020 and imposed an interest penalty aggregating to INR 361 Lakh on the Company for non-payment of amount due, ignoring the letter of surrender submitted by the Company. The Company has not accepted the demand of GMADA, as required activities were not completed by authorities for the handing over of peaceful possession of allotted plot to the Company. Based on the discussions between GMADA officers and Company representative, an amount of INR 1,156 Lakh (net of estimated deduction of INR 530 Lakh by GMADA) has been considered recoverable in the books of account.

12. INVENTORIES (AT LOWER OF COST AND NET REALIZABLE VALUE)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Stock of pharmacy, drugs, consumables and implants	2,149	-
	2,149	-

13. CURRENT FINANCIAL ASSETS**(i) Investments**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Investments in equity instruments of jointly controlled entity, fully paid-up (at Cost)		
Nil (March 31, 2020 : 26,69,97,937) equity shares of Max Healthcare Institute Limited of INR 10 each [refer footnote]	-	2,13,598
	-	2,13,598

Note:

Radiant Life Care Private Limited had acquired 26,69,97,937 equity shares representing 49.7% of the paid up equity shares in Max Healthcare Institute Limited from Life Healthcare International (Proprietary) Limited for cash consideration aggregating to INR 2,13,598 Lakh.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Upon merger transaction, and accounting for business combination at acquisition date (refer note 2.1), previously held equity interest of 49.70% is re-measured at INR 1,96,309 Lakh (previous carrying value INR 2,13,598 Lakh) and accordingly, a loss of INR 17,289 Lakh is recognized in these financial statements. The fair value amount of investment in Max Healthcare Institute Limited formed part of Purchase consideration for reverse acquisition.

(ii) Trade receivables

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good, unless otherwise stated) :-		
Trade receivables - considered good (also refer note 29.14)	19,614	-
Trade receivables - considered doubtful	2,101	-
Trade receivables from related parties - considered good (refer note 29.11)	11,130	8,390
Less: Impairment allowance for trade receivables	(2,101)	-
	30,744	8,390

Trade receivables are not interest bearing.

(iii) Cash and cash equivalents

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
On current accounts	551	5,922
Deposits with maturity less than three months	59,037	654
Cheques\drafts on hand and digital wallet receivables	119	-
Cash on hand	70	-
	59,777	6,576

(iv) Bank balances other than (iii) above

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
On escrow account (refer note (a))	1,250	-
Fixed deposits under lien (refer note (b))	72	-
	1,322	-

(a) Balance in escrow account

INR 1,250 Lakh payable to Book Running Lead Managers ("BRLMs") towards service fee in connection with the QIP issue.

(b) Margin money deposits given as security includes

INR 42 Lakh (March 31, 2020 : INR Nil) to secure bank guarantee issued to government authorities.

INR 6 Lakh (March 31, 2020 : INR Nil) to secure bank guarantee issued to customers i.e. ECHS and Northern Railways.

INR 24 Lakh (March 31, 2020 : INR Nil) to secure bank guarantee issued to bank against OD limit

(v) Loans (unsecured considered good, carried at amortized cost)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
a) Loans to related parties (refer note 29.11)	310	51,014
b) Loans and advances to other healthcare service providers	445	-
	755	51,014

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

During the year ended March 31, 2020, Radiant Life Care Private Limited had given a loan of INR 44,000 Lakh to Max Healthcare Institute Limited having an interest rate of 10.15% p.a. for general business purpose for meeting their working capital requirement. On merger of Max Healthcare Institute Limited and Radiant Life Care Private Limited, effective on June 01, 2020 (Refer note 2.1), balance is eliminated in these financial statements.

(vi) Other financial assets (unsecured considered good, unless otherwise stated)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	799	-
	799	-

14. OTHER CURRENT ASSETS (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Other advances	84	1
Prepaid expenses	525	16
Licenses receivable	30	-
	639	17

15. EQUITY SHARE CAPITAL AND OTHER EQUITY**(i) Equity share capital (Also refer to note 2.1)****a) Authorized**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
1,26,00,00,000 (March 31, 2020: 96,00,00,000) equity shares of INR 10 each	1,26,000	96,000
12,50,00,000 (March 31, 2020: 12,50,00,000) cumulative preference shares of INR 10 each	12,500	12,500
	1,38,500	1,08,500
Issued, subscribed and fully paid-up		
96,59,45,006 (March 31, 2020: 53,72,44,328) equity shares of INR 10 each	96,595	53,724
Total issued, subscribed and fully paid-up share capital	96,595	53,724

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

Equity shares	March 31, 2021		March 31, 2020	
	No. of shares	(INR in Lakh)	No. of shares	(INR in Lakh)
At the beginning of the year	53,72,44,328	53,724	53,72,44,328	53,724
Cancellation of shares upon business combination (Refer Note 2.1)	(53,39,95,874)	(53,399)	-	-
Issue of share pursuant to the Scheme (Refer note 2.1 and footnote below)	90,12,84,070	90,129	-	-
Issue of shares under Qualified Institutional Placement (refer foot note below)	6,14,12,482	6,141	-	-
Outstanding at the end of the year	96,59,45,006	96,595	53,72,44,328	53,724

Pursuant to the Scheme becoming effective from June 01, 2020, on June 19, 2020, MHIL has allotted 26,62,41,995 equity shares to equity shareholders of Max India Limited and 63,50,42,075 equity shares to equity shareholders of Radiant in the following ratio:

- 9,074 fully paid-up equity shares of MHIL of face value INR 10/- each, for every 10 fully paid-up equity shares, of face value INR 10/- each held in Radiant as on the record date i.e. June 01, 2020; and
- 99 fully paid up equity shares of MHIL of face value INR 10/- each, for every 100 equity shares of INR 2 each held in the Max India Limited as on the record date i.e. June 15, 2020.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

The Company completed Qualified Institutional Placement of equity shares on March 10, 2021, and allotted 6,14,12,482 equity shares at a floor price of INR 195.40 per share (having face value of INR 10 each) aggregating to INR 11,99,99,98,982 pursuant to the approval accorded by the members of the Company at its Annual General Meeting held on September 29, 2020 to raise funds by way of issue of equity shares to Qualified Institutional Buyers for an amount upto INR 1,20,000 Lakh.

c) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	March 31, 2021		March 31, 2020	
	No. of shares	% held	No. of shares	% held
Equity Shares of INR 10 each fully paid				
Max India Limited	-	-	26,69,97,937	49.70%
Radiant Life Care Private Limited	-	-	26,69,97,937	49.70%
Kayak Investments Holding Pte. Ltd.	46,98,45,836	48.64%	-	-
Mr. Abhay Soi	21,03,65,264	21.78%	-	-

e) Pursuant to Regulation 31 of the SEBI Listing Regulations, the details of shareholding for the quarter ended March 31, 2021 have been submitted to the stock exchanges.

f) Share reserved for issue under option

Information relating to Max Healthcare Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the year end, is set out in note 29.5

(ii) Other equity

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Securities premium (refer note a below)	5,10,481	2,34,045
Retained earnings (refer note b below)	(15,784)	(261)
Share options outstanding account (refer note c below)	2,651	-
	4,97,348	2,33,784

Notes:

a) Securities premium (refer foot note (i))

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	2,34,045	35,195
Add: Premium on issue of fresh equity shares	-	1,99,049
Add: Premium on issue of equity shares pursuant to Scheme (refer note 2.1)	1,64,661	-
Add: Premium on issue of equity shares under Qualified Institutional Placement (refer foot note (ii))	1,13,859	-
Less: share issue expenses (refer note (iii))	(2,084)	(199)
	5,10,481	2,34,045

- (i) Securities premium reserve is recognized to record the premium on issue of shares. The reserve can be utilized only for limited purpose as per the provision of the Companies Act, 2013.
- (ii) The Company completed Qualified Institutional Placement of equity shares in March, 2021, allotting additional 6,14,12,482 equity shares at a price of INR 195.40 per share (face value of INR 10 per share) @ premium of INR 185.40 aggregating premium to INR 1,13,859 Lakh.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

- (iii) Share issue expenses are pertaining to issue of equity shares. As per Ind AS 109 read with Ind AS 32, transaction costs in respect of the new share issued has been recognised in equity.

b) Retained earnings

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	(261)	-
loss for the year	(16,445)	(296)
Items of other comprehensive income	(34)	35
Re-measurement gains/(losses) on defined benefit plans (net of tax)	956	-
Pursuant to Scheme (refer note 2.1)	(15,784)	(261)

c) Share options outstanding account

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	-	-
Share-based payment to employees	2,651	-
Transfer to security premium account on exercise of option	-	-
	2,651	-

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note (refer note 8(iii) & 29.5)

NON-CURRENT FINANCIAL LIABILITIES**16. BORROWINGS**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Term loans (secured)		
From banks	31,297	-
Vehicle loans (secured)		
Deferred payment liabilities (secured)	342	-
Current maturity of non-current borrowings :		
Term loans (secured)		
From banks	53	-
From non-banking financial company	125	-
Vehicle loans (secured)		
Deferred payment liabilities (secured)	2	-
Less: Current maturity of non-current borrowings disclosed under "other current financial liabilities" [refer note 20(iv)]	153	-
Aggregate secured loans (Non-Current & Current)	86	-
Aggregate unsecured loans (Non-Current & Current)	32,058	-
	366	-
	31,692	-
	32,058	-
	-	-

Borrowing notes

Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, borrowing of accounting acquiree i.e. Max Healthcare Institute Limited (as more fully explained in note 2.1) are measured at acquisition date amortised cost (equivalent to fair value at acquisition date).

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Term loan from banks :

- (i) INR 24,728 Lakh (March 31, 2020: INR Nil) from IDFC First Bank Limited repayable in 52 structured quarterly instalments from April, 2018 is secured by way of:
- a) A first mortgage and charge on entire immovable properties of the Company pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
 - b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
 - c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital lenders restricted to working capital limits of INR 9,500 Lakh in aggregate).
 - d) A first charge on the entire intangible assets of the Company, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - e) A first charge/mortgage/assignment, as the case may be, of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document, duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.
- Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 9,500 Lakh
- Security interest set out in sub clauses (a), (b), (d) and (e) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of up to INR 34,000 Lakh.
- (ii) INR 2,427 Lakh (March 31, 2020: INR Nil) from IndusInd Bank Limited repayable in 150 monthly instalments from June, 2019 is secured by way of :
- a) Charge on the entire current assets, both present and future, subject to the first prior charge of only working capital facility lenders to the extent of INR 9,500 Lakh. of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
 - b) 1st Pari Passu charge on the moveable fixed asset (excluding vehicles specifically charged to lenders who have financed those assets) including medical equipment (except medical equipment specifically charged to lenders who have financed those assets), movable plant and machinery, spares etc. of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
 - c) 1st Pari Passu charge on the non-current asset of the borrower but not limited to Goodwill and uncalled capital, intellectual property, both present and future of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
 - d) 1st Pari Passu charge by the way of mortgage on the entire immoveable fixed assets of the borrower situated at Max Saket Hospital and Max Shalimar Bagh Hospital both present and future of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
 - (iii) INR 4,267 Lakh (March 31, 2020: INR NIL) from IDFC First Bank Limited repayable in 23 quarterly instalments from August, 2022 is secured by way of:
 - a) 1st Pari Passu on charge on land and building of MHIL Saket and MHIL Shalimar Bagh with other term lenders;
 - b) 1st Pari Passu on entire intangible assets both present and future with other term lenders;
 - c) 1st Pari Passu on entire movable fixed assets of MHIL both present and future (except equipment/ vehicle finance by specific loans) with other term lenders; and
 - d) 2nd Pari Passu on entire current assets of MHIL with other term lenders (working capital lenders have first charge on the entire current assets for their working capital limits of INR 9,500 Lakh).
- Term loan from non-banking financial company :**
- INR 2 Lakh (March 31, 2020: INR NIL) from NIIF Infrastructure Finance Limited repayable in 52 structured quarterly instalments from May 2018 is secured by way of:-
- a) A first mortgage and charge on entire immovable properties of the Company pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
 - b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

- whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital lenders restricted to working capital limits of INR 9,500 Lakh in aggregate).
- d) A first charge on the entire intangible assets of the borrower, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
- e) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document, duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time (b) subject to applicable law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance

17. LEASE LIABILITIES

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer footnote)	13,858	-
	13,858	-

Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, lease contracts of accounting acquiree (Max Healthcare Institute Limited, as more fully explained in note 2.1) are measured at acquisition date fair value. Lease liability of INR 15,654 Lakh (Non Current) & INR 697 Lakh (Current) was acquired on acquisition. These assets majorly includes leased liability for hospital at Dehradun, Panchsheel Park and Nursing hostel and accommodations.

18. PROVISIONS

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Non current		
Provision for employee benefits		
Provision for gratuity (refer note 29.3)	1,918	57
Provision for leave encashment	-	31
	1,918	88
Current		
Provision for employee benefits		
Provision for leave encashment	1,155	21
Provision for gratuity (refer note 29.3)	433	14
	1,588	35

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

19. OTHER NON CURRENT LIABILITIES

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Unearned income (refer footnote i)	-	-	256
Government grant (refer footnote ii)	170	-	-
	170	256	

i) Unearned Income on March 31, 2020 arising on account of unamortised portion of fair value of guarantee commission. During the current year, the Company has started to charge guarantee commission on corporate guarantee given to the lenders on behalf of Dr. B L Kapur Memorial Hospital and has reversed the unamortized portion of fair value of guarantee commission.

ii) Movement in Government Grant

Particulars	Amount in Lakh
Opening Balance	Nil
Pursuant to the Scheme (Refer Note 2.1)	27
Add:- Custom duty utilized on purchase of medical equipments	143
Closing Balance	170

20. CURRENT FINANCIAL LIABILITIES**(i) Borrowings**

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Cash credit from banks (secured)(refer footnote (i))	1,435	-	-
Loan from bank (refer footnote (ii))	-	61,375	4,407
From related party (refer footnote (iii) & note no. 29.11)	-	-	65,782
	1,435	65,782	

Notes:

(i) Cash credit from banks (secured)

- (a) Cash credit facility of INR 497 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 3,500 Lakh from Yes Bank Limited
- (b) Cash credit facility of INR 539 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 2,000 Lakh from Indusind Bank Limited
- (c) INR 188 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 2,000 Lakh from ICICI Bank Limited
- (d) INR 211 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 2,000 Lakh from IDFC First Bank Limited.

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

- (ii) During the previous year ended March 31, 2020, Radiant Life Care Private Limited had taken a loan of INR 61,738 Lakh from Standard Chartered bank at a fixed interest rate of 9.45% p.a. The said loan is repaid in October 2020.
- (iii) During the previous year ended March 31, 2020, Radiant Life Care Private Limited had taken a loan of INR 4,500 Lakh from Neo Legno Consultants Private Limited at a fixed interest rate of 12.5% p.a. The said loan is paid in August 2020.

(ii) Trade payables

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	45	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,244	1,360	-
Trade payable to related party (refer note 29.11)	15	30	-
	19,304	1,390	

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Trade payables are usually non-interest bearing, unsecured and are settled as per contract terms.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :			
- Principal	45	-	
- Interest	-	-	
ii) The Amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each account year	-	-	
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act	-	-	
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Company has made an assessment of interest payable under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and has concluded that it is in compliance with the MSMED Act and rules thereto and accordingly, concluded that there is no interest liability dues as at the year end.

(iii) Lease liabilities

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Lease liabilities	606	-	606

(iv) Other financial liabilities

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Current maturity of non current borrowings (refer note 16)	280	-	
Current maturity of deferred payment liabilities (refer note 16)	86	-	
Provision for deferred compensation (refer note 29.5)	1,004	-	
Capital creditors	763	-	
Foreign exchange forward contracts	13	-	
Derivative liability (refer footnote - i)	74	-	
Security deposits	300	-	
Money received against share warrants (refer footnote - ii)	-	133	
Others (refer note 29.11)	150	-	
	2,670	133	

Notes :

- Derivative liability as at March 31, 2021 relate to additional amount payable towards share purchase of Crosslay Remedies Limited, subsidiary company, as per terms of shareholder agreement. Refer note 8 (i).
- Pursuant to terms of Subscription Warrant Agreement ("SWA") entered with Bennett, Coleman & Co. Ltd (BCCL), the Company had issued 5 warrants of INR 26.67 Lakh per warrant having at par value ₹ 10. The tenure of each warrant is 5 years from the date of allotment. As per the terms of the offer, if warrants are exercised by the investor, equity shares of the Company shall be issued and allotted by the Company at per share price calculated according to the subscription agreement after taking into account the occurrence of various events. The Company has refunded amount of INR 133 Lakh during the financial year ended March 31, 2021.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

21. OTHER CURRENT LIABILITIES

	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Advance from patients	572	-	
Statutory dues	1,321	-	
Unearned income	-	89	
Other advances	19	-	
	1,912	89	

22. REVENUE FROM OPERATION

	(INR in Lakh)	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
(a) Revenue from contracts with customers	1,01,807	5,926	
(b) Other operating revenue (refer note 22.4)	1,271	-	
	1,03,078	5,926	

22.1 Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by type of goods or service provided, geography and the timing of transfer of goods and services.

	(INR in Lakh)	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Revenue by type of goods & services			
Sale of pharmacy and pharmaceuticals supplies	5,041	-	
Revenue from healthcare services (net)	96,766	2,085	
Income from variable management fee	-	3,841	
Total	1,01,807	5,926	
Revenues by geography			
India	1,01,807	5,926	
Outside India	-	-	
Total	1,01,807	5,926	
Revenues by timing of revenue recognition			
Goods transferred at a point in time	5,041	-	
Services transferred over time	96,766	5,926	
	1,01,807	5,926	

22.2 Contract balances

	(INR in Lakh)	As at March 31, 2021 (Refer note 29.19)	As at March 31, 2020 (Refer note 2.1)
Trade receivables	42,689	8,390	
Contract assets (Unbilled revenue)	799	-	
Contract liabilities (Advance from patients)	572	-	

22.3 Reconciling of revenue recognized in the statement of profit and loss with contracted price

	(INR in Lakh)	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Revenue as per contracted price	1,07,381	5,926	
Allowance for deduction	(684)	-	
Discount	(4,890)	-	
Revenue from contract with customers	1,01,807	5,926	

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

22.4 Other operating revenue

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
(a) Sponsorship and educational income	879	-
(b) Income from ancillary activities	392	-
	1,271	-

23. OTHER INCOME

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
(a) Income from deferred credit (Refer foot note 9(i))	57	-
(b) Unclaimed balances and excess provisions written back	245	54
(c) Income on modification/termination of lease under Ind AS 116	24	-
(d) Net profit on sale/disposal of property, plant and equipment	17	-
(e) Other non-operating income	569	122
(f) Finance income:-		
- Interest income on		
Bank deposits	984	1,200
Security deposits	138	3
Non current trade receivables (Refer foot note 9(i))	1,051	-
Loans to related party	6,130	5,225
Loans to other healthcare service providers	1,014	-
Income tax refund	422	17
	10,651	6,621

24. EMPLOYEE BENEFITS EXPENSE

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Salaries, wages and bonus	21,726	2,158
Contribution to provident and other funds	962	6
Share based payments to employees (refer note 29.5)	2,987	-
Gratuity expense (refer note 29.3)	430	21
Staff welfare expenses	442	1
	26,547	2,186

25. FINANCE COSTS

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Interest on debts and borrowings	9,795	5,999
Interest on lease liability	1,223	-
Bank charges	227	-
	11,245	5,999

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

26. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Depreciation on tangible assets (refer note 4)	3,987	70
Depreciation on right of use assets (refer note 5)	1,227	-
Amortization of intangible assets (refer note 7)	3,861	265
	9,075	335

27. OTHER EXPENSES

	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Outside lab investigation	799	-
Patient catering expenses	723	-
Rent	1,011	-
Insurance	536	4
Rates and taxes	170	124
Facility maintenance expenses	1,453	-
Power and fuel	1,549	100
Repairs and maintenance:		
- Building	257	-
- Plant and equipment	1,155	86
- Others	419	-
Printing and stationery	296	-
Travelling and conveyance	440	119
Communication	201	7
Legal and professional	4,182	3,510
Information Technology support expense	594	-
Watch and ward	347	-
Directors' sitting fee	80	-
Advertisement and publicity	859	-
Loss on foreign exchange fluctuation (net)	26	-
Recruitment expenses	38	-
Equipment hiring charges	170	-
Provision for doubtful debts and advances/ Bad debts written off		
- Provision for doubtful debts	160	-
- Provision for doubtful advances	322	-
- Bad debts written off	306	-
- Debit balances written off	11	799
Loss on derivative instrument	53	-
Share issue expenses	125	-
Miscellaneous expenses	119	76
	16,401	4,026

Payment to auditor (included in legal and professional fee) (excluding taxes)

As auditor:

	For the year ended March 31, 2021 (Refer note 29.19)	For the year ended March 31, 2020 (Refer note 2.1)
Audit fee (including limited reviews)	92	34
Other services *	81	41
Reimbursement of expenses	1	-
	174	75

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Figures for March 31, 2020 relate to audit fee paid with respect to Radiant Life Care Private Limited (accounting acquirer) to a firm affiliated to the current year statutory auditors firm through a networking arrangement as registered with the Institute of Chartered Accountants of India.

In addition to above, INR 110 Lakh was paid to the auditors during the current year in respect of services rendered in connection with Qualified Institutional Placement of equity shares, which has been debited to securities premium account.

*Other services include fee paid to the current statutory auditors towards audit of financial information at the acquisition date for business combination accounting.

Current year fee does not include fee paid to previous auditors of the Company.

28. CONTINGENT LIABILITIES, COMMITMENTS AND LITIGATIONS

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

S. No. Particulars	(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
a Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by subsidiaries of the Company and other healthcare service providers (to the extent of closing balance of loan) (refer note below & note to 29.21 (b))	74,569	6,204	
b Claims against the Company not acknowledged as debts - Civil Cases (refer note b below) - VAT cases (refer note c below)	10,310	-	-
	244		

Note:

- a. Guarantees given by the Company to the lenders on behalf of subsidiaries of the Company and other healthcare service providers is not considered as prejudicial to the interest of the Company as it provides opportunities to the Company to increase the depth and medium of its offering leading to growth in revenue & improve profitability. The Company does not expect any default by subsidiaries of the Company and other healthcare service providers and any liability to accrue on the Company.
- b. Claims against the Company not acknowledged as debts represent the civil cases that are pending with various Consumer Disputes Redressal Commissions / Courts and the management, including its legal advisers, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company financial positions and results of operations. In addition to this, as a measure of good corporate governance the Company has taken Professional Indemnity Insurance Policy for claims pending against the Company to secure the Company from any financial implication in case of claims settled against the Company.
- c. The Company is contesting the demands of VAT and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

- d. Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi had, on December 8, 2017, issued an order under Section 7 of the Delhi Nursing Home Registration Act, 1953 for cancelling the registration of Max Super Speciality Hospital, Shalimar Bagh ("Hospital") with immediate effect and further directed to refrain from admitting any IPD patients in the Hospital. Against this cancellation order, the Company had filed an appeal bearing no. 335/2017 before the Hon'ble Financial Commissioner, Govt. Of Delhi ("Appellate Authority") on December 13, 2017. On December 19, 2017, the Appellate Authority stayed the operation of the said cancellation order. Accordingly, the Hospital has resumed its operations on December 20, 2017 and the stay remains. The parents of the deceased child have moved an application for impleadment. The Appeal and the application are pending before the Appellate Authority. The hearing before the Appellate Authority is suspended due to ongoing COVID-19 pandemic. The tentative next date of hearing is September 25, 2021.

The Company is of the view that the said cancellation order was passed by the DGHS in contravention of the provisions of Section 8 of Delhi Nursing Home Registration Act and violates the principles of natural justice and due process prescribed under the Act. The Company is confident that the Appellate Authority will set aside the cancellation order dated December 8, 2017 and uphold its view in the matter.
- e. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on provident fund (PF) on the inclusion of allowances for

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

the purpose of PF contribution as well as its applicability of effective date. The Company was evaluating and seeking legal inputs regarding various interpretative issues, However, in absence of clarity on effective date, the Company has implemented the Supreme court (SC) Judgement in respect to PF calculation from April 1, 2019 and included all allowances for the purpose of PF contribution calculation.

- f. A writ petition was filed by the Association of Healthcare Providers (India) ("AHP")", which represented a majority of "healthcare providers" in Delhi, including the Company's hospitals in Delhi, before the Delhi High Court, in relation to an order dated June 25, 2018 issued by the Director General Health Services ("DGHS"), Government of National Capital Territory of Delhi ("DGHS Order"). DGHS Order mandated that all private hospitals in Delhi comply with the recommendations of the Expert Committee, constituted pursuant to the Supreme Court order dated January 29, 2016, in W.P.(C) No. 527/2011, regarding the working conditions and pay of nurses in private hospitals. The Single Bench of Delhi High Court, on July 24, 2019, upheld the DGHS Order and directed mandatory compliance by all the private hospitals within a period of three months i.e. by October 24, 2019. It was further directed by the Single Bench that before

B. Capital commitment

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

(INR in Lakh)	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account	4,050	-
Less: Capital advances	3,061	-
Balance value of contracts	989	-

- b. The Company has provided going concern support in form of financial and operational support letters to Saket City Hospitals Limited and Radiant Life Care Mumbai Private Limited, subsidiaries of the Company in order to meet its future financial obligation.
- c. For commitment towards purchase of shares of subsidiary - Crossley Remedies Limited, refer to note 8 (i).

C. Other commitment

- 1. The Company has no commitment other than those in the nature of its routine business operation for

cancellation of the registration of any private hospital for any non-compliance, DGHS will give the concerned private hospital a personal hearing and an opportunity to represent against such proposed cancellation of registration and the cancellation will be only through a speaking order. Till date no private hospital in Delhi has been called for personal hearing by DGHS. AHP has appealed against the said Single Bench Order before the Division Bench of Delhi High Court. On November 28, 2019, the Division Bench, inter-alia, issued notice on the appeal to the Delhi Government and the Government Counsel gave an oral undertaking to the Delhi High Court that no coercive action will be taken for implementing the DGHS Order. The hearing of the matter has been deferred due to the ongoing COVID-19 pandemic and the tentative next date if hearing is June 1, 2021. Pending decision on appeal before the Division Bench of Delhi High Court, the impact for the period, if any, is not ascertainable and consequently no effect has been given in the accounts. Management basis legal view is confident that the DGHS Order will eventually be set aside and hence believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operations.

purchase/sales as per the normal operating cycle of Company, obligations from other long term agreements towards medical and management services with healthcare service providers including indemnities to such healthcare service providers.

- 2. The Company does not have any long term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

29. OTHER NOTES TO ACCOUNTS**29.1 Investment in subsidiaries, associates and joint venture**

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

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2021	Portion of ownership interest as at March 31, 2020	Method used to account for the investment
Healthcare business of Radiant Life Care Private Limited (Accounting Acquirer)				
Radiant Life Care Mumbai Private Limited	India	99.99%	99.99%	At Cost (Book values)
Subsidiaries of Max Healthcare Institute Limited (Accounting Acquiree) with effect from June 01, 2020				
Alps Hospital Limited	India	100%	0%	At Cost (Note i)
Hometrail Buildtech Private Limited	India	100%	0%	At Cost (Note i)
Crosslay Remedies Limited (refer note 8 (i))	India	83.16%	0%	At Cost (Note i)
Saket City Hospitals Limited (refer note 8 (ii))	India	100%	0%	At Cost (Note i)

(i) Investments were fair valued at date of acquisition upon accounting for business combination (Refer note 2.1). During the current year, the Company had purchase additional equity stake in subsidiaries - Crosslay Remedies Limited and Saket City Hospitals Limited, which has been added to the fair value at the acquisition date, as more fully explained in note 8.

29.2 Income taxes

The Company, after considering its current business plans, has elected to opt for lower income tax rate, permitted by the Taxation Laws (Amendment) Act, 2019 in the current year ended March 31, 2021. Simultaneously, the Company has also opted to settle its existing tax litigation / dispute, pending before Appellate Authority for AY 2003-04, AY 2007-08, AY 2009-10 to AY 2012-13 and AY 2017-18 involving additions/disallowance amounting to INR 3,335 Lakh, under the Vivad se Vishwas Act, 2020 ('VSV Act), an income tax amnesty scheme. Pursuant to the applications filed under the VSV Act, the Company has received final orders of settlement for AY 2010-11 to 2012-13 and AY 2017-18. The final settlement orders for the remaining AYs viz. AY 2003-04, 2007-08 & 2009-10 are pending to be received, however, the Appellate Authority/Tribunal has dismissed the said departmental appeal(s) on the ground that the same are subject matter of settlement under the VSV Act. Accordingly, litigation in all aforementioned AYs which were subject matter of settlement under the VSV Act now stands closed.

The Management after considering the future projections and timing of taxable income pursuant to the business combination accounting due to merger Scheme, has re-assessed the carrying amounts of its deferred tax balances.

	(INR in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Income tax expense in the statement of profit and loss comprises :		
Current income tax	-	-
Deferred tax		
MAT credit written off	-	-
Relating to other origination/reversal of temporary differences	1,799	(14)
Income tax expense reported in the statement of profit or loss	1,799	(14)
(b) Other Comprehensive Income		
Re-measurement (gains)/ losses on defined benefit plans	38	(14)
Income tax related to items recognized in OCI during the year	38	(14)
(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :		
Accounting profit before tax	(14,646)	(310)
Applicable tax rate	25.17%	29.12%
Computed tax expense at applicable tax rate	(3,687)	(90)
Profit before tax adjustment for tax computation Pursuant to the Scheme	(527)	-
Income not considered for tax purpose	100	-
Expense not allowed for tax purpose	1,137	36
Fair valuation loss on investment not considered for tax purposes	4,351	-
Deferred tax asset of opening expense provision reversed	342	-
Other adjustments	83	-
Tax benefit due to unabsorbed depreciation and brought forward loss	-	40
Income tax reported in the statement of profit and loss	1,799	(14)

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(d) Deferred tax (assets)/liabilities comprises :

	Balance sheet	
	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Difference in book base and tax base of PPE and intangibles	36,711	353
Fair valuation of Investment	11,631	-
Others	2,556	-
Recognized deferred tax liability	50,898	353
Deferred tax asset		
Difference in written down value of right of use assets	(224)	-
Expenses allowed on payment basis (including employee benefits)	(1,830)	(36)
Allowance for doubtful debts	(529)	-
On unabsorbed tax depreciation and loss	(2,568)	(317)
Others	(548)	-
Recognized deferred tax (asset)	(5,699)	(353)
Recognized deferred tax (asset) / liability** (net)	45,199	-

(e) Reconciliation of deferred tax (assets)/liabilities (net)

	As at March 31, 2021	As at March 31, 2020
Opening balance as per last balance sheet	-	-
(Charged)/Credited during the year		
- of fair valuation / other adjustments upon business combination (Refer note 2.1)	43,438	-
- to statement of Profit and Loss Account	1,799	-
- to other comprehensive income	(38)	-
Closing balance	45,199	-

**Tax disclosure with respect to year ended 31 March, 2020 relate to accounting acquirer. Accounting acquirer had not recognised deferred tax asset due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be realized.

Upon business combination in the current year (as more explained in note 2.1), deferred tax asset or liability is measured on assets acquired and liabilities assumed in a business combination in accordance with Ind AS 12, Income Taxes, including potential tax effects of temporary differences and carry forwards that exist at the acquisition date.

The Company has opted for reduced new tax regime (reduced corporate tax rate) introduced by the taxation laws (Amendment) Ordinance 2019.

29.3 Gratuity

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

Defined benefit plan

	As at March 31, 2021	As at March 31, 2020
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	71	132
Add: Liability taken on Pursuant to the Scheme (refer note 2.1)	1,976	-
Interest expense	99	11
Current service cost	289	10
Past service cost	48	-
Liability Transferred in/(out)	189	(30)
Benefit paid	(177)	(3)
Employees transferred to subsidiary company	(113)	-

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	111	(5)
Actuarial changes arising from changes in financial assumptions	35	8
Actuarial changes arising from changes in experience adjustments	(84)	(52)
Defined benefit obligation at year end	2,444	71
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Add: Plan assets taken on business acquisition	99	-
Expected return on plan assets	(10)	-
Return on plan assets	4	-
Fair value on plan assets at year end	93	-
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	(2,444)	(71)
Fair value of plan assets	93	-
Amount recognized in balance sheet- asset / (liability) at year end	(2,351)	(71)
(INR in Lakh)		
	For the year ended March 31, 2021	For the year ended March 31, 2020
d) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	289	10
Past service cost	48	-
Interest cost on benefit obligation	93	11
Expected return on plan assets	-	-
Net defined benefit expense debited to statement of profit and loss	430	21
e) Other comprehensive income		
Change in demographic assumptions	111	(5)
Change in financial assumptions	35	8
Experience variance	(84)	(52)
Returns of plan assets	10	-
Remeasurement (Gain)/loss in other comprehensive income	72	(49)
f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	100%	0%
g) Principal assumptions used in determining gratuity and leave encashment liability		
Assumption particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	5.50%	5.50%
Salary escalation rate	8.00%	8.00%
Mortality rate (% of IALM 2012-14)	100.00%	100.00%
h) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Discount rate		
Increase by 1.00%	(153)	(1)
Decrease by 1.00%	172	1
Salary growth rate		
Increase by 1.00%	167	1
Decrease by 1.00%	(151)	(1)
Attrition rate		
Increase by 50% of attrition rate	(135)	(3)
Decrease by 50% of attrition rate	238	3

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

i) Maturity profile of defined benefit obligation

	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	433	14
Between 2 and 5 years	1,027	46
Between 6 and 10 years	845	22
More than 10 years	1,438	8
Total expected payments	3,743	90

j) Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, defined benefit obligation of accounting acquiree i.e. Max Healthcare Institute Limited (as more explained in note 2.1) are merged and included in opening balances. The defined benefit obligation of the accounting acquiree have been included from the effective date of the Scheme i.e. June 01, 2020. The previous year result presented above are, thus that of Radiant Life Care and not comparable with the current period.

k) The average duration of the defined benefit plan obligation at the end of the reporting period is 6 Years (March 31, 2020: 5 years)

l) The partial plan assets are maintained with LIC of India.

m) The Company expects to contribute INR Nil Lakh (March 31, 2020 : Nil) to the plan during the next financial year.

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

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

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

29.4 Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the regional PF Commissioner. The Company recognize contribution payable to provident fund scheme as an expenditure, when an employee renders related service.

29.5 Share based payment plans**A. Equity settled plans**

The Nomination and Remuneration Committee of Board of Directors of the Company ("NRC") on September 29, 2020 considered and approved the grant of 61,65,265 Employee Stock Options ('ESOPs') to the eligible employees of the Company and its subsidiaries, under the MHIL ESOP 2020 scheme, at an exercise price of INR 10 per share. These options will vest subject to requirements of the SEBI SBEB Regulations and the MHIL ESOP 2020 scheme.

The following table provides an overview of all existing share option plans of the Company:

Particulars	Numbers	Grant Date	Vesting Date	Exercise price	Fair value at grant date
Max Healthcare Institute Ltd. (with 1 year vesting condition)	43,15,689	September 29, 2020	September 29, 2021	10	104
Max Healthcare Institute Ltd. (with 2 year vesting condition)	18,49,576	September 29, 2020	September 29, 2022	10	105

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of share Options	Weighted average exercise price	Number of share Options	Weighted average exercise price
MHIL ESOP 2020				
Outstanding at the beginning of year	-	-	-	-
Granted	61,65,265	10	-	-
Exercise	-	10	-	-
Lapsed/Forfeited	2,34,496	10	-	-
Outstanding at end of year	59,30,769	10	-	-
Exercisable at end of year	-	10	-	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2021 are as follows:

Date of grant	March 31, 2021		March 31, 2020	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
September 29, 2020	17,79,227	3.5 Year	-	-
September 29, 2020	41,51,542	2.5 Year	-	-

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

Particulars	Inputs used for diff grant dates for Black Scholes Valuation of Option Granted	
	1 year vesting plan	2 year vesting plan
A. Stock Price on date of valuation (in INR)	113.40	113.40
B. Exercise Price (in INR)	10.00	10.00
C. Expected Volatility (Standard Dev - Annual)	39.20%	36.00%
D. Expected Life of the Options Granted (Vesting and exercise period) in Years	2.50	3.50
E. Expected Dividend	-	-
F. Average Risk-Free Interest Rate	4.70%	5.20%
G. Expected Dividend Rate	-	-

B. Cash settled plans (Employee phantom stock plan 2017)

Employee Phantom Stock Plan, 2017 ('the Scheme') are cash settled rights where the employees are entitled to get cash compensation based on the Company's fair value, provided certain conditions as laid out in the Scheme are met. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss as detail given below :

Particulars	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Pursuant to the Scheme (Refer Note 2.1)	400	-
Add: Expenses during the year	1,055	-
Less : Payment during the year	-	-
Less : Lapsed/forfeited during the year	(451)	-
Closing balance [refer note 20 (iv)]	1,004	-

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

During the current year, certain employees of the Company surrendered their retention pay-out, unvested/vested phantom shares. The Management has reversed the net liability aggregating to INR 451 Lakh and credited employee benefit expenses in the period ended March 31, 2021, as such surrender was made in the current year.

The details of the grant/issue as at March 31, 2021 are given below:

Particulars	March 31, 2021	
	Outstanding as at beginning of the year	Pursuant to the Scheme (Refer Note 2.1)
Granted during the Year	-	23,36,797
Date of grant	-	-
Grant price per unit	-	-
Total number of PSPs vested during the year	-	-
Total number of PSPs exercised during the year	-	-
Lapsed/ forfeited/ surrendered during the year	-	-
Exercisable as at end of Year	-	-
Vesting period	30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months.	
Exercise period	Within 12 months of the vesting period, unless extension approved by the NRC*	
Exercise price	The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the Scheme and subject to applicable laws.	
Settlement of phantom stock options	Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant exercise notice.	

*NRC of MHIL vide its meeting held on May 8, 2018 extended the exercise period of first two tranches of Phantom Stock Options, granted on May 23, 2017 by 12 month each for all option holders.

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

Particulars	(INR in Lakh)	
	March 31, 2021	March 31, 2020
Opening Balances	-	-
Add:		
Rent	9	-
Salaries, wages and bonus	6	-
Interest & other finance cost	116	-
Depreciation and amortization expense	65	-
Miscellaneous expenses	35	-
Less:		
Rent concession recognised as Income *	(26)	-
Total	205	-
Less: Capitalized during the year	-	-
Preoperative expenses pending capitalization	205	-

* As per the practical expedient of IND AS 116.

29.7 Segment reporting

The Company has only one reportable business segment as it deals mainly in providing healthcare facilities comprising of primary care clinics, secondary care hospitals/medical centres and tertiary care facilities in terms of Ind AS 108 "Operating Segment". Further, the Company operates only in one geographical segment -India. All the assets of the Company are located in India. The chief operating officer and chief financial officer (chief operating decision maker) monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment. Hence, the disclosure requirements of the standard are not considered.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

29.8 Financial instruments

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

Financial instruments

Category	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1) Financial assets at amortized cost				
Trade receivables (current / non current)	42,689	8,390	42,689	8,390
Cash and cash equivalents	59,777	6,576	59,777	6,576
Other bank balances (current / non current)	1,332	6	1,332	6
Loans (current / non current)	57,564	81,797	57,564	81,797
Other financial assets (current)	799	-	799	-
2) Financial Liabilities at amortized cost				
Borrowings (current / non current)	33,127	65,782	33,127	65,782
Lease liabilities (current / non current)	14,464	-	14,464	-
Trade payables	19,304	1,390	19,304	1,390
Other financial liabilities (current / non current)	2,670	133	2,670	133
3) Financial assets carried at fair value through OCI				
Investments (non current)	51	-	51	-
4) Financial assets carried at fair value through profit and loss				
Investments (current)	-	2,13,598	-	2,13,598

The Company assessed that the carrying value of all financial assets and financial liabilities approximates the fair value.

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

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

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the

table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

29.9 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2021

Particulars	Carrying Value March 31, 2021	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Trade receivables (current / non current)	42,689	-	-	42,689
Cash and cash equivalents	59,777	-	-	59,777
Other bank balances (current / non current)	1,332	-	-	1,332
Loans (current / non current)	57,564	-	-	57,564
Other financial assets (current)	799	-	-	799
Financial assets carried at fair value through OCI				
Investments (non current)	51	-	-	51
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	33,127	-	-	33,127
Lease liabilities (current / non current)	14,464	-	-	14,464
Trade payables	19,304	-	-	19,304
Other financial liabilities (current / non current)	2,670	-	-	2,670

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2020

Particulars	Carrying Value March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Trade receivables (current / non current)	8,390	-	-	8,390
Cash and cash equivalents	6,576	-	-	6,576
Other bank balances (current / non current)	6	-	-	6
Loans (current / non current)	81,797	-	-	81,797
Financial assets carried at fair value through profit and loss				
Investments (current)	2,13,598	-	-	2,13,598
Liabilities carried at amortized cost for which fair value are disclosed				
Trade payables	1,390	-	-	1,390
Borrowings (current / non current)	65,782	-	-	65,782
Other financial liabilities (current / non current)	133	-	-	133

29.10 Financial risk management objectives and policies

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

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed proactively by the senior management of the Company, duly supported by various functionaries and Committees.

a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 16 and 20 (i) after netting-off cash and cash equivalents disclosed in note 13(iii) and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. Debt: Equity ratio is calculated

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

as debt divided by the Shareholder's Fund and for calculating Net Debt to EBITDA, Net Debt is divided by the Normalized EBITDA for continued and discontinued operations. Net debt is calculated as long term borrowings (including current maturities) as shown in the note 16 less net cash and cash equivalents. Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization for continued and discontinued operations. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce

debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company as at March 31, 2021 and March 31, 2020 stood at 0.06 and 0.23 respectively. The cash and cash equivalents is more than the debt amount which resulted in no net debt payable amount as at March 31, 2021.

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

b) Liquidity risk

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2020 and March 31, 2021 based on contractual undiscounted payments:

Particulars	0-1 Years	1-5 Years	More than 5 Years	Total	(INR in Lakh)
March 31, 2021					
Interest bearing borrowings	4,704	20,916	25,937	51,557	
Lease liabilities	606	1,760	12,098	14,464	
Trade payable	19,304	-	-	19,304	
Other financial liabilities (Refer note I below)	2,304	-	-	2,304	
% to Total	31%	26%	43%	100%	
March 31, 2020					
Interest bearing borrowings	65,782	-	-	65,782	
Trade payable	1,390	-	-	1,390	
Other financial liabilities (Refer note I below)	133	-	-	133	
% to Total	100%	-	-	100%	

(i) Other financial liabilities

Particulars	0-1 Years	1-5 Years	More than 5 Years	Total	(INR in Lakh)
March 31, 2021					
Other financial liabilities (refer note 20 (iv))	2,670	-	-	2,670	
Less : Current maturity of borrowings	366	-	-	366	
Other financial liabilities	2,304	-	-	2,304	
March 31, 2020					
Other financial liabilities (refer note 20 (iv))	133	-	-	133	
Less : Current maturity of borrowings	-	-	-	-	
Other financial liabilities	133	-	-	133	

c) Credit risk

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

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only.

An impairment analysis is performed at each reporting date on an individual basis. Trade receivables comprise a widespread customer base and a large part of these sits in the State and Central Government bodies and institutions owned and managed by the State. A large segment of the Company's customers settle their bill in cash or using major credit cards on discharge date as far as possible. Further, a fairly large proportion of the customers are discharged post confirmation of third party administrator of the insurance companies, with whom the Company has a written contract. The Company provides for allowance for deductions based on empirical evidence whereby the receivables from various counterparties is marked down at the time of recognition of revenue. The management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year under review that has not been provided for.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Neither past due or impaired	11,706	-	
0 to 180 days due past due date	13,665	4,481	
More than 180 days due past due date	17,318	3,909	
Total trade receivables (refer note 9(i) & 13(ii))	42,689	8,390	

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

Particulars	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Pursuant to the Scheme (Refer Note 2.1)	1,995	-	
Provision during the year	446	-	
Bad debts written off	340	-	
Reversal of provision	-	-	
At the end of the year (refer note 13(ii))	2,101	-	

The Company has provided the general provision in the case of trade receivables as follows (refer note 13(ii)):

Corporate, TPA and PSU's	Amount exceeding 365 days from transaction date after adjusting Allowance for Deduction created on trade receivables
Individual	Amount exceeding 120 days from transaction date

The Company uses an allowance for deduction to determine the expected credit loss on the portfolio of its trade receivables. Allowance for deduction has been created on total trade receivable. Management has fixed a percentage for allowance for deduction as mentioned below

Category	% of Allowance
Corporate and other	0.50%
TPA	1.50%
PSU	3.00%

(ii) Financial instruments and cash deposit

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

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in note 29.9 and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31 2021. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

(i) Foreign currency risk

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

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

Foreign currency risk sensitivity

The impact of foreign exchange sensitivity on the Company profit and loss and comprehensive income to change in the fair value of monetary assets and liabilities will be nil as there was no unhedged foreign currency exposure as at March 31, 2021 & March 31, 2020.

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

Particulars	(INR in Lakh)	
	March 31, 2021 Indian rupees	March 31, 2020 Indian rupees
Payables in EURO	328	-

(ii) **Interest rate risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's policy is to hedge part of its borrowings.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

Year	(INR in Lakh)	
	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2021	0.50%	401
March 31, 2020	0.50%	-

(e) **Equity risk**

Equity risk is the financial risk involved in holding equity instruments of a specific company as investment of the Company. Equity risk often refers to equity in companies through the purchase of shares and /or stocks etc. The Company is exposed to equity risk but exposure of equity risk is insignificant for the Company even if we take into consideration the increase /decrease in rates by 5% - 10%.

29.11 Related party transactions

Business combination (refer note 2.1) pursuant to approval of Composite Scheme of Amalgamation and Arrangement (hereafter referred to as 'the Scheme') by National Company Law Tribunal (NCLT) amongst the Company / MHIL, Radiant Life Care Private Limited 'Radiant', erstwhile Max India Limited and its subsidiary company Advaita Allied Healthcare Services Limited (now known as Max India Limited 'Max India') is effective from June 01, 2020.

These financial statements are issued under the name of Max Healthcare Institute Limited (legal acquirer) and represent the continuation of the financials of Radiant Life Care (accounting acquirer) except for capital structure and accordingly include financial statement of the accounting acquiree (Max Healthcare) from the date of acquisition i.e. June 01, 2020. Accordingly, related party transactions with respect operation of Max Healthcare Institute Limited disclosed pertain to ten months and twelve months with respect to operations of Radiant Life Care for year ended March 31, 2021 and twelve months with respect to operation of Radiant Life Care for the year ended March 31, 2020. Figures for previous year ended March 31, 2020, related to related party transactions and relationships of Radiant Life Care.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(A) Names of related parties and description of relationship:(i) **Related party where control exists (irrespective of whether transactions occurred or not)**

Subsidiary Companies	Relationship
1 Alps Hospital Limited	Wholly-owned subsidiary
2 Hometrail Buildtech Private Limited	Wholly-owned subsidiary
3 Crosslay Remedies Limited	Subsidiary
4 Saket City Hospitals Limited*	Wholly-owned subsidiary
5 MHC Global Healthcare (Nigeria) Limited	Wholly-owned subsidiary
6 Radiant Life Care Mumbai Private Limited	Subsidiary

* Becomes a wholly owned subsidiary on March 15, 2021 and converted into a Public Limited Company on January 15, 2021

(ii) **Entity which is controlled by the company by way of contractual arrangements (with whom transactions have taken place during the current year / balance as at year end)**

- 1 Dr. B.L Kapur Memorial Hospital
- 2 Dr. Balabhai Nanavati Hospital

(iii) **Ultimate Controlling entity**

- 1 KKR Group Partnership L.P.

(iv) **Entity / Individual having significant influence / exercising control over the Company**

- 1 Kayak Investments Holding Pte. Ltd. (Parent Company till March 9, 2021 and continues to have control till date)
- 2 Mr. Abhay Soi

(v) **Entity on which the Radiant Life Care Private Limited had joint control over economic activities**

- 1 Max Healthcare Institute Limited (From June 21, 2019 to May 31, 2020)

(vi) **Entity under common control of ultimate holding (with whom transaction has taken place)**

- 1 KKR Capital Market Asia Limited (till March 9, 2021)

(vii) **Entity under control of Kayak Investments Holding Pte. Ltd.**

- 1 Radiant Life Care Private Limited ("Radiant")

(viii) **Enterprises in which directors are interested (with whom transactions have taken place)**

- 1 Neo Legno Consultants Private Limited.
- 2 Neo Legno Products Private Limited

(ix) **Directors of Radiant Life Care Private Limited (with whom transactions have taken place)**

- 1 Mr. Abhay Soi (Also, a director in MHIL)
- 2 Mr. Mahendra Gumanmalji Lodha till October 7, 2020 (Also, a director in MHIL)

(x) **Directors of MHIL (with whom transactions have taken place from acquisition date June 01, 2020)**

- 1 Mr. Abhay Soi (Chairman & Managing Director - Refer xi below)
- 2 Mr. Kummamuri Murthy Narasimha, Independent Director
- 3 Mr. Mahendra Gumanmalji Lodha, Independent Director (From June 21, 2019)
- 4 Mr. Upendra Kumar Sinha, Independent Director (From June 21, 2019)
- 5 Mr. Michael Thomas Neeb, Independent Director (From June 21, 2019)

(xi) **Key Managerial Personnel (with whom transactions have taken place)**

- 1 Mr. Abhay Soi, (Chairman & Managing Director of Radiant) (Chairman & Managing Director of MHIL w.e.f. June 19, 2020*)
- 2 Mr. Yogesh Kumar Sareen, Chief Financial Officer (from acquisition date June 01, 2020)
- 3 Dr. Mradul Kaushik, Manager (in terms of the Companies Act, 2013 from August 1, 2019 till June 15, 2020)
- 4 Ms. Ruchi Mahajan, Company Secretary of MHIL (from acquisition date June 01, 2020)
- 5 Mr. Dilip Bidani (Chief Financial Officer of Radiant till May 31, 2020)
- 6 Ms. Prachi Singh, (Company Secretary of Radiant till May 31, 2020)

* Non-Executive Chairman of MHIL from June 21, 2019 till June 18, 2020.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(B) Transactions during the year	(INR in Lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of property plant equipment		
Alps Hospital Limited	7	-
Hometrail Buildtech Private Limited	2	-
Crosslay Remedies Limited	16	-
Dr. B.L Kapur Memorial Hospital	0.36	-
Purchase of equity shares in subsidiaries from existing shareholders		
Crosslay Remedies Limited	2,332	-
Saket City Hospitals Limited (refer note 3)	46,810	-
Investment in equity shares		
Radiant Life Care Mumbai Private Limited	-	2,000
Loans and advances given		
Dr. B.L Kapur Memorial Hospital	3,100	-
Max Healthcare Institute Limited	-	44,000
Repayment of loans and advances given		
Crosslay Remedies Limited	609	-
Saket City Hospitals Limited	4,200	-
Loans and advances taken		
Neo Legno Consultants Private Limited	-	4,500
Repayment of loan and advance taken		
Neo Legno Consultants Private Limited	4,500	-
Redemption of investment in Preference Share and GIRR thereon		
Alps Hospital Limited	3,000	-
Healthcare services rendered		
Alps Hospital Limited	798	-
Hometrail Buildtech Private Limited	563	-
Crosslay Remedies Limited	387	-
Dr. B.L Kapur Memorial Hospital	3,445	1,229
Professional Healthcare Services rendered		
Alps Hospital Limited	80	-
Crosslay Remedies Limited	14	-
Operation & Management Fee		
Dr. B.L Kapur Memorial Hospital	345	4,698
Interest income		
Alps Hospital Limited	2	-
Hometrail Buildtech Private Limited	360	-
Crosslay Remedies Limited	6	-
Saket City Hospitals Limited	1,174	-
Dr. B.L Kapur Memorial Hospital	3,597	3,076
Max Healthcare Institute Limited	991	2,639
Finance arrangement fee (income)		
Alps Hospital Limited	25	-
Hometrail Buildtech Private Limited	44	-
Crosslay Remedies Limited	79	-
Saket City Hospitals Limited	56	-
Dr. B.L Kapur Memorial Hospital	51	123
Rental income from sub-lease		
Hometrail Buildtech Private Limited	2	-
Alps Hospital Limited	2	-
Saket City Hospitals Limited	2	-
Crosslay Remedies Limited	2	-
Sale of drugs, pharmaceuticals & medical supplies		
Alps Hospital Limited	1,216	-
Hometrail Buildtech Private Limited	260	-
Crosslay Remedies Limited	315	-
Dr. B.L Kapur Memorial Hospital	21	-

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

	(INR in Lakh)	Year ended March 31, 2021	Year ended March 31, 2020
Borrowing cost			
Finance Arrangement fee to KKR Capital Market Asia Limited		393	-
Interest on Loan from Neo Legno Consultants Private Limited		159	82
Interest on Loan From Neo Legno Products Private Limited		-	200
Key management personnel remuneration (refer note 1 below)			
Mr. Yogesh Kumar Sareen		353	-
Dr. Mradul Kaushik		4	-
Ms. Ruchi Mahajan		76	-
Mr. Dilip Bidani		19	186
Ms. Prachi Singh		4	31
Director's remuneration (refer note 1 below)			
Mr. Abhay Soi		1,046	1,053
Employee benefit liability transferred			
Max Healthcare Institute Limited		-	30
Healthcare Services received			
Hometrail Buildtech Private Limited		73	-
Crosslay Remedies Limited		210	-
Unwinding of discount of security deposit			
Dr. B.L Kapur Memorial Hospital		3	3
Director's sitting fee			
Mr. Kummamuri Murthy Narasimha		21	-
Mr. Upendra Kumar Sinha		20	-
Mr. Mahendra Guamanalji Lodha		20	-
Mr. Michael Thomas Neeb		7	-
Reimbursement of expenses to			
Mr. Abhay Soi		3	42
Mr. Mahendra Guamanalji Lodha		-	0.13
Dr. B.L Kapur Memorial Hospital		-	108
Lease Rent Expenses			
Radiant Life Care Private Limited		1	-
Corporate Guarantee in respect of financial assistance availed by the Company			
Kayak Investments Holding Pte. Ltd.		48,600	-
Issue of Equity Share Capital			
Kayak Investments Holding Pte. Ltd.		-	1,99,075

Notes:

- As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors /KMPs has not been ascertained separately and, therefore, not included above. The figures do not include accrual recorded towards employee share based payments but includes of variable pay of INR 107 Lakh and retention bonus of INR 91 Lakh pertaining year ended March 31, 2020 and payment made in year ended March 31, 2021.
- The employee stock option expense of INR 253 Lakh pertaining to KMPs are not included in the above disclosed KMP remuneration.
- On March 15, 2021, the Company paid sale consideration in cash equivalent to USD 64,246,702 (equivalent to Indian INR 46,810 Lakh) to Kayak Investments Holding Pte. Ltd. against purchase of 1,26,00,000 fully paid up equity shares of INR 10 each of Saket City Hospitals Limited, amounting to 42.8% of the total equity paid up share capital of the Saket City Hospitals Limited.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(C)	Balances at the year end	(INR in Lakh)	
		As at March 31, 2021	As at March 31, 2020
Investment			
Alps Hospital Limited	14,799	-	
Hometrail Buildtech Private Limited	40,659	-	
Crosslay Remedies Limited	36,764	-	
Saket City Hospitals Limited	1,11,864	-	
Radiant Life Care Mumbai Private Limited	33,526	33,526	
Loan and advances (including interest receivable)			
Saket City Hospitals Limited	9,410	-	
Non convertible redeemable preference shares in Hometrail Buildtech Private Limited	4,234	-	
Dr. B.L Kapur Memorial Hospital	34,254	36,776	
Max Healthcare institute Limited	-	45,484	
Security Deposit (discounted value)			
Dr. B.L Kapur Memorial Hospital	30	27	
Short term loan taken			
Neo Legno Consultants Private Limited	-	4,574	
Trade receivables			
Alps Hospital Limited	688	-	
Hometrail Buildtech Private Limited	29	-	
Crosslay Remedies Limited	312	-	
Saket City Hospitals Limited	688	-	
Radiant Life Care Mumbai Private Limited	-	0.20	
Radiant Life Care Private Limited	41	-	
Dr. B.L Kapur Memorial Hospital	9,413	8,230	
Dr. Balabai Nanavati Hospital	-	160	
Unearned Income			
Dr. B.L Kapur Memorial Hospital	-	345	
Trade payable			
Alps Hospital Limited	6	-	
Crosslay Remedies Limited	1	-	
Dr. B.L Kapur Memorial Hospital	8	-	
Max Healthcare institute Limited	-	30	
Mr. Abhay Soi	4	0.27	
Mr. Dilip Bindani	-	0.39	
Mr. Kummamuri Murthy Narasimha	2	-	
Mr. Mahendra Gumanmalji Lodha	2	-	
Neo Legno Products Private Limited	-	216	
Other payable			
Finance Arrangement fee to KKR Capital Market Asia Limited	150	-	
Security deposit received			
Mr. Yogesh Kumar Sareen	16	-	
Dr. Mradul Kaushik	4	-	
Ms. Ruchi Mahajan	3	-	

Terms and conditions of transactions with related parties :-

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- The income/expense from sales to and purchases from related parties are made on arm's length basis. Outstanding balances at the year end are unsecured and interest free.
- The Company has given corporate guarantee of INR 47,758 Lakh (March 31, 2020 : INR 6,204 Lakh) on behalf of the subsidiaries (Refer note 29.21 (b))
- The above transactions with related parties are excluding of taxes

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

29.12 Earnings per share (EPS)

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Basic earnings per share		
Numerator for earnings per share		
Profit/(loss) after taxation (INR in Lakh)	(16,445)	(296)
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	86,31,95,968	58,41,41,688
Earnings per share-Basic (one equity share of INR 10 each)	(1.91)	(0.05)
b) Diluted earnings per share		
Numerator for earnings per share		
Profit/(loss) after taxation	(16,445)	(296)
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	86,31,95,968	58,41,41,688
Earnings per share- Diluted (one equity share of INR 10/- each)*	(1.91)	(0.05)

*The conversion effect of potential preference shares into equity shares is anti-dilutive in nature in year ended March 31, 2021, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

As per Ind AS 103, weighted average number of ordinary shares outstanding during the period in which the reverse acquisition occurs is the number of ordinary shares outstanding from the beginning of that period to the acquisition date, which shall be computed on the basis of the weighted average number of ordinary shares of the legal acquiree (accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and the number of ordinary shares outstanding from the acquisition date to the end of that period shall be the actual number of ordinary shares of the legal acquirer (the accounting acquiree) outstanding during that period. Also, as per Ind AS 103, weighted average number of last year ordinary share outstanding is the legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

29.13 Capital management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings (excluding loan from shareholder repayable within one year), less cash and cash equivalents, of continued operations.

	As at March 31, 2021	As at March 31, 2020
Borrowings (Including current maturities of long term borrowings) (refer note 16, 20(i))	33,493	65,782
Less: Cash and cash equivalents (refer note 13(iii))	(59,777)	(6,576)
Net debt	(26,284)	59,206
Equity (refer note 15)	5,93,943	2,87,508
Total capital	5,93,943	2,87,508
Total capital and net debt	5,67,659	3,46,714
Gearing ratio	-4.63%	17.08%

29.14 Impairment assessment of recoverable amounts from healthcare service providers

- The Company has amount receivable amounting to INR 32,677 Lakh (March 31, 2020 : INR Nil) from other healthcare service providers, i.e., Devki Devi Foundation,

Balaji Medical and Diagnostic Research Centre and Gujarmal Modi Hospital & Research Centre for Medical Sciences. This include an amount of INR 3,567 Lakh (March 31, 2020 : INR Nil), discounted value, placed as security and performance deposit as per the terms

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

of medical services and pathology service agreement with such healthcare providers. In addition, an amount of INR 5,046 Lakh (March 31, 2020 : INR Nil) has been advanced as loan, INR 99 Lakh (March 31, 2020 : INR Nil) as prepaid expenses, difference between present value and security and performance deposit given and INR 23,980 Lakh (March 31, 2020 : INR Nil) against trade receivable.

The recovery of these balances depends on the future cash flows and earning capacity of these healthcare service providers. Management has carried out an impairment assessment and have concluded that the amounts are fully recoverable and hence no impairment in the value of the amount is necessitated.

Ageing of trade receivables (refer note 13(ii))

	(INR in Lakh)	
	March 31, 2021	March 31, 2020
Less than one year	2,662	4,481
More than one year	6,751	3,909
	9,413	8,390

29.15 Note on COVID-19

Post the outbreak of COVID-19, the Company has made an assessment of likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non-current assets including goodwill, other intangible assets, property, plant and equipment, and other financial exposures. It has also evaluated its ability to meet the financial commitments to its lender etc. The Company as of the reporting date does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations.

The Company is in the business of healthcare service and has augmented its resources and capacities to serve COVID-19 patients, while continuing to treat its non-COVID-19 patients. During the earlier part of the current year, the COVID-19 impacted the revenues and profitability of the Company with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The Company has thereafter taken various initiatives to sustain its operations and optimize cost. During the later part of the year ended March 31, 2021, on an overall basis, the occupancy rate and revenues have improved while OPD footfalls and elective procedures also showed some increase. Patient flow from foreign countries is still temporarily impacted due to restricted international travel. However, on a

(b) The Company is exposed to majority of credit risk from its Operation and Management Agreement (O&M) with Dr. B L Kapur Memorial Hospital ('the Hospital'). Contractually based on the O&M agreement, the Company can levy variable management fees to the Hospital for managing the hospital activities. The management believes that these receivables are fully collectible and hence no loss allowance is required.

Further, the Security deposit, deposit and loan has also been provided basis the O&M arrangement to the Hospital and is fully recoverable based on the terms agreed in the contract. Hence no loss allowance is required towards the same.

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

29.18 Exceptional items during the year ended March 31, 2021 include :

S No.		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Loss on remeasurement of previously held equity interest by Radiant Life Care (Refer note 2.1)	(17,289)	-
(b)	Stamp duty paid with respect to the Scheme (Refer note 2.1)	(3,778)	-
	Total	(21,067)	-

29.19 Consequent to the Composite Scheme (Refer note 2.1) coming into effect from June 1, 2020 and due to the impact of outbreak of COVID-19 (Refer note 29.15), figures for the current year ended March 31, 2021 are not comparable with figures for the year ended March 31, 2020. The figures for the previous year have been regrouped/ reclassified, wherever necessary, to correspond with the current year's classification/ disclosure.

29.20 The Board of Directors at their meeting held on March 26, 2021, approved the Scheme of Amalgamation (Merger By Absorption) of ALPS Hospital Limited (a fellow subsidiary of the Company) with Saket City Hospitals Limited and their respective Shareholders under Sections 230 to 232 and other applicable provisions and Rules under the Companies Act, 2013 ("the Act"). In this regard, the Company has filed a petition with Hon'ble National Company Law Tribunal, Mumbai branch on April 9, 2021.

29.21 Disclosure required under Section 186 (4) of the Companies Act 2013**(a)(i) Particulars of loans and advance in the nature of loan given to subsidiaries, associated, firm/ Companies in which directors are interested (Refer note 9 (ii))**

S. No.	Name of the loanee	Relationship	Opening balance	Pursuant to the Scheme (Refer note 2.1)	Loan given	Loan repaid	Outstanding balance	Maximum balance outstanding during the year	Purpose
1	Saket City Hospitals Limited	Wholly-owned subsidiary	-	13,300	-	4,200	9,100	13,300	For business operations, repayment of debts and other general corporate purpose
2	Crosslay Remedies Limited	Subsidiary	-	609	-	609	-	609	For general business purpose, repayment of loans and Capital expenditure.

(a)(ii) Particulars of loans given to other healthcare service provider (Refer note 9 (ii))

S. No.	Name of the loanee	Opening balance	Pursuant to the Scheme (Refer note 2.1)	Loan given	Loan repaid	Outstanding balance	Purpose
1	Dr. B.L Kapur Memorial Hospital	30,756	-	3,100	-	33,856	For business operations, repayment of debts and other general corporate purpose
2	Gujarwal Modi Hospital & Research Centre for Medical Sciences	-	2,000	3,000	-	5,000	For general business purpose, repayment of loans and Capital expenditure.

(a)(iii) Loans and advances in the nature of loans where there is no repayment schedule or repayment is beyond seven years (Refer note 9 (ii))

Name of Party	Relationship	Outstanding balance	Maximum balance outstanding during the year
Saket City Hospitals Limited	Wholly-owned subsidiary	9,100	13,300
Dr. B.L Kapur Memorial Hospital	Controlled by the company by way of contractual arrangements	33,856	33,856
Gujarwal Modi Hospital & Research Centre for Medical Sciences	Other healthcare service provider	5,000	5,000

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(b) Particulars of guarantee given (Refer note 28 A):

S. No.	Name of the financial institutions / banks	Name of borrowing legal entity	Opening balance	Pursuant to the Scheme (Refer note 2.1)	Guarantee given	Guarantee discharged	Outstanding balance	Purpose	(INR in Lakh)	
1	IDFC First Bank Ltd	Hometrail Buildtech Private Limited	-	4,779	215	198	4,796	For refinancing of existing loans		
2	NIIF Infrastructure Finance Limited	Hometrail Buildtech Private Limited	-	1,312	50	1,362	-	For refinancing of existing loans		
3	IDFC First Bank Ltd	Hometrail Buildtech Private Limited	-	5,450	245	227	5,468	For refinancing of existing loans		
4	IndusInd Bank Limited	Balaji Medical & Diagnostics Research Centre	-	11,008	541	1,723	9,826	For refinancing of existing loans		
5	IDFC First Bank Ltd	Devki Devi Foundation	-	6,459	291	324	6,426	For refinancing of existing loans		
6	IDFC First Bank Ltd	Devki Devi Foundation	-	-	2,075	-	2,075	For refinancing of existing loans		
7	NIIF Infrastructure Finance Limited	Devki Devi Foundation	-	2,013	91	2,104	-	For refinancing of existing loans		
8	IndusInd Bank Limited	Devki Devi Foundation	-	1,910	95	180	1,825	For business operations, repayment of debts and other general corporate purpose		
9	IndusInd Bank Limited	Alps Hospital Limited	-	1,110	55	300	865	For Refinance of Term Loan Facility of HDFC Bank Ltd.		
10	IndusInd Bank Limited	Alps Hospital Limited	-	4,300	-	132	4,168	Extend ICD's (Interest bearing inter-corporate deposits) to Gujarnal Modi Hospital & Research Centre (GMHRC, Society that runs Max Smart Saket Hospital).		
11	Axis Bank Limited	Crosslay Remedies Limited	-	11,985	-	11,985	-	For refinancing of the existing debt and financing the capital expenditure		
12	Axis Bank Limited	Crosslay Remedies Limited	-	7,059	238	7,297	-	For refinancing of the existing debt and financing the capital expenditure		
13	IndusInd Bank Limited	Crosslay Remedies Limited	-	-	18,697	733	17,964	For refinancing of the existing debt and financing the capital expenditure		
14	Axis Bank Limited	Saket City Hospitals Limited	-	7,122	-	928	6,194	For refinancing of existing loans & expansion of bed capacity		

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

15	Yes Bank Limited	Saket City Hospitals Limited	-	8,432	273	247	8,458	For refinancing of existing loans & expansion of bed capacity
16	HDFC Bank Limited	Dr. B. L. Kapur Hospital Memorial Hospital	-	1,627	-	173	1,454	For refinancing of existing loans & expansion of bed capacity
17	Punjab Nation Bank (A)	Dr. B. L. Kapur Hospital Memorial Hospital	147	-	-	147	-	For refinancing of the existing debt and financing.
18	Punjab Nation Bank (B)	Dr. B. L. Kapur Hospital Memorial Hospital	905	-	31	936	-	For financing the capital expenditure
19	Punjab Nation Bank (C)	Dr. B. L. Kapur Hospital Memorial Hospital	1,302	-	56	173	1,185	For financing the capital expenditure
20	Punjab Nation Bank (C)	Dr. B. L. Kapur Hospital Memorial Hospital	850	-	84	68	866	For financing the capital expenditure
21	Punjab Nation Bank (CC Limit)	Dr. B. L. Kapur Hospital Memorial Hospital	3,000	-	-	-	3,000	Cash Credit Limit for Working Capital requirement

(c) Particulars of investments made in equity shares (Refer note 8):

S. No.	Name of Investee	Opening balance	Pursuant to the Scheme (Refer note 2.1)	Investment made	Investment redeemed	Outstanding balance	(INR in Lakh)	
							Purpose	
Investment in subsidiaries								
1	Alps Hospital Limited	-	14,799	-	-	14,799	For business operations, repayment of debts and other general corporate purpose	
2	Hometrail Buildtech Private Limited	-	40,659	-	-	40,659	For business operations, repayment of debts and other general corporate purpose	
3	Crosslay Remedies Limited	-	34,431	2,333	-	36,764	For business operations, repayment of debts and other general corporate purpose	
4	Saket City Hospitals Limited	-	65,054	46,810	-	1,11,864	For business operations, repayment of debts and other general corporate purpose	
5	Radiant Life Care Mumbai Private Limited	33,526	-	-	-	33,526	For business operations, repayment of debts and other general corporate purpose	
Investment in other Company (Refer note 8)								
1	Sandhya Hydro Power Projects Balargha Private Limited	-	51	-	-	51	For business operations purpose	

NOTES

forming part of Standalone financial statements for the year ended March 31, 2021

(d) Particulars of investments made in preference shares (Refer note 9 (ii)):

S. No.	Name of Investee	Opening balance	Pursuant to the Scheme (Refer note 2.1)	Interest	Preference shares redeemed	Outstanding balance	Purpose	(INR in Lakh)					
1	Alps Hospital Limited	-	2,998	2	3,000	-	For business operations, repayment of debts and other general corporate purpose						
2	Hometrail Buildtech Private Limited	-	3,875	359	-	4,234	For business operations, repayment of debts and other general corporate purpose						

29.22 The figures have been rounded off to the nearest Lakh of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than INR 50,000/-.

29.23 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

29.24 Note No.1 to 29 form integral part of the standalone financial statements.

**For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED**

ABHAY SOI
(Chairman & Managing Director)

DIN:00203597

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place : New Delhi
Date : May 28, 2021

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures

Particulars	Alps Hospital Limited	Hometrail Buildtech Private Limited	Crosslay Remedies Limited	Saket City Hospitals Limited	Radiant Life Care Mumbai Private Limited	(INR in Lakh) MHC Global Healthcare(Nigeria) 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	288	5,094	14,319	2,943	8,932	N.A
Reserves & surplus (Other Equity)	3,186	4,570	513	(5,276)	8,300	N.A
Total Assets	11,318	29,575	41,458	25,836	19,293	N.A
Total Liabilities	7,844	19,911	26,626	28,169	2,061	N.A
Investments	-	-	-	-	-	N.A
Turnover/ Revenue from operations	11,534	31,288	38,172	1,972	-	N.A
Profit/(Loss) before taxation	457	4,883	5,820	(556)	(715)	N.A
Provision for taxation	230	1,242	1,410	-	-	N.A
Profit/(Loss) after taxation (After OCI)	228	3,633	4,382	(562)	(713)	N.A
Proposed Dividend	-	-	-	-	-	N.A
% of shareholding	Equity - 100%	Equity- 100%	Equity- 83.16%	Equity- 100%	Equity- 99.99%	N.A

Notes:

1. MHC Global Healthcare(Nigeria) Limited was incorporated on May 20, 2019. It will be operational once the COVID-19 situation stabilizes.
2. Investments excludes investments in subsidiaries

**For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED**

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place : New Delhi
Date : May 28, 2021

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Healthcare Institute Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of **Max Healthcare Institute Limited** ("the Parent"), its subsidiaries and its deemed separate entities, that is 'Silos' over which the Parent has control (the Parent, its subsidiaries and its deemed separate entities that is 'Silos', together referred to as "the Group"), and includes the Group's share of the net loss after tax and total comprehensive loss of joint venture, comprising the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent

of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these Consolidated Financial Statements.

EMPHASIS OF MATTER

We draw attention to Note 33.19 of the Consolidated Financial Statements, which describes the circumstances arising due to COVID-19, the uncertainties associated with its nature and duration and the consequential impact of the same on the consolidated financial statement of the Group.

As stated in the said note, the Group has made an assessment of likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non-current assets including goodwill, other intangible assets, property, plant and equipment and other financial exposures. However, given the nature of the COVID-19, the Group continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key Audit Matter	Auditor's Response
		Principal audit procedures performed
1.	Business combination	<p>With respect to the accounting for business combination, we:</p> <ul style="list-style-type: none"> Obtained an understanding of the transaction from the management and identified key terms relevant for the accounting for the transaction. Read relevant parts of the approved Scheme and assessed the Company's conclusion as regard business combination accounting in accordance with Ind AS 103 with respect to Reverse Acquisition and its impact on the financial statements. Obtained an understanding of management process and tested the Design, Implementation and Operating effectiveness of controls over Purchase Price Allocation (PPA) performed by the management in consultation with external fair valuation specialist (Management expert) and internal controls relating to accounting for the business combination. Assessed the competence, capabilities and objectivity of the management expert engaged by the Company and obtained understanding of the work of the management experts by reviewing the valuation reports. With the assistance of our fair value specialist, evaluated the appropriateness of the valuation methodology and reasonableness of the key valuation assumptions used by management and tested mathematical accuracy of the calculations used in the PPA. Evaluated the appropriateness of the accounting and disclosures in the financial statements in compliance with the accounting standards.
2.	Impairment of intangible assets (Goodwill and trademark)	<p>Principal audit procedures performed</p> <p>With respect to Impairment of intangible assets (Goodwill and trademark), we:</p> <ul style="list-style-type: none"> Evaluated the design, implementation and operating effectiveness of controls over impairment assessment, including controls relating to review of future cash flow forecasts (including forecast of future revenue and operating margins) and controls relating to review of assumptions of discount rates and the long term growth rates. Evaluated the reasonableness of the estimates used by management in assessment of future cash flow forecasts and operating margins by comparing them to Historical revenue and operating margins, latest Board approved targets and long term plans. With the assistance of our fair value specialist, evaluated the appropriateness of the valuation methodology and reasonableness of the key valuation assumptions used by management and tested mathematical accuracy of the calculations used in assessment of recoverable value. Evaluated the appropriateness of the accounting and disclosures in the financial statements in compliance with the accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Parent in respect of itself and the deemed separate entities, that is 'Silos', and the respective Board of Directors of the subsidiary companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Parent in respect of itself and the deemed separate entities, that is 'Silos', and the respective Board of Directors of the subsidiary companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the auditors of the subsidiary company.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent and the subsidiary companies incorporated in India as on March 31,

2021 taken on record by the Board of Directors of the Parent and respective subsidiary companies incorporated in India, none of the directors of the Parent and respective subsidiary companies incorporated in India is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 32(A) of the notes forming part of the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts which would require provision for material foreseeable losses – Refer Note 32(C) of the notes forming part of the consolidated financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company - Refer Note 33.22 of notes forming part of the consolidated financial statements.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)

(Membership No. 95540)
(UDIN 21095540AAAABG4919)

Place: New Delhi
Date: May 28, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAX HEALTHCARE INSTITUTE LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Max Healthcare Institute Limited** (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

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 to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which are companies incorporated in India, have, 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, 2021, based on the criteria for internal financial control over financial reporting established by the respective

companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
(Membership No. 95540)
(UDIN: 21095540AAAABG4919)

Place: New Delhi
Date: May 28, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

	Note No.	As at March 31, 2021 (Refer note 33.20)	As at March 31, 2020 (Refer note 2.1)	(INR in Lakh)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	1,52,271	27,456	
(b) Capital work-in-progress	4	2,672	2,755	
(c) Right-of-use assets	5	22,548	1,621	
(d) Goodwill	6	2,45,466	41,758	
(e) Other intangible assets	7	2,33,353	14,260	
(f) Intangible assets under development	7	21	-	
(g) Financial assets	8	51	-	
(i) Investments	8	11,945	-	
(ii) Trade receivables	8	35,699	284	
(iii) Loans	8	241	246	
(iv) Other bank balances	9	15,533	6,545	
(h) Income tax assets (net)	25	98	-	
(i) Deferred tax assets (net)	10	22,099	10,902	
(j) Other non current assets		7,41,997	1,05,827	
Total non-current assets				
Current assets				
(a) Inventories	11	5,380	2,680	
(b) Financial assets	12	-	2,18,206	
(i) Investments	12	36,589	9,609	
(ii) Trade receivables	12	62,659	11,101	
(iii) Cash and cash equivalents	12	2,633	856	
(iv) Bank balances other than (iii) above	12	543	45,269	
(v) Loans	12	2,191	1,761	
(vi) Other financial assets	13	661	1,090	
(c) Income tax assets (net)	14	1,791	967	
(d) Other current assets		1,12,447	2,91,539	
Total current assets				
TOTAL ASSETS		8,54,444	3,97,366	
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	15	96,595	53,724	
(b) Other equity	16	4,67,273	2,01,591	
TOTAL EQUITY		5,63,868	2,55,315	
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	84,282	10,623	
(ii) Lease liabilities	18	16,999	1,445	
(iii) Other financial liabilities	19	23,726	24,189	
(b) Provisions	20	6,019	4,066	
(c) Deferred tax liabilities (net)	25	58,192	-	
(d) Other non-current liabilities	21	23,665	733	
Total non-current liabilities		2,12,883	41,056	
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	5,425	72,737	
(ii) Trade payables				
-Total outstanding dues of micro enterprises and small enterprises	22	95	2,058	
-Total outstanding dues of creditors other than micro enterprises and small enterprises	22	43,474	15,905	
(iii) Lease liabilities	22	1,107	513	
(iv) Other financial liabilities	22	18,199	5,619	
(b) Other current liabilities	23	5,450	3,394	
(c) Provisions	24	3,943	769	
Total current liabilities		77,693	1,00,995	
TOTAL LIABILITIES		2,90,576	1,42,051	
TOTAL EQUITY AND LIABILITIES		8,54,444	3,97,366	

The accompanying notes are integral part of the consolidated financial statements

1 - 33

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place: New Delhi
Date: May 28, 2021

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

Place: New Delhi
Date: May 28, 2021

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

	Note No.	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)	(INR in Lakh)
I Revenue from operations	26	2,50,467	1,05,903	
II Other income	27	11,474	4,808	
III Total income (I+II)		2,61,941	1,10,711	
IV Expenses				
(a) Purchase of pharmacy, drugs, consumables and implants			58,051	22,935
(b) (Increase)/decrease in inventory of pharmacy, drugs, consumables and implants			1,390	(1,204)
(c) Employee benefits expense	28	58,878	23,013	
(d) Professional and consultancy fee			53,291	24,694
(e) Finance cost	29	17,946	8,324	
(f) Depreciation and amortization expense	30	17,409	4,564	
(g) Other expenses	31	38,471	27,107	
Total expenses (IV)		2,45,436	1,09,433	
V Profit before exceptional items, tax and share of profit/(loss) in associate (III-IV)		16,505	1,278	
VI Exceptional items	33.16	(23,370)	-	
VII Profit/(Loss) before tax and share of profit/(loss) in associate (V + VI)		(6,865)	1,278	
VIII Tax expenses				
(a) Current tax	25	162	-	
(b) Adjustment of tax relating to earlier years	25	81	-	
(c) Deferred tax charged/(credit)	25	4,342	(13)	
Total tax expenses		4,585	(13)	
IX Profit/(Loss) after tax and before share of profit/(loss) in associate (VII - VIII)		(11,450)	1,291	
X Share of profit /(loss) in associate (refer note 2)		(2,305)	4,608	
XI Profit/(Loss) for the year (IX+X)		(13,755)	5,899	
XII Other Comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
(a) Remeasurement gain on defined benefit plans	33.1 & 33.2	2	11	
(b) Income tax effect	25	49	(13)	
Other Comprehensive income/(loss) for the year		51	(2)	
XIII Total comprehensive income/(loss) for the year (XI+XII)		(13,704)	5,897	
XIV Earnings per equity share (Nominal Value of share INR 10)	33.12	(1.59)	1.01	
Basic (INR)				
Diluted (INR)				

The accompanying notes are integral part of the consolidated financial statements

1-33

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place: New Delhi
Date: May 28, 2021

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place: New Delhi
Date: May 28, 2021

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

(Firm's Registration No. 015125N)

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A) EQUITY SHARE CAPITAL

Particulars	Numbers	(INR in Lakh)
Equity shares of INR 10 each issued, subscribed and fully paid (Refer note 2.1)		
As at April 01, 2019	53,72,44,328	53,724
Add: Issue of equity shares	-	-
As at March 31, 2020	53,72,44,328	53,724
Less: Cancellation of shares upon business combination (refer note 15)	(53,39,95,874)	(53,399)
Add: Issue of shares pursuant to the Scheme (refer note 15)	90,12,84,070	90,129
Add: Issue of shares under Qualified Institutional Placement (refer note 15)	6,14,12,482	6,141
As at March 31, 2021	96,59,45,006	96,595

B) OTHER EQUITY

Particulars	(INR in Lakh)			
	Securities premium (Refer note 16)	Share options outstanding account (Refer note 16)	Retained earnings (Refer note 16)	Total other equity
As at April 01, 2019 (Refer note 2.1)	35,195	-	(38,351)	(3,156)
Profit for the year	-	-	5,899	5,899
Other comprehensive loss for the year	-	-	(2)	(2)
Premium on issue of fresh equity shares	1,99,049	-	-	1,99,049
Less: Share issue expenses	(199)	-	-	(199)
As at March 31, 2020	2,34,045	-	(32,454)	2,01,591
Loss for the year	-	-	(13,755)	(13,755)
Other comprehensive income for the year	-	-	51	51
Pursuant to the Scheme (refer note 2.1.a)	1,64,661	-	956	1,65,617
Premium on issue of equity shares under Qualified Institutional Placement (refer note 16)	1,13,859	-	-	1,13,859
Less: Share issue expenses (refer note 16)	(2,084)	-	-	(2,084)
Share-based payment to employees (refer note 16)	-	2,651	-	2,651
Increase in 'Payable for Share Purchase' (refer note 16)	-	-	(657)	(657)
As at March 31, 2021	5,10,481	2,651	(45,859)	4,67,273

The accompanying notes are integral part of the consolidated financial statements

1-33

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place: New Delhi
Date: May 28, 2021

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

Place: New Delhi
Date: May 28, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

The consolidated cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

	For the year ended March 31, 2021 (Refer note 33.20)	(INR in Lakh)	For the year ended March 31, 2020 (Refer note 2.1)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax and share of profit/(loss) in associates			
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of tangible assets		10,923	3,367
Amortization of intangible assets		4,439	686
Depreciation of right to use assets		2,047	511
Contract Expense		310	316
Net (Gain) / Loss on foreign exchange fluctuation		(1,788)	21
Loss on remeasurement of previously held equity interest by Radiant Life Care		19,592	-
Employee stock options expense		2,651	-
CWIP/Asset written off		814	-
Fair value loss on contingent consideration		160	(603)
Bad debts and Debit balances written off		3,564	-
Provision for doubtful advances and doubtful debts (net)		(1,904)	2,273
Income on modification/ termination of Lease under Ind AS 116		163	-
Net loss on sale/disposal of property, plant and equipment		24	7
Unclaimed balances and excess provisions written back		(1,013)	(444)
Finance income		(6,608)	(3,514)
Interest on lease liability		1,589	254
Interest on debts and borrowings (including fair value change in financial instruments)		15,511	8,070
Operating cash flow before working capital changes		43,609	12,222
Working capital changes:			
(Increase)/Decrease in trade receivables		5,606	(3,143)
Decrease in other financial assets		9,483	2,609
(Increase)/Decrease in other current and non current assets		(7,573)	(264)
(Increase)/Decrease in inventories		1,725	(1,204)
(Decrease)/Increase in trade payables and other financial liabilities		(47,790)	(1,189)
(Decrease)/Increase in Provisions		855	385
(Decrease)/Increase in other current and non current liabilities		69	(1,078)
Cash generated from operations		5,984	8,338
Taxes (paid)/ refund - (net)		5,802	(629)
Net cash generated from operating activities (A)		11,786	7,709
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances		(11,842)	(9,009)
Proceeds from disposal of property, plant and equipment		162	-
Loan given to others healthcare service providers		(5,291)	(44,000)
Loan repayments by others healthcare service providers		3,700	-
Loan and deposits given to others		(637)	-
Purchase of equity instruments of Max Healthcare Institute Limited (refer note 2.1)		-	(2,13,598)
Finance income		6,608	2,537
Net cash flows from/(used in) investing activities (B)		(7,300)	(2,64,070)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of equity share capital including security premium	1,17,916	-
Amount of issue of equity share attributable to healthcare business of Radiant	-	1,85,752
Proceeds from non current borrowings	73,720	1,627
Repayment of non current borrowings	(83,263)	(15,110)
Proceeds from/(repayments of) short-term borrowings (net of repayment)	(69,569)	71,536
Payment of principal portion of lease liabilities	(2,571)	(437)
Payment of interest on lease liabilities	(1,589)	(254)
Interest on debts and borrowings paid	(15,511)	(7,802)
Net cash flows from/(used in) financing activities (C)	19,133	2,35,312
Net increase/(decrease) in cash and cash equivalents (A + B + C)	23,619	(21,049)
Cash and cash equivalents at the beginning of the year	11,101	32,150
Increase in cash and cash equivalents pursuant to the Scheme (refer note 2.1)	27,939	-
Cash and cash equivalents at the end of the year (refer note 12(iii))	62,659	11,101

COMPONENTS OF CASH AND CASH EQUIVALENTS:

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks on current accounts	1,385	10,368
Bank deposits with original maturity of less than three months	60,739	669
Cheques/drafts on hand and digital wallet receivables	313	-
Cash on hand	222	64
Total cash and cash equivalents	62,659	11,101

The accompanying notes are integral part of the consolidated financial statements

1-33

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

RASHIM TANDON
(Partner)
Membership No: 95540

Place: New Delhi
Date: May 28, 2021

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

ABHAY SOI
(Chairman & Managing Director)
DIN:00203597

YOGESH KUMAR SAREEN
(Chief Financial Officer)
ICAI Membership Number: 087383

Place: New Delhi
Date: May 28, 2021

RUCHI MAHAJAN
(Company Secretary)
Membership Number: F5671

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

1 CORPORATE INFORMATION

Max Healthcare Instituted Limited ("MHIL" or "the Company") was incorporated on June 18, 2001 and its registered office is located at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai 400056. The equity shares of the Company were listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited on August 21, 2020.

The Company along with its subsidiary companies and deemed separate entities, that is 'Silos' (Collectively referred to as "the Group") is primarily engaged in provision of healthcare services through primary care clinics, multi-specialty hospitals / medical centres and super-specialty hospitals facilities. These facilities include third party healthcare providers with whom, the Company has entered into long term service contracts for providing operation and management, medical services, clinical, radiology, pathology services and related healthcare services.

Also, refer to note 2.1 below with respect to business combination pursuant to Composite Scheme of Amalgamation and Arrangement ("the Scheme") amongst the Company, Radiant Life Care Private Limited ('Radiant'), erstwhile Max India Limited and its subsidiary company Advaita Allied Healthcare Services Limited (now known as Max India Limited ('Max India')). Thereafter, the Board of Directors took note of the NCLT order approving the scheme and filed the NCLT order with the respective Registrar of Companies on June 01, 2020 giving effect to the Scheme.

Consequently, Kayak Investments Holding Pte. Ltd. ("Kayak") and Mr. Abhay Soi, (the shareholder of "Radiant Life Care" (Demerged healthcare business of Radiant)) obtained control of the Company. The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with Radiant Life Care as the accounting acquirer and Max Healthcare Institute Limited as the accounting acquiree/legal acquirer.

Accordingly, these financials issued under the name of Max Healthcare Institute Limited (legal acquirer) represent the continuation of the financials of Radiant Life Care (accounting acquirer) except for capital structure and reflects the assets and liabilities of Radiant Life Care measured at their pre-combination carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to Max Healthcare Institute Limited and its subsidiaries.

Further, Radiant Life Care for business combination accounting on acquisition date, re-measured its previously held equity interest of 49.70% in the Company at INR 196,309 Lakh (previous carrying value INR 215,901 Lakh) and recognized a loss of INR 19,592, which has been disclosed as exceptional item (Refer note 33.16). In addition, the Company has also incurred a stamp duty cost of INR 3,778 Lakh under the Maharashtra Stamp Act, 1958 and reported this as an acquisition related exceptional cost. (Refer note 33.16).

share of net profit/(loss) of previously held equity stake in Max Healthcare Institute Limited. Also refer Note 3 below.

The Financial Statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at end of each reporting period (as explained in significant accounting policies note 3 below) and accounting for business combination carried out by the Group during the period (as more fully explained in note 2.1 below).

The following note provides list of the significant accounting policies adopted in the preparation of these Financial Statements.

2.1 Business combination during the year ended March 31, 2021

The Company, on May 27,2020 received the certified copy of National Company Law Tribunal ('NCLT') approving the Composite Scheme of Amalgamation and Arrangement ("the Scheme") amongst the Company, Radiant Life Care Private Limited ('Radiant'), erstwhile Max India Limited and its subsidiary company Advaita Allied Healthcare Services Limited (now known as Max India Limited ('Max India')). Thereafter, the Board of Directors took note of the NCLT order approving the scheme and filed the NCLT order with the respective Registrar of Companies on June 01, 2020 giving effect to the Scheme.

Consequently, Kayak Investments Holding Pte. Ltd. ("Kayak") and Mr. Abhay Soi, (the shareholder of "Radiant Life Care" (Demerged healthcare business of Radiant)) obtained control of the Company. The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with Radiant Life Care as the accounting acquirer and Max Healthcare Institute Limited as the accounting acquiree/legal acquirer.

Accordingly, these financials issued under the name of Max Healthcare Institute Limited (legal acquirer) represent the continuation of the financials of Radiant Life Care (accounting acquirer) except for capital structure and reflects the assets and liabilities of Radiant Life Care measured at their pre-combination carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to Max Healthcare Institute Limited and its subsidiaries.

Further, Radiant Life Care for business combination accounting on acquisition date, re-measured its previously held equity interest of 49.70% in the Company at INR 196,309 Lakh (previous carrying value INR 215,901 Lakh) and recognized a loss of INR 19,592, which has been disclosed as exceptional item (Refer note 33.16). In addition, the Company has also incurred a stamp duty cost of INR 3,778 Lakh under the Maharashtra Stamp Act, 1958 and reported this as an acquisition related exceptional cost. (Refer note 33.16).

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Details in respect of business combination is provided below:

No.	Particulars	(INR in Lakh)	Amount
A.	Consideration transferred		
(i)	Fair value of the Radiant Life care's previously held equity interest in the Company	1,96,309	
(ii)	Fair value of shares deemed to be issued on reverse acquisition	2,02,372	
	Total consideration (A)	3,98,681	
B.	Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition		
(i)	Property, plant and equipment	1,26,131	
(ii)	Right-of-use assets	23,880	
(iii)	Capital work-in-progress	841	
(iv)	Intangible assets	2,23,419	
(v)	Intangible assets under development	11	
(vi)	Non-current investments	51	
(vii)	Trade receivables (non-current)	11,891	
(viii)	Loans (non-current)	33,500	
(ix)	Other bank balances (non-current)	79	
(x)	Non-current tax assets (net)	14,414	
(xi)	Deferred tax assets (net)	6,624	
(xii)	Other non-current assets	11,685	
(xiii)	Inventories	4,425	
(xiv)	Trade receivables (current)	35,021	
(xv)	Cash and cash equivalents	27,939	
(xvi)	Other bank balances	346	
(xvii)	Loans (current)	890	
(xviii)	Other financial assets (current)	720	
(xix)	Current tax assets	191	
(xx)	Other current assets	1,451	
	Total assets acquired (a)	5,23,509	

No.	Particulars	(INR in Lakh)	Amount
	Liabilities		
(i)	Long term borrowings	78,918	
(ii)	Lease liabilities (non-current)	17,523	
(iii)	Other financial liabilities (non-current)	90	
(iv)	Long term provisions	2,364	
(v)	Deferred tax liabilities (net)	60,426	
(vi)	Other non-current liabilities	23,187	
(vii)	Short term borrowings	47,498	
(viii)	Trade payables	30,307	
(ix)	Lease liabilities (current)	1,033	
(x)	Other financial liabilities (current)	63,567	
(xi)	Other current liabilities	1,730	
(xii)	Short term provisions	1,893	
	Total liabilities acquired (b)	3,28,536	
	Net Assets of MHIL and its subsidiaries recognised pursuant to the Scheme (a-b)	1,94,973	
C.	Goodwill (A-B)		2,03,708

Goodwill here represents residual asset value attributable to unidentified intangible assets acquired by acquirer. Goodwill recognised above is not deductible for tax purposes. Also refer note 6 for detailed disclosure.

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Group.

In view of the foregoing, the financial results of the accounting acquiree have been included from the effective date of the Scheme i.e. June 01, 2020. The previous year result presented above are, thus that of Radiant Life Care and not comparable with the current period. Financial results for the year ended March 31, 2021 have the result of ten months operation of Max Healthcare Institute Limited and twelve months of Radiant Life Care.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Details in respect of business combination is provided below:

2.1.a Pursuant to the Scheme becoming effective from June 01, 2020, on June 19, 2020, the Company allotted 635,042,075 and 266,241,995 shares of face value of INR 10 each to the existing shareholders who were holding shares of the Radiant and erstwhile Max India Ltd. respectively as on their respective record dates. Further the existing share capital held by Radiant and Max India were cancelled upon implementation of the Scheme. Pursuant to Scheme, 424,676,811 and 210,365,264 equity shares were allotted to Kayak Investment Holdings Pte. Ltd. and Mr. Abhay Soi respectively. The details of shareholding have been submitted to the stock exchanges.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Tara Singh Vachani, Ms. Piya Singh, Mr. Veer Singh, Max Ventures Investment Holdings Private Ltd., Kayak Investments Holding Pte. Ltd. and Mr. Abhay Soi are Promoters of the Company. In terms of the Scheme, Analjit Singh, Neelu Analjit Singh, Piya Singh, Veer Singh, Tara Singh Vachani and Max Ventures Investment Holdings Private Limited will be de – promoterised subject to the provisions of the SEBI Listing Regulations. Post such de – promoterisation and consequent reclassification as public shareholders, Abhay Soi and Kayak shall be the promoters of the Company.

2.1.b Revenue and profit contribution

The acquired business contributed revenue from operations of INR 1,69,739 Lakh and profit of INR 11,866 Lakh to the Group for the year ended March 31, 2021.

If the acquisitions had occurred on April 01, 2020, consolidated pro-forma revenue from operations and Loss for the year ended March 31, 2021 would have been INR 2,68,240 Lakh and INR 15,552 Lakh respectively.

2.1.c Acquisition of assets and liabilities of residual Max India

The assets and liabilities of residual Max India transferred to the Company upon the merger is treated as the acquisition of individual assets and liabilities as these net assets acquired does not meet the definition of business as per Ind AS 103. The investment previously held by residual Max India amounting to INR 70,569.55 Lakh has been eliminated on merger as envisaged under the scheme with the corresponding adjustment to equity of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns

through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders
- (v) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated financial statements incorporate the financial statements of the Parent, its subsidiary Companies and deemed separate entities that is 'Silos' (refer 2 above). The deemed separate entities that is Silos are considered for consolidation on the following basis:

a) Operations of Dr. B L Kapur Memorial Hospital (being a unit of Lahore Hospital Society)

The Company has entered into an Operation and Management Agreement with Lahore Hospital Society, whereby the Company has agreed to operate, manage and provide medical services on an exclusive basis for a period of 15 years with effect from July 10, 2010, renewable for additional 30 years on the same terms and conditions.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

b) Operations of Dr. Balabhai Nanavati Hospital

Radiant Life Care Mumbai Private Limited, subsidiary of the Company, has entered into an Operation and Management Agreement with Dr. Balabhai Nanavati Hospital Society, whereby it has agreed to operate, manage and provide medical services on an exclusive basis for a period of 29 years with effect from July 16, 2014.

Financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial information in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries/Silos. For this purpose, income and expenses of the subsidiary/Silos are based on the amounts of the assets and liabilities recognized in the consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property plant & equipments, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and

liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- (ii) Derecognises the carrying amount of any non-controlling interests
- (iii) Derecognises the cumulative translation differences recorded in equity
- (iv) Recognises the fair value of the consideration received
- (v) Recognises the fair value of any investment retained
- (vi) Recognises any surplus or deficit in profit or loss
- (vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

All group entities follow financial year as accounting year.

Business combination (Also refer note 2.1)

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognized.

Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the Group's Consolidated financial statements. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill (Also refer note 2.1)

Goodwill is measured as the excess of the sum of the consideration transferred, over the net of the acquisition-date amounts of the fair value of identifiable assets acquired and the liabilities assumed less the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any).

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates or joint ventures are incorporated in the financial statement using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is recognised initially in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or has made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in capital reserve in the period in which the investment is acquired.

3.2 Summary of significant accounting policies**a. Current versus non-current classification**

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

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

b. Property, Plant and Equipment

Property, plant and equipment (PPE) including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties (including import duties paid through EPCG license), freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of Goods and Service Tax credit (GST) wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

The Group identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost and has useful life that is materially different from that of remaining asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets prescribed in schedule II of Companies act 2013, except for certain classes of property, plant and equipment which are depreciated based on the technical assessment made by the independent valuation expert engaged by management. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life of the assets are as follows:

Assets	Useful lives (refer note 2.1)
Leasehold improvements	Shorter of the estimated useful life of tangible asset or respective lease term
Building	60 Years*
Medical equipment	7-13 Years*
Hand instruments	4 Years
Lab equipment	10 Years
Electrical installations and equipment	7-10 Years*
Plant and equipment	15 Years*
Office equipment	5 Years
Computers & data processing units	3 - 6 Years
Furniture and fixtures	5-10 Years
Motor vehicles other than ambulances	8 Years
Ambulances	6 Years

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

*The Group has determined the remaining useful life of the PPE acquired on date of acquisition, based on the assessment made by independent valuation expert engaged by the Group. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

The useful life estimated by independent valuation expert for the following block of asset are as follows:

Assets	Useful lives (in years)
Building	3 - 60 Years
Medical Equipment	4-24 Years
Electrical Installations and Equipment's	5-22 Years
Plant and Equipment	4-23 Years

Any tangible assets purchased during the year costing upto INR 5,000/- are depreciated within one year.

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

c. Intangible assets

Intangible assets acquired separately are stated at cost except for fair valued on business combination (Refer note 2.1). Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The amount initially recognised for internally-generated intangible assets is the sum of the amount incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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

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

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as follows :-

Intangible Assets	Useful lives
Softwares	2-7 years
Non-Compete agreement	As per agreement period
Medical service agreement	As per agreement period
Radiology & pathology service agreement	As per agreement period
Operation & Management Rights	As per agreement period

d. Impairment of non financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e. Financial instruments

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

(i) Financial assets

The Group classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and derivatives at fair value through profit or loss (FVTPL)

- (iii) Equity instruments measured at FVTPL and fair value through other comprehensive income (FVTOCI)

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for further reference.

Unbilled revenue

Unbilled revenue represents value of services rendered to patients undergoing treatment and pending for billing and is reported under other current financial assets.

Debt instruments at amortized cost

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Cash flow characteristics test : The asset's contractual cash flows represent sole payment of principal and interest (SPPI).

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

Debt instruments and derivatives at FVTPL

FVTPL is a residual category for debt instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Income from these Debt instruments is included in other income.

Equity instruments measured at FVTPL and FVTOCI

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

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

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

Impairment of financial assets

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

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

The Group follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at the time of initial revenue recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on the historically observed default rates over the expected life of various categories of trade receivables and these are updated and

changed based on forward looking estimates at every reporting date.

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

Loans and borrowings

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values.

Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial instruments

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

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

f. Revenue

I) **Revenue from contract with customer**
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services net of returns and allowances, trade discounts and volume rebates. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither ownership nor effective control over the goods sold or services rendered.

Contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to an amount that reflects the consideration which the Group expects to receive in exchange for those services and is net of tax collected from customers and remitted to government authorities and applicable discounts and allowances including claims. Further, the Group also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

a. Sale of goods

Revenue from sale of pharmacy and pharmaceutical supplies is recognized at the point in time when control of the such items is transferred to the customer, generally on delivery of the pharmacy and pharmaceutical items. The Group collects goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group and thus excluded from revenue. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

b. Revenue from healthcare services

Revenue from rendering of healthcare services (including drugs, consumables and implants used in delivery of such services) is recognized over the time based on the

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

performance of related services to the customers as per the terms of contract.

Income from medical services and operation and management fee is recognised as and when obligations arising out of the contractual arrangements are fulfilled and services are provided in terms of such agreements.

II) Other services rendered

Income from other services like sponsorship income, education income, clinical trials and other ancillary activities is recognized based on the terms of the contract and it is probable that economic benefits associated with the transaction will flow to the entity and amount of revenue can be measured reliably.

III) Rental income

Rental income arising from operating leases and licences is accounted as per their respective terms of contract and is included in operating revenue in the statement of profit or loss due to its operating nature.

IV) Incentive income

Benefits under "Service exports from India Scheme" and "Export promotion capital goods scheme" on 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 to the extent there is no significant uncertainty about the measurability and ultimate utilization.

V) Other income

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

g. Inventories

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

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

h. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income either over the period allowed under the Government grant scheme or upto completion of obligation of Government grant. Non-monetary government grants related to assets, shall be recognised for the amount incurred over and above the grant received and in case of nil consideration both Government grant & assets are recognised at a nominal amount.

i. Taxes

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

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

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except: when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and,

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

j. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

A discontinued operation is a 'component' of the group business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale. The group considers the guidance in Ind AS 105 Non-Current assets held for sale and discontinued operations to assess whether a divestment asset would qualify the definition of 'component' prior to classification into discontinued operation.

k. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and charged to statement of profit and loss on the basis of effective interest rate (EIR) method. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other finance costs are expensed in the period in which they occur.

l. Leases

As per Ind AS 116 applicable from April 01, 2019 The Group assesses at contract inception whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities for payment to lessor and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Assets	Useful lives (years)
Leasehold land	Over the leasehold period
Leasehold improvements	Over the leasehold period
Medical equipment	15 years

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (Impairment of non-financial assets).

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its weighted average cost of debt as incremental borrowing rate as on initial recognition date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term/ lease payments or a change in the assessment of an option to purchase the underlying asset and corresponding adjustment to right to use assets.

Short term leases and lease of low value assets

The Group applies the short term lease recognition exemptions to its short term leases of property like nursing hostels i.e. those leases that have a lease term of twelve months or less from commencement date and do not contain a purchase option. Lease payment on short term leases are recognized as expenses on a straight line basis over the term of the lease.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as per the term of lease agreement.

m. Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be

required to settle the obligation and a reliable estimate can be made of the amount of such obligation. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities and assets

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

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

n. Employee benefits

Provident fund

Retirement/post-employment benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the regional PF Commissioner. The Group recognise contribution payable to provident fund scheme as an expenditure, when an employee renders related service.

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 least at the end of each financial year. For some group companies the group has also made contribution to life insurance companies towards a policy to partially cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the period-end and the balance of funds with the life insurance companies is provided as liability in the books.

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

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

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

(ii) Net interest expenses or income

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

Post-retirement employee medical scheme

One of the deemed separate entities, namely, Dr. Balabhai Nanavati Hospital provides post-retirement healthcare benefits to certain categories of its employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Long term incentive plan

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

Leave encashment

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

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

Short-term obligations

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

o. Share-based payments

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

p. Cash and cash equivalents and other bank balances

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Restricted bank balances and deposits having maturity more than 3 months are classified and disclosed as other bank balances.

q. Earning per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders (profit/(loss)) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

r. Foreign currencies

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's Financial Statements are presented in Indian rupee ('the

functional currency) which is also the Group's functional and presentation currency.

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

Measurement of foreign currency items at the balance sheet date

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

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

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of :-

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statement, the assets and liabilities of the Group's foreign operations are translated into Indian INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

in equity (and attributed to non-controlling interests as appropriate).

s. Derivative financial instruments

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in profit or loss account.

t. Fair value measurement

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

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy,

described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

u. Segment accounting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM").

The Group has identified only one reportable business segment as it deals mainly in provision of healthcare services.

3.3 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

(a) Impairment**(i) Impairment testing of goodwill and other intangible assets**

Goodwill and intangible assets (such as Trademarks), if any, that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other intangible assets (including Operation and management rights and Service agreement) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units) (refer note 6). During the year Group has done the impairment assessment of Goodwill and other intangibles (including those appearing in the subsidiaries) and have concluded that there is no impairment in value of goodwill and other intangibles assets as appearing in the Financial Statements.

(ii) Impairment testing of non-Financial assets

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(iii) Impairment testing of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Group's past history, existing market conditions as well

as forward looking estimates at the end or each reporting period.

(iv) Impairment testing of trade receivables

The Group reviews its trade receivables to assess impairment at regular intervals. In determining of impairment losses, the Group makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows and a risk of default and expected loss rates exists. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or conditions which is based on historic loss rates, present developments such as liquidity issues and information about future economic conditions, with respect to reduction in the recoverability of cash flows.

(b) Contingent Consideration

The valuation model considers the present value of expected payment, discounted using an appropriate discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and profitability on which contingent consideration is depend, the amount to paid under each scenario and the probability of each scenario. Key assumptions include annual revenue growth rate, risk-adjusted discount rate, occupancy rate and average revenue and expenditures over the period of contracts. All assumptions are reviewed at each reporting period.

(c) Business combination

Business combination during the current year (as explained in note 2.1 above) has been accounted as reverse acquisition under Ind AS 103, "Business Combination". Significant estimates and judgements are required to be made in determination of business, accounting acquirer, accounting acquiree and acquisition date and identification of assets and liabilities acquired. Ind AS 103 requires Identification and valuation of assets (including intangible assets and trademarks) and liabilities (including contractual obligations) of the accounting acquiree & its subsidiaries as at the acquisition date. Based on the third party expert advise, the management determines the appropriate valuation technique, related inputs, estimates and assumptions for fair valuation measurements. The Group has engaged third party experts to perform the fair valuation using relevant valuation methodology for identified tangible and intangible assets and liabilities. Information about the business combination and related valuation is provided separately in these consolidated financial statements.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- (d) **Consolidation**
Preparation of consolidated financial statements is based on the requirements of Ind AS 110 Consolidated Financial Statements. The Group has determined 'Silos' (refer note 3.1) amongst the agreements with Healthcare Service Providers (HSP's), based on the assessment of control criteria and consolidated for financial reporting purposes and form part of the consolidated financial statements of the Group.

Identification of Silos including related control, certain elements of the consolidation including identification of assessments consideration, determine appropriate accounting and fair value adjustments require the management to exercise significant judgements. This also requires a detailed assessment of the underlying a judgement and the related contracts to ascertain arrangements for purposes of control evaluation.

- (e) **Useful lives of Property, plant and equipment**
Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

- (f) **Taxes**
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions and measurement of deferred tax, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may

arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- (g) **Assessment of claims and litigations disclosed as contingent liabilities**
Assessment of claims and litigations disclosed as contingent liabilities There are certain claims and litigations which have been assessed as contingent liabilities by the Management (Also refer note 32) which may have an effect on the operations of the Group should the same be decided against the Group. The Management has assessed that no further provision / adjustment is required to be made in these financial statements for the above matters, other than what has been already recorded, as they expect a favourable decision based on their assessment and the advice given by the external legal counsels / professional advisors.

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

- (i) **Fair value measurement of financial instrument**
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3.4 (a) New Accounting standards issued but not yet effective

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

(b) New Amendments not yet adopted by the Group

On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013.

Key amendments relating to Division II which relates to the Group whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for any change in the ratio by more than 25% as compared to the preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.

These amendments are applicable from April 01, 2021. The Group is currently evaluating the impact of these amendment on the consolidated financial statements.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

4. PROPERTY, PLANT AND EQUIPMENT (PPE) AND CAPITAL WORK IN PROGRESS(CWIP)

(Carried at cost, unless otherwise stated)

	Leasehold land	Freehold land	Building improvements	Leasehold improvements	Medical equipment	Lab equipment	Plant and equipment	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Electrical installations and equipment	Other surgical instruments	Total	Capital work in progress		
Gross carrying amount																	
As at April 1, 2019	-	-	-	4,060	-	36,855	-	6,739	591	2,594	222	1,652	2,869	-	55,582	4,417	
Additions	-	-	-	316	-	5,978	-	704	51	90	316	154	75	-	7,684	219	
Disposals/ Capitalization of CWIP	-	-	-	-	-	22	-	28	3	-	-	29	-	-	-	82	1,881
As at March 31, 2020	-	-	-	4,376	-	42,811	-	7,415	639	2,684	538	1,777	2,944	-	63,184	2,755	
Pursuant to the Scheme (Refer Note 2.1)	21,500	13,006	43,881	-	3,144	14,886	43	23,853	669	1,477	825	762	1,646	439	1,26,131	841	
Additions	-	-	949	295	87	5,855	5	792	235	223	525	212	70	538	9,786	2,412	
Disposals/Capitalization of CWIP	-	-	171	-	163	292	-	116	23	97	58	72	16	92	1,100	3,336	
As at March 31, 2021	21,500	13,006	44,659	4,671	3,068	63,260	48	31,944	1,520	4,287	1,830	2,679	4,644	885	1,98,001	2,672	
Accumulated depreciation																	
As at April 1, 2019	-	-	-	603	-	20,792	-	4,789	401	2,108	75	1,381	2,289	-	32,438	-	
Additions	-	-	-	77	-	2,280	-	473	66	141	28	143	159	-	3,367	-	
Disposals	-	-	-	-	-	22	-	24	3	-	-	28	-	-	-	77	-
As at March 31, 2020	-	-	-	680	-	23,050	-	5,238	464	2,249	103	1,496	2,448	-	35,728	-	
Additions	-	-	992	274	390	6,106	4	1,170	248	519	214	430	375	210	10,932	-	
Disposals	-	-	162	-	162	270	-	66	4	95	4	72	16	79	930	-	
As at March 31, 2021	-	-	830	954	228	28,886	4	6,342	708	2,673	313	1,854	2,807	131	45,730	-	
Net carrying amount																	
As at March 31, 2021	21,500	13,006	43,289	3,717	2,840	34,374	44	25,602	812	1,614	1,517	825	1,837	754	1,52,271	2,672	
As at March 31, 2020	-	-	-	3,696	-	19,761	-	2,177	175	435	435	281	496	-	27,456	2,755	

4.01 Property, Plant and Equipment for the year ended March 31, 2020 relates to assets pertaining to Healthcare undertaking of Radiant Life Care Private Limited (Refer to note 2.1)**4.02** Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, identified tangible assets of accounting acquiree (as more fully explained in note 2.1) are measures at acquisition date fair value, as determined by independent valuation expert engaged by the Group. Fair value of the land of the hospital units of the accounting acquiree (Max Healthcare Institute Limited and its subsidiaries, as more fully explained in note 2.1) are measures at acquisition date fair value. These assets majorly includes leased Hospital at Dehradun, Panchsheel Park, Noida and Nursing Hostels and other accommodations.

independently

valued

by

the

Group

Fair

value

of

the

land

of

the

hospital

units

of

the

accounting

acquiree

(Max

Healthcare

note

2.1)

independent

expert

based

prices

, locations

and

conditions

of

the

specific

Property

,

Plant

and

Equipment

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

- Freehold land pertaining to hospital situated at Vaishali.

- Fair value of other assets acquired namely hospital buildings / other buildings and medical equipments, plant and machinery and other assets are also determined by independent valuation expert which takes into account remaining economic life and replacement cost of such assets.

- Building at Mohali and Bathinda has been constructed on the land provided by Government of Punjab under concession agreement.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

4.03 PPE are subject to charge to secure the Group's secured long term borrowings as disclosed in note 17 and 22.**4.04** The difference of depreciation amount from statement of profit and loss is INR 9 Lakh pertaining to depreciation expense capitalised on the ongoing projects of the Group. (refer note 33.6)**5. RIGHT OF USE ASSETS**

	Leasehold land	Leasehold building	Medical equipment	(INR in Lakh)
Gross carrying amount (at cost)				
On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019	-	1,642	435	2,077
Additions	-	36	19	55
As at March 31, 2020	-	1,678	454	2,132
Pursuant to the Scheme (Refer Note 2.1)	5,060	18,432	388	23,880
Additions (Refer Note 5.03)	153	910	77	1,140
Deletions	-	2,107	262	2,369
As at March 31, 2021	5,213	18,913	657	24,783
Accumulated depreciation				
On account of adoption of Ind AS -116 at transition date i.e. April 1, 2019	-	-	-	-
Additions	-	363	148	511
As at March 31, 2020	-	363	148	511
Additions*	1	2,002	100	2,103
Deletions	-	346	33	379
As at March 31, 2021	1	2,019	215	2,235
Net carrying amount				
As at March 31, 2021	5,212	16,894	442	22,548
As at March 31, 2020	-	1,315	306	1,621

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

6. GOODWILL

Goodwill acquired in business combination and arising on consolidation is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

Particulars	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	41,758	41,758
Additional amount recognised pursuant to the Scheme (Refer note 2.1)	2,03,708	-
Balance at end of the year	2,45,466	41,758

Allocation of goodwill to Cash-Generating Units (CGU)

Goodwill acquired on business combination is allocated, at acquisition, to the CGU that are expected to benefit from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The carrying value of the goodwill has been allocated as follows:

Cash generating units	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Radiation Oncology services at Dr. B L Kapur Memorial Hospital	548	548
Operation & Management Contracts of the accounting acquirer:		
Dr. B.L. Kapur Memorial Hospital (Silo)	34,673	34,673
Dr. Balabhai Nanavati Hospital (Silo)	6,537	6,537
Hospital Operations acquired upon business combination effective June 01, 2020:		
Max Super Speciality Hospital, Saket (including related day care and other wings)	48,319	-
Max Super Speciality Hospital, Shalimar Bagh	20,729	-
Max Super Speciality Hospital, Dehradun	18,730	-
Max Labs	6,526	-
Max Super Speciality Hospital - Mohali	43,622	-
Max Super Speciality Hospital - Bathinda	2,522	-
Saket City Hospitals Limited	37,193	-
Crosslay Remedies Limited	20,843	-
Alps Hospital Limited	5,224	-
Total	2,45,466	41,758

The Group's evaluation of goodwill for impairment involves the comparison of the recoverable value of cash generating unit to its carrying value in accordance with Ind AS 36, Impairment of Assets. The recoverable amount is determined based on the higher of the fair value less cost of disposal or the value in use. The Group has determined recoverable value, which included use of discounted cash flow model to estimate recoverable value, and requires management to make significant estimates and assumptions related to future cash flow forecasts (including forecast of future revenue and operating margins), discount rates and the long term growth rates applied to these future cash flow forecasts. The cash flow projections generally cover a period of six years/balance tenure of O&M agreement.

The estimated cash flows reflects the assumptions for mid-term to long term market developments. The average long term growth rate used in extrapolating cash flows beyond the planning period is ranging from 3% to 5%. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. Discount rate used is ranging from 11% - 13% over the years.

The management has concluded that the recoverable value is higher than the carrying amount and accordingly, no impairment provision has been recorded as at 31 March 2021 and further believes that any reasonable possible change, including those related to the possible effects of the COVID-19 pandemic, in key assumptions on which recoverable amount is based, is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

7. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	Operation and management rights (Refer foot note 7.01)	Other intangible assets				Intangible assets under development
		Computer software	Non compete fee	Trademarks (Refer foot note 7.02)	Service agreement (Refer foot note 7.02)	
Gross carrying amount (at cost)						
As at April 1, 2019	13,870	1,223	-	-	-	15,093
Additions	2,950	99	-	-	-	3,049
Disposals/ Capitalization	-	-	-	-	-	-
As at March 31, 2020	16,820	1,322	-	-	-	18,142
Pursuant to the Scheme (Refer Note 2.1 & footnote 7.02 below)	-	2,410	1,311	49,378	1,70,320	2,23,419
Additions	-	113	-	-	-	113
Disposals/Capitalization	-	2	-	-	-	2
As at March 31, 2021	16,820	3,843	1,311	49,378	1,70,320	2,41,672
Accumulated amortization						
As at April 1, 2019	2,254	942	-	-	-	3,196
Additions	550	136	-	-	-	686
Disposals	-	-	-	-	-	-
As at March 31, 2020	2,804	1,078	-	-	-	3,882
Additions	1,585	712	429	-	1,713	4,439
Disposals	-	2	-	-	-	2
As at March 31, 2021	4,389	1,788	429	-	1,713	8,319
Net carrying amount						
As at March 31, 2021	12,431	2,055	882	49,378	1,68,607	2,33,353
As at March 31, 2020	14,016	244	-	-	-	14,260

7.01 Intangible assets for the year ended March 31, 2020 relates to assets pertaining to healthcare undertaking of Radiant Life Care Private Limited (Refer to note 2.1), which includes operation and management rights.

Operation and management rights is an identified intangible asset recognized based on acquisition accounting applied by the Group as per Ind AS 103 Business Combinations. The Group amortizes the Operation and management rights over the contract period i.e. 29 years. During the year ended 31 March 2020, addition to Operation and Management rights include transfer fees paid/payable to Dr. Balabhai Nanavati Hospital Society amounting to INR 2,950 Lakh in terms of Operations and Management Agreement.

7.02 Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, identified intangible assets of accounting acquiree i.e. Max Healthcare Institute Limited and its subsidiaries (as more fully explained in note 2.1) are measured at acquisition date fair value, as determined by independent valuer engaged by the Group. These intangible assets include:

- Service agreement is an intangible asset identified in terms of accounting principles of Ind AS, arising from Medical Service Agreement and Radiology and Pathology Agreement ('Agreements'), between

Max Healthcare Institute Limited and its subsidiaries and other healthcare service providers to provide medical services. The Group receives service fees in consideration of medical services provided. Upon business combination accounting on June 01, 2020, service agreement of INR 1,70,320 Lakh has been recognised in the merger transaction as per Ind AS 103 at acquisition date fair value determined by independent valuation expert engaged by the Group based on discounted cash flow method. Such service agreements are amortised over the period of respective Agreements.

- Hospital units held by accounting acquiree (Max Healthcare Institute Limited and its subsidiaries, as more fully explained in note 2.1) operate under the name of 'Max Healthcare' Trademark name. This trademark are transferred as part of merger transaction and fairvalued upon acquisition and the Group will continue to use the 'Max Healthcare' trademark. The trademark have indefinite life and carried at acquisition date fair value less impairment losses.

- non compete fee of INR 1,311 Lakh has been recognised in the transaction upon business combination as per IND AS 103.

7.03 Intangible assets under development includes computer softwares.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

8. NON-CURRENT FINANCIAL ASSETS**i) Investment in equity instrument (fair value through OCI)**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Sandhya Hydro Power Projects Balargha Private Limited		
5,07,795 (March 31, 2020: Nil) equity shares of INR 10 each fully paid-up	51	-
Non-Current	51	-
Aggregate value of unquoted investments	51	-
Amount of impairment in value of investments	-	-

Note: The Company holds 5,07,795 equity shares of Sandhya Hydro Power Projects Balargha Private Limited, a company engaged in the business of generation and sale of hydro energy.

ii) Trade receivables (unsecured)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables - considered good	11,945	-
	11,945	-

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies in which any director is a partner, director or a member. Refer note 33.10 for outstanding from related parties.

As at December 10, 2001, Max Medical Services Limited (merged with the Max Healthcare Institute Limited) had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of INR 2,431 Lakh. The said consideration is repayable in equal instalments over 20.5 years from the handover date. The recoverable value was determined at the acquisition date, based on expected cash flows as per the contractual terms and accordingly recorded in these consolidated financial statements, upon business combination at value determined on the acquisition date.

over the possession for a consideration of INR 3,520 Lakh. The said consideration is repayable in equal instalments over 20.5 years from the handover date. The recoverable value was determined at the acquisition date, based on expected cash flows as per the contractual terms and accordingly recorded in these consolidated financial statements, upon business combination at value determined on the acquisition date.

Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to INR 57 Lakh (March 31, 2020: INR Nil), has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other income" as income from deferred credit and INR 1,051 Lakh (March 31, 2020: INR Nil) as interest income on fair valuation of trade receivables under "Finance income". (Refer Note 33.15).

iii) Loans (valued at amortized cost) (unsecured considered good unless stated otherwise)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Loans and advances to other healthcare service providers [refer footnote (a)]	16,195	-
Security deposits - considered good [refer footnote (b)]	19,504	284
Security deposits - credit impaired	200	-
Less:- Impairment allowance for security deposits - credit impaired	(200)	-
	35,699	284

(a) Interest bearing loan amounting to INR 13,695 Lakh (March 31, 2020 : Nil) given to Gujarmal Modi Hospital & Research centre for medical science and INR 2,500 (March 31, 2020 : Nil) to Devki Devi Foundation. These loans are provided by the Group as it provides opportunities to the Group to increase the reach of its offering leading to growth in revenue & improve profitability. The Group does not expect any default by other healthcare services provider and any loss of interest of the Group.

(b) Security deposits include INR 17,853 Lakh (March 31, 2020: Nil) given to Devki Devi Foundation, Balaji Medical and Diagnostic Research Centre and Gujarmal Modi Hospital & Research centre for medical science. These deposits are provided by the Group as it provides opportunities to the Group to increase the reach of its offering leading to growth in revenue & improve profitability. The Group does not expect any default by other healthcare services provider and any loss of interest of the Group.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

iv) Other bank balances

	As at March 31, 2021	As at March 31, 2020
Deposit with bank having balance maturity of more than 12 months	53	246
Fixed deposits under lien #	188	-
	241	246

Margin money deposits have been made to secure Bank Guarantee/ Letter of Credit issued by banks for EPCG Licenses/ESIC/Government authorities.

9. INCOME TAX ASSETS

	As at March 31, 2021	As at March 31, 2020
Advance income tax & tax deducted at source (net of provision)	15,533	6,545
	15,533	6,545

10. OTHER NON CURRENT ASSETS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

	As at March 31, 2021	As at March 31, 2020
Capital advances [refer footnote (i)]	3,120	177
Unamortised contract expense [refer footnote (ii)]	9,855	10,164
Others		
Prepaid expense	7,419	561
Licence receivable	39	-
Balance with statutory authorities	10	-
Other Advance [refer footnote (iii)]	1,656	-
Other Advances - credit impaired [refer footnote (iii)]	308	-
Less:- Impairment allowance for Other Advances - credit impaired	(308)	-
	22,099	10,902

(i) Capital advances includes the amount of INR 1,618 Lakh paid on account of the advance towards land located at Greater Noida. This amounts was paid as per the terms of respective allotment letters. The aforesaid amounts were fair valued on acquisition date, based on the available market, at value of INR 2,898 Lakh. The Company has applied to Greater Noida Development Authorities for possession of land after payment of all due amount and waiting for grant of possession.

(ii) Unamortized contract expense represents cost of land and buildings of Dr. B.L. Kapur Memorial Hospital and Dr Balabhai Nanavati Hospital being consolidated in the financial statements and expensed over the period of contract.

(iii) Other advances as at March 31, 2021 include INR 1,686 Lakh paid as per the terms of Letter of Allotment ('LOA') towards land allotted to the Company by Greater Mohali Area Development Authority (GMADA) located at Medi City, New Chandigarh. Despite repeated request, GMADA has not been able to handover possession of vacant land to Company, due to which, Company has withheld the instalments of INR 534 Lakh and INR 498 Lakh due on July 20,2018 and July 20,2019 respectively. The aforesaid amounts were fair valued on acquisition date, based on the recoverability, at value of INR 1,464 Lakh. During the current year, the Company has vide letter dated September 30, 2020 withdrawn from LOA and surrendered the land back to GMADA and requested for the refund of amounts already paid along with interest. Subsequently GMADA has issued a notice dated December 2, 2020 and imposed an interest penalty aggregating to INR 361 Lakh on the Company for non- payment of amount due, ignoring the letter of surrender submitted by the Company. The Company has not accepted the demand of GMADA, as required activities were not completed by authorities for the handing over of peaceful possession of allotted plot to the Company. Based on the discussions between GMADA officers and Company representative, an amount of INR 1,156 Lakh (net of estimated deduction of INR 530 Lakh by GMADA) has been considered recoverable in the books of account.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

11. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Stock of pharmacy, drugs, consumables and implants	5,380	2,680
	5,380	2,680

12. CURRENT FINANCIAL ASSETS**i) Investments (in equity instruments of associate)**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Max Healthcare Institute Limited		
Nil (March 31, 2020: 26,69,97,937)Equity shares of Max Healthcare Institute Limited of INR 10 each (refer footnote)	-	2,18,206
	-	2,18,206

Note:

Radiant Life Care Private Limited had acquired 26,69,97,937 equity shares representing 49.7% of the paid up equity shares in Max Healthcare Institute Limited from Life Healthcare International (Proprietary) Limited for cash consideration aggregating to INR 2,13,598 Lakh.

Investment in associate is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 3.1.

Upon merger transaction, and accounting for business combination at acquisition date (refer note 2.1), previously held equity interest of 49.70% is re-measured at INR 1,96,309 Lakh (previous carrying value INR 2,15,901 Lakh) and accordingly a loss of INR 19,592 Lakh is recognized in these financial statements. The fair value amount of investment in Max Healthcare Institute Limited formed part of Purchase consideration for reverse acquisition.

ii) Trade receivables (Unsecured considered good, unless otherwise stated)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables - considered good	36,548	9,609
Trade receivables from related parties- considered good (refer note 33.10)	41	-
Trade receivables - credit impaired	6,242	4,113
Less: Impairment allowance for trade receivables	(6,242)	(4,113)
	36,589	9,609

Trade receivables are not interest bearing.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

iii) Cash and cash equivalents

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
On current accounts	1,385	10,368
Deposits with original maturity of less than three months	60,739	669
Cheques\drafts on hand and digital wallet receivables	313	-
Cash on hand	222	64
	62,659	11,101

iv) Bank balances other than (iii) above

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Deposits:		
On escrow accounts (refer note (i))	1,382	-
Fixed deposits under lien (refer note (ii))	1,231	826
Fixed deposits with banks with maturity more than 3 months but less than 12 months	20	30
	2,633	856

(i) Amount includes INR 1,250 Lakh payable to Book Running Lead Managers ("BRLMs") towards service fee in connection with the Qualified Institutional Placement issue.

(ii) Margin money deposits given as security includes:

INR 352 Lakh (March 31, 2020: INR 134 Lakh) to secure bank guarantee issued for EPCG Licenses and other government authorities.

INR 69 Lakh (March 31, 2020: INR 334 Lakh) to secure bank guarantee issued to customers i.e. ECHS, ESIC and Northern Railways.

INR 268 Lakh (March 31, 2020: INR Nil) to secure fixed deposit to bank against letter of credit.

INR 542 Lakh (March 31, 2020: INR 358 Lakh) to secure bank guarantee issued to banks to secure credit facility.

v) Loan (valued at amortized cost) (unsecured considered good, unless otherwise stated)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Loans to other healthcare service provider (refer footnote below)	543	45,069
Loans to others:		
Considered good	-	200
Credit impaired	94	-
Less: Impairment allowance for other advances - credit impaired	(94)	-
	543	45,269

During the year ended March 31, 2020, Radiant Life Care Private Limited had given a loan of INR 44,000 Lakh to Max Healthcare Institute Limited having an interest rate of 10.15% p.a. for general business purpose for meeting their working capital requirement. On merger of Max Healthcare Institute Limited and Radiant Life Care Private Limited, effective on 01 June, 2020 (Refer note 2.1), balance is eliminated in these consolidated financial statements.

vi) Other financial assets (unsecured considered good, unless otherwise stated)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	2,191	1,194
Receivable from trust	-	567
	2,191	1,761

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

13. INCOME TAX ASSETS

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Advance income tax & tax deducted at source (net of provision)	661	1,090
	661	1,090

14. OTHER CURRENT ASSETS

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
(unsecured considered good unless otherwise stated)		
Other advances:-		
Considered good	334	265
Credit impaired	335	-
Less: Impairment allowance for other advances - credit impaired	(335)	-
Balance with statutory authorities	39	58
Less: Impairment allowance for Balance with statutory authorities	(29)	-
Prepaid expenses	1,110	337
Unamortised contract expense	307	307
Licenses receivable	30	-
	1,791	967

15. EQUITY SHARE CAPITAL (REFER NOTE 2.1)**a) Authorized**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
1,26,00,00,000 (March 31, 2020: 96,00,00,000) equity shares of INR 10 each	1,26,000	96,000
12,50,00,000 (March 31, 2020: 12,50,00,000) cumulative preference shares of INR 10 each	12,500	12,500
	1,38,500	1,08,500
Issued, subscribed and fully paid-up		
96,59,45,006 (March 31, 2020: 53,72,44,328) equity shares of INR 10 each	96,595	53,724
Total issued, subscribed and fully paid-up share capital	96,595	53,724

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

	March 31, 2021		March 31, 2020	
	No. of shares	(INR in Lakh)	No. of shares	(INR in Lakh)
At the beginning of the year	53,72,44,328	53,724	53,72,44,328	53,724
Cancellation of shares upon business combination (Refer Note 2.1)	(53,39,95,874)	(53,399)	-	-
Issue of share pursuant to the Scheme (Refer note 2.1 and footnote below)	90,12,84,070	90,129	-	-
Issue of shares under Qualified Institutional Placement (refer foot note below)	6,14,12,482	6,141	-	-
Outstanding at the end of the year	96,59,45,006	96,595	53,72,44,328	53,724

Pursuant to the Scheme becoming effective from June 01, 2020, on June 19, 2020, MHIL has allotted 26,62,41,995 equity shares to equity shareholders of Max India Limited and 63,50,42,075 equity shares to equity shareholders of Radiant in the following ratio:

- 9,074 fully paid-up equity shares of MHIL of face value INR 10/- each, for every 10 fully paid-up equity shares, of face value INR 10/- each held in Radiant as on the record date i.e. June 01, 2020; and
- 99 fully paid up equity shares of MHIL of face value INR 10/- each, for every 100 equity shares of INR 2 each held in the Max India Limited as on the record date i.e. June 15, 2020.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The Company completed Qualified Institutional Placement on March 10, 2021, and allotted 6,14,12,482 equity shares at a floor price of INR 195.40 per share (having face value of INR 10 each) aggregating to INR 11,99,99,98,982 pursuant to the approval accorded by the members of the Company at its Annual General Meeting held on September 29, 2020 to raise funds by way of issue of equity shares to Qualified Institutional Buyers for an amount upto INR 1,20,000 Lakh.

c) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	March 31, 2021		March 31, 2020	
	No. of shares	% held	No. of shares	% held
Equity Shares of INR 10 each fully paid				
Max India Limited	-	-	26,69,97,937	49.70%
Radiant Life Care Private Limited	-	-	26,69,97,937	49.70%
Kayak Investments Holding Pte. Ltd.	46,98,45,836	48.64%	-	-
Mr. Abhay Soi	21,03,65,264	21.82%	-	-

e) Pursuant to Regulation 31 of the SEBI Listing Regulations, the details of shareholding for the quarter ended March 31, 2021 have been submitted to the stock exchanges.

f) Share reserved for issue under option

Information relating to Max Healthcare Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the year end, is set out in note 33.5.

16. OTHER EQUITY

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Securities premium (refer note a below)	5,10,481	2,34,045
Retained earnings (refer note b below)	(45,859)	(32,454)
Share options outstanding account (refer note c below)	2,651	-
	4,67,273	2,01,591

Notes:

a) Securities premium (refer (i) below)

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	2,34,045	35,195
Add: premium on issue of fresh equity shares	-	1,99,049
Add: premium on issue of equity shares pursuant to the Scheme (refer note 2.1)	1,64,661	-
Add: premium on issue of equity shares under Qualified Institutional Placement (refer foot note (ii))	1,13,859	-
Less: share issue expenses (refer note (iii))	(2,084)	(199)
	5,10,481	2,34,045

(i) Securities premium reserve is recognized to record the premium on issue of shares. The reserve can be utilized only for limited purpose as per the provision of the Companies Act, 2013.

(ii) The Company completed Qualified Institutional Placement of equity shares in March, 2021, allotting additional 6,14,12,482 equity shares at a price of INR 195.40 per share (face value of INR 10 per share) @ premium of INR 185.40 aggregating premium to INR 1,13,859 Lakh.

(iii) Share issue expenses are pertaining to issue of equity shares. In accordance with Ind AS 109 read with Ind AS 32, transaction costs in respect of the new share issued has been recognised in equity.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

b) Retained earnings

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	(32,454)	(38,351)
Profit/(loss) for the year	(13,755)	5,899
Items of other comprehensive income:		
Remeasurement gain / (loss) on defined benefit plans (net of tax)	51	(2)
Pursuant to the Scheme (refer note 2.1)	956	-
Increase in 'Payable for Share Purchase' [refer note 22 (iv)(b & c)]	(657)	-
	(45,859)	(32,454)

c) Share options outstanding account

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	-	-
Share-based payment to employees	2,651	-
Transfer to security premium account on exercise of option	-	-
Balance at end of the year	2,651	-

The above reserve relates to share options granted by the Company to its employees under its employee stock option plan. Further information about share-based payments to employees is set out in note 33.5.

17. BORROWINGS

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Non-current borrowings:-		
Term loans (secured)		
From banks (refer note I below)	83,782	10,484
Vehicle loans (secured) (refer note V below)	397	89
Deferred payment liabilities (secured) (refer note IV below)	53	-
Term loan from others (unsecured) (refer note III below)	50	50
Current maturity of non current borrowings:-		
Term loans (secured)		
From banks (refer note I below)	2,041	2,077
From non-banking financial company (refer note II below)	2	39
Deferred payment liabilities (secured) (refer note IV below)	86	-
Vehicle loans (secured) (refer note V below)	199	40
Less: Amount disclosed under "other current financial liabilities" [refer note 22(iv)]	86,610	12,779
Aggregate secured loans (Non-Current & Current)	2,328	2,156
Aggregate unsecured loans (Non-Current & Current)	84,282	10,623
	86,560	12,729
	50	50

Borrowing notes

Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, borrowing of accounting acquiree i.e. Max Healthcare Institute Limited (as more fully explained in note 2.1) are measured at acquisition date amortised cost (equivalent to fair value at acquisition date).

(I) Term loan from banks :-

- (i) INR 6,476 Lakh (March 31, 2020: INR 7,126 Lakh) from Indusind Bank Limited of Dr Balabhai Nanavati Hospital as repayable in 28 quarterly installments from April 30, 2018 and INR 500 Lakh (March 31, 2020: INR 520 Lakh) repayable in 35 quarterly installments commencing from February 29, 2020 is secured by way of:
 - (a) First exclusive charge upon all movable fixed assets and immovable property.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- (b) exclusive charge on the Designated Account of the borrower, including Collaboration Collection Account, to be maintained with the bank.

- (ii) INR 1,179 Lakh (March 31, 2020: INR 1,301 Lakh) from Punjab National Bank of Dr. B.L. Kapur Memorial Hospital as repayable in 90 monthly installments commencing from April 2018 is secured by way of:

- (a) First pari passu charge by way of mortgage on all the immovable properties including leasehold and freehold land.

- (b) First pari passu charge by way of hypothecation of all movable properties and assets, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets excluding vehicles, both present and future.

- (c) First pari passu charge by way of hypothecation of all book debts, operating cash flows and all the receivables and revenues, all current assets, commissions and the revenues of whatsoever nature and wherever arising, both present and future.

- (iii) INR 866 Lakh (March 31, 2020: INR 1,849 Lakh) from Punjab National Bank of Dr. B.L. Kapur Memorial Hospital as repayable in 90 monthly installments commencing from July 2019 after moratorium of 15 months is secured by way of:

- (a) First exclusive charge on plant and machinery, equipments and other block assets to be created out of total project of INR 3,600 Lakh.

- (b) Exclusive charge on entire block of assets.

- (iv) INR 1,463 Lakh (March 31, 2020: INR 1,636 Lakh) from HDFC of Dr. B.L. Kapur Memorial Hospital as repayable in 84 monthly installments commencing from April 2020 is secured by way of:

- (a) Hypothecation of medical equipments Dr. B.L. Kapur Memorial Hospital.

- (v) INR 24,728 Lakh (March 31, 2020: INR Nil) from IDFC Bank Limited of MHIL repayable in 52 structured quarterly installments from April, 2018 is secured by way of:

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

- (b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company, both present and future, including movable plant and

machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.

- (c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital lenders restricted to working capital limits of INR 9,500 Lakh in aggregate).

- (d) A first charge on the entire intangible assets of the Company, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.

- (e) A first charge/mortgage/assignment, as the case may be, of-(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project document, duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended, varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (d) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts.

Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 9,500 Lakh.

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

- (vi) INR 2,427 Lakh (March 31, 2020: INR Nil) from Indusind Bank Limited of MHIL repayable in 150 monthly installments from June, 2019 is secured by way of :-

- (a) Charge on the entire current assets, both present and future, subject to the first prior charge of only Working Capital facility lenders to the extent of INR 9,500 Lakh. of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- b) 1st Pari Passu Charge on the moveable fixed asset (excluding vehicles specifically charged to lenders who have financed those assets) including medical equipment (except medical equipment specifically charged to lenders who have financed those assets), movable plant and machinery, spares etc. of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
- c) 1st Pari Passu Charge on the non-current asset of the borrower but not limited to Goodwill and uncalled capital, intellectual property, both present and future of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
- d) 1st Pari Passu charge by the way of mortgage on the entire immoveable fixed assets of the borrower situated at Max Saket Hospital and Max Shalimar Bagh Hospital both present and future of the borrower with IDFC First Bank Ltd and NIIF Infrastructure Finance Limited.
- (vii) INR 4,267 Lakh (March 31, 2020: INR NIL) from IDFC First Bank Limited of MHIL repayable in 23 quarterly installments from August, 2022 is secured by way of:
 - a) 1st Pari Passu on charge on Land and Building of MHIL Saket and MHIL Shalimar Bagh with other Term lenders
 - b) 1st Pari Passu on entire intangible Assets both present and future with other Term Lenders
 - c) 1st Pari Passu on entire movable fixed assets of MHIL both present and future (except equipment/vehicle finance by specific loans) with other Term Lenders
 - d) 2nd Pari Passu on entire Current Assets of MHIL with other Term Lenders (Working Capital Lenders have first Charge on the entire Current Assets for their Working Capital Limits of INR 9,500 Lakh).
- (viii) INR 4,039 Lakh (March 31, 2020: Nil) from Indusind Bank Limited of ALPS Hospital Limited (Alps), repayable in quarterly structured installments and INR 861 Lakh (March 31, 2020: INR Nil) from Indusind Bank Limited, repayable in monthly structured installments; The above Loan is secured by way of:
 - a) Exclusive charge on all movable fixed assets, intangible assets and current assets (both present and future) of the Alps.
 - b) Pledge over 30% of the equity shares capital of the ALPS Hospital Limited (Exclusively to Indusind Bank Limited)

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- c) NDU of 21% of the equity share capital of the ALPS Hospital Limited (Exclusively to Indusind Bank Limited)
- (ix) INR 5,447 Lakh (March 31, 2020: INR Nil) from IDFC First Bank Limited of Hometrail Buildtech Private (HBPL) Limited repayable in 52 quarterly installments from June, 2018 and is secured by way of:
 - a) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the HBPL present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
 - b) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future.
 - c) A First Charge on entire intangible assets of the borrower including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
 - d) A first charge/mortgage/assignment, as the case may be, of -(1) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the project document, duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time (2) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the HBPL in the clearance, and (3) all the rights, title, interest, benefits, claims and demands whatsoever of the HBPL in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (4) all the right, title, interest, benefits claims and demands whatsoever of the HBPL under all insurance contracts.
 - e) Security interest set out in sub clauses (a), (c) and (d) shall rank pari-passu amongst the lenders of the HBPL for an aggregate rupee loan of up to INR 11,900 Lakh.
 - f) Security interest set out in sub clause (b) mentioned for both the loans of borrower i.e. at (ix) & (x) mentioned above shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 2,000 Lakh.
 - (xi) INR 15,710 Lakh (March 31, 2020: INR Nil) from Axis Bank Limited of Crosslay Remedies Limited (CRL) repayable in 45 unstructured quarterly installment from December 31, 2021.
 - a) First and exclusive charge by way of equitable mortgage over the land and building.
 - b) First charge by the way hypothecation over all movable fixed assets of the CRL both present and future.
 - c) Second charge by way hypothecation over all current assets of the CRL both present and future.
 - (xii) INR 7,692 Lakh (March 31, 2020: Nil Lakh) from Yes Bank Limited of Saket City Hospitals Limited (SCHL) repayable in 48 quarterly installment from March, 2019 The loan is secured by way of.
 - a) First Pari passu charge over all movable fixed assets both present and future and immovable (if any acquired in future) of the borrower.
 - b) First pari passu charge over all current assets (both present and future) of the borrower.
 - c) First pari passu charge on book debts operating cash flow, receivables, commission, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
 - d) Assignment of all borrowers rights under the service agreement and any other such agreement for providing any other services to Saket City Hospitals Limited, letter of credit, guarantee, or performance bond provided by any party for any contract related to the Hospital project in favor of the borrower on first pari passu basis.
 - e) Assignment of all the contracts, documents, insurance policies, rights, titles, permits/ approvals, clearances and interest of the borrower pertaining to the hospital project on first pari passu basis.
 - f) Pledge of 25.5% equity shares of the SCHL held by Max Healthcare Institute Limited
 - (xiii) INR 5,390 Lakh (March 31, 2020 Nil) from Axis Bank Limited of Saket City Hospitals Limited repayable in 52 structured quarterly installment from January, 2019. The loan is secured by way of.
 - a) A first pari passu charge on borrower's all movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixture, and all other movable assets, intangible, goodwill, uncalled capital, both present and future.
 - b) A first pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in all documents executed by the borrower with

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

SHRC "Gujarmal Modi Hospital and Research Centre for Medical Sciences" including but not limited to the hospital service agreement, both present and future.

- c) First pari passu charge on all receivables, current assets, present and future, of the borrower.
- d) Pledge (in compliance with BR Act) of 25.5% share capital (on a fully diluted basis) of the borrower held by Max Healthcare Institute Limited and option to increase it to 51% subject to inclusion of new lenders.

(II) Term loan from non-banking financial company :-

- (i) INR Nil (March 31, 2020 INR 39 Lakh) Term loan from De Loge Landen Financial services India Private Limited (DLL) of Dr Balabhai Nanavati Hospital repayable in 52 monthly installments commencing from April 21, 2016 at a fixed interest rate of 8.12% per annum is against hypothecation of cathlab equipment. The said loan was repaid during the year ended March 31, 2021.
- (ii) INR 2 Lakh (March 31, 2020: INR Nil) from NIFF Infrastructure Finance Limited of Max Healthcare Institute Limited repayable in 52 structured quarterly installments from May 2018 is secured by way of:-

- a) A First Mortgage and Charge on entire immovable properties of the Company pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
- b) A first charge by way of hypothecation of entire movable PPE (except the movable current assets) of the Company, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable PPE of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.

- c) A charge on the entire current assets including cash flows, receivables, books debts, revenues, raw material, stock-in-trade, and inventory of the borrower of whatsoever nature and wherever arising, both present and future (subject to a prior charge in favor of working capital Lenders restricted to working capital limits of INR 9,500 Lakh in aggregate).
- d) A first charge on the entire intangible assets of the borrower, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
- e) A first charge/mortgage/assignment, as the case may be, of -(1) all the rights, title, interest,

benefits, claims and demands whatsoever of the Company in the project document, duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time (2) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearance, and (3) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Document, (4) all the right, title, interest, benefits claims and demands whatsoever of the Company under all insurance contracts future.

- f) Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 9,500 Lakh.
- g) Security interest set out in sub clauses (a), (b), (d) and (e) shall rank pari-passu amongst the lenders of the borrower for an aggregate rupee loan of up to INR 34,000 Lakh.

Term loans are chargeable to interest from 8.60% per annum to 10.94% per annum on the basis of actual rate charged depending upon the purpose, tenure and lending institution.

(III) Unsecured Term loan from Others:-

Unsecured Term loan of INR 50 Lakh (March 31, 2020: INR 50 Lakh) from Rajiv Chaudhary HUF is interest free & repayable on demand.

(IV) Deferred payment liabilities :-

- (a) Deferred payment liabilities INR 139 Lakh (March 31, 2020: INR Nil Lakh) of Max Healthcare Institute Limited are secured by hypothecation of medical equipment and repayable in 20 quarterly installments from June 2018.

(V) Vehicle loan :-

Vehicle Loans of INR 596 Lakh (March 31, 2020: INR 129 Lakh) are repayable over the period ranging from one to five years and are secured by way of hypothecation of respective vehicles.

The rate of interest ranging from 7.40% to 10.00% on outstanding car loan on the basis of actual rate charged depending upon the tenure and lending institution.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

18. LEASE LIABILITIES -NON CURRENT

	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Lease liabilities (refer footnote below)	16,999	1,445	
	16,999	1,445	

Note:

Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, lease contracts of accounting acquiree (Max Healthcare Institute Limited, also note 2.1) are measures at acquisition date fair value. Lease liability of INR 17,523 Lakh (Non Current) & INR 1,033 Lakh (Current) was acquired on acquisition. The assets majorly includes lease liability for Hospital at Dehradun, Panchsheel Park, Noida, nursing hostels and other accommodations.

19. OTHER FINANCIAL LIABILITIES -NON CURRENT

	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Contingent Consideration payable (refer note below)	23,726	24,189	
	23,726	24,189	

Note:

Contingent Consideration payable has been recognized based on acquisition accounting applied by the Group as per Ind AS 103 Business Combinations.

20. PROVISIONS - NON CURRENT

	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Provision for restoration under public private partnership	285	-	
Provision for gratuity (refer note 33.1)	5,454	2,780	
Provision for leave encashment	-	986	
Provision for Post retirement medical benefit (refer note 33.2)	280	300	
	6,019	4,066	

21. OTHER NON CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Government grant [Refer note (i) below]	1,141	733	
Unfavourable lease liability [Refer note (ii) below]	22,524	-	
	23,665	733	

Note:

- (i) Movement in Government Grant

Particulars	INR in Lakh
Opening Balance	733
Pursuant to the Scheme (Refer Note 2.1)	152
Add:- Custom duty on purchase of machines	586
Less:- Income booked during the year	330
Closing Balance	1,141

- (ii) Pursuant to business combination accounting on June 01, 2020 as per Composite Scheme of Amalgamation and Arrangement, all the assets and liabilities of accounting acquiree (Max Healthcare Institute Limited, refer note 2.1) are measures at acquisition date fair value. Unfavourable lease liability is net of Fair value of Land at Mohali & Bathinda provided by Punjab Government for a period of 50 years and Present value of estimated outflow obligation against such land as per the concession agreement.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

22. CURRENT FINANCIAL LIABILITIES**(i) Current borrowings**

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Cash credit from banks (secured) [Refer note (I) below]	5,425	7,029
Loan from bank (unsecured)	-	61,375
Inter Corporate Loan (unsecured) [Refer note (II) below]	-	4,333
	5,425	72,737

(I) Cash credit from banks (secured)

- (i) Cash credit facility of Max Healthcare Institute Limited
 - (a) Cash credit facility of INR 497 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 3,500 Lakh from Yes Bank Limited.
 - (b) Cash credit facility of INR 539 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 2,000 Lakh from IndusInd Bank Limited.
 - (c) INR 188 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 2,000 Lakh from ICICI Bank Limited.
 - (d) INR 211 Lakh (March 31, 2020: INR NIL) against sanctioned limit of INR 2,000 Lakh from IDFC First Bank Limited.

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

- (ii) Cash Credit facility of INR 44 Lakh (March 31, 2020: Nil) of Saket City Hospitals Limited against sanctioned limit of INR 750 Lakh from Yes Bank Limited is secured by way of:

- a) First Pari Passu charge over all movable fixed assets (both present & future) and immovable (if any acquired in future) of the borrower.
- b) First pari passu charge over all current assets (both present & future) of the borrower.
- c) First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.
- d) Assignment of all borrower's rights under the service agreement and any other such agreement for providing any other services to Saket City Hospital, letter of credit, guarantee, or performance bond provided by any party for any contract related to the hospital project

in favor of the borrower on first pari passu basis.

- e) Assignments of all the contracts, documents, insurance policies, rights, titles, permits/ approvals, clearances and interest of the borrower pertaining to the hospital project on first pari passu basis.
- f) Pledge of 25.5% equity shares of the borrower held by Max Healthcare Institute Limited.

(iii) Cash credit facility of INR 40 Lakh (March 31, 2020: Nil) of Saket City Hospitals Limited against sanctioned limit of INR 750 Lakh from Axis Bank Limited is secured by way of:

- a) First pari passu charge on all borrower's movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, and all other movable assets intangible, goodwill, uncalled capital, both present and future.
- b) First pari passu charge by way of assignment/ hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands, whatsoever of the borrower in all documents executed by the borrower with SHRC "Gujarimal Modi Hospital and Research Centre for Medical Sciences" including but not limited to the hospital service agreement both present and future.
- c) First pari passu charge on all receivables, current assets, present and future, of the borrower.
- d) Pledge (in compliance with BR Act) of 25.50% share capital (on a fully diluted basis) of the borrower held by Max Healthcare Institute Limited and option to increase it to 51% subject to inclusion of new lenders

(iv) Cash credit facilities INR 80 Lakh (March 31, 2020: Nil) against sanctioned limit of INR 1,500 Lakh from Axis Bank Limited of Hometrail Buildtech Private Limited is secured by:

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- a) First Charge by way of hypothecation of the borrower's entire current assets (present and future) to the extent allowed by existing term lenders and except escrow account with the Government of Punjab.

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

- (v) Cash credit facility of INR 109 Lakh (March 31, 2020: NIL) against sanctioned limit of INR 1,000 Lakh from IndusInd Bank Limited of ALPS Hospital Ltd is repayable on demand and secured by way:-

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

- (vi) Cash credit facility of INR 163 Lakh (March 31, 2020: Nil) from IndusInd bank of Crosslay Remedies Ltd against sanctioned limit of INR 2,000 Lakh is repayable on demand and are secured by way of:

- a) First charge by the way hypothecation over all current assets of the borrower both present and future.
- b) Second charge by the way hypothecation over all movable fixed assets of the borrower both present and future.
- c) Second charge by way of equitable mortgage over the land and building.

- (vii) Cash credit facilities INR 1,537 Lakh (March 31, 2020: INR 3,914 Lakh) of Dr Balabhai Nanavati

(ii) Trade payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	95	2,058
Total outstanding dues of creditors other than micro enterprises and small enterprises	43,310	15,630
Trade payable to related party (refer note 33.10)	164	275
	43,569	17,963

Trade payables are usually non- interest bearing, unsecured and are settled as per contract terms.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 and March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
	(INR in Lakh)	
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:	95	2,058
Principal	-	-
Interest	-	-
ii) The Amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each account year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Group has made an assessment of interest payable under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and has concluded that it is in compliance with the MSMED Act and rules thereto and accordingly, concluded that there is no interest liability dues as at the year end.

(iii) Lease liabilities - Current

	As at March 31, 2021	As at March 31, 2020
	(INR in Lakh)	
Lease liabilities (refer note 18)	1,107	513
	1,107	513

(iv) Other financial liabilities - Current

	As at March 31, 2021	As at March 31, 2020
	(INR in Lakh)	
Current maturity of non current borrowings (refer note 17)	2,242	2,156
Current maturity of deferred payment liabilities (refer note 17)	86	-
Contingent consideration	807	509
Transfer fee payable	1,475	1,700
Concessional fee payable	407	-
Provision for deferred compensation (refer note 33.5)	1,004	-
Money received against share warrants (refer footnote (a))	-	133
Capital creditors	2,703	268
Security deposits	498	312
Payable for share purchase (refer footnote (b & c))	8,197	-
Payable to trust	612	476
Foreign exchange forward contracts	18	-
Others	150	65
	18,199	5,619

Note:

- (a) Pursuant to terms of Subscription Warrant Agreement ("SWA") entered with Bennett, Coleman & Co. Ltd (BCCL), the Company had issued 5 warrants of INR 26.67 Lakh per warrant having a par value INR 10. The tenure of each warrant is 5 years from the date of allotment. As per the terms of the offer, if warrants are exercised by the investor, equity shares of the Company shall be issued and allotted by the Company at per share price calculated according to the subscription agreement after taking into account the occurrence of various events. The Company has refunded amount of INR 133.33 Lakh during the financial year ended March 31 2021.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- (b) In terms of the Shareholders' Agreement ("SHA") dated May 28, 2015 executed amongst Crosslay Remedies Limited ("CRL"), its remaining shareholders ("Relevant Shareholders Group") and the Company and amended SHA dated July 10, 2015, put option can be exercised by the Relevant Shareholders Group after the expiry of lock in period of four years i.e. after July 9, 2019. During the year ended March 31, 2020, the Relevant Shareholders Group exercised their put option and an amendment to Share Purchase Agreement ("CRL SPA") dated January 15, 2020 was executed amongst CRL, Relevant Shareholders Group and Company for acquisition of 3,15,68,142 (Three Crore Fifteen Lakh Sixty Eight Thousand And One Hundred Forty Two) equity shares by December 31, 2020, unless mutually extended. Pursuant to amendment agreement to CRL SPA dated June 18, 2020, 74,59,001 (Seventy Four Lakh Fifty Nine Thousand and one) equity shares (constituting 5.209%) have been acquired for INR 2,332 Lakh (Indian Rupees Twenty Three Crore and Thirty Two Lakh). As at March 31, 2021, the Company holds 83.16% equity stake in CRL. The Management basis its assessment of non-controlling interest under Ind AS 110, has concluded that as per the terms of amendment to CRL SPA dated June 18, 2020,

the Company continues to have the present ownership interest with the right to purchase the remaining equity shares and accordingly, treated CRL as a wholly owned subsidiary for consolidation purposes. The amount payable to Relevant Shareholders Group has been recognised as financial liability in these consolidated financial statements.

(c) In terms of the Share Purchase Agreement dated March 26, 2020 executed amongst Kayak Investments Holding Pte. Ltd. ("Kayak"), Max Healthcare Institute Limited ("Company") and Saket City Hospitals Ltd (formerly known as Saket City Hospitals Private Limited) ("SCHL") (hereinafter referred as "Kayak SPA") and an amendment agreement dated March 11, 2021, in connection with the sale and transfer of 1,26,00,000 (One Crore Twenty Six Lakh only) fully paid up equity shares of INR 10 (Indian Rupees Ten only) each of SCHL, equal to 42.8% (forty two point eight percent) of the total equity paid up share capital of the SCHL held by Kayak were transferred on March 15, 2021 at a sale consideration in cash equivalent to USD 64,246,702 (equivalent to Indian Rupees 46,945 Lakh) to the Company. Accordingly, on March 31, 2021, SCHL is a wholly owned subsidiary of the Company.

23. OTHER CURRENT LIABILITIES

Advance from patients
Unfavourable lease liability
Statutory dues
Other advances

	As at March 31, 2021	As at March 31, 2020
	1,906	1,595
	595	-
	2,463	1,361
	486	438
	5,450	3,394

24. PROVISIONS - CURRENT

Provision for income tax (net of advance tax)
Provision for leave encashment
Provision for gratuity (refer note 33.1)
Post retirement medical benefit (refer note 33.2)

	As at March 31, 2021	As at March 31, 2020
	5	-
	2,954	293
	964	453
	20	23
	3,943	769

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

25. INCOME TAXES

	(INR in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Income tax expense in the statement of profit and loss comprises:		
Current income tax charge	162	-
Adjustment of tax relating to earlier years	81	-
Deferred tax		
Relating to origination and reversal of temporary differences	4,142	(13)
Tax Expense eliminated pursuant to the Scheme	200	-
Income tax expense reported in the statement of profit and loss	4,585	(13)
(b) Other comprehensive income		
Re-measurement (gain) / losses on defined benefit plans	(49)	13
Income tax related to item recognised in OCI during the year	(49)	13
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before tax	(6,865)	1,278
Applicable tax rate	25.17%	29.12%
Computed tax expense	(1,728)	372
PBT adjustment pursuant to the Scheme	(299)	-
Losses on which no deferred tax recognised	(320)	-
Profit not considered for deferred tax purpose	(102)	-
Income not considered for tax purpose	224	(361)
Expense not allowed for tax purpose	1,174	37
Fair Valuation Loss on investment	4,931	148
Property plant and equipment and others	61	-
DTA of opening expense provision reversed	342	-
Deferred Tax not recognised on losses	-	206
Other	193	(415)
Change in tax rate	28	-
Adjustment of tax relating to earlier year	81	-
Income tax reported in the statement of profit and loss	4,585	(13)

(d) Deferred tax (assets)/liabilities comprises:

Deferred tax liability:	
Difference in book base and tax base of Property plant and equipment & Intangible assets	46,484
Fair valuation of Land	1,775
Fair valuation of Financial Instrument	-
Purchase Price Allocation Adjustment	(167)
Others	24,258
Recognized deferred tax liability	2,797
Deferred tax asset:	75,314
Difference in written down value of right of use assets net of lease liability	1,110
Unfavourable lease liability	(5,819)
Expenses allowed on payment basis	(2,196)
Allowance for doubtful debts and provision	(904)
Provision on account of PPP-Hospital Restoration Account	(2,162)
On Unabsorbed Tax depreciation and loss	(72)
Amortisation of Security deposit	(4,006)
Others	645
Recognized deferred tax (asset)	(4,129)
Net deferred tax liabilities/(asset)	(693)
	(16,709)
	58,605

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

	Balance Sheet	
	As at March 31, 2021	As at March 31, 2020
Deferred tax assets on carried forward losses & depreciation restricted to deferred tax liability	(511)	-
Recognized deferred tax (asset) / liability**	58,094	-
Reflected in balance sheet as follows:		
Deferred tax asset	(98)	-
Deferred tax liabilities	58,192	-
Net deferred tax liabilities/(Asset)	58,094	-
(e) Reconciliation of deferred tax (assets)/liabilities (net)		
Opening balance as per last balance sheet	-	-
Balance transferred pursuant to the Scheme	10,564	-
(Charged)/credited during the period/year	-	-
- due to fair valuation on date of acquisition*	43,437	-
to profit and loss account	4,142	-
to Other comprehensive income	(49)	-
Closing balance	58,094	-

* Deferred Tax Liability on fair valuation is recognised on date of acquisition and considered as part of business combination.

** As at March 31, 2021, the Group has carry forward tax losses of INR 2,904 Lakh (with expiry of INR 94 Lakh in financial year 2022-23, INR 1,480 Lakh in financial year 2023-24, INR 583 Lakh in financial year 2024-25, INR 338 Lakh in financial year 2025-26, INR 234 Lakh in financial year 2026-27, INR 9 Lakh in 2027-28, INR 201 Lakh in 2028-29) (March 31, 2020: INR 4,342 Lakh) and unabsorbed depreciation of INR 5,792 Lakh (March 31, 2020: INR 5,667 Lakh) on which the group has recognized deferred tax asset only to the extent of 511 Lakh. No deferred tax asset has been created on the balance amount by the management due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be realized. Had the Group been able to recognize all unrecognized deferred tax assets, the net profit after tax would have been higher by INR 1,851 Lakh.

The taxation laws (Amendment) Ordinance 2019, has introduced a new taxation regime for domestic companies and has inserted Section 115BAA in the Income Tax Act 1961, providing benefit of reduced corporate tax rate subject to certain applicable conditions. The newly inserted provisions is effective from April 1, 2019 onwards and can be opted for, on or before the due date of filing of return of income by the group. The Group has evaluated the option of lower tax rate and Max Healthcare Institute Limited and four subsidiary of the Group has exercised the option of lower tax rates, and consequent tax impact for the period has been considered.

The Group, after considering its current business plans, has elected to opt for lower income tax rate, permitted by the Taxation Laws (Amendment) Act, 2019. Simultaneously, the MHIL has also opted to settle its existing Tax litigation / dispute, pending before Appellate Authority for AY 2003-

04, AY 2007-08, AY 2009-10 to AY 2012-13 and AY 2017-18 involving additions/disallowance amounting to INR 3,335 Lakh, under the Vivad se Vishwas Act, 2020 ('VsV Act), an income tax amnesty scheme. Pursuant to the applications filed under the VsV Act, the MHIL has received final orders of settlement for AY 2012-13 and AY 2017-18. The final settlement orders for the remaining AYs viz. AY 2003-04, 2007-08 & 2009-10 are pending to be received, however, the Appellate Authority/Tribunal has dismissed the said departmental appeal(s) on the ground that the same are subject matter of settlement under the VsV Act. Accordingly, litigation in all aforementioned AYs which were subject matter of settlement under the VsV Act now stands closed. The Management after considering the future projections and timing of taxable income pursuant to the restructuring due to Scheme, has re-assessed the carrying amounts of its deferred tax balances at the acquisition date.

26. REVENUE FROM OPERATION

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Revenue from contracts with customers	2,48,241	1,03,295
Other operating revenue (refer note 26.4)	2,226	2,608
Total Revenue	2,50,467	1,05,903

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

26.1 Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by type of goods or service provided, geography, and the timing of transfer of goods and services.

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Revenues by type of goods or service		
Sale of pharmacy and pharmaceuticals supplies	6,991	2,102
Revenue from healthcare services (net)	2,41,250	1,01,193
Total	2,48,241	1,03,295
Revenues by geography		
India	2,48,241	1,03,295
Outside India	-	-
Total	2,48,241	1,03,295
Revenues by timing of revenue recognition		
Goods transferred at a point in time	6,991	2,102
Services transferred over time	2,41,250	1,01,193
	2,48,241	1,03,295

26.2 Contract balances

	(INR in Lakh)	
	As at March 31, 2021 (Refer note 33.20)	As at March 31, 2020 (Refer note 2.1)
Trade receivables	48,534	9,609
Contract assets (Unbilled revenue)	2,191	1,194
Contract liabilities (Advance from patients)	1,906	1,595

26.3 Reconciling of revenue recognized in the statement of profit and loss with contracted price

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Revenue as per contracted price	2,68,215	1,13,591
Allowance for deduction	(3,196)	(109)
Discount	(16,778)	(10,187)
Revenue from contract with customers	2,48,241	1,03,295

26.4 Other operating revenue

	(INR in Lakh)	
	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Sponsorship and educational income	1,247	246
Income from ancillary activities	979	1,033
Income from service exports from India scheme	-	1,329
	2,226	2,608

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

27. OTHER INCOME

	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Income from deferred credit (refer note 8 (ii))	57	-
Unwinding of discount net of fair value change on contingent consideration (refer footnote)	-	603
Unclaimed balances & excess provisions written back	1,013	444
Deferred income under EPCG	330	-
Foreign exchange fluctuation gain (net)	1,788	-
Income on modification/ termination of Lease under Ind AS 116	163	-
Other non-operating income	450	71
Finance Income:-		
Interest income on		
Bank deposits	1,152	1,338
Security deposits	164	2
Non current trade receivables (refer note 8 (ii))	1,051	-
Loans to related party	991	2,150
Loans to other healthcare service providers	3,229	-
Loan to others	21	24
Income tax refund	1,065	176
	11,474	4,808

Note:

This represents write back (net) during the previous year on change in the fair value of future payments estimated to be paid over the term of Operation and Management Agreement.

28. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Salaries, wages and bonus	51,202	21,006
Contribution to provident and other funds	2,187	993
Share based payments to employees (refer note 33.5)	3,255	-
Gratuity expense (refer note 33.1)	1,042	547
Post retirement medical benefits (refer note 33.2)	37	40
Staff welfare expenses	1,155	427
	58,878	23,013

29. FINANCE COST

	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Interest on debts and borrowings	15,511	7,565
Interest on lease liability	1,589	254
Bank charges	846	505
	17,946	8,324

30. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Depreciation of tangible assets (refer note 4)	10,923	3,367
Depreciation of right of use assets (refer note 5)	2,047	511
Amortization of intangible assets (refer note 7)	4,439	686
	17,409	4,564

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

31. OTHER EXPENSES

	(INR in Lakh)	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Outside lab investigation		1,461	2,623
Concessional fee**		918	-
Patient catering expenses		2,101	1,291
Rent		1,260	26
Insurance		1,259	84
Rates and taxes		4,174	1,051
Facility maintenance expenses		3,688	2,723
Power and fuel		5,137	2,272
Repairs and maintenance:			
Building		671	141
Plant and equipment		3,147	1,238
Others		1,107	769
Printing and stationery		871	425
Travelling and conveyance		938	697
Communication		356	97
Legal and professional		3,419	4,116
Share issue expenses		125	-
Information technology support expense		1,196	-
Watch and ward		1,170	533
Directors' sitting fee		86	-
Advertisement and publicity		1,675	5,639
Loss on foreign exchange fluctuation (net)		-	21
Contract expense		310	316
Fair value loss on contingent consideration		160	-
Recruitment expenses		110	-
Equipment hiring charges		341	126
Provision for doubtful debts and advances/Bad debts written off		(2,353)	2,766
Provision for doubtful debts		449	-
Provision for doubtful advances		3,230	-
Bad debts written off		334	-
Debit balances written off		-	1,660
Provision written back		(493)	2,273
Net loss on sale/disposal of property, plant and equipment		24	7
Corporate social responsibility contribution (refer note 33.11)		40	-
Expenses for Medical treatment of weaker section		15	-
CWIP/Asset written off		814	-
Miscellaneous expenses		238	639
	38,471	27,107	

Payment to auditor (included in legal and professional fee) (excluding taxes)**As auditor:**

	(INR in Lakh)	For the year ended March 31, 2021 (Refer note 33.20)	For the year ended March 31, 2020 (Refer note 2.1)
Audit fee (including limited reviews)		210	89
Other services *		81	41
Reimbursement of expenses		1	-
	292	130	

Figures for March 31, 2020 relate to audit fee paid with respect to Radiant Life Care Private Limited (accounting acquirer) to a firm affiliated to the current year statutory auditors firm through a networking arrangement as registered with the Institute of Chartered Accountants of India.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

In addition to above, INR 110 Lakh was paid to the auditors during the current year in respect of services rendered in connection with Qualified Institutional Placement of equity shares, which has been debited to Securities premium account.

*Other services include fee paid to the current statutory auditors towards audit of financial information at the acquisition date for business combination accounting.

Current year fee does not include fee paid to previous auditors of the Group.

** Hometrail Buildtech Private Limited had entered into triplicate long term concessional agreement dated February 20, 2009 along with its holding company, with the Government of Punjab. As per the terms of concession agreement, the Group is to build and operate a hospital for initial term of 50 years on public-private-partnership(PPP) mode. The Group is obliged to pay concession fee to Government of Punjab as per terms of agreement.

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

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by other healthcare service providers. (refer note a below)	20,152	122
(ii)	Claims against the Group not acknowledged as debts <ul style="list-style-type: none"> - Civil Cases (refer note b and g below) - VAT cases (refer note c below) - Others 	15,501	817
		780	909
		64	290

Note:

a. Guarantees given by the Group to the lenders on behalf of other healthcare services provider is not considered as prejudicial to the interest of the Group as it provides opportunities to the Group to increase the depth and medium of its offering leading to growth in revenue & improve profitability. The Group does not expect any default by other healthcare services provider and any liability to accrue on the Group.

b. Claims against the Group not acknowledged as debts represent the civil cases that are pending with various Consumer Disputes Redressal Commissions / Courts and the management, including its legal advisers, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group financial positions and results of operations. In addition to this, the Group has taken Professional Indemnity Insurance Policy for certain claims pending against the Group to secure the Group from any financial implication in case of claims settled against the Group.

c. The Group is contesting the demands of DVAT and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group financial position and results of operations.

d. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on provident fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group was

evaluating and seeking legal inputs regarding various interpretative issues, however, in absence of clarity on effective date, the Group has implemented the Supreme court (SC) Judgement in respect to PF calculation from April 1, 2019 and included all allowances for the purpose of PF contribution calculation.

e. Directorate General of Health Services ("DGHS"), Govt. of NCT Delhi had, on December 8, 2017, issued an order under Section 7 of the Delhi Nursing Home Registration Act, 1953 for cancelling the registration of Max Super Speciality Hospital, Shalimar Bagh ("Hospital") with immediate effect and further directed to refrain from admitting any IPD Patients in the Hospital. Against this cancellation order, the Group had filed an appeal bearing no. 335/2017 before the Hon'ble Financial Commissioner, Govt. Of Delhi ("Appellate Authority") on December 13, 2017. On December 19, 2017, the Appellate Authority stayed the operation of the said cancellation order. Accordingly, the Hospital has resumed its operations on December 20, 2017 and the stay remains. The parents of the deceased child have moved an application for impleadment. The Appeal and the application are pending before the Appellate Authority. The hearing before the Appellate Authority is suspended due to ongoing COVID-19 pandemic. The tentative next date of hearing is September 25, 2021.

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

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- f. A writ petition was filed by the Association of Healthcare Providers (India) ("AHP") which represented a majority of "healthcare providers" in Delhi, including the Group's hospitals in Delhi, before the Delhi High Court, in relation to an order dated June 25, 2018 issued by the Director General Health Services ("DGHS"), Government of National Capital Territory of Delhi ("DGHS Order"). DGHS Order mandated that all private hospitals in Delhi comply with the recommendations of the Expert Committee, constituted pursuant to the Supreme Court order dated January 29, 2016, in W.P.(C) No. 527/2011, regarding the working conditions and pay of nurses in private hospitals. The Single Bench of Delhi High Court, on July 24, 2019, upheld the DGHS Order and directed mandatory compliance by all the private hospitals within a period of three months i.e. by October 24, 2019. It was further directed by the Single Bench that before cancellation of the registration of any private hospital for any non-compliance, DGHS will give the concerned private hospital a personal hearing and an opportunity to represent against such proposed cancellation of registration and the cancellation will be only through a speaking order. Till date no private hospital in Delhi has been called for personal hearing by DGHS. AHP has appealed against the said Single Bench Order before the Division Bench of Delhi High Court. On November 28, 2019, the Division Bench, inter-alia, issued notice on the appeal to the Delhi Government and the Government Counsel gave an oral undertaking to the Delhi High Court that no coercive action will be taken for implementing the DGHS Order. The hearing of the matter has been deferred due to the ongoing COVID-19 pandemic and the tentative next date of hearing is June 01, 2021. Pending decision on appeal before the Division Bench of Delhi High Court, the impact for the period, if any, is not ascertainable and consequently no effect has been given in the accounts. Management basis legal view is confident that the DGHS Order will eventually be set aside and hence believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Group's financial position and results of operations.
- g. The Assistant Charity Commissioner (Hospital) filed a criminal complaint against Dr. Balabhai Nanavati Hospital and certain others, pursuant to an order dated September 25, 2017, passed by the Hon'ble Charity Commissioner directing the Assistant Charity Commissioner (Hospital)
- h. The Company ("Alps Hospital Ltd.") was served a notice for termination of lease for the hospital by the lessor M/s Chiranjiv Charitable Trust ("CCT") contending non-payment of lease rentals and non-fulfilment of Alps Hospital's obligation for treatment of weaker section as per the terms of lease deed. The matter was placed before arbitration and another proceeding was also instituted before the Rent Controller. The management was of the view that there has been no non-compliance with the terms of the lease deed as the relevant provisioning towards treatment of weaker section, were already made to be utilized on their treatment as per directions of CCT. CCT had never issued the directions.
- The matter was amicably settled between Alps Hospital Ltd. and CCT on paying CCT INR 1,50,00,000 as a refundable security deposit and INR 41,520 as lease rentals till December 27, 2086 in terms of the settlement agreement dated January 31, 2021. In view of the above since, both the litigations referenced above (i.e. before the Rent Controller and the Arbitration proceedings) have been amicably settled and stand disposed-off. This matter is closed.
- i. During the current year, the Group has received approval for allotment of land in Mohali in March, 2021, where payment for additional land rights includes demand of interest assuming delay in payment from the original lease deed dated October 30, 2009. Since company has received this demand for the first time there is no question of delay and charging of interest payment. The Group is currently evaluating the aforesaid approval and demand of interest with the authorities and believes that additional interest demanded is not in line with the original lease deed and such additional land is now being approved for use by the Group, accordingly no interest liability is likely to arise on the Group.

to file the said complaint, under section 66B of the Maharashtra Public Trust Act, 1950, for the irregularities/ illegalities found in the implementation of the scheme framed by the Bombay High Court in Writ Petition (PIL) No. 3132 of 2004. The matter is currently pending and management basis legal view believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Group's financial position and results of operations.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

B. Capital commitment

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

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account	5,428	769
Less: Capital advances	3,124	-
Balance value of contracts	2,304	769

C. Other commitment

- (i) The Group has no commitments other than those arising in the nature of its routine business operation for purchase/sales commitments as per the normal operating cycle of the Group, obligations from other long term agreements towards medical and management services with healthcare service providers including indemnities to such healthcare service providers.
- (ii) The Group does not have any long term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.

33 OTHER NOTES TO ACCOUNTS**33.1 Defined benefit obligations:-****Gratuity**

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

Defined benefit plan

	As at March 31, 2021	As at March 31, 2020
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	3,233	2,955
Add: Liability taken on pursuant to the Scheme (refer note 2.1)	2,710	-
Interest expense	327	224
Current service cost	676	323
Past service cost	48	-
Benefit paid	(442)	(223)
Employees transferred from /to other companies	14	(46)
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	203	(191)
Actuarial changes arising from changes in financial assumptions	(138)	189
Actuarial changes arising from changes in experience adjustments	(87)	2
Defined benefit obligation at year end	6,544	3,233
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Add: Plan assets taken on business acquisition	130	-
Investment Income	7	-
Returns of plan assets	(11)	-
Fair value of plan assets at year end	126	-
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	(6,544)	(3,233)
Fair value of plan assets	126	-
Amount recognized in balance sheet- asset / (liability) at year end	(6,418)	(3,233)

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

	(INR in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
d) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	676	323
Past service cost	48	-
Interest cost on benefit obligation	318	224
Net defined benefit expense debited to statement of profit and loss	1,042	547
e) Other comprehensive income		
Change in demographic assumptions	203	(191)
Change in financial assumptions	(138)	189
Return on plan assets	12	-
Experience variance	(87)	2
Remeasurement of (Gain)/loss in other comprehensive income	(10)	-
f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	100%	Nil

g) Principal assumptions used in determining defined benefit obligation

Assumption particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	5.5% to 6.32%	5.4% to 6.85%
Salary escalation rate	6.5% to 8%	6.5% to 8%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

h) Quantitative sensitivity analysis for significant assumptions is as below:

Increase / (decrease) on present value of defined benefits obligations at the end of the year

	(INR in Lakh)
	For the year ended March 31, 2021
a) Discount rate	
Increase by 1.00%	(437)
Decrease by 1.00%	497
b) Salary growth rate	
Increase by 1.00%	485
Decrease by 1.00%	(435)
c) Attrition rate	
Increase by 50% of attrition rate	(265)
Decrease by 50% of attrition rate	466

	(INR in Lakh)
	For the year ended March 31, 2020
d) Discount rate (excluding Dr. Balabhai Nanavati Hospital)	
Increase by 1.00%	(12)
Decrease by 1.00%	13
e) Discount rate (Dr. Balabhai Nanavati Hospital)	
Increase by 0.50%	(194)
Decrease by 0.50%	222
f) Salary growth rate (excluding Dr. Balabhai Nanavati Hospital)	
Increase by 0.50%	11
Decrease by 0.50%	(11)
g) Salary growth rate (Dr. Balabhai Nanavati Hospital)	
Increase by 1.00%	219
Decrease by 1.00%	(195)
h) Attrition rate	
Increase by 50% of attrition rate	(56)
Decrease by 50% of attrition rate	89

	(INR in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	966	177
Between 2 and 5 years	2,725	413
Between 6 and 10 years	2,507	735
More than 10 years	4,605	-
Total expected payments	10,803	1,325

- j) The average duration of the defined benefit plan obligation at the end of the reporting period is 5 -9 Years.
- k) The plan assets are maintained with LIC of India and Max Life Insurance Company Limited.
- l) The Group expects to contribute INR 74 Lakh (March 31, 2020: INR Nil) to the plan during the next financial year.
- m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including demand and supply in the employment market. The above information is as certified by the actuary.
- n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- o) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

33.2 Post- Retirement Medical Benefits

The Group also pays for the post-employment medical costs for certain categories employees of one of the deemed separate entities i.e. 'Silos'.

Liabilities in respect of the Post-employment medical benefits are determined by an actuarial valuation, based upon which the Hospital makes provision for defined benefit obligation in books of accounts.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the post-employment medical costs was carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Change in the Present Value of Projected Benefit Obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the beginning of the year	323	315
Interest Cost	21	25
Current Service Cost	16	16
(Benefit paid directly by the employer)	(68)	(22)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(4)	3
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3	28
Actuarial (gains)/losses on obligations - due to experience	9	(42)
Present value of benefit obligation at the end of the period	300	323
Current	20	23
Non-current	280	300
Total	300	323

Expenses recognized in the statement of profit or loss for the year

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service Cost	16	16
Net Interest Cost	21	25
Expenses Recognized	37	41

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Expenses recognized in the other comprehensive income (OCI) for the year

Particulars	(INR in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gains)/Losses on Obligation For the year	8	(11)
Net (Income)/Expense for the year recognized in OCI	8	(11)

Maturity analysis of the benefit payments from the employer

Particulars	(INR in Lakh)	
	March 31, 2021	March 31, 2020
Within next 12 months	20	23
Between 1 and 5 years	92	104
Between 6 and 10 years	122	445
Above 10 years	290	-

Particulars	(INR in Lakh)	
	March 31, 2021	March 31, 2020
Projected benefits payable in future years from the date of reporting		
1 st Following year	20	23
2 nd Following year	22	25
3 rd Following year	23	26
4 th Following year	23	27
5 th Following year	24	25
Sum of years 5 and above	412	445

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars		
	March 31, 2021	March 31, 2020
Leaving service attrition rate	For service years, 0 to 2 - 15%, 3 to 4 - 0.9%, 4 and above - 5.20%	For service years, 0 to 2 - 25.00%, 3 to 4 - 17.50%, 5 and above - 5.00%
Rate of medical cost inflation	5.00%	5.00%
Discount rate	6.50%	6.60%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Sensitivity Analysis

Increase / (decrease) on present value of defined benefits obligations at the end of the year

	(INR in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate		
Increase by 1.00%	(23)	(25)
Decrease by 1.00%	27	29
Attrition rate		
Increase by 50% of attrition rate	(17)	(18)
Decrease by 50% of attrition rate	19	21

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

33.3 Other long term benefit plans**Leave encashment**

The Group pays leave encashment benefits to employees as and when claimed subject to the policies of the Group. The liability towards compensated absences based on actuarial valuation using the projected accrued benefit method amounted to as follows:

Particulars	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Current provision	2,954	293
Non-current provision	-	986

(A) Assumptions used for Silos:

The significant actuarial assumptions used for the purposes of the actuarial valuations of Dr. B. L. Kapur Memorial Hospital were as follows.

Assumption Particulars		
	As at March 31, 2021	As at March 31, 2020
Discount rate	5.50%	5.40%
Salary escalation rate	8%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The significant actuarial assumptions used for the purposes of the actuarial valuations of Dr. Balabhai Nanavati Hospital were as follows.

Assumption Particulars		
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.32%	6.20%
Salary escalation rate	6.50%	6.50%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

(B) Assumptions used for entities other than Silos:

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.

Assumption Particulars		
	As at March 31, 2021	As at March 31, 2020
Discount rate	5.50%	6.00%
Salary escalation rate	8%	8%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

33.4 Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the regional PF Commissioner. The Group recognize contribution payable to provident fund scheme as an expenditure, when an employee renders related service.

33.5 Share based payment plans**A. Equity settled plans**

The Nomination and Remuneration Committee of Board of Directors of the Company ("NRC") on September 29, 2020 considered and approved the grant of 6,165,265 Employee Stock Options ('ESOPs') to the eligible employees of the Company and its subsidiaries, under the MHIL ESOP 2020 scheme, at an exercise price of INR 10 per share. These options will vest subject to requirements of the SEBI SBEB Regulations and the MHIL ESOP 2020 scheme.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The following table provides an overview of all existing share option plans of the Group:

Particulars	Numbers	Grant Date	Vesting Date	Exercise price	Fair value at grant date	(INR in Lakh)
Max Healthcare Institute Ltd. 1 year vesting plan	43,15,689	September 29, 2020	September 29, 2021	10	104	
Max Healthcare Institute Ltd. 2 year vesting plan	18,49,576	September 29, 2020	September 29, 2022	10	105	

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

Particulars	For the year ended March 31, 2021		(INR in Lakh)
	Number of share Options	Weighted average exercise price	
MHIL ESOP 2020			
Outstanding at the beginning of year	-	-	
Granted	61,65,265	10	
Exercise	-	10	
Forfeited/expired	2,34,496	10	
Outstanding at end of year	59,30,769	10	
Exercisable at end of year	-	10	

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2021 are as follows:

Date of grant	March 31, 2021		(INR in Lakh)
	Number of options	Weighted average remaining life in years	
September 29, 2020	17,79,227	3.5 Year	
September 29, 2020	41,51,542	2.5 Year	

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

Particulars	Inputs used for different grant dates for Black Scholes Valuation of Option Granted		(INR in Lakh)
	1 year vesting plan	2 year vesting plan	
A. Stock Price (in INR)	113.40	113.40	
B. Exercise Price (in INR)	10.00	10.00	
C. Expected Volatility (Standard Dev - Annual)	39.20%	36.00%	
D. Expected Life of the options granted (Vesting and exercise period) in years	2.50	3.50	
E. Expected Dividend	-	-	
F. Average Risk-Free Interest Rate	4.70%	5.20%	
G. Expected Dividend Rate	-	-	

B. Cash settled (Employee phantom stock plan 2017)

Employee Phantom Stock Plan, 2017 ('the Scheme') are cash settled rights where the employees are entitled to get cash compensation based on the Group's fair value, provided certain conditions as laid out in the Scheme are met. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss as detail given below:-

Particulars	(INR in Lakh)	As at March 31, 2021
Opening balance		-
Pursuant to the Scheme (Refer Note 2.1)		400
Add: Expenses during the year		1,055
Less: Payment during the year		-
Less: Lapsed/forfeited during the year		(451)
Closing balance [refer note 22 (iv)]		1,004

During the current year, certain employees of the Group surrendered their retention payout, unvested/vested phantom shares. The Management has reversed the net liability aggregating to INR 451 Lakh and credited employee benefit expenses in the period ended March 31, 2021, as such surrender was made in the current year.

The details of the grant/issue as at March 31, 2021 are given below:

Particulars	(INR in Lakh)	March 31, 2021
Outstanding as at beginning of the year		-
Pursuant to the Scheme (Refer Note 2.1)		2,336,797
Granted during the year		-
Date of grant		-
Grant price per unit		-
Total Number of PSPs vested during the year		-
Total Number of PSPs exercised during the year		-
Lapsed/forfeited/ surrendered during the year		-
Exercisable as at the year end		15,58,852
Vesting period		7,77,945
Exercise period		30% at the end of 24 months, 30% at the end of 36 months and 40% at the end of 48 months & Bullet vesting after five years from the date of grant.
Exercise price		Within 12 months of the vesting period, unless extension approved by the NRC*
Settlement of phantom stock options		The Exercise Price of a vested unit shall be equal to the prevailing fair value (FV) as on the date of the relevant exercise notice, determined in accordance with the scheme and subject to applicable laws.
		Settlement Amount for the vested units, exercised by the unit holder or deemed automatically and mandatorily exercised, will be paid in cash within a period of 30 (thirty) calendar days from the date of the relevant exercise notice.

*NRC vide its meeting held on May 8, 2018 extended the exercise period of first two tranches of Phantom Stock Options, granted on May 23, 2017 by 12 month each for all option holders.

33.6 During the year Group has capitalized the following expenses to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group. (refer note 4).

Particulars	(INR in Lakh)	March 31, 2021	March 31, 2020
Opening Balances		-	-
Add:			
Rent		9	-
Salaries, wages and bonus		6	-
Interest & other finance cost		116	-
Depreciation and amortization expense		65	-
Miscellaneous Expenses		35	-
Less:			
Rent Concession recognised as Income *		(26)	-
Total		205	-
Less: Capitalized during the year		-	-
Preoperative expenses pending for capitalization		205	-

* As Per the practical expedient of IND AS 116.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

33.7 Financial instruments

The carrying value and fair value of financial instruments by categories are as follows:

Category	Carrying Value		(INR in Lakh)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1) Financial assets at amortized cost				
Trade receivables (current / non current)	48,534	9,609	48,534	9,609
Cash and cash equivalents	62,659	11,101	62,659	11,101
Other bank balances (current / non current)	2,874	1,102	2,874	1,102
Loans (current / non current)	36,242	45,554	36,242	45,554
Other financial assets (current / non current)	2,191	1,761	2,191	1,761
2) Financial Liabilities at amortized cost				
Borrowings (current / non current)	89,707	83,360	89,707	83,360
Trade payables	43,569	17,963	43,569	17,963
Lease liabilities (current / non current)	18,106	1,958	18,106	1,958
Other financial liabilities (current / non current)	17,392	5,110	17,392	5,110
3) Financial assets carried at fair value through OCI				
Non Current Investment	51	-	51	-
4) Financial assets carried at fair value through profit and loss				
Current Investment	-	2,18,206	-	2,18,206
5) Financial liabilities carried at fair value through profit and loss				
Other financial liabilities (current / non current)	24,533	24,698	24,533	24,698

The Group assessed that the carrying value of all financial assets and financial liabilities approximates the fair value.

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

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

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

of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Group's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

33.8 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2021

Particulars	Carrying Value March 31, 2021	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Trade receivables (current / non current)	48,534	-	-	48,534
Cash and cash equivalents	62,659	-	-	62,659
Other bank balances (current / non current)	2,874	-	-	2,874
Loans (current / non current)	36,242	-	-	36,242
Other financial assets (current / non current)	2,191	-	-	2,191
Assets carried at fair value through OCI				
Investment (non current)	51	-	-	51
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	89,707	-	-	89,707
Trade payables	43,569	-	-	43,569
Lease liabilities (current / non current)	18,106	-	-	18,106
Other financial liabilities (current / non current)	17,392	-	-	17,392
Financial liabilities carried at fair value through profit and loss				
Other financial liabilities (current / non current)	24,533	-	-	24,533

Quantitative disclosures of fair value measurement hierarchy for financial assets / liability as on March 31, 2020

Particulars	Carrying Value March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Trade receivables (current / non current)	9,609	-	-	9,609
Cash and cash equivalents	11,101	-	-	11,101
Other bank balances (current / non current)	1,102	-	-	1,102
Loans (current / non current)	45,554	-	-	45,554
Other financial assets (current / non current)	1,761	-	-	1,761
Assets carried at fair value through OCI				
Investment (non current)	-	-	-	-
Assets carried at fair value through profit and loss				
Investment (current)	2,18,206	-	-	2,18,206
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (current / non current)	83,360	-	-	83,360
Trade payables	17,963	-	-	17,963
Lease liabilities (current / non current)	1,958	-	-	1,958
Other financial liabilities (current / non current)	5,110	-	-	5,110
Financial liabilities carried at fair value through profit and loss				
Other financial liabilities (current / non current)	24,698	-	-	24,698

33.9 Financial risk management objectives and policies

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

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The Group is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed proactively by the senior management of the Group, duly supported by various functionaries and Committees.

a) Capital risk

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 17 and 22(iv) after netting-off cash and cash equivalents disclosed in note 12(iii) and equity as disclosed in the statement of financial position. The Group uses the Debt: Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. Debt: Equity ratio is calculated as debt divided by the Shareholder's Fund and for calculating Net Debt to EBITDA, Net Debt is divided by the Normalized EBITDA. Net debt is calculated as long term borrowings (including current maturities) as shown in the note 17 and 22(iv) less net cash and cash equivalents (excluding deposits with original maturity less than 3 months as such funds pertain to short term loan raised from shareholder). Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt: Equity ratio of the Group as at March 31, 2021

and March 31, 2020 stood at 0.05 and 0.29 respectively. Similarly, the Net Debt to EBITDA ratio of the Group stood at 1.03 as at March 31, 2021 and 5.25 as at March 31, 2020.

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

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group employs prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Group while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Executive Council.

The table below represents the maturity profile of Group's financial liabilities at the end of March 31, 2021 and March 31, 2020 based on contractual undiscounted payments:-

	(INR in Lakh)			
	0-1 Years	1-5 Years	More than 5 Years	Total
March 31, 2021				
Interest bearing borrowings (including interest)	16,023	64,421	56,132	1,36,576
Trade payable	43,569	-	-	43,569
Lease liabilities (refer note 18 & 22 (iii))	1,107	3,914	13,069	18,090
Other financial liabilities (Refer note I below)	15,871	23,726	-	39,597
% to Total	32%	39%	29%	100%

	(INR in Lakh)			
	0-1 Years	1-5 Years	More than 5 Years	Total
March 31, 2020				
Interest bearing borrowings (including interest)	81,110	29,799	335	1,11,244
Trade payable	17,963	-	-	17,963
Lease liabilities (refer note 18 & 22 (iii))	513	1,445	-	1,958
Other financial liabilities (Refer note I below)	3,463	24,189	-	27,652
% to Total	65%	35%	0%	100%

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Notes:

I) Other financial liabilities

March 31, 2021	0-1 Years	1-5 Years	More than 5 Years	(INR in Lakh)
Other financial liabilities (refer note 19 & 22(iv))	18,199	23,726	-	41,925
Less: Current maturity of borrowings	2,328	-	-	2,328
Other financial liabilities	15,871	23,726	-	39,597

March 31, 2020	0-1 Years	1-5 Years	More than 5 Years	(INR in Lakh)
Other financial liabilities (refer note 19 and 22 (iv))	5,619	24,189	-	29,808
Less: Current maturity of borrowings	2,156	-	-	2,156
Other financial liabilities	3,463	24,189	-	27,652

c) Credit risk

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

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group provides credit to individuals

on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis. Trade receivables comprise a widespread customer base and a large part of these sits in the State and Central Government bodies and institutions owned and managed by the State. A large segment of the Group's customers settle their bill in cash or using major credit cards on discharge date as far as possible. Further, a fairly large proportion of the customers are discharged post confirmation of third party administrator of the insurance companies, with whom the Group has a written contract. Further the Group provides for allowance for deductions based on empirical evidence whereby the receivables from various counterparties is marked down at the time of recognition of revenue. The management does not expect any significant loss from non-performance by counterparties on credit granted during the period under review that has not been provided for.

Particulars	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Neither past due or impaired	5,949	-
0 to 180 days due past due date	24,099	9,249
More than 180 days due past due date	18,486	360
Total trade receivables (refer note 8(ii) & 12(ii))	48,534	9,609

Particulars	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	4,113	1,355
Addition Pursuant to the Scheme (refer note 2.1)	3,476	-
Provision during the year	1,883	2,758
Bad debts written off	(3,230)	-
At the end of the year	6,242	4,113

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

Corporate, TPA and PSU's	Amount exceeding 365 days from transaction date after adjusting allowance for deduction created on trade receivables
Individual	Amount exceeding 120 days from transaction date

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

The Group uses an allowance for deduction to determine the expected credit loss on the portfolio of its trade receivables. Allowance for deduction has been created on total trade receivable. Management has fixed a percentage for allowance for deduction as mentioned below:-

Category	% of Allowance
PSU	3.00% -7.80%
TPA	1.50% -2.30%
Corporate and International	0.50% -1.00%

(ii) Financial instruments and cash deposit

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

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 is the carrying amounts as illustrated in note 33.7 and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three

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

Currency			(INR in Lakh)	
	March 31, 2021 Foreign currency	March 31, 2021 Indian Rupees	Increase/decrease in rate	Impact on profit before tax
Payables in Euro	2	154	1%	1.54
Payables in USD	3	238	1%	2.38

Currency			(INR in Lakh)	
	March 31, 2020 Foreign currency	March 31, 2020 Indian Rupees	Increase/decrease in rate	Impact on profit before tax
Payables in Euro	-	-	1%	-
Payables in USD	-	-	1%	-

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

Particulars			(INR in Lakh)	
	March 31, 2021 Indian Rupees	March 31, 2020 Indian Rupees		
Payables in USD	658	-		
Payables in Euro	328	-		

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

(ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's policy is to hedge part of its borrowings.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of borrowings.

Year	Increase/decrease in interest rate	(INR in Lakh) Effect on profit before tax
March 31, 2021	0.50%	707.33
March 31, 2020	0.50%	64.00

33.10 Related party transactions

Balances and transactions between the Company and its subsidiaries/ silos, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Also, refer to note 2.1 with respect to business combination pursuant to approval of Composite Scheme of Amalgamation and Arrangement (hereafter referred to as 'the Scheme') by National Company Law Tribunal (NCLT) amongst the Company/MHIL, Radiant Life Care Private Limited 'Radiant', erstwhile Max India Limited and its subsidiary company Advaita Allied Healthcare Services Limited (now known as Max India Limited 'Max India') effective from June 01, 2020.

These financial statements are issued under the name of Max Healthcare Institute Limited (legal acquirer) and represent the continuation of the financials of Radiant Life Care (accounting acquirer) except for capital structure and accordingly include financial statement of the accounting acquiree (Max Healthcare) from the date of acquisition i.e. June 01, 2020. Accordingly, related party transactions with respect operation of Max Healthcare Institute Limited disclosed pertain to ten months and twelve months with respect to operations of Radiant Life Care for year ended March 31, 2021 and twelve months with respect to operation of Radiant Life Care for the year ended March 31, 2020. Figures for previous year ended March 31, 2020, related to related party transactions and relationships of Radiant Life Care.

(A) Names of related parties and description of relationship of the Group

(i) Ultimate controlling entity

- KKR Group Partnership L.P.

(ii) Entity / Individual having significant influence / exercising control over the Group

- Mr. Abhay Soi
- Kayak Investment Holdings Pte. Ltd. (Parent Company till March 09, 2021 and continues to have control till date)

(iii) Entity on which the Radiant Life Care Private Limited had joint control over economic activities

- Max Healthcare Institute Limited (From June 21, 2019 to May 31, 2020)

(iv) Entity under common control of ultimate controlling entity (with whom transaction has taken place)

- KKR Capital Market Asia Limited (upto March 09, 2021)

(v) Entity under control of Kayak Investments Holding Pte. Ltd.

- Radiant Life Care Private Limited

(vi) Enterprises in which directors are interested (with whom transactions have taken place)

- Neo Legno Consultants Private Limited
- Neo Legno Products Private Limited

(vii) Directors of Radiant Life Care Private Limited (with whom transactions have taken place)

- Mr. Abhay Soi (Also, a director in MHIL)
- Mr. Mahendra Gumanmalji Lodha till October 07, 2020 (Also, a director in MHIL till date)

(viii) Directors of MHIL (with whom transactions have taken place from acquisition date i.e. June 01, 2020)

- Mr. Abhay Soi (Chairman & Managing Director w.e.f. June 19, 2020)#
 - Mr. Kummamuri Murthy Narasimha, Independent Director
 - Mr. Mahendra Gumanmalji Lodha, Independent Director (From June 21, 2019)
 - Mr. Upendra Kumar Sinha, Independent Director (From June 21, 2019)
 - Mr. Michael Thomas Neeb, Independent Director (From June 21, 2019)

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

- (ix) Key Managerial Personnel (with whom transactions have taken place from acquisition date June 01, 2020)
- 1 Mr. Abhay Soi, Chairman & Managing Director of Radiant and Chairman & Managing Director of MHIL w.e.f June 19, 2020#
 - 2 Mr. Yogesh Kumar Sareen, Chief Financial Officer of MHIL (from acquisition date i.e. June 01, 2020)
 - 3 Dr. Mradul Kaushik, Manager (in terms of the Companies Act, 2013 from August 1, 2019 till June 15, 2020)
 - 4 Ms. Ruchi Mahajan, Company secretary of MHIL (from acquisition date i.e. June 01, 2020)
 - 5 Mr. Dilip Bidani (Chief Financial Officer of Radiant till May 31, 2020)
 - 6 Ms. Prachi Singh, (Company secretary of Radiant till May 31, 2020)

Non-Executive Chairman of MHIL from June 21, 2019 till June 18, 2020.

- (x) Relative of directors/Key Managerial Personnel (with whom transactions have taken place)
- 1 Mr. Aditya Soi (Brother of Mr. Abhay Soi)

(B) Transactions during the year

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	(INR in Lakh)
Purchase of equity shares in subsidiaries from existing shareholders			
Kayak Investments Holding Pte. Ltd. (Purchase of remaining 42.8% stake in Saket City Hospitals Limited)	46,810	-	
Loans and advances given			
Max Healthcare Institute Limited	-	44,000	
Loans and advances taken			
Neo Legno Consultants Private Limited	-	4,500	
Repayment of loan and advances taken			
Neo Legno Consultants Private Limited	4,500	-	
Interest income			
Max Healthcare Institute Limited	991	2,639	
Borrowing cost			
Finance arrangement fees to KKR Capital Market Asia Limited	393	-	
Interest on Loan From Neo Legno Consultants Private Limited	159	82	
Interest on Loan From Neo Legno Products Private Limited	-	200	
Key management personnel remuneration (refer note 1 & 2 below)			
Mr. Yogesh Kumar Sareen	353	-	
Dr. Mradul Kaushik	4	-	
Ms. Ruchi Mahajan	76	-	
Mr. Dilip Bidani	19	186	
Ms. Prachi Singh	4	31	
Director's remuneration (refer note 1 below)			
Mr. Abhay Soi	1,046	1,053	
Remuneration to relative of director (refer note 1 below)			
Mr. Aditya Soi	66	80	
Employee benefit liability transferred			
Max Healthcare Institute Limited	-	52	
Director's sitting fee			
Mr. Kummamuri Murthy Narasimha	22	-	
Mr. Mahendra Gumanmalji Lodha	20	-	
Mr. Upendra Kumar Sinha	20	-	
Mr. Michel Thomas Neeb	7	-	
Reimbursement of expenses			
Mr. Abhay Soi	3	42	
Mr. Mahendra Gumanmalji Lodha	-	0.13	
Lease rent expense			
Radiant Life Care Private Limited	10	-	
Corporate Guarantee in respect of financial assistance availed by the Company:			
Kayak Investments Holding Pte. Ltd.	48,600	-	
Issue of Equity Share Capital			
Kayak Investments Holding Pte. Ltd.	-	199,075	

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

1. As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the KMP's, Director's and Director's relative remunerations has not been ascertained separately and, therefore, not included above. The figures do not include accrual recorded towards employee share based payments but includes of variable pay of INR 107 Lakh and retention bonus of INR 91 Lakh pertaining year ended March 31, 2020 and payment made in year ended March 31, 2021.
2. The employee stock option expense of INR 253 Lakh pertaining to KMP's are not included in the above disclosed KMP remuneration.

(C) Balances at the year end

Particulars	As at March 31, 2021	As at March 31, 2020	(INR in Lakh)
Loan and advances (including interest receivable)			
Max Healthcare Institute Limited	-	45,484	
Short term loan taken			
Neo legno Consultants Private Limited	-	4,574	
Trade payable			
Max Healthcare Institute Limited	-	52	
Mr. Abhay Soi	4	1	
Mr. Dilip Bidani	-	0.39	
Mr. Kummamuri Murthy Narasimha	2	-	
Mr. Mahendra Gumanmalji Lodha	2	-	
Mr. Aditya Soi	5	6	
Neo Legno Products Private Limited	-	216	
Radiant Life Care Private Limited	5	-	
Other payable			
Finance Arrangement fee to KKR Capital Market Asia Limited	150	-	
Trade receivables:			
Radiant Life Care Private Limited	41	-	
Security deposit received			
Mr. Yogesh Kumar Sareen	16	-	
Dr. Mradul Kaushik	4	-	
Ms. Ruchi Mahajan	3	-	

Terms and conditions of transactions with related parties:-

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- b) The income/expense from sales to and purchases from related parties are made on arm's length basis. Outstanding balances at the year end are unsecured and interest free.
- c) The above transactions with related parties are excluding of taxes, if any applicable.

33.11 Corporate social responsibility

As per the provision of section 135 of the Companies Act, 2013 the Group has to incur at least 2% of average net profit of the preceding three financial years of 'Alps Hospital Limited', toward corporate social responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activity as per schedule VII of the Companies Act, 2013. The Company has contributed a sum of INR 40 Lakh (March 31, 2020: Nil) to a Charitable Society towards serving the underprivileged patients under its specialized Oncology, Cardiology and Dialysis treatment programs. The above mentioned expenditure is debited to the statement of profit and loss.

	For the year ended March 31, 2021	For the year ended March 31, 2020	(INR in Lakh)
Details of CSR expenditure:			
(a) Gross amount required to be spent by the Group during the year	30	-	
(b) Amount spent during the year	40	-	

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

	Paid in cash		Yet to be paid in cash	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(i) Construction/acquisition of any asset	-	-	-	-
(ii) On purpose other than (i) above	40	-	-	-
	40	-	-	-

33.12 Earnings per share (EPS)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Earning per share		
a) Basic earnings per share		
Numerator for earnings per share		
Profit/ (loss) after taxation	(13,755)	5,899
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year	86,31,95,968	58,41,41,688
Earnings per share-Basic (one equity share of Re. 10/- each)	(1.59)	1.01
b) Diluted earnings per share		
Numerator for earnings per share		
Profit/ (loss) after taxation	(13,755)	5,899
Denominator for earnings per share		
Weighted average number of equity shares outstanding during the year*	86,31,95,968	58,41,41,688
Earnings per share- Diluted (one equity share of Re. 10/- each)	(1.59)	1.01

*The conversion effect of potential preference shares into equity shares is anti-dilutive in nature for year ended March 31, 2021, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

As per Ind AS 103, weighted average number of ordinary shares outstanding during the period in which the reverse acquisition occurs is the number of ordinary shares outstanding from the beginning of that period to the acquisition date, which shall be computed on the basis of the weighted average number of ordinary shares of the legal acquiree (accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the scheme; and the number of ordinary shares outstanding from the acquisition date to the end of that period shall be the actual number of ordinary shares of the legal acquirer (the accounting acquiree) outstanding during that period. Also, as per Ind AS 103, weighted average number of last year ordinary share outstanding is the legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

33.13 Capital management

For the purpose of the Group's capital management, capital includes issued equity attributable to the equity shareholders of the Group, share premium and all other equity reserves. The primary objective of the Group's capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 50%. The Group includes within net debt, interest bearing loans and borrowings (excluding loan from shareholder repayable with in one year), less cash and cash equivalents, excluding discontinued operations.

	(INR in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Borrowings (Including current maturities of long term borrowings) (refer note 17, 22)	92,035	85,516
Less: cash and cash equivalents (refer note 12(iii))	(62,659)	(11,101)
Net debt (a)	29,376	74,415
Equity (refer note 15 and 16)	5,63,868	2,55,315
Total capital (b)	5,63,868	2,55,315
Total capital and net debt (a+b)	5,93,244	3,29,730
Gearing ratio	4.95%	22.57%

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

33.14 Segment reporting

The Group has only one reportable business segment as it deals mainly in provision of healthcare services through primary care clinics, multi speciality hospitals / medical centres and super-speciality Hospitals facilities in terms of Ind AS 108 "Operating Segment". Further, the Group operates mainly in one geographical segment i.e India. All the assets and liabilities are located in India. The Chief operating decision maker monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment.

33.15 Impairment assessment of recoverable amounts from healthcare service providers

The Group has amount receivable amounting to INR 66,074 Lakh (March 31, 2020: INR Nil) from other healthcare service providers, i.e., Devki Devi Foundation, Balaji Medical and Diagnostic Research Centre and Gujarmal Modi Hospital & Research Centre for Medical Sciences. This include an amount of INR 17,853 Lakh (March 31, 2020: Nil), discounted value, placed as security and performance deposit as per the terms of medical services and pathology service agreement with such healthcare service providers. In addition, an amount of INR 16,738 (March 31, 2020: Nil) has been advanced as loan, INR 7,171 (March 31, 2020: Nil) as prepaid expenses, difference between present value and security and performance deposit given and balance of INR 24,312 Lakh (March 31, 2020: Nil) against trade receivable after net off trade payable of INR 242 Lakh.

The recovery of these balances depends on the future cash flows and earning capacity of these healthcare service providers. Management has carried out an impairment assessment and have concluded that the amounts are fully recoverable and hence no impairment in the value of the amount is necessitated.

33.16 Exceptional items during the year ended March 31, 2021 include:

S No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Loss on remeasurement of previously held equity interest by Radiant Life Care (Refer note 2.1)	(19,592)	-
(b)	Stamp duty payable with respect to the Scheme (Refer note 2.1)	(3,778)	-
Total		(23,370)	-

33.17 Details of entities and their respective share in consolidated financials:-

Particulars	Country of incorporation	Proportion of ownership as at March 31, 2021	Net Assets, i.e., total assets minus total liabilities		Share in total comprehensive income/(loss) (refer note 2.1)	
			As at March 31, 2021	As % of consolidated net assets	Amount (INR in Lakh)	As at March 31, 2021
Parent						
Max Healthcare Institute Limited	India			105%	5,93,943	120% (16,479)
Subsidiaries & Silos						
Radiant Life Care Mumbai Private Limited	India	99.99%	3%	17,232	5%	(713)
Hometrail Buildtech Private Limited	India	100%	2%	9,664	-29%	3,917
Alps Hospital Limited	India	100%	1%	3,474	-3%	469
Crosslay Remedies Limited	India	[refer note 22 (iv) b]	2%	14,832	-34%	4,658
Saket City Hospitals Limited	India	100%	0%	(2,333)	3%	(360)
Dr. B.L. Kapur Memorial Hospital	India	[refer footnote (b)]	-1%	(4,429)	1%	(158)
Dr. Balabhai Nanavati Hospital	India	[refer footnote (b)]	-4%	(21,460)	-5%	692
Total			108%	610,923	58%	(7,974)
Inter company elimination			-9%	(50,230)	15%	(2,071)
Equity accounting and Purchase price allocation			1%	3,175	27%	(3,659)
Gross total			100%	5,63,868	100%	(13,704)

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

Particulars	Country of incorporation	Proportion of ownership as at March 31, 2020	Net Assets, i.e., total assets minus total liabilities		Share in total comprehensive income/(loss) (refer note 2.1)	
			As at March 31, 2020		For the year ended March 31, 2020	
			As % of consolidated net assets	Amount (INR in Lakh)	As % of consolidated profit or loss	Amount (INR in Lakh)
Parent						
Radiant Life Care Private Limited	India		113%	2,87,508	-4%	(261)
Subsidiaries & Silos						
Radiant Life Care Mumbai Private Limited	India	99.99%	7%	17,935	-9%	(508)
Dr. B.L. Kapur Memorial Hospital	India	[refer footnote (b)]	-2%	(4,271)	19%	1,133
Dr. Balabhai Nanavati Hospital	India	[refer footnote (b)]	-9%	(22,152)	1%	61
Total			109%	2,79,020	7%	425
Inter company elimination			-11%	(28,313)	15%	864
Equity accounting			2%	4,608	78%	4,608
Gross total			100%	2,55,315	100%	5,897

- a. The above amounts / percentage of net assets and net profit or (loss) in respect of the Parent Company, its subsidiaries and silos are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

- b. Deemed separate entity i.e. 'Silos' (refer note 3.1)

33.18 Note on Code of wages

The Code of wages, 2019 and Code on Social Security, 2020 ('the codes') relating to employee compensation and post-employment benefits that received Presidential Assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Group will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

33.19 Note on COVID-19

Post the outbreak of COVID-19, the Group has made an assessment of likely adverse impact on economic environment in general and potential impact on its operations including the carrying values of its current and non-current assets including goodwill, other intangible assets, property, plant and equipment, and other financial exposures. It has also evaluated its ability to meet the financial commitments to its lender etc. The Group as of the reporting date does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations.

The Group is in the business of healthcare service and has augmented its resources and capacities to

serve COVID-19 patients, while continuing to treat its non-COVID-19 patients. During the earlier part of the current year, the COVID-19 impacted the revenues and profitability of the Group with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The Group has thereafter taken various initiatives to sustain its operations and optimize cost. During the later part of the year ended March 31, 2021, on an overall basis, the occupancy rate and revenues have improved while OPD footfalls and elective procedures also showed some increase. Patient flow from foreign countries is still temporarily impacted due to restricted international travel. However, on a consolidated basis, the Group has delivered steady results of operations, in view of overall occupancies.

Based on the internal and external information available upto the date of approval of these financial results and the assessment made by the management, the Group expects to recover the carrying values of its current and non-current assets, as stated above and expects normalization of its operations in the next financial year. However, given the nature of the COVID-19, the Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

NOTES

forming part of Consolidated financial statement for the year ended March 31, 2021

33.20 Consequent to the Composite Scheme (Refer note 2.1) coming into effect from June 1, 2020 and due to the impact of outbreak of COVID-19 (Refer note 33.19), figures for the current year ended March 31, 2021 are not comparable with figures for the year ended March 31, 2020. The figures for the previous year have been regrouped/ reclassified, wherever necessary, to correspond with the year's classification/ disclosure.

33.21 The Board of Directors at their meeting held on March 26, 2021, approved the Scheme of Amalgamation (Merger By Absorption) of ALPS Hospital Limited (a fellow subsidiary of the Company) with Saket City Hospitals Limited and their respective Shareholders under Sections 230 to 232 and other applicable provisions and Rules under

the Companies Act, 2013 ("the Act"). In this regard, the Company has filed a petition with Hon'ble National Company Law Tribunal, Mumbai bench on April 09, 2021.

33.22 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its Subsidiary Companies.

33.23 The figures have been rounded off to the nearest Lakh of rupees up to two decimal places. The figure "0" wherever stated represents value less than INR 50,000/-.

33.24 Note no. 1 to 33 forms integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
MAX HEALTHCARE INSTITUTE LIMITED

ABHAY SOI

(Chairman and Managing Director)

DIN:00203597

YOGESH KUMAR SAREEN

(Chief Financial Officer)

ICAI Membership Number: 087383

Place: New Delhi

Date: May 28, 2021

RUCHI MAHAJAN

(Company Secretary)

Membership Number: F5671

NOTES

CORPORATE INFORMATION

BOARD OF DIRECTORS IN TERMS OF THE COMPANIES ACT, 2013

MR. ABHAY SOI

Chairman & Managing Director

MS. ANANYA TRIPATHI

Non-Executive Non Independent Director

MR. SANJAY OMPRAKASH NAYAR

Non-Executive Non Independent Director

MR. UPENDRA KUMAR SINHA

(TILL MAY 20, 2021)

Non-Executive Independent Director

MS. HARMEEN MEHTA

(APPOINTED W.E.F. MAY 24, 2021)

Non-Executive Independent Director

MR. MAHENDRA GUMANMALJI LODHA

Non-Executive Independent Director

MR. K NARASIMHA MURTHY

Non-Executive Independent Director

MR. MICHAEL THOMAS NEEB

Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

MR. YOGESH KUMAR SAREEN

Senior Director & Chief Financial Officer

COMPANY SECRETARY

MS. RUCHI MAHAJAN

Senior Vice President - Company Secretary & Compliance Officer

REGISTERED OFFICE

401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai, Maharashtra-400056

CORPORATE OFFICE

2nd Floor, Capital Cyberscape, Sector-59, Gurugram, Haryana-122011

STATUTORY AUDITORS

M/s DELOITTE HASKINS & SELLS

Chartered Accountant

SECRETARIAL AUDITORS

M/s SANJAY GROVER & ASSOCIATES

Practicing Company Secretaries

COST AUDITORS

M/s CHANDRA WADHWA & CO.

Cost Accountant

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058

BANKS

AXIS BANK LIMITED

INDUSIND BANK LIMITED

RBL BANK LIMITED

HDFC BANK LIMITED

IDFC FIRST BANK LIMITED

PUNJAB NATIONAL BANK

YES BANK LIMITED

NIIF INFRASTRUCTURE FINANCE LIMITED

STANDARD CHARTERED BANK KENYA LIMITED

[/MaxHospitalsIndia](#)

[/@MaxHealthcare](#)

[/company/max-healthcare](#)

MAX HEALTHCARE INSTITUTE LIMITED

(Corporate Identification Number: L72200MH2001PLC322854)

Registered Office: 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West),
Mumbai City, Maharashtra - 400056

Corporate Office: 2nd Floor, Capital Cyberscape, Sector-59, Gurugram - 122011, Haryana

Email id: investors@maxhealthcare.com; secretarial@maxhealthcare.com

Phone: 022-26101035

www.maxhealthcare.in