



TRANSFORMATIONAL GROWTH THROUGH FOCUS AND EXECUTION

ANNUAL REPORT 2016-17





Annual Report 2017

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CORPORATE REVIEW

OUR ENTERPRISE

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OUR ENTERPRISE



Max India Limited, a multi-business corporate, owns and actively manages a 45.95% stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living.



Launched in 2000, Max Healthcare is an equal JV partnership between Max India and Life Healthcare, South Africa. It is a leading provider of standardised, seamless and world-class healthcare services, focused on tertiary and quaternary care. Max Healthcare has revenues of ₹ 2,567 crore from over 2,500 beds across 14 hospitals.



Launched in 2008, Max Bupa is a 51:49 JV with Bupa Finance Plc., UK. It is one of India's leading standalone health insurance companies with Gross Written Premium (GWP) of ₹ 594 crore, about 17,000 agents and tie-ups with over 3,600 quality hospitals across over 350 cities in India.



Launched in 2013, Antara is a 100% subsidiary of Max India. It is pioneering the concept of 'Age in Place' for people over 55, by developing Senior Living communities in India. The first Antara community was launched in April 2017 near Dehradun, Uttarakhand.





Max Financial Services owns and actively manages a majority stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance. Max Life is a joint venture with Mitsui Sumitomo Insurance (MSI), a Japan headquartered global leader in life insurance.



Launched in 2000, Max Life offers comprehensive long term savings, protection and retirement solutions through its high quality agency distribution and multi-channel distribution partners. It is India's largest non-bank private life insurer, with revenues of ₹ 12,937 crore and a customer base of 3.9 million across 210 offices in 143 cities in India.



Max Ventures & Industries (MaxVIL) serves as the Group's entrepreneurial arm to explore the 'wider world of business', especially taking cues from the economic and commercial reforms agenda of the present Government, including 'Make in India', 'Skill India', 'Digital India', among others.



Launched in 1988, Max Speciality Films is a subsidiary of MaxVIL, based in Railmajra, Punjab. It is a leading manufacturer of speciality packaging films, with revenues of ₹ 666 crore.



Max Estates will leverage the Max Group's in-house experience in activities aligned with Real Estate and its access to the sponsor's private and Group land bank. The Company has already commenced work on its maiden project in Dehradun.

Max I. Limited

Max I. Ltd, a wholly owned subsidiary, will provide intellectual and financial capital to early-stage organizations, with sound business models and proven revenue stream, across identified sectors.

Max Learning

MaxVIL's Education vertical recognises the gap in provision of quality education and views this as a genuine opportunity not merely in terms of business but also in terms of making a significant positive social impact.



Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility aspirations. The Foundation's work is focussed on healthcare for the underprivileged and has benefitted over 28,00,000 people in over 730 locations since its inception.

MEASURES OF SUCCESS



Max Healthcare
Network Gross Revenues:

₹ 2,567 Cr.,
grew **18%**

Max Healthcare Network EBITDA:

₹ 281 Cr.,
grew **31%**



Treasury Corpus of
₹ 301 Cr.*

Max Bupa Gross Written
Premium:

₹ 594 Cr.,
grew **25%**



Max Super Speciality Hospital,
Saket earned prestigious

JCI Accreditation

* As at 31st March, 2017



Investor base comprising marquee global financial institutions such as **Goldman Sachs, IFC, Ward Ferry, Mirae Mutual Fund, New York Life, Nomura, DSP Blackrock and L&T Mutual Fund**

Stronger and deeper relationships with our Joint Venture Partners

Life Healthcare

and **Bupa**



Benefitted over **28,00,000**

lives in 730

locations across India through Max India Foundation



First Antara community launched near Dehradun, Uttarakhand in April 2017



Our Vision

To be the most admired company for health and life care needs of its customers, patients and their families.

OUR PATH



Our Mission

- Be the most preferred category choice for customers, patients, shareholders and employees
- Deliver exceptional and ever changing standards of medical and service excellence
- Operate to uncompromising ethical standards consistently
- Lead the market in quality and reputation
- Maintain cutting edge standards of governance

OUR VALUES



Sevabhav

We encourage a culture of service and helpfulness so that our actions positively impact society. Our commitment to Seva defines and differentiates us.

Excellence

We gather the experts and the expertise to deliver the best solutions for life's many moments of truth. We never settle for good enough.



Credibility

We give you our word. And we stand by it. No matter what. A 'No' uttered with the deepest conviction is better than a 'Yes' merely uttered to please, or worse, to avoid trouble. Our words are matched by our actions and behaviour.

BOARD OF DIRECTORS



DR. S.S. BAIJAL
Mentor

Dr. Baijal served ICI (India) Limited for over 35 years and was the Chairman of ICI companies in India from 1983 to 1987. He then played an active role on the Board of the erstwhile Max India from 1998 till 2009, where he added immense value to the company. He was the Chairman of Max India during the years 1998-2000. On his retirement from the Board in 2009, he was elevated to the position of 'Chairman Emeritus' and to 'Mentor' in 2015 after the demerger of the erstwhile Max India.



MR. ANALJIT SINGH
Founder and Chairman Emeritus, Max Group

Mr. Analjit Singh is the Founder and Chairman Emeritus, Max Group, and Chairman of Max Ventures & Industries and Antara Senior Living. An industry statesman, he was awarded the Padma Bhushan, one of India's top civilian honours in 2011. He is also the Chairman of Vodafone India, and is on the Board of Sofina NV/SA, Belgium. He has significant interests in real estate in India and lifestyle related ventures in the Western Cape, South Africa, pertaining to viticulture, wine making and hospitality.

Mr. Analjit Singh is a member of the Founder Executive Board of the Indian School of Business (ISB) and has served as Chairman of Board of Governors of the Indian Institute of Technology (IIT), Roorkee. He was awarded the Ernst and Young Entrepreneur of the Year Award (Service Category) in 2012 and the US India Business Council Leadership Award in 2013. In 2014, he was awarded with Spain's second highest civilian honour, the Knight Commander of the Order of Queen Isabella. He is an alumnus of Doon School and Shri Ram College of Commerce (SRCC), Delhi University, and holds an MBA from Boston University. He also serves as the Honorary Consul General of the Republic of San Marino in India.



MR. RAHUL KHOSLA
Chairman

Mr. Rahul Khosla is a seasoned business leader with deep management experience, broad leadership skills and wide business perspectives developed over the last 31 years of working in India and globally. He is currently President of the Max Group, and also serves as Executive President, Max Financial Services; Chairman, Max India; Chairman, Max Life Insurance; and Chairman, Max Healthcare. He also serves on the Boards of Antara Senior Living and Max Bupa Health Insurance Company.

Under his leadership, the Max Group has delivered superior financial performance, significantly grown market capitalization, and concluded seminal corporate transactions. He also led the mega-restructuring of the erstwhile Max India into three new listed entities. Before joining Max, Mr. Khosla spent 11 years based in Singapore as the Group Head of Products at Visa Inc for Asia Pacific, Central Europe, Middle East and Africa, following his role at Visa Inc as Chief Operating Officer for the Asia Pacific region. He held several senior roles prior to this – as Country Head for ANZ Grindlays' consumer banking businesses in India; Head of Retail Assets, Strategy, Finance and Legal at Bank of America.

Mr. Rahul Khosla served as President, NatHealth, India's leading multi-stakeholder platform for healthcare organizations in 2016 and is the President of the FICCI Committee on Health Services. In addition, he serves on the Executive Board of the Indian School of Business (ISB), one of Asia's top B-Schools.



MR. MOHIT TALWAR
Managing Director

Mr. Mohit Talwar is the Managing Director of Max Financial Services and Max India, and Vice Chairman of Max Ventures & Industries Limited (MaxVIL). In addition, he is the Chairman of Max Speciality Films and serves on the Boards of Max Life Insurance, Max Healthcare, Max Bupa and Antara Senior Living.

As the Deputy Managing Director of the erstwhile consolidated Max India Limited, he successfully leveraged his strong relationships with institutional investors, hedge funds, banks and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He has played a central role in executing key transactions including the setting up of Max Bupa Health Insurance, bringing on board MS&AD Insurance Group Holdings as the new JV partner for Max Life, Life Healthcare's entry in Max Healthcare, and later the equalization of its stake in the business, and completing the mega-restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets. In his new role, Mr. Talwar was instrumental in executing a stake repurchase transaction with IDFC Limited, and more recently a transaction with IFC to repurchase its stake in Max Healthcare. He has also overseen key transactions in MaxVIL, including the induction of Toppan Group as a JV partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.

Mr. Talwar has a wealth of experience in Corporate Finance and Investment Banking, and spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia.



MR. ASHOK KACKER
Independent Director

Mr. Kacker, M. Sc. (Physics), University of Allahabad (Topper of the 1972 batch), has more than 3 decades of experience in the Government as an Indian Revenue Service (IRS) Officer. He has served as Chief Commissioner of Income Tax and held senior positions both in executive capacities and policy formulation roles. He has also served as Executive Director with Securities Exchange Board of India (SEBI) and in various capacities in committees set up by SEBI. He is the Founder and Managing Partner of A.K. Advisors and Consultants, an Advisory Company in the area of financial services and Group Advisor with the India Bulls Group of Companies.



MR. ASHWANI WINDLASS
Non-Executive Director

Mr. Ashwani Windlass was part of the founding team at the erstwhile Max India, having served the Max Group in different capacities including as its Joint MD as well as MD, Hutchison Max Telecom from 1994 until 1998. He has continued as a Board member of the Company ever since. He has been the Chairman, MGRM (Asia-Pac) and Vice Chairman, and the MD of Reliance Telecom. He serves on leading advisory and statutory Boards, including acting as Chairman SA&JVs, MGRM Inc., USA, and member at Antara Senior Living Limited, Max Ventures Pvt. Ltd., Vodafone India Ltd. and Hindustan Media Ventures Ltd. He holds degrees in B.Com (Gold Medal), Bachelor of Journalism and MBA.



MR. D.K. MITTAL
Independent Director

Mr. D. K. Mittal is a former Indian Administrative Service (IAS) officer from the batch of 1977 and has served the Government of India in various capacities, including Secretary, Department of Financial Services, Secretary, Ministry of Corporate Affairs and Additional Secretary, Department of Commerce. Mr. Mittal has hands on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a Master's degree in physics with specialisation in Electronics from the University of Allahabad, India.



PROF. DIPANKAR GUPTA
Independent Director

Professor Gupta has spent 3 decades at Jawaharlal Nehru University (JNU) as faculty and is considered among India's foremost authority on Indian Sociology. He was till recently a member of the Board of the RBI, NABARD, National Standards Broadcasting Authority, and the Doon School. He started the Business Ethics and Integrity Division of KPMG, India, which he led until 2003 and then served as its Senior Advisor. He is the author and editor of 20 books including, "The Caged Phoenix: Can India Fly?" re-published by Stanford University Press. His most recent book is titled "QED: India Tests Social Theory" (Oxford University Press; 2017). He was awarded Chevalier De L'Ordre des Artset des Lettres (Knight of the Order of Arts and Letters) by the French Government. Professor Gupta served for three years till 2015 as Distinguished Professor in Shiv Nadar University.



MRS. TARA SINGH VACHANI
Non-Executive Director

The CEO and Managing Director of Antara Senior Living, Mrs. Tara Singh Vachani holds a thorough understanding of senior living. Her knowledge is backed by over three years of extensive research of senior living communities in India and internationally. She is the youngest member to join the board of Max India as the Non-Executive Director. Before venturing into senior living, she worked with the Corporate Development team at the erstwhile consolidated Max India Limited being actively engaged in philanthropy through her involvement with Max India Foundation. Mrs. Vachani majored in Politics and South Asian studies at the National University of Singapore followed by courses from renowned institutions such as London School of Economics and Management at Ecole hotelier de Lausanne, Switzerland.

Mrs. Vachani is the youngest child of Mr. Analjit Singh. She is married to Mr. Sahil Vachani and lives in Delhi.

MAX HEALTHCARE INSTITUTE LIMITED

Mr. Analjit Singh	Chairman Emeritus
Mr. Rahul Khosla	Chairman
Dr. Pradeep Kumar Chowbey	Executive Vice Chairman
Mr. Rajit Mehta	Managing Director and CEO
Mr. Adam Mills Pyle	Non-Executive Director
Dr. Ajit Singh	Non-Executive Director
Mr. K. Narasimha Murthy	Independent Director
Mr. Mohit Talwar	Non-Executive Director
Dr. Omkar Goswami	Independent Director
Mr. Petrus Phillippus Van Der Westhuizen	Non-Executive Director
Ms. Roshini Bakshi	Independent Director

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

Mr. Rajesh Sud	Chairman
Mr. Rahul Khosla	Co-Vice Chairman
Mr. David Martin Fletcher	Co-Vice Chairman
Mr. Ashish Mehrotra	Managing Director and CEO
Dr. Burjor P. Banaji	Independent Director
Mr. John Howard Lorimer	Non-Executive Director
Ms. Joy Carolyn Linton	Non-Executive Director
Mr. K. Narasimha Murthy	Independent Director
Ms. Marielle Theron	Non-Executive Director
Mr. Mohit Talwar	Non-Executive Director
Mr. Pradeep Pant	Independent Director

MAX SKILLFIRST LIMITED

Mr. Rajesh Sud	Chairman
Ms. Marielle Theron	Non-Executive Director
Mr. Rajit Mehta	Non-Executive Director

ANTARA SENIOR LIVING LIMITED

Mr. Analjit Singh	Chairman
Mrs. Tara Singh Vachani	Managing Director and CEO
Mr. Ashwani Windlass	Non-Executive Director
Mr. Mohit Talwar	Non-Executive Director
Mr. Pradeep Pant	Independent Director
Mr. Rahul Khosla	Non-Executive Director
Mr. Rohit Kapoor	Non-Executive Director
Ms. Sharmila Mansur Ali Tagore	Independent Director
Dr. Shubnum Singh	Non-Executive Director

MAX INDIA FOUNDATION

Mr. Analjit Singh	Managing Trustee
Ms. Archana Pandey	Trustee
Mr. P. Dwarakanath	Trustee
Mr. Rajesh Sud	Trustee
Mr. Rajit Mehta	Trustee
Ms. Sujatha Ratnam	Trustee



STRATEGIC REVIEW

CHAIRMAN'S LETTER

MANAGING DIRECTOR'S LETTER

BUSINESS REVIEW

CHAIRMAN'S LETTER



Dear Shareholders,

This past year has been eventful and a defining one for your Company. Max India's shares started trading on the Exchanges in July 2016 and the stock has since maintained its strength. The Company's stock is currently trading at ₹ 144 per share which implies a market cap of around ₹ 3,900 crore.

All our operating companies have gained a strong momentum and are set for a path towards profitability. I am pleased to report that Max Healthcare (MHC), Max India's flagship operating company, achieved robust growth in revenues and profits, despite regulatory headwinds.

It is heartening to note that this success is based on the confluence of Max Healthcare's superior clinical expertise, advanced medical practices and technologies, patient-centric and customer-focussed processes, relentless focus on service quality and reliable infrastructure.

During the year, MHC successfully completed the integration of its newly acquired hospitals – Max Smart Super Speciality Hospital (formerly Saket City Hospital) in South Delhi, and Max Vaishali (formerly Pushpanjali Crosslay Hospital) in East Delhi. We have made concerted efforts to hire and retain key talent in these hospitals, implement clear Management Information Systems (MIS) and reporting systems, fulfil critical compliance obligations and have synergised elements with other hospitals in the Max Network in line with key strategic objectives of these acquisitions. The performance of both these hospitals has displayed considerable improvement since their acquisition, both in terms of revenues and profits. Some of our other new hospitals, such as the ones in Bathinda and Dehradun have also demonstrated a remarkable turnaround in profits, becoming EBITDA-positive for the first time.

In the coming months, we will increase focus on the Company's new business initiatives including Max@Home, our new patient homecare initiative; Max Labs, our pathology business and Oncology Day Care Centres – all of which have the management's and the Board's strong support.

I am pleased to share that this year also marked MHC's first-ever accreditation by the Joint Commission International (JCI), the world's premier body for accrediting healthcare organisations. The accreditation was conferred on Max Super Speciality Hospital, Saket and is a testimony to the high-quality processes and practices at the hospital, as well as the passion and perseverance of the hospital's doctors, nurses, paramedical and support staff.

Our health insurance joint venture, Max Bupa, witnessed significant milestones during the year. The business has over two million customers across urban and rural India, with more than one million of these being retail customers. This is a testimony of Max Bupa's relentless focus on serving the B2C space. In another major development, Max Bupa struck a new bancassurance alliance with Bank of Baroda, one of India's largest public sector banks. This partnership is already performing well and gives Max Bupa the opportunity to penetrate the bank's network of 5,400 domestic branches and 60 million customers in India. Adding



25%

PRODUCTIVITY-LED GROWTH IN SALES OF MAX BUPA IN FY 2017

this to the existing bancassurance partnerships that Max Bupa has with Federal Bank, Standard Chartered Bank, RBL Bank, and Deutsche Bank creates a solid external distribution capability for Max Bupa beyond its own strong agency force.

In line with its medium-term agenda of 'Getting Fit for Growth', the business has also made successful efforts to improve the productivity of its agency channel, posting a 25% productivity-led growth in sales in FY 2017.

Finally, our youngest business, Antara Senior Living, proudly launched its first senior living community near Dehradun, Uttarakhand, in April this year. As a Group, we have always had immense confidence in Antara's unique proposition of 'Lifestyle with Lifecare' and I am pleased to say that the unwavering efforts of Team Antara have led to an offering that makes us all proud. I have no doubt that Antara will earn a deserved reputation of being a quintessential brand that epitomises the highest quality of senior living services in India. The successful commissioning of its first community now allows the energetic team at Antara to start scouting locations and business models for its next community.

INDUSTRY OUTLOOK

As the flag bearers for a robust and modern healthcare ecosystem, it is important for us to take a step back and review the current environment of the health and allied businesses in India. The Indian healthcare ecosystem is growing at an unprecedented pace and has made significant strides, specifically over the past few years, in terms of improving standards. While we have fared well on the Millennium Development Goals set by the WHO, the delivery of public health under the National Rural Health Mission has also been expanded significantly. Access to hospitalisation services via public-financed health insurance schemes has increased from 55 million people in FY 2004 to 370 million



₹ 2,567 Cr.

GROSS REVENUES IN FY 2017 FOR MHC'S NETWORK OF OWNED AND MANAGED HOSPITALS

people in FY 2014. We are also seeing a growth in medical, nursing and technical education.

India has further established its position in the world as a leading destination for top-quality care at relatively low cost. The industry is expected to reach around US\$ 400 billion in sales and significantly contribute to the development of the Indian economy by FY 2025 as well as be amongst the top employers in the country. A large part of this growth will be driven by the private sector. Private providers have a major role to play in delivering secondary and tertiary healthcare services in India and already account for 70% of the healthcare market.

Despite the successes, however, the Indian healthcare system continues to grapple with myriad challenges. Some primary areas of concern include disparities in health outcomes across India, the focus on curative rather than preventive healthcare, lack of healthcare financing, the significant trust deficit between patients and institutions, regulatory uncertainty and limited skilled manpower.

In light of these challenges, it is indeed encouraging to see the healthcare-centric focus of the current Government and its willingness to engage positively with the private sector. The key objectives and policy thrust set out in the National Health Policy 2017 (NHP) address challenges such as reinforcing trust in the public healthcare system, ensuring adequate investment, preventive health checks, achieving defined outcomes related to health status and programme impact, organisation of public healthcare delivery and perhaps, most importantly, aligning growth of the private healthcare sector with public goals.

While we deeply appreciate the Government's recognition of the private sector's role, it is imperative for the two to collaborate constructively towards achieving the NHP's desired objectives, such as developing a common understanding of the economics

of the healthcare model to set pricing for delivering affordable quality care, developing effective public-private partnership (PPP) models and to ensure provision of low-cost healthcare financing. The industry also needs to co-fund the establishment of a public body responsible for authorising, monitoring and regulating public health delivery, perhaps an Indian equivalent of the UK's National Health Scheme (NHS) Monitor. This would aid in curbing unethical practices in healthcare by setting up a process to levy punitive actions.

Much like healthcare, the Indian health insurance sector continues to remain a fundamentally attractive industry as less than 30% of the country's population currently has any kind of health coverage. Gross written premiums are growing at a rapid CAGR of 26% and the market is likely to touch ₹ 50,000 crore by FY 2020.

Senior living is a sunrise sector and Antara is, arguably, the only serious quality provider in this sector at the moment. While there are some players who have launched their respective versions of 'senior living' projects, most of them continue to be physical infrastructure-led offerings by traditional real-estate players and lack the sharp focus and top-quality service standards of Antara's range of product offerings.

KEY FINANCIAL HIGHLIGHTS

Shifting focus now to some key financial highlights of your Company's operating businesses, I am pleased to share with you that all the three businesses reported strong growth in the past year.

Max Healthcare reported Gross Revenues of ₹ 2,567 crore in FY 2017 for its network of owned and managed hospitals, a jump of 18% over the previous year. The Company also reported a robust 31% increase in EBITDA for its network of hospitals to ₹ 281 crore in FY 2017.

Max Bupa posted strong growth in its topline with Gross Written Premium (GWP) of ₹ 594 crore in FY 2017, an increase of 25% over FY 2016. The Company has grown consistently and rapidly by more than doubling its retail customer base over the past four years and is within striking distance of achieving financial breakeven.

Finally, Antara Senior Living has been progressing from strength to strength over the past 4 years. The Company has already sold around 50% of its units in Dehradun and will continue to focus

on accelerating sales in the coming months while leveraging its biggest strength – the Dehradun community, which now stands testament to Antara’s premium service standards.

THE WAY FORWARD

As we look ahead, we will continue to focus on our existing operating areas, building scale and profitability, while also exploring newer avenues of growth in all our businesses.

In June this year, Max Group’s Founder and Chairman Emeritus Mr. Analjit Singh committed to increase his stake in the Company to 45.12% by investing ₹ 300 crore through issuance of share warrants. A portion of the proceeds from this transaction was utilised by Max India to acquire half of International Finance Corporation’s stake in MHC (the other half was acquired by Max India’s JV partner Life Healthcare). The increase in the Sponsors’ shareholding represents their unwavering commitment to the Company, and more specifically, their confidence in the immense growth prospects of the underlying healthcare, health insurance, and senior-living businesses.

In addition, our businesses have identified efficiencies across cost, revenue and process dimensions led by changes in technology. Over the past few years, both Max Healthcare and Max Bupa have made significant progress in building digital capabilities and enabling an end-to-end digital journey for our customers across the spectrum. These efforts will continue to be a priority for these businesses over the coming years.

I should note that we have a great appreciation for the Government’s explicit recognition of the need to engage with the private sector to achieve the goals set out in the National Health Policy. However, I must temper my enthusiasm in light

of recent concerns regarding the poor overall financial position of healthcare providers in India. The recently introduced pricing cap regulations are a relevant example of well-intentioned policy-making leading to unintended consequences such as worsening the financial position of providers. Such a turn of events can be avoided going forward through a process of structured engagement, the inclusion of appropriate expertise and reliance on comprehensive data. We have also underlined that the lack of any attempt to apply a scientific framework to determine treatment costs will lead to inappropriate decisions, ambiguity and lack of trust amongst stakeholders.

Max India has been at the forefront of advocacy initiatives, in collaboration with industry partners such as NatHealth and FICCI, to engage with the Government and arrive at mutually agreeable solutions to some of these pressing issues. We will sustain our intense advocacy efforts through the year with the Ministry of Health & Family Welfare, the Delhi State Government, industry bodies and other key stakeholders.

Max India will continue to drive forward in its endeavour to deliver value for all its stakeholders, just as it has in the past, and our businesses will continue to set the pace in their respective industries. With your ongoing support and commitment, we hope to keep delivering strong results on all performance parameters in the coming years.

Warm regards,



Rahul Khosla

Chairman, Max India Limited

MANAGING DIRECTOR'S LETTER



Dear Shareholders,

I feel privileged writing this letter after completing my first full year as the Managing Director of your Company. Last year, we made a promise to you that we would maintain profitable growth trajectories for our healthcare, health insurance and senior living businesses. I am delighted to report that we have not only delivered on that promise but also made significant strategic advances to strengthen the growth trajectories of our respective businesses.

In this letter, I will specifically cover progress against the key objectives of the demerger, highlights of FY 2017 business performance and key priorities of the operating business in the year ahead.

PROGRESS SINCE THE DEMERGER

First, let me recap the key objectives of the demerger of the erstwhile Max India Limited into three separate entities – to unlock shareholder value; to provide you, the shareholders, with the opportunity to invest in a specific and undiluted manner in Max Group's diverse range of businesses; and to enable sharper focus in each of the operating business.

I am proud to say that we as a Group have made significant progress in each of the above-stated objectives. All the three holding companies, including Max India, have a distinct, engaged and thriving investor base which has helped unlock significant value for shareholders reflecting your confidence in the vision and the potential of each of the holding companies and their businesses.

This is further reflected in the presence of a host of marquee Indian and global financial institutions as key investors across the Max Group, including Goldman Sachs, Reliance Mutual Fund, IFC, Ward Ferry, New York Life, Nomura, Target Value Fund, DSP Blackrock Mutual Fund, Mirae Mutual Fund and L&T Mutual Fund, among others.

The combined market cap of the three entities, as of date, amounts to ₹ 20,650 crore, reflecting a 4x growth from the pre-demerger market cap of ₹ 5,500 crore.

You will have an opportunity to read more about the progress of the primary businesses of the other two holding companies in their respective annual reports. I will focus on the advances made by the key businesses of your Company – Max Healthcare, Max Bupa and Antara Senior Living in the next section.

HIGHLIGHTS OF OPERATING BUSINESSES

Let me review the performance and strategic initiatives undertaken in FY 2017 to strengthen the health of our operating businesses as well as outline the key priorities for FY 2018.

Max Healthcare

Max Healthcare (MHC), Max India's flagship operating company, reported gross revenues of ₹ 2,567 crore from its network of owned and managed hospitals, representing an 18% rise over the previous year. Profit Before Tax increased by an impressive 141% to ₹ 24 crore. EBITDA stood at ₹ 281 crore, marking a 31% improvement over the last year.

Overall, the company delivered a robust performance, despite multiple headwinds during the year including demonetisation and regulatory interventions. This was attained through consistent efforts to improve the top-line by boosting



MAX HEALTHCARE REPORTED A

141%

INCREASE IN PROFIT BEFORE TAX IN FY 2017

occupancy levels, lowering patients' average length of stay (ALOS) and reducing costs by ~₹ 100 crore in FY 2016 and FY 2017 through sustainable programmes without, most importantly, compromising patient safety and satisfaction. MHC has continued to improve its customer satisfaction scores from 58% in FY 2015 to 69% in FY 2016 and now to 73% in FY 2017.

This notable improvement in profitability was supported by significant performance turnarounds at two of MHC's newer hospitals at Dehradun and Bathinda, as well as at the newly acquired entities – Max Smart Super Speciality Hospital (formerly Saket City Hospital) in Saket, New Delhi, and Max Vaishali (formerly known as Pushpanjali Crosslay) in Ghaziabad, Uttar Pradesh. As an example, Max Smart's monthly average EBITDA in the second half of FY 2017 improved to ₹ 2 crore from a negative ₹ 0.5 crore in the first quarter, following the hospital's management contract acquisition in December 2015.

While improving performance in the face of various challenges, MHC has continued to invest in strengthening the long-term health of the company, with patient-centricity at the core of all its efforts. This is clearly reflected in several initiatives and outcomes witnessed during the year, which were either first of their kind in India or first in the history of MHC including JCI accreditation of Max Saket, implementation of i-comply – an e-compliance IT system, successful execution of the RIS-PACS (Radiology Information System - Picture Archiving & Communication System) – a platform that connects radiology workforce across network and reduces the turnaround time significantly, online tracking of all Hospital Acquired Infections (HAI), and investment in several state-of-the-art equipment. Alongside, the company has continued to seed fresh investment for moving up the care value chain and seeking out innovative out-of-hospital growth opportunities including Pathology (Max Labs), Homecare Initiative (Max@Home) and Oncology Day Care Centres with the first unit opening in Lajpat Nagar in Delhi. All these initiatives have shown solid traction in FY 2017.

From a longer-term perspective, MHC aims to focus on certain priorities. These include investing in and growing alternate and new business lines, primarily Max@Home, Max Labs, Oncology Day Care and the Max Centre for Liver and Biliary Sciences (CLBS) at Max Saket. The company also aims to push forward with the Saket Complex development project in accordance with set timelines. In addition, MHC will continue to closely monitor cash flows and capex for effective Balance Sheet Management especially in the light of external headwinds.

Max Bupa Health Insurance

Let me turn now to Max Bupa, the second operating company which is one of India's leading standalone private health insurers. In the pursuit of realising its vision of becoming India's most admired health insurer, Max Bupa has further strengthened its foothold in the Health Insurance sector with an expanding base of around 2.4 million customers across the country serviced through its diverse distribution channels, including a network of 17,000-plus agents spread throughout India. It now ranks as the fifth-largest health insurer in the B2C segment.

In FY 2017, Max Bupa delivered strong results in line with its 'getting fit for growth' agenda. It reported Gross Written Premium (GWP) of ₹ 594 crore in FY 2017, representing a robust 25% increase over the previous year. The growth in new sales has been driven by improving productivity through the Agency channel as well as by broadbasing the franchise via expansion of the Bancassurance channel. The Renewal business grew at an extremely healthy clip of 28%, backed by significant improvement in persistency, which improved by 520 basis points over the previous year.

In tandem with these achievements, the company has taken several difficult calls including re-pricing its key products, closing loss-making product lines and changing underwriting grids to preserve the long-term health of the business and improve the quality of the book. These actions have already delivered concrete results that are evident in notable improvements in several metrics including claims, cost, persistency and quality scores.

Max Bupa's newly forged tie-up with Bank of Baroda (BoB) for distribution of its health insurance products is its largest business partnership by far and among the biggest bancassurance

Max Bupa reported Gross Written Premium (GWP) of ₹ 594 crore in FY 2017, representing a robust 25% increase over the previous year.

alliances in the health insurance sector. This alliance has given us an opportunity to leverage the bank's network of 5,400 domestic branches and 60-million customer base in India. The BoB sales are ramping up at a fast pace, backed by end-to-end technology integration with the bank's system as well as the deployment of customised yet simple products. Last month, Max Bupa added another bank to its portfolio – South Indian Bank, which will help diversify its geographical footprint and strengthen its presence in South India.

With an undiluted focus on customer experience, Max Bupa has undertaken several initiatives to enhance its digital capability. Its latest technology innovations include tab-based over-the-counter policy issuance to improve the customer experience at points-of-sale and self-service enabled through a state-of-the-art Customer Relationship Management (CRM) system to provide exemplary customer care.

Most importantly, the appointment of Ashish Mehrotra as the new Chief Executive Officer and Managing Director as well as the strengthening of senior leadership pool across several functions including actuary, distribution, finance and operations have significantly aided the Company's 'Getting Fit for Growth' agenda over the last two years.

Going forward, Max Bupa has its key priorities clearly laid out for the next year. The first is to drive growth in the Bancassurance channel by scaling up the Bank of Baroda alliance and exploring partnerships with new banks to benefit from open architecture and also with other NBFCs. At the same time, MBHI will invest in expanding its proprietary channels, such as Agency, through cost-effective models for profitable sales growth. In addition, the company will strengthen its product suite to address specific customer needs – both age and disease-related and will customise it for the specific needs of the proprietary channels and partners. Max Bupa will continue to prioritise digitally-enabled end-to-end customer journey leveraging

advancements in technology. This would include initiatives such as CRM to improve data quality and lead management, creating an omni-channel experience for customers with a new website, mobile app and content management system, and automating processes to simplify and improve customer experience.

Antara Senior Living

Finally, let me turn to the third operating company, Antara Senior Living, which is pioneering the concept of 'Age in Place' through the development of Senior Living communities in India and has marked a very significant year. In April this year, Antara opened the gates of its maiden community of nearly 200 apartments near Dehradun, Uttarakhand, to wide appreciation from its customers, the public and the media. In FY 2017, the Company generated collections of ₹ 78 crore, a growth of almost 100% over the previous year.

In the coming months, Antara's attention will be on sustaining improvements in sales velocity, maintaining its focus on higher conversions of leads to final sales, employing a sharper concentration on service delivery for its Dehradun residents and finalising the growth strategy and business model for a second Antara community.

THE ROAD AHEAD

The future entails immense growth opportunities in each of our business, something the market has acknowledged and rewarded us for. It is going to be critical for each of our businesses to flawlessly execute their plans and deliver on their growth promise in a profitable way, while carefully navigating through external headwinds. In parallel, as we think 3-5 years out, we will continue to identify and capture adjacent and new frontiers of growth and build capabilities that will be imperative for success in the face of the changing external landscape in the

In April, Antara opened the gates of its maiden community of nearly 200 apartments near Dehradun, Uttarakhand, to wide appreciation from its customers, the public and the media. In FY 2017, the Company generated collections of ₹ 78 crore, a growth of almost 100% over the previous year.

longer term. I am confident that with our talented teams across businesses, we will deliver this with flair.

In writing this, let me underline that while all three of our businesses are at different stages of development, they continue to be bound by the Group's legacy of delivering the highest standards of service to its customers while pursuing profitable growth for its stakeholders.

Finally, let me assure you of our deep commitment to you, our shareholders. I also wish to thank all our employees across the Group, our business partners, investors as well as the Government and its various agencies with whom we engage actively on a near daily basis, for their continued support in helping our Company move on to the next stage of its exciting journey.

Warm regards,



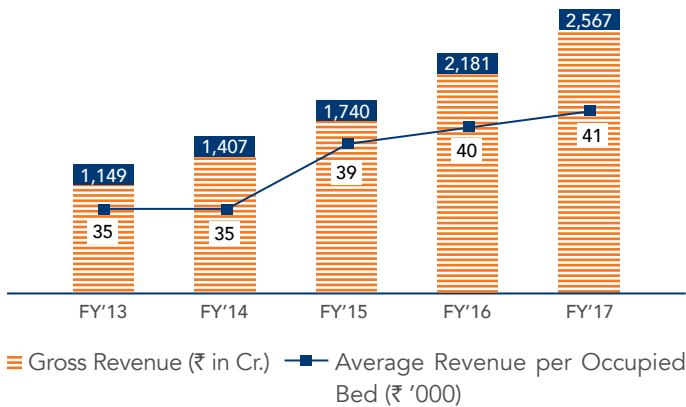
Mohit Talwar

Managing Director, Max India Limited

BUSINESS REVIEW

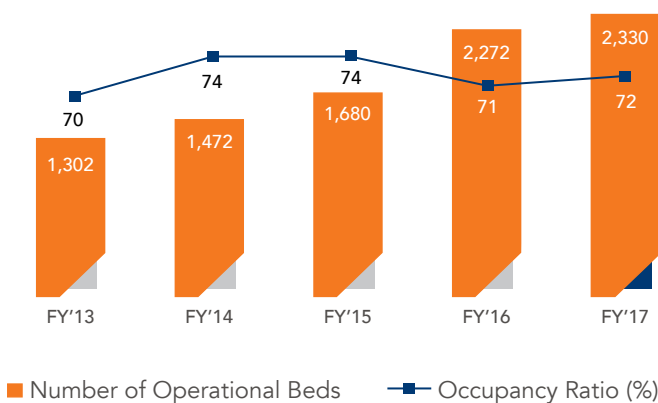


Gross Revenue and Average Revenue per Occupied Bed



Steady growth in Revenue per occupied bed

Bed Occupancy



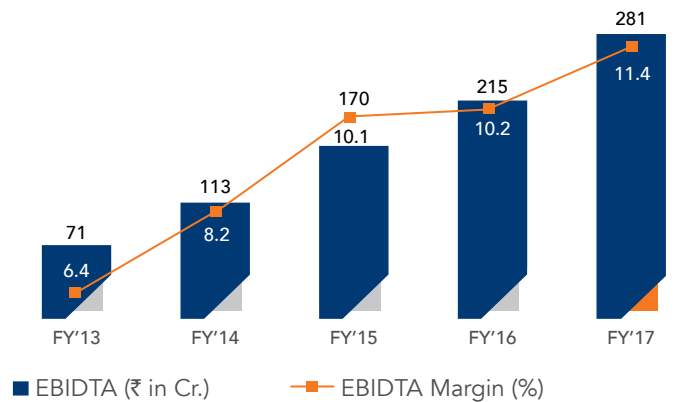
Maintained healthy occupancy levels despite bed addition momentum

141% growth in Profit Before Tax (PBT) to ₹ 24 Cr.

Multiple new business lines launched – **Oncology Day Care, Max Labs and Max@Home**

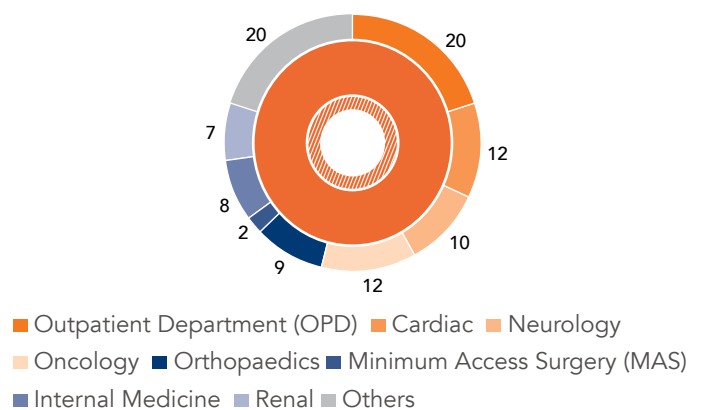
Max Super Speciality Hospital, Saket awarded coveted JCI accreditation

EBIDTA and EBIDTA Margin



Healthy margin growth driven by revenue scale-up at new units, cost efficiencies and build-up in mature units.

Revenue Split (%)



Focus on Oncology, Neurology and Renal increasing

FY 2016 operating numbers exclude Max Vaishali and Max Smart Super Speciality Hospital, Saket

2,692 Doctors, **4,434** nurses and **4,277** other trained personnel in **14** hospitals across North India

3.6 Million patients from over **80** countries



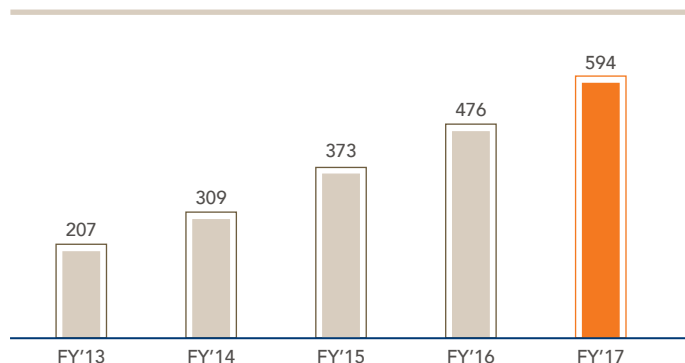
New Business grows **19%** to **₹ 209 Cr.**

Greater focus on B2C segment; grows **25%** to **₹ 584 Cr.**

Banca alliance with **Bank of Baroda** provides access to **5,400** branches and **60 million** customers

Gross Written Premium

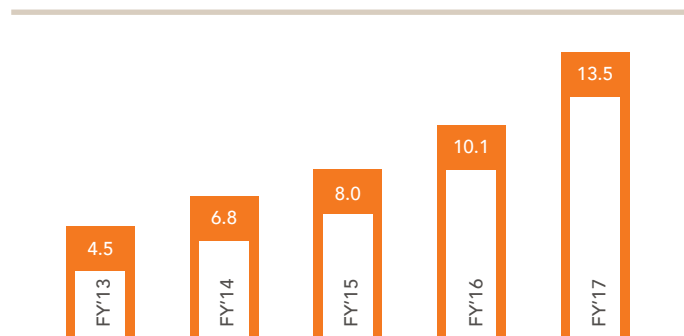
(₹ in Cr.)



Revenue growth led by robust growth in new sales as well as renewals

Lives in Force**

(in Lakh)

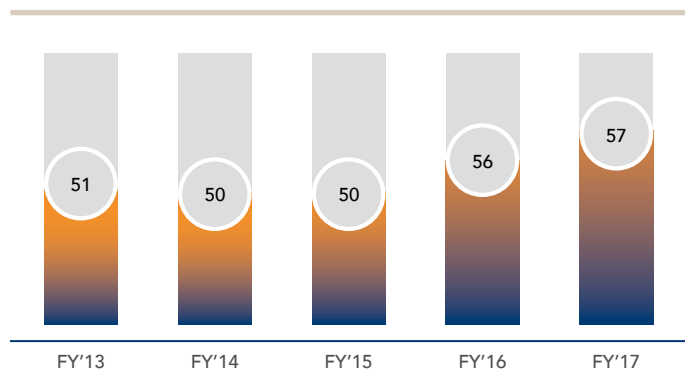


**Excludes lives covered under RSBY

Total lives covered, including rural sector, increase to 24 lakh

B2C Claims Ratio

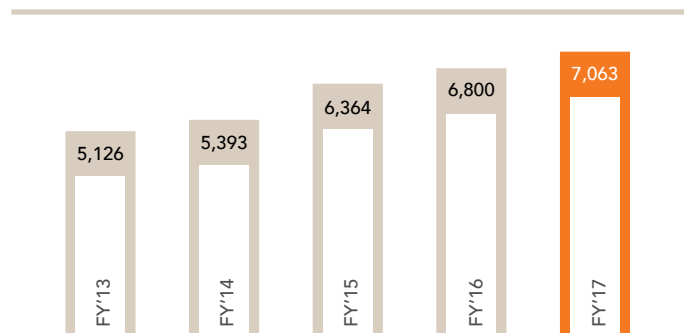
(%)



Better Claims Ratio driven by measures taken to improve quality of portfolio

Premium Per Life

(B2C, ₹)



Average premium realisation increases 4% driven by growth in share of Gold and Platinum products

Rated **Best BFSI Brand 2016** in Health Insurance
by The Economic Times

17,011 Agents and **3,742** partner
hospitals



MANAGEMENT DISCUSSION AND ANALYSIS

MAX INDIA

MAX HEALTHCARE

MAX BUPA

ANTARA SENIOR LIVING

MAX SKILLFIRST

BUSINESS RESPONSIBILITY REVIEW



MR. MOHIT TALWAR

Managing Director



MR. DHARMENDER KUMAR

Associate Director - External Affairs



MR. DILBAGH SINGH NARANG

Director - Taxation



MR. HIMANSHU TIWARI

Executive Assistant to Managing Director



MR. JATIN KHANNA

Chief Financial Officer



MR. NITIN THAKUR

Director - Brand & Communications



MR. P. DWARAKANATH

Head-Group Human Capital



MR. PRASHANT HOSKOTE

Senior Director - Quality & Service Excellence



MR. RISHI RAJ

Director - Strategy & Corporate Development



MS. SHAHANA BASU

Director - Legal & Regulatory Affairs



MR. V. KRISHNAN

Company Secretary



Max India Limited ('Max India' or 'the Company'), a part of the US\$ 3 billion Max Group, operates in the Health & Allied Services space through Max Healthcare Institute Limited, Max Bupa Health Insurance Company Limited and its wholly-owned subsidiary Antara Senior Living Limited.

The Company was incorporated on 1st January, 2015 and as a result of the demerger of the erstwhile Max India Limited (now renamed as 'Max Financial Services Limited' or 'MFSL'), the investments held by MFSL in Max Healthcare Institute Limited, Max Bupa Health Insurance Company Limited, Antara Senior Living Limited, Max Skill First Limited, Pharmax Corporation Limited, Max Ateev Limited and Max UK Limited stood transferred to the Company w.e.f. appointed date, i.e. 1st April, 2015.

The Company's shares commenced trading on the BSE and NSE from 14th July, 2016. The Company is committed to becoming the most admired Company for the health and life care needs of its customers, patients, and their families.

Its key operating businesses include:

Max Healthcare Institute Limited (MHC) is an equal joint venture with Life Healthcare, South Africa's second-largest healthcare chain, and provides standardised, seamless and world-class healthcare services, especially focussed on tertiary and quaternary care.

Max Bupa Health Insurance Company Limited (MBHI) is a joint venture between Max India and Bupa Finance Plc., UK and offers individual and family-oriented health insurance policies across all age groups.

Antara Senior Living Limited is a wholly-owned subsidiary and offers highly differentiated, world-class senior living communities fulfilling lifestyle, wellness and health-related requirements of senior citizens.

Max SkillFirst Limited (Max SkillFirst) is a wholly-owned subsidiary of the Company. Max SkillFirst is a shared service centre for providing learning and development solutions and training services to companies in the Max Group. It is also engaged in the business of distribution of life and health insurance products through its wholly-owned subsidiary, Max One Distribution Services Limited.

The Company's shares commenced trading on the BSE and NSE from 14th July, 2016. The Company is committed to becoming the most admired Company for the health and life care needs of its customers, patients, and their families.

All businesses operate in highly under-penetrated sectors with the potential for rapid growth and are driven by demographic and other socio-economic factors, which have a more enduring impact than short-term economic factors. The Company owns and actively manages a 45.95% stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living.

INDUSTRY OVERVIEW

Max India's key businesses operate in the Health & Allied Services space, spanning healthcare, health insurance, and senior living. Indian healthcare is one of the fastest-growing sectors and is expected to reach ~US\$ 280 billion (nearly ₹ 18 lakh crore) by FY 2020. The share of healthcare FDI has almost doubled since FY 2011 – from 0.7% in FY 2011 to 1.21% in FY 2015 – highlighting the growing interest of foreign players in the sector. Rising income levels and increasing insurance penetration are major contributing factors for the rise in patients accessing private healthcare services. This fact is reflected more strongly in the rural and urban middle-class clusters. Growth in India's urban population, the rise in elderly population and increase of lifestyle diseases are expected to further propel the industry to new heights.

Much like healthcare, the Indian health insurance sector continues to remain a fundamentally attractive industry. Though small in size (1% of India's GDP), it is the most rapidly growing segment in the BFSI sector with gross written premiums increasing by 26% to ₹ 34,374 crore in FY 2017. The health insurance market is expected to grow ~15% to ~₹ 50,000 crore by FY 2020 and is likely to continue at a similar rate post-FY 2020 for 3-5 years.

Finally, senior living as an industry category is now witnessing a growth phase with existing players developing higher value products as well as new entrants trying to launch their first senior living ventures. However, most of these projects continue to be 'real estate' offerings by traditional real estate players and lack the sharp focus and world-class service standards of Antara's product offering.

FINANCIAL HIGHLIGHTS

Max India's flagship entity Max Healthcare reported Gross Revenues of ₹ 2,567 crore in FY 2017 for its network of owned and managed hospitals, growing 18%. MHC also reported a robust 31% growth in EBITDA for its network of hospitals to ₹ 281 crore and a growth of 141% in Profit Before Tax (PBT) to ₹ 24 crore.

This marked improvement in profitability was driven, in part, by a significant performance turnaround at MHC's newer hospitals including Dehradun and Bathinda, as well as Max Smart Super Speciality Hospital (formerly Saket City Hospital) in Saket, New Delhi. Key specialties such as Renal Sciences, Neuro Sciences, and Oncology, among others, continue to be the biggest drivers of growth for MHC.



25%

GROWTH IN MAX BUPA'S GROSS WRITTEN PREMIUM IN FY 2017.

Max Healthcare also launched three alternate business lines in FY 2017, namely Max Labs, a pathology vertical focussed on B2B and in-hospital labs, Max@Home, a vertical providing high-quality medical care at home and Oncology Day Care, under which the first unit has been set up in a prime South Delhi locality. These verticals are expected to add to revenues and profitability in the years to come, but more importantly, will increase the depth and width of MHC's coverage and offerings.

Max Bupa, which has emerged as one of India's leading standalone private health insurers, also reported strong growth in its topline with Gross Written Premium (GWP) of ₹ 594 crore in FY 2017, growing 25% over FY 2016.

The growth in revenues was primarily driven by robust growth in new sales as well as renewals, over the previous year, and multiple products and portfolio improvement initiatives as well as the launch of new group products. Additionally, savings in operating expenses and implementation of technology-enabled solutions helped the Company improve its profitability margins. The Company also moved up 2 ranks to become the 8th largest private health insurer overall in FY 2017.

In the second quarter of FY 2017, Max Bupa commenced offering its comprehensive health insurance policy suite to the diverse and large customer base of Bank of Baroda, one of India's largest public sector banks, through a bancassurance corporate agency agreement. Max Bupa already has bancassurance arrangements and strategic alliances with other leading retail finance institutions such as Standard Chartered Bank, Federal Bank, Ratnakar Bank, Deutsche Bank, Muthoot Finance and Bajaj Finserv.

In April 2017, Antara Senior Living opened the gates to its maiden community of 200 apartments near Dehradun, Uttarakhand, with unanimous appreciation from customers, public, and media. In FY 2017, Antara generated collections of ₹ 78 crore, a growth of almost 100% over the previous year.

In FY 2017, Max SkillFirst reported revenues of ₹ 44.6 crore, growing 27%, with profits of ₹ 4.7 crore. During the year, the business imparted over 4.3 lakh hours of training to more than 55,000 trainees through more than 1,25,000 sessions.



Max India maintains a healthy Treasury Corpus of ₹ 301 crore (as at 31st March, 2017).

CORPORATE DEVELOPMENTS

Recently in May 2017, Max India announced its plan to increase its stake in its flagship healthcare business to 49.7% from the earlier 45.95% by acquiring 3.75% of International Finance Corporation's (IFC) stake in MHC. Max India raised requisite funds for this transaction from Max Group's Founder and Chairman Emeritus Mr. Analjit Singh, by issuing convertible warrants at ₹ 154.76 per warrant aggregating to ₹ 300 crore, in accordance with SEBI guidelines. The total numbers of warrants issued were 1,93,84,854 which will translate into ~4% stake in the Company for the Sponsors. The Sponsors' shareholding in the Company after conversion of warrants would be 45.12%.

IFC's balance 3.75% stake in MHC will be acquired by Max India's joint venture partner in MHC – the Life Healthcare Group. The transactions will be completed in another few days.

HUMAN RESOURCES

There are 53 permanent employees in Max India Ltd. as on 31st March, 2017.

Max India has made concerted efforts in establishing a robust talent management framework and a strong performance

management mechanism to ensure that the Company consistently develops credible, strong and inspiring leadership. During this year, the focus of our Company has also been to ensure effective corporate governance, availability of critical talent for key positions, engagement of key talent and leveraging progressive methods of employee learning and development. The Company has established an organisational structure which is agile, focussed on delivering results and performing effectively in the dynamic business environment. The Company strongly believes in fostering a culture of mutual respect and trust and we have strived to ensure effective communication channels so that all employees are aligned to common business objectives.

OPPORTUNITIES AND THREATS

Max India's businesses have identified efficiencies across cost, revenue and process dimensions led by changes in technology. Over the past few years, both Max Healthcare and Max Bupa

Recently in May 2017, Max India announced its plan to increase its stake in its flagship healthcare business to 49.7% from the earlier 45.95% by acquiring 3.75% of International Finance Corporation's (IFC) stake in MHC.

have made significant progress in building digital capabilities and enabling an end-to-end digital journey for our customers across the spectrum. These efforts will continue to be a priority for these businesses over the coming years.

One of the primary concerns for the Company is the growing regulatory headwinds in the healthcare sector. Continuous regulatory changes and interventions necessitate frequent adjustments to business plans & projections, thereby impacting timelines and margins. Another key concern is the identification, hiring, and retention of quality talent. Finally, there is a risk of margin compression which can potentially accrue in most of our businesses due to the cluttered and often irrational competitive landscape.

OUTLOOK

The strong financial performance of our businesses is a testimony to the success of several initiatives they have undertaken over the

past year and a half. In the coming months, all of Max India's key operating businesses will continue to invest in value accretive initiatives such as new clinical programmes, product launches and improvements, new partnerships and alliances, improved operating efficiencies, delivery of superior service standards, and tangible return on investments in people and technology.

With a further capital infusion now from the Promoters, Max India will have adequate liquidity to explore additional growth opportunities, mainly in healthcare.

It is a significant achievement that within a year of the Max Group's restructuring, its benefits became apparent for our operating businesses in the form of sharper focus and improved capabilities to leverage their underlying strengths. We are confident that Max India will continue along the path of growth and profits and deliver to the same standards of excellence that Max Group's investors have come to expect from us over the years.



MR. RAJIT MEHTA

Managing Director & CEO



MR. ANAS ABDUL WAJID

Director - Sales and Marketing



MR. ANIL VINAYAK

Director & Zonal Head – Saket, Panchsheel Park & Gurgaon



MR. RAKESH PRUTHI

Director - Legal, Compliance, and Regulatory Affairs



MR. ROHIT KAPOOR

Senior Director and Chief Growth officer



DR. SANDEEP BUDHIRAJA

Clinical Director & Director - Internal Medicine



MR. SUMIT PURI

Chief Information Officer



MS. SWATI RUSTAGI

Senior Vice President and Chief People Officer



MS. VINITA BHASIN

Director - Service Excellence & Customer Operations



MR. YOGESH SAREEN

Senior Director and Chief Financial Officer

GENERAL MEDICAL ADVISORY COUNCIL



MR. RAHUL KHOSLA

Chairman, Max Healthcare



MR. RAJIT MEHTA

MD & CEO, Max Healthcare



DR. A. K. SINGH

Director – MIND, Senior Consultant & Head –
Neurosurgery



DR. ANANT KUMAR

Chairman – Urology, Renal Transplant, Robotics &
Uro-Oncology (Max Saket)



DR. ANURAG KRISHNA

Director – Pediatrics & Pediatric Surgery



DR. HARIT CHATURVEDI

Chairman – Cancer Care, Director & Chief
Consultant – Surgical Oncology



DR. K.K. TALWAR

Chairman – Department of Cardiology



DR. PRADEEP CHOWBEY

Chairman – MAMBS, Chairman – Surgery &
Allied Surgical Specialties



DR. SANDEEP BUDHIRAJA

Clinical Director & Director – Internal Medicine



DR. SUBHASH GUPTA

Chairman – Max Center for Liver and Biliary
Sciences

INDIAN HEALTHCARE SECTOR

A robust healthcare delivery system is going to play a critical role in driving inclusive growth in India over the next few decades. The large unmet medical needs of India's growing and ageing population presents a significant market opportunity for healthcare service providers who can provide high-quality, affordable care to a larger section of the population.

The Indian healthcare industry is expected to grow at a CAGR of 17% between FY 2008 and FY 2020; and by FY 2020, the industry is expected to have a market value of US\$ 280 billion. Further, the Indian healthcare sector is expected to generate close to 7.5 million direct employment opportunities by FY 2022. With a shift in focus towards the quality of service, particularly with the rising demand for tertiary and quaternary care, the industry requires specialised and highly skilled resources. Medical value travel, also popularly known as medical tourism, is being considered as India's next crown jewel. The medical value travel market in India is expected to grow at a CAGR of approximately 30% from US\$ 3.6 billion in FY 2015 to US\$ 10.6 billion in FY 2019. People from different parts of the world are travelling to the country to avail high quality healthcare services at comparatively much lower cost. However, to emerge as a top medical value travel destination, India needs to focus on service quality and increase transparency and accountability in every part of the healthcare delivery.

THE COMPANY

Max Healthcare (MHC) has a network of 14 facilities in North India (including 3 where it is a service provider), offering services across all 29 specialities. Of this, 11 facilities are located in Delhi & NCR and the others in cities of Mohali, Bathinda, and Dehradun. The Max network includes state-of-the-art tertiary care hospitals in Delhi/NCR in areas such as Saket, Patparganj, Vaishali, Shalimar Bagh, and outside Delhi in Mohali, Bathinda, and Dehradun. The Company has secondary care hospitals at Gurgaon, Noida & Greater Noida and an out-patient facility and speciality centre at Panchsheel Park, Pitampura and Lajpat Nagar (Cancer Care). The Super Speciality Hospitals in Mohali and Bathinda are under a PPP arrangement with the Government of Punjab. Besides these, MHC also has Patient Assistant Centres in Lucknow, Meerut, Moradabad and Srinagar.

MHC has a network of 2,700+ leading doctors with international level expertise who are committed to providing highest standards of medical excellence at a fraction of international costs. JCI, NABH, and ISO accredited hospitals offer best-in-class services to the patients. In February 2017, Max Super Speciality Hospital,

Saket became the first hospital in the network to get accredited by Joint Commission International (JCI).

MHC is a pioneer in the introduction of technology to provide the highest standard of medical care. Some such examples are the first Brain Suite in Asia at Max Saket, Da Vinci Robot at Saket, Spy Angiography for OT's, HIPEC for Chemotherapy, etc. Max Hospitals are equipped with advanced medical equipment like state-of-the-art Cath Labs, OTs with HEPA, Nuclear Medicine, Neuro-Navigation, Ortho Navigation, Digital Radiography System, LINAC, PET-CT and advanced MRI and CT scan machines.

During FY 2017, MHC has implemented a GE RIS-PACS solution which is designed to improve the quality of radiology reporting and reduce TATs. The year also witnessed strong progress across all dimensions of patient care and clinical quality. Some of the initiatives that were launched and were a huge success were Chasing Zero mission, i.e., MHC became the first Indian network with the best medical quality metrics which can be tracked online for all the 4 HALs, thus, achieving near International benchmarks in clinical quality. On the strength of its processes, the Network Hospitals have embarked upon a new positioning statement "Eager to get you home" for its services.

Financial Performance:

In FY 2017, the Company and its subsidiaries reported a consolidated income of ₹ 1,677 crore, which reflects a growth of 14%.

The specialities such as Oncology, Neurosciences, and Renal Sciences performed exceedingly well and our clinicians carried out multiple state-of-the-art procedures through the year, saving precious lives, gaining appreciation from the patients and their families and the media alike.

The operating profit before interest and depreciation grew by 44% reflecting an expansion in operating margin by 2.7%. The consolidated cash profit was ₹ 108 crore, a healthy growth of 49.7%.

Max Network of Hospitals (including hospitals where it is a service provider) had a robust growth of ~17.0% in its Net Revenue in FY 2017 and achieved a total revenue of ₹ 2,454 crore as compared to ₹ 2,098 crore in FY 2016.

New hospitals (added to the Network) in FY 2015 have contributed to the majority of the growth i.e. 137% as compared

to last year. This is partly because both the hospitals were acquired at different timelines during FY 2016 i.e. Vaishali (formerly Pushpanjali Crosslay) in July 2015 and Smart (formerly Saket City Hospital) in December 2015.

Revenue growth in FY 2017 was driven by a focus on multiple factors such as enhancement of service profile such as launch of Liver Transplant Programme, addition of new technology, improvement in operational parameters and increase in patient satisfaction. Max Healthcare has considerably invested this year in acquiring the latest and newer technologies such as Sim CT, High-end Neuro Microscope, LINAC/Brachytherapy, etc. which has resulted in the better clinical outcome, increased efficiency, and improved patient satisfaction.

The network also witnessed a significant increase in patient footfalls with 21.3% growth in OPD and 15.3% growth in IPD cases amounting to a total of ~1.8 million cases in FY 2017.

However, the revenues and operating profits were somewhat lower than expected due to a price cut of some of the drugs at the start of the year and demonetisation announced by the Central government in November, which led to lower footfalls and conversions during the November- January period.

The consolidated operating margin (before interest and depreciation) at Network hospitals has increased from 10.2% in FY 2016 to 11.4% in FY 2017 resulting in total EBIDTA of ₹ 281 crore in FY 2017. Max Healthcare has been able to maintain or slightly improve the margins despite certain regulatory price capping on medicines or stents. This is contributed by several cost optimisation initiatives along with the comprehensive integration of new assets that enable sharing of assets, manpower, etc. thus bringing the costs down. The Network hospitals reported a consolidated Net Profit of ₹ 23.6 crore.



CONSOLIDATED INCOME

**₹ 1,677 Cr. with
14% growth**

Going forward, MHC expects to drive efficiencies from fundamental process re-engineering powered by a stronger set of tools (Lean, Six Sigma), technological investments (automation) and analytics. We strive to continually focus on investing in the latest medical technology, attracting skilled physicians & surgeons, and developing our expertise in high growth tertiary care areas to serve the increasing demand for sophisticated clinical care and procedures.

Operational Performance

MHC Network of hospitals has exhibited impressive performance on all key operational metrics during FY 2017 and steadily improved its revenue, gross margin and EBIDTA during the period. This growth in Revenue and EBIDTA was a result of improved performance by all the network hospitals.

IP Occupancy % – Bed occupancy for FY 2017 has been 72% as compared to 71% for FY 2016. Although occupancy has increased marginally by 1% as compared to last year, the number of occupied beds has increased by 81. The operational bed capacity has increased from 2,272 beds to 2,330 beds in FY 2017. The average occupancy during Nov-Jan period dropped to 67.1%.



➤ Max Super Speciality Hospital, Saket was awarded the prestigious JCI Accreditation in FY 2017

➤ Ms. Vinita Bhasin representing Max Healthcare at the AHPI Global Conclave

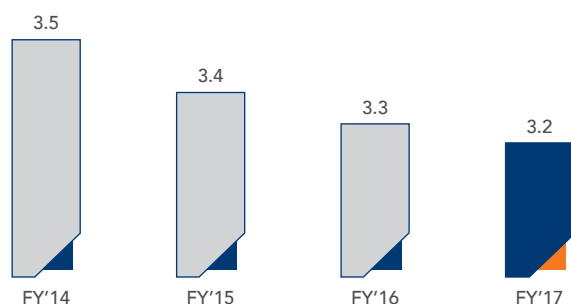


COE Revenue Share – Revenue for key clinical specialities or Centres of Excellence (COE – Cardiac Sciences, Orthopaedics, Neurosciences, Oncology, MAS and Renal Sciences) has increased by 15% as compared to last year. Renal Sciences, Neurosciences and Oncology have shown impressive growth contributed by addition in high-end procedures such as Kidney Transplant programme, etc. However, the share of COE has dropped from 54.6% in FY 2016 to 53.8% in FY 2017. The drop has been primarily due to acquired assets mainly focussing on secondary care. Continuous efforts are being made to upgrade the medical technology, manpower, and infrastructure enabling these hospitals to cater to high-end tertiary care patients.

Average Length of Stay (ALOS) or Patient Turnaround time has decreased from 3.3 in FY 2016 to 3.2 in FY 2017 due to a constant focus on improved care with faster turnaround. This also led to the availability of capacity to serve more patients with same hospital resources.

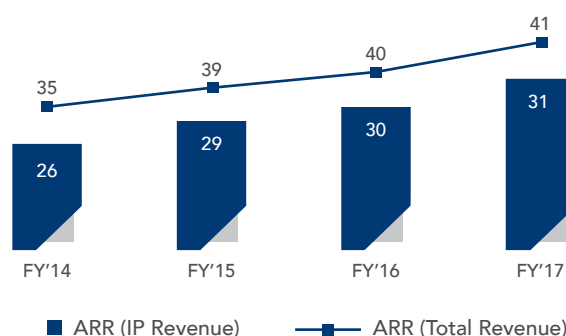
Average Length of Stay

(No. of Days)



Average Revenue Realisation (ARR)

(₹ in thousands)



Average Revenue Realisation (ARR) is the average daily billing for each occupied bed. The IP (ARR) improved by 1.2%, while the hospital ARR improved by 2% during FY 2017.

Major Achievements and Awards for FY 2017

Due to the steadfast focus on Clinical Safety and Service Excellence, MHC has an impeccable track record and high success rate in terms of complex surgeries and patient care parameters. In lieu of the same, Max has received several awards and accolades at varied events:

- 1) ABP News Healthcare Awards:
 - a) Award for the Best Customer Service in Healthcare (Customer Listening Programme) and for Best Use of Six Sigma in Healthcare (Quality Program-MQS) for Max Healthcare

- b) Award for the Best Green Hospital to Max Patparganj for reducing Carbon Footprint of Tertiary Care Hospital
 - c) Best Quality Initiative (BCMA Medication Process Improvement) and Best Patient Safety Initiative Award (Prevention of Patient Fall) for Max, Saket
- 2) Max Smart received Asian Patient Safety Award for Infection Prevention and Practices & Anaesthesia and Surgical Safety protocols
 - 3) At India Health and Wellness Awards, Max Healthcare was Gold Award winner in the category of Health Brand of the Year and Silver Award winner in the category of Medical Tourism Brand of the Year
 - 4) Max Saket received the award for the Best Hospital for Patient Safety at Healthcare Summit Awards by Business World
 - 5) Max Patparganj received Certificate of Merit for Discharge Process and Improvement at QCI-DL Shah Quality Awards and for Nursing Excellence Project at 28 Qimpro
 - 6) Another outstanding achievement for MHC this year has been the attainment of successful JCIA certification for Max Super Speciality Hospital, Saket. This certification has proved as another testimony of our commitment towards the highest standards of patient care and safety.

MHC has recently launched a unique initiative of deploying motorcycle-borne paramedics to attend emergency calls for

➔ Nurses Day celebrations at Max Healthcare



immediate care, while the ambulance is on its way in order to beat the traffic and attend to the patient at the earliest. The initiative has been highly commended by the press as well as patients and their families as it helps to save critical 10-15 minutes for the patient, thereby, increasing the chances of survival. We believe that this constant focus on patient care and clinical safety will help us enrich the quality of life of every patient and provide a caring and nurturing environment with utmost respect for human dignity and life.

INFORMATION AND MEDICAL TECHNOLOGY, QUALITY CERTIFICATIONS

MHC is constantly leveraging advancements in information technology to enable timely access to information to both patients and clinicians in order to enhance patient safety & care. In FY 2017, there were several notable technology interventions at MHC including rollout of RIS-PACS radiology imaging system across Max Healthcare locations, launch of Electronic Health Record system and enhancements across all major MHC network hospitals (with exception of new additions Max Vaishali and Max Smart), launch of e-Prescription system for Max Patparganj, Saket, Gurgaon and Vaishali and latest technology upgrade for centralised hospital information system.

There was also a significant progress made on operational and clinical analytics by the deployment of a best-in-class QlikSense tool for tracking operational performance. Overall, all these initiatives during the year helped to elevate the quality of medical care and decision-making process, while keeping the cost of care in check.

During the year, MHC installed Sim CT in Max Saket that helps radiation therapy team to determine the exact location, shape, and size of the tumour to be treated. Installation of LINAC, PET-CT and Brachytherapy is underway at Max Shalimar Bagh and will help hospital expand its offering and provide holistic care to cancer patients. High-end Neuro Microscope, DR System in Radiology, Digital EEG and EMG are the other addition of equipment that will help gain a competitive advantage. New MRI Installation with silent scan technology at Max Shalimar Bagh will lead to lesser scan time, better clinical outcomes. High-end Ultrasound Machine - first of its kind in North India with advanced 3D Heart Model has been installed at Max Gurgaon, Vaishali,

MHC has recently launched a unique initiative of deploying motorcycle-borne paramedics to attend emergency calls for immediate care, while the ambulance is on its way in order to beat the traffic and attend to the patient at the earliest.

Saket, Dehradun & Patparganj. EUS and EBUS have been purchased for Max Shalimar Bagh and Vaishali to strengthen the Pulmonology and Gastroenterology Departments.

Medical Excellence is the strength of the Company's brand. Max Healthcare's vision is to be the most admired Company for healthcare needs of its customers, patients, and their families. This vision is founded on a clear set of values that are shared across the Max Group – Sevabhav, Excellence, and Credibility. Max Healthcare's unique Clinical Governance framework, capably led by the Clinical Directorate, Physician & Nursing Leadership, has worked relentlessly to design safe, effective and efficient systems for patient care.

As mentioned above, the JCI certification for Max Super Speciality Hospital, Saket was one of the highlights of the previous year for MHC. Further unrelenting, undivided and continuous focus given to the fields of Clinical Governance, Medical Quality, Clinical Data Analytics & Clinical Research helps to keep our mission of establishing MHC's medical facilities, clinical expertise, technology, safety standards, and medical research at the highest level, comparable to the best known institutions of the globe.

Some of the other key initiatives and achievements are: (i) Twelve hospitals under Max Healthcare network are NABH accredited; (ii) MedInduct - Induction programme for resident doctors has successfully till date trained over 800 doctors; (iii) Have

received several Awards & recognition at external professional forums; (iv) Formation and implementation of a centralised governance structure across the MHC network for ER, Cardiac and Neurosciences; (v) Implementation of Physician scorecards designed for around 40 clinical specialities at Saket; (vi) Successful completion of the 1st Annual Patient Safety Conference (APSC) at national level; (vii) Launch of the Annual Patient Safety Culture Survey which helps measure staff perception in the system and where we stand as compared to international benchmarks; (viii) Protocols and dashboards established for major specialities; (ix) Use of data analytics technology platform for tracking hospital acquired infections and antibiogram.

CSR AND COMMUNITY INITIATIVES

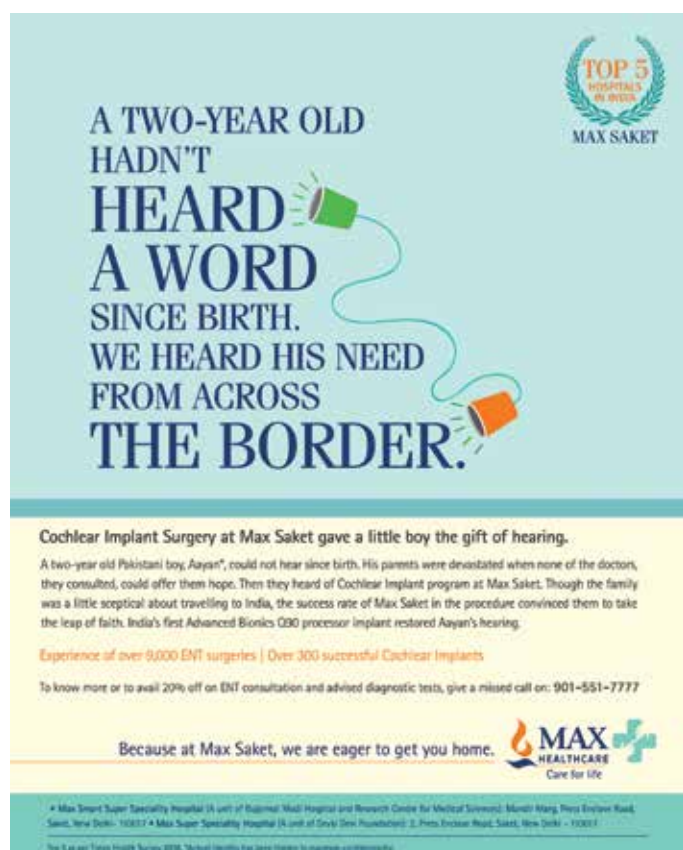
Patients belonging to economically weaker sections (EWS) are being provided free treatment at identified Max hospitals. In FY 2017, ~1.75 lakh OPD and ~11,500 IPD patients belonging to EWS were catered. Besides, the network hospital organised a number of free camps and outreach activities for the benefit of the communities it serves. The profitable entities in the network contributed to CSR efforts of groups arm Max India Foundation through contributions for the Living Guard water purification system in a government school in Delhi and for treating cancer patients at Indo-Canadian Cancer Research Foundation.

HUMAN RESOURCE

Multiple people initiatives were taken during the year which ensured better employee experience for 10,000 people working in network hospitals. Our KHUSHI - an employee happiness survey conducted every year scores saw an improvement of 1% over FY 2016. The importance of HR analytics went to a different level with regulatory changes and improvised report with predictive trends was devised in FY 2017. Multiple new modules were introduced on DISHA - the ERP to automate several employee processes like recruitment, income tax computation, declaration & payslips, enhanced performance management, etc.

On employee benefits, MHC introduced NPS (National Pension Scheme) for all employees as a platform for saving tax and retirement planning. FY 2017 also witnessed new initiatives under the Talent management arm. Talent Mapping exercise and Talent Appreciation Process initiated for senior leadership. Front Office is the first interface for a customer in our hospitals. In order to maintain continuity of business operations, and have a funnel of employees who can be productive on day 1, we launched STEP (Skilled & Talented Employee Pool) programme for Front Office. Focussed and integrated training programmes were launched for different cadres with an aim to support clinical and service excellence.

Nurses' engagement has always remained critical to our success. We had significant achievements under Nursing Transformation journey in FY 2017. From campus adoption to nurses' career growth under Life Healthcare exchange programme, to Project Aarohan for Nurse Educator, each initiative witnessed an overwhelming



A TWO-YEAR OLD HADN'T HEARD A WORD SINCE BIRTH. WE HEARD HIS NEED FROM ACROSS THE BORDER.

Cochlear Implant Surgery at Max Saket gave a little boy the gift of hearing.

A two-year old Pakistani boy, Aayan*, could not hear since birth. His parents were devastated when none of the doctors, they consulted, could offer them hope. Then they heard of Cochlear Implant program at Max Saket. Though the family was a little sceptical about travelling to India, the success rate of Max Saket in the procedure convinced them to take the leap of faith. India's first Advanced Bionics C90 processor implant restored Aayan's hearing.

Experience of over 9,000 ENT surgeries | Over 300 successful Cochlear Implants

To know more or to avail 20% off on ENT consultation and advised diagnostic tests, give a missed call on: 901-551-7777

Because at Max Saket, we are eager to get you home.

MAX HEALTHCARE
Care for life

* Max Smart Super Speciality Hospital (A unit of Regional Medical Hospital and Research Centre for Medical Sciences), Mundli Warg, Preeti Enclave Road, Saket, New Delhi - 110017. A Max Super Speciality Hospital (A unit of Dr. B. S. Dhillon Foundation), 2, Preeti Enclave Road, Saket, New Delhi - 110017.

Fig 1 is an Times Health Survey 2016, *Actual results may vary (Source: www.maxhospital.com)

➔ MHC's first Oncology Day Care Centre in New Delhi opened its doors in 2016



response from the nursing fraternity. Max Healthcare strongly believes in empowering of human capital with the necessary skills and knowledge and at the same time, creating a happy workplace that fosters camaraderie and work-life balance.

REGULATORY ENVIRONMENT

Regulatory changes in FY 2017 have impacted the healthcare industry in a big way. Following are the major changes that happened in FY 2017:

Regulatory Environment

Regulatory changes in FY 2017 have impacted the healthcare industry in a big way. Following are the major changes that happened in FY 2017:

Stent Price Regulation

In July 2016, the government added coronary stents to the National List of Essential Medicines 2015, bringing them under price control. The government based its decision on a sub-committee report that recommended putting all types of stents, including the latest biodegradable stents, on to the list. Further, in February 2017, National Pharmaceutical Pricing Authority (NPPA) sets the ceiling prices of coronary stents at ₹ 7,260 for bare metal stents and ₹ 29,600 for drug-eluting stents. The revised prices are more than 40-50 per cent lower than the prevailing market prices. The notification makes no distinction whatsoever on whether a stent is branded or unbranded, manufactured locally or abroad. It is anticipated that this will enhance the affordability of cardiology procedures in future.

ESIC Enhances Wage Ceiling

Starting 1st January, 2017, employers will need to make contributions under the ESI Act for a larger pool of employees, since the wage ceiling for applicability of this statute has been increased from ₹ 15,000 to ₹ 21,000. The wage ceiling was last raised in May 2010, where the wage limit was increased from ₹ 10,000 to ₹ 15,000. With the current increase to ₹ 21,000, the wage limit for ESI Act has been brought in line with the wage limit under the Payment of Bonus Act, 1965 which was revised earlier this year.

Hike in Minimum Wages in Delhi

Delhi government has released a notification to increase the minimum wages of unskilled, semi-skilled and skilled workers by 37% w.e.f. 3rd March, 2017. Apparently, Delhi is the first state in the country to provide highest minimum wages to the working class population. Given Max's dominating presence in New Delhi, this is likely to put further pressure on the margins.

Maternity Benefit Bill

The Maternity Benefit (Amendment) Bill 2016 has been passed by the Parliament on 9th March, 2017 which provides 26 weeks of paid maternity leave for first two children up from the earlier 12 weeks. The bill also makes it mandatory to provide crèche facilities within a prescribed distance.

Goods and Service Tax

The Constitution Amendment Bill for Goods and Services Tax (GST) has been approved by the President of India post its passage in the Parliament (Rajya Sabha on 3rd August, 2016 and Lok Sabha

on 8th August, 2016) and ratification by more than 50% of state legislatures. The Government of India is committed to replace all the indirect taxes levied on goods and services by the Centre and States and implement GST by July 2017.

With One India One Tax, it is anticipated that the tax base will be comprehensive, as virtually all goods and services will be taxable, with minimum exemptions. It will be a game-changing reform for the Indian economy by creating a common Indian market and reducing the cascading effect of the tax on the cost of goods and services. It will impact the tax structure, tax incidence, tax computation, tax payment, compliance, credit utilisation and reporting, leading to a complete overhaul of the current indirect tax system.

Healthcare services have been exempted from GST. However, with an increase in the GST on medicines from 11% to 12% and with an increase in GST on services from 15% to 18%, healthcare costs are expected to grow by 0.75 to 1.0%.

OUTLOOK

Max Healthcare was focused on strengthening its existing operations, integrating newly acquired assets with the network in terms of processes or policies and leveraging its operational strengths to register significant financial gains during FY 2017. The business will continue to identify and implement initiatives to achieve sustained revenue growth. This will involve adding new clinical programmes and sub-segmenting existing

programmes. In three to four years, we want to become the most trusted name in healthcare, known for medical excellence and service excellence with dominance in the areas of Oncology, Musculo-skeletal sciences, Neurosciences, Transplant medicine, Cardiac Sciences and Bariatric/Diabetology. Further with pressure on margin consequent to some of the regulatory actions detailed above, the cost optimisation efforts will be accelerated and this will continue to be an ongoing focus area for the organisation. However, no cost rationalisation will impact patient safety or medical quality and will be more focussed on increasing the productivity of spending, eliminating waste, better negotiations with the vendors and weeding out non-value added activities. The other focus of cost rationalisation would be to institutionalise a culture of cost consciousness and frugality across the organisation.

Max Healthcare is also incubating three alternate businesses viz. Max Labs – A pathology vertical currently focussing on B2B & in hospital labs, Max@Home – A vertical to provide high-quality medical care at home and ambulance services. These verticals are expected to add to revenues and profitability in the years to come, but more importantly, will increase the depth and width of our coverage and offerings.

MHC core values of Sevabhav, Credibility and Excellence are deeply integrated with its strategy and are key in achieving its vision of becoming an admirable institution.



MR. ASHISH MEHROTRA
Managing Director & CEO



MS. ANIKA AGARWAL
SVP & Head-Marketing Digital and Direct Sales



MR. ANURAG GUPTA
SVP & Head - Agency Channel



MR. ASEEM GUPTA

SVP & Head - Portfolio Management & Affinity Channels



MR. ATUL BHANDARI

SVP & Head - Bancassurance and Alliances



MR. JOYDEEP SAHA

Head - Actuarial



MR. PARTHA BANERJEE

Director & Head - Legal Compliance & Regulatory Affairs



MS. PRIYA GILBILE

SVP & Head - Health Risk Management



MR. RAHUL AHUJA

Chief Financial Officer



MR. VIKAS GUJRAL

Chief Operating Officer

Max Bupa Health Insurance Company Ltd. or MBHI, a leading specialist health insurer, launched in FY 2010, is a 51:49 joint venture between Max India Limited and the UK-based Bupa Group.

MBHI is a perfect blend of Bupa's 70 years of global experience in health and cares panning across 190 countries and Max Group's expertise in health and insurance-related services in India including hospitals, clinical research, and life insurance.

MBHI possesses comprehensive health insurance policies for individuals and families across all age groups, in its product portfolio. It has a direct working relationship with over 3,600 top quality hospitals and health care providers in the country.

Today, Max Bupa is among the fastest growing health insurers in the country. Max Bupa is the preferred health insurance partner to over 2 million customers in India. Max Bupa is known for its comprehensive products and services, customer-centric approach that it provides to its customers at each touch point and strong brand equity in the market.

The key differentiators of Max Bupa that set it apart from other players in the health insurance segment are:

- **A Comprehensive and Unique Product Portfolio**
 - Max Bupa has carved a niche for itself in the health insurance sector through its innovative and comprehensive products that are designed keeping in mind every lifecycle of the customer – it offers the lowest waiting period in the industry for maternity and also covers newborns' vaccination till the age of 12 years; covers day care procedures for all customers; cashless coverage globally for treatment of critical illnesses; reducing co-pay on continued renewal for senior citizens, among a host of other benefits for young and old customers
 - Max Bupa's market leading and comprehensive flagship product, Heartbeat, has a strong market penetration and sits as the most distinguished proposition in our product portfolio, with its host of 'industry first' features:
 - Heartbeat pioneered customer-centric features like any age enrolment and life-long renewability in the health insurance industry, which later became a part of the regulatory framework
 - Heartbeat is the only product in the industry which offers comprehensive coverage to Indian extended/joint families by providing a unique combination of



MAX BUPA IS THE PREFERRED HEALTH INSURANCE PARTNER TO OVER

2 million customers

individual and floater sum insured, giving the customer the best of both the coverage structures

- Over the years, Health Companion has been consistently rated as the best indemnity plan in the market by publications like The Mint – a comprehensive plan with a host of customer-centric features like no claim bonus, refill benefit and coverage for alternative treatments like Ayurveda, Unani, Siddha & Homeopathy for in-patient hospitalisation and sum insured up to ₹ 1 crore
- **Exemplary Service**
 - Max Bupa lives up to its promise to its customers at the moment of truth i.e. the point of claim. It is the only health insurer in the country that provides 30 minutes of cashless claim processing to its customers (post pre-authorisation)
 - Max Bupa is utilising the latest technology and tools to enhance customer experience at each touch point:
 - Max Bupa has recently introduced self-service apps for its agents and partners to enable instant customer enrolment and policy issuance – creating customer delight at the point of sale
 - Max Bupa has successfully implemented an omnichannel-based integrated CRM solution that enables faster, seamless and real-time services to its customers, agents, and partners
- **Strong Brand Equity**
 - Max Bupa is one of the most trusted and reputed brands in the industry. It has emerged as the most trusted and well-known health insurance player in India in multiple consumer surveys including the coveted Super brands in FY 2016 and FY 2017 as well as the 'Brand Trust Report' in FY 2014, FY 2015, and FY 2016



➔ Awards Night at Max Bupa's Business Meet, 2017

- o Max Bupa's flagship annual health initiative Walk for Health, which has inspired millions to move towards a healthier lifestyle, has successfully established Max Bupa as one of the few brands that is true to its purpose – of helping its people, customers and the community at large to lead a healthier and more successful lives

At the heart of the business are its values. These are the principles that determine the way its people behave and their code of conduct. Max Bupa's business rests on six values – 'CREATE': Caring, Respectful, Ethical, Accountable, Trustworthy and Enabling. Max Bupa's values are embedded in the organisation's DNA – they resonate in each customer interaction; Company's R&R framework is based on its values; each employee is coached about the values at the time of enrolment and is appraised on the basis of values that he/she demonstrates through the year; senior leaders take personal accountability for their actions and demonstrate the culture of 'own the whole' i.e. taking end-to-end responsibility and accountability. This value system is instrumental in making Max Bupa one of the most trusted health insurers in India.

An experienced and talented team of leaders drives the strategic direction of the Company. The management team at Max Bupa is focussed on providing its customers with innovative products and exemplar services that meet their needs. They believe that this is possible only by creating an exemplary work environment for its employees, where enough opportunities are given to employees to learn and grow within the organisation.

INDUSTRY DEVELOPMENTS

In India, health insurance sector continues to experience hyper growth – it is the most rapidly growing segment in the BFSI

sector with gross written premiums increasing by 26% from ₹ 27,369 crore in FY 2016 to ₹ 34,374 crore in FY 2017. With 27 per cent of the population in some form of health insurance coverage, the sector presents a huge opportunity for growth and thus continues to attract new players. The rise in lifestyle and chronic diseases like cancer, diabetes and cardiovascular ailments over the past few years is contributing towards the increasing awareness about health insurance. According to industry experts, the health insurance market is expected to grow by ~15% to ~ ₹ 50,000 crore by FY 2020 and is likely to continue the same trajectory post FY 2020 for 3-5 years.

Max Bupa continues to cater to the B2C Health Insurance sector [growing at ~39% (3-year CAGR till FY 2016), ahead of industry at 21%]. The Health Insurance industry continues to be dominated by 4 public sector companies, which together constitutes 60% of the market share. In addition, there are 24 private players, including 6 standalone health insurers, the latest edition being Aditya Birla Health Insurance.

The Health Insurance landscape is fast changing and dynamic–Reliance is expected to launch its SAHI business; Aditya Birla launched its operations in October 2016, while Religare recently announced its decision to exit the health insurance market.

OPERATIONS – HIGHLIGHTS

Max Bupa further strengthened its foothold in the Health Insurance sector with a growing base of ~2.34 million customers across the country, serviced via its diverse distribution channels, including a network of 17,000+ agents, spread across the country, a telesales team covering 500 cities, bancassurance partnership with leading Indian and international banks and NBFCs and a stream lined online sales mechanism in partnership with leading web aggregators.

With a workforce of over 1,600 people, Max Bupa has a strong footprint in 27 offices across 16 cities – Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Pune, Ludhiana, Chandigarh, Jaipur, Thane, Surat, Kochi, Kolkata, Patna, Goa, and Jodhpur.

Max Bupa's alliance with Bank of Baroda for distribution of its health insurance products, which was inked this year, is its largest business partnership by far and among the biggest bancassurance alliances in the health insurance sector. This alliance gives us an opportunity to penetrate the bank's network of 5,400 domestic branches and 60 million customers in India.

The Company also has strong enduring partnerships with leading Indian and International banks like –Standard Chartered Bank, Federal Bank, RBL Bank, Deutsche Bank, Sarv UP Gramin Bank, Bajaj Finserv and Muthoot Finance, which provide access to millions of the bank's customers across the country.

In addition, the Company has tie-ups with top third-party distributors and aggregators like NJ Brokers, Coverfox, Bank Bazaar, and Policy Bazaar.

Max Bupa's indemnity product offerings including its flagship product Heartbeat and Health Companion continue to be well received in the market and contribute to steady sales growth. Max Bupa further fortified its existing line of retail products to strengthen its customer value proposition – the Company introduced an enhanced version of Heartbeat and Health Assurance. With many industry-first features like international cashless treatment for 9 critical illnesses, coverage for 14 relationships in a single policy and tapering co-pay for senior

citizens, Heartbeat now refreshed, continues to be one of the most comprehensive health insurance products in the market. The refreshed version of Health Assurance has been well received by all channel partners and customers. The product comes with varied features like higher sum insured options, upto 3 years of tenure, 150% of CritiCare amount in option 2 and flexible combinations between the 3 different sub-products – Accident Care, Criti Care & Hospi Cash. With its Bancassurance and NBFC partners, Max Bupa launched a number of customised offerings (on GHI & GPA format) for their customer segments and has recently launched a 5-year group critical illness policy and a 2-year group health secure cover, the first Use & File products since the Health Regulations 2016 came into effect. The Company will continue to innovate and expand its retail portfolio in FY2018, to provide its customers with a wider choice of products and services.

To cater to the health needs of digital customers, Max Bupa Health Insurance has entered into an exclusive three-way tie-up with GOQii, a leading fitness technology player offering an integrated wellness ecosystem in India, and Swiss Re, a leading global reinsurer, to provide unique health and wellness offerings. Max Bupa proposes to offer its consumers ready access to GOQii's unique personalised wellness engine which is equipped with solutions such as health coaching and health management tools. Swiss Re will provide technical assistance to Max Bupa in creating relevant products and expertise to create risk assessment models for the future.

The Company continues the distinguished Customer Relationship Management (CRM) system that provides a single view of customers which remarkably reduces the turnaround time and ensures seamless personalised service. This tool has been recognised as the best service innovation in insurance in Asia by Celent in FY 2016. Post the launch of CRM, there has been a 30% reduction in call volume, reduction in average call handling time and 6% increase in first-time resolution, thereby enhancing the overall customer experience. Max Bupa has invested heavily in tech-enabled solutions for easy and hassle-free processes for all its customers; Agent self-service app, Instant policy issuance app, customer self-service through IVR are some of the technologically-enabled services currently being offered.

Max Bupa continues to invest in building its brand equity. Max Bupa's flagship health initiative, Walk for Health successfully concluded its fifth edition as a tri-city (Mumbai, Delhi, and Bengaluru) walkathon on 26th February. Walk for Health is a reflection of Max Bupa's commitment to helping India put its



→ CEO Ashish Mehrotra with celebrities Saif Ali Khan and Kangana Ranaut at Walk for Health 2017

With a workforce of over 1,600 people, Max Bupa has a strong foot print in 27 offices across 16 cities –Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Pune, Ludhiana, Chandigarh, Jaipur, Thane, Surat, Kochi, Kolkata, Patna, Goa, and Jodhpur.



➔ In its fifth edition, Walk For Health covered three cities - Mumbai, Delhi and Bengaluru

'Health First'. The fifth edition of the Walk for Health initiative was special as it saw an endorsement from Athletic Federation of India, the apex body of athletics in India. As a part of the association, Max Bupa hosted the 'National Race Walking Championships' in the capital that culminated with the Delhi chapter of the walk. The initiative saw participation by over 40,000 Indians this year.

Key Campaign Results:

- 1. Social Media Success:** People participated and shared their experiences widely on social media. Celebrities tweeted about it and the netizens followed the conversations rigorously. Resulted in 13,000 posts and 180 million impressions. Reached 16 million people through social media. Trended 5times on Twitter.
- 2. Partnership with The Times of India:** The initiative was widely publicised by the Times Group with 40-plus advertisements and editorial coverage in The Times Group publications. High decibel campaign of 4 weeks reaching to about 12 million people, with more than 2 hours of editorial coverage on Times Now along with the live coverage of the event.
- 3. Buzz through PR:** The movement became a talking point across multiple platforms with more than 300 news articles in print and online media and 30 minutes of unpaid airtime through electronic media across the country.

Reiterating its 30-minute cashless claims promise, Max Bupa Health rolled out its new brand campaign across leading television channels and social media platforms like YouTube and Facebook. The campaign focusses on the moment of truth i.e. the claims process, which is one of the biggest pain points for customers of health insurance, at the time of hospitalisation and one of the most critical factors for families while choosing a health insurance policy. Through the campaign, Max Bupa has highlighted its differentiated service proposition – the promise to deliver cashless claims pre-authorisation within 30 minutes. While the industry average for cashless claim processing ranges between 2 and 4 hours, Max Bupa continues to offer the same in just 30 minutes and demonstrates its commitment to put its customer's health first.

Max Bupa's key performance indicators for the year (FY 2017) are as follows:

1. Gross Written Premium (GWP) increased 25% to ₹ 594 crore in FY 2017 from ₹ 476 crore in FY 2016.
2. Urban customer base of over 1.3 million in March 2017, increasing the overall customer base to 2.4 million.
3. Provider network increased to ~3,700, spanning over ~500 cities in India.
4. 8th largest private health insurance provider with an estimated market share of 4.3% in the private segment (as on March 2017).



➤ Max Bupa corporate team at Business Meet, 2017

5. Awards and Accolades:

- Won 'India's Most Valuable and Admired Health Insurer 2016' Award by Pharma Leaders
- Recognised as the best BFSI Brand 2016 in the Health Insurance Category by The Economic Times, owing to the brand's strong market equity, focus on innovation, 'customer first' philosophy and unique initiatives like Max Bupa Walk for Health.
- Won the prestigious Celent Award for Model Insurer - Asia under the category of 'IT Management Best Practices' in April 2016.
- Listed as a Super brand in FY 2016 and FY 2017- Super brands is one of the biggest consumer awards in the country.
- Recognised for 'Technology Maturity' at the 6th India Insurance Awards 2016 for Omni Channel CRM platform which is helping the business enhance its operational and cost efficiencies and deliver remarkable customer experience.
- Emerged as the Most Trusted Health Insurance brand in the Brand Trust Report 2016. This is the third consecutive year of Max Bupa being recognised as the most trusted Health Insurance brand by the

Brand Trust Report published by TRA, through an independent consumer research across 16 cities in India.

- Recognised for best IT practices at Model Asia Insurer of the Year 2016 for implementation of an omnichannel-based integrated operational CRM solution that enables convenient, faster and more accurate services to customers, agents, and partners.
- Recognised as one of the top 50 brands'15-16 in India by Pitch and Exchange4media

STRATEGY

Max Bupa continues to retain its focus on the retail segment. The Company is building a comprehensive suite of product offering to become a provider of choice for high net worth and affluent segments in the top 20-25 cities across the country. There are several other product innovations in the offing to tap into wider customer segments. The impetus is on developing simple and customer-centric products which can be distributed effectively through multiple partners.

Max Bupa is strengthening its direct tie-up with over 3,700 hospitals across 480 cities. MBHI supports its customers through its in-house team of dedicated professionals including doctors.

Health Risk Management (HRM) is one of the key strategic priorities for MBHI. HRM plays a major role in ensuring that risk principles regulate the design and development of products, sales process, under writing and policy servicing processes.

Max Bupa has a huge focus on enhancing its digital capability to provide an exemplar customer experience. Its latest innovations in technology include tab-based over-the-counter (OTC) policy issuance to enhance customer experience at the point of sale, self-service enabled through state-of-the-art CRM system to provide exemplary customer service and first of its application like 'Instalnsure' to facilitate instant policy purchase. MBHI is all geared up to invest further in the digital domain to create an integrated wellness ecosystem for its customers, deliver remarkable customer experience and further enhance its operational efficiencies.

Max Bupa looks forward to investing in the development of its over 1,600 employees through the deployment of a formal talent assessment, management and development framework.

REGULATORY ENVIRONMENT

During the year, the industry has seen significant changes on the regulatory front. The amendment of the Insurance Act, the introduction of new distribution channels like Point of Sale and Insurance Marketing Firms, an amendment to important regulations like Corporate Agents Appointment, Individual Agents Appointment and Rural Social Obligations for insurers, last year, set the ground this year for consolidation of the regulatory framework around insurance operations.

In this order, the year witnessed some crucial enactments from the Regulator in the form of revised Health Insurance Regulations, TPA Regulations, Guidelines on Product filings, Regulation over remuneration of distribution partners, etc. The revised Health Insurance Regulations introduced the concept of wellness, for the first time in the history of insurance in India. This development widens the expanse of health insurance by allowing more space to the insurers to innovate and provide greater value to customers. The guidelines and regulations related to remunerations and rewards of intermediaries brought more clarity in various facets of insurance operations. The mechanism to incentivise the insurance agents and intermediaries over and above their commission limits was regularised for the first time in India.

The regulator has also issued an important draft on outsourcing regulation that proposes to bring in clarity in the understanding of the term "outsourcing". The proposed regulation, amongst other changes, is set to conclusively determine the various facets of outsourcing criteria for the insurers.

OUTLOOK AND RISKS

Indian health insurance continues to remain a fundamentally attractive industry with growth projections of ~15% over the next 5 years and the industry is expected to double from the current levels of ~ ₹ 27,000 crore. The industry is gradually shifting towards the B2C segment as witnessed over the last few years and is expected to continue this trend – B2C segment is the fastest growing segment with a CAGR of 19% over the last 2 years. Max Bupa, now the 5th largest B2C player in the industry, plans to continue building on its expertise in the retail segment and add more families through its innovative product and service proposition. With established processes, a stable sales team and growing reputation, Max Bupa with its customer-centric orientation will continue to capitalise on its market differentiation and build long-term customer relationships.



When our customers need us the most
All we take is 30 minutes.

MAX Health Insurance

30 MINUTES
Cashless Claim Promise
WE KEEP OUR CUSTOMERS' HEALTH FIRST.



MRS. TARA SINGH VACHANI
Managing Director & CEO



MS. AMBICA CHATURVEDI
Director - Human Capital



MR. AVK RAO
Director - Finance & Accounts



MR. BADAR AFAQ

Head - Information Technology



MS. DEEPA SOOD

Legal Counsel



MR. JISHNU VELIYATH

General Manager - Community Operations



MR. KENNETH SANNOO

Director - Community Development



MS. RENUKA DUDEJA

Head - Brand & Communications



MR. SANJAY BHATIA

Head - Relationship Building



MR. SAUMYAJIT ROY

Director - Business Planning & Performance

Antara Senior Living - a part of the Max Group - is an idea to create an active, vibrant residential community for progressive seniors. Spread over 14 acres of landscaped environment in Dehradun, Antara is a luxurious, fully-integrated community designed around the safety, wellness and lifestyle requirements of progressive seniors above the age of fifty-five. The promise of a better life at Antara for our residents is built on the pillars of a unique location, thoughtful design, a curated community and holistic wellbeing.

Antara is a continuous care proposition – a comprehensive ecosystem that embraces and encourages the idea that life can be magical post-fifty five. With a fulfilling lifestyle and myriad opportunities to explore, engage and enjoy, Antara is a thoughtfully-designed, rigorously-serviced community where life is savoured in the luxury of nature with like-minded people.

At Antara, the aspiration is to create a community where our residents feel that they belong to each other without even truly knowing each other from the past. Common interests, beliefs, and enthusiasms tie our residents together in inexplicable threads to thus build and nurture a community where friends become family. We are building a community that allows like-minded people to find each other and feel comfortable to call Antara their home. We truly believe there is no age limit on a life of activity and significance.

OUR CONCEPT AND POSITIONING

With a growing number of seniors, who are well-travelled and are accustomed to a certain quality of life and infrastructure, Antara is a community which enables them to maintain the lifestyle they are habituated to.

Antara has been carefully crafted by internationally renowned architects Perkins Eastman from New York and Esteva & Esteva from Spain, with design execution support from Arcop Architecture Inc. and Studio Lotus. With construction partners such as Shapoorji Pallonji, Suri & Suri Constructions, Vadhera Builders (Civil works and Finishing works respectively), Sterling Wilson (Plumbing & Fire Fighting), Jakson (Electricals), Antara is being created with a unique design philosophy to encourage the utmost quality of living. This has been woven into the fabric of the community through an adherence to international standards of senior-specific design intervention. With over 60,000 square feet of recreational and wellness spaces, 197 apartments, Antara Senior Living brings a unique dimension to senior living in the Indian subcontinent.

In Antara Dehradun, residents will wake up to the views of Mussoorie, enjoy various Cuisine options in diverse spaces, get pampered at the spa, have all their health care needs managed to by our in-house clinical team as well as support from the nearby Max Super Speciality Hospital amongst various other activities.



OVER

60,000 square feet of recreational and wellness spaces

KEY OPERATIONAL DEVELOPMENTS OF FY 2017

FY 2017 was focussed on the following key initiatives:

1. Accelerating construction works for Dehradun with a focus to make the community operational by year end.
2. Cultivating operational readiness and execution of pre-operations plan towards operationalisation of the Community.
3. Building our operational systems, processes and an integrated technology platform to help drive the Community operations efficiently.

Antara's project team over the last 42 months has amply demonstrated its ability to consistently meet the project milestones. Out of the eight residences, six have been made operational. 95% of the work has been completed in the remaining two residences and we target to make this operational by mid-July 2017. The Club has been made operational.

45% of the total inventory has already been handed over to the residents for possession. Residents have gradually started moving into the Community.





➔ 'The Avika':
Cuisine space at
Antara Dehradun

DEVELOPING ANTARA'S RESIDENT COMMUNITY FOR DEHRADUN

The last 44 months of intense and interactive engagement with prospective residents through a highly interactive process has resulted in Antara to achieve a stable sales velocity of 2.1 per month in a challenging macro environment. In line with Antara's vision, signed-on residents today exemplify a genre of seniors who are progressive and passionate for embracing new experiences.

With the Community becoming operational, the focus is on to acquire customers through experiential visits of the Community backed with well-planned campaigns over print and digital media advertorials, resident and client events at the Community.

CULTIVATING OPERATIONAL READINESS

The hallmark of successful high-quality service delivery is prior planning and preparatory works. Antara's Community operations team has completed its hiring of key team members and is geared-up for operations with all the required hardware and software in place. Learning & Development plans are on track which takes into consideration the number of learning hours, SOP adherence, efficacy and general development path plans. Menus are in place for the Cuisine spaces. All the

billings have started on IDS 'billing software'. The Resident Engagement calendar is in place for Quarter 2, residents have shown encouraging participation in Quarter 1. As on date, 23 residents have already moved in the Community.

BUILDING CORPORATE SYSTEMS AND PROCESSES

The Company is pleased to report that it now has a dedicated team of 84 team members catering to a variety of business functions. The Company has also invested significant time and effort in creating necessary processes and systems and is leveraging information technology to enhance productivity.

INDUSTRY OUTLOOK

Senior Living as an industry category is witnessing a growth phase with existing players trying to step up and develop higher value products as well as new entrants trying to launch their first

Antara has been carefully crafted by internationally renowned architects Perkins Eastman from New York and Esteva & Esteva from Spain, with design execution support from Arcop Architecture Inc. and Studio Lotus..



➤ Antara has been created with a unique design philosophy to encourage the highest quality of living

senior living ventures. While most of the offerings in the market are still being delivered by traditional real estate developers, there are instances where non-real estate players have also started venturing into this sector.

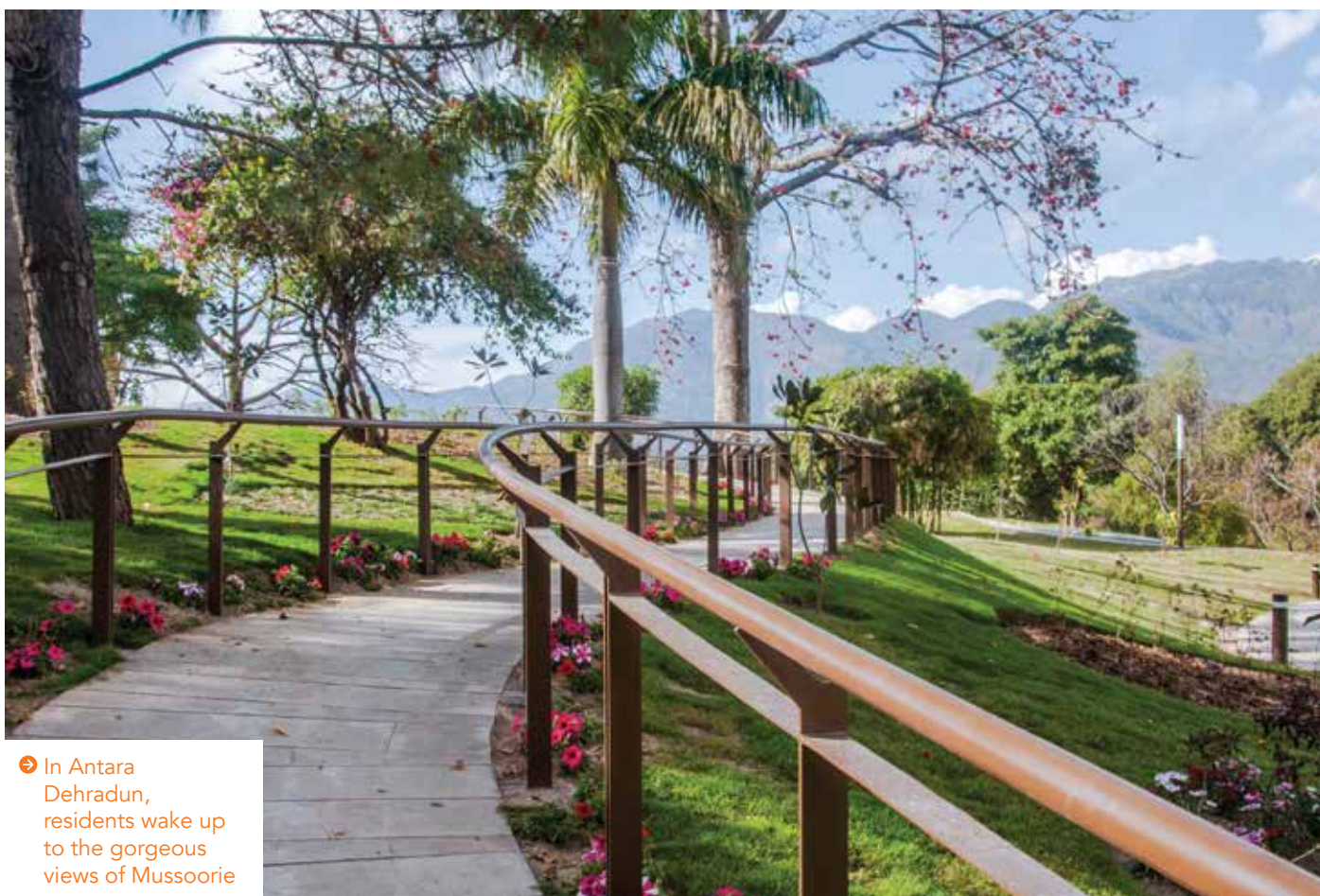
New projects are coming up with a size of 300-400 units to achieve better operational efficiency as opposed to early communities which were mostly with a size of 100-200 units. With the concept gaining popularity in the space of seniors, the average price point has also witnessed an upward trend with a new breed of senior living projects targeting a price segment of ₹ 55 lakh as opposed to the earlier projects in the ₹ 25 lakh price segment.

While most of the projects continue to be in the southern part of India, there are new projects which are coming up in the East and North India as well. Currently, there is a total of 50 players in the Indian senior living industry, out of which 10 are serious players. As per a recent study done by JLL, by 2025, there will be approximately 4,50,000 houses in the senior sector and 1 million seniors would be touched by formal senior living players in India.

OUTLOOK FOR FY 2018

The Senior Living industry in India is witnessing a strong demand. However purchase decisions continue to remain severely affected due to the macro-economic liquidity concerns in the traditional real estate market. Traditional real estate players with large developable land banks are showing keen interest to explore senior living as an alternate product segment in partnership with senior care players, similar to hospitality partnership models. While there have not been any major new supply in the last financial year, there has been credible advances by both corporate real estate developers as well as healthcare and hospitality players towards developing new communities.

As per a recent study done by JLL, by 2025, there will be approximately 4,50,000 houses in the senior sector and 1 million seniors would be touched by formal senior living players in India.



All existing senior living players have moved on to develop new projects, mostly creating apartments in the ₹ 40 – 80 lakh segment.. Existing players such as Ashiana Housing, Covai Homes (Coimbatore), Athashree (Pune), Mantri Developers (Bengaluru), and UCC care (Faridabad) are all expanding and looking to develop more communities. New players such as Columbia Asia Healthcare, Brigade Group are evaluating setting up communities catering to the middle income segment.

The market has witnessed a major growth in homecare services for seniors. The Indian elder home care market is estimated to reach US\$ 10 billion by 2030. Several new players are exploring products and services in this space with focus on both clinical and non-clinical services.

While most of the projects continue to be in South India, there are some new projects coming up in East India as well such as by the Infinity Group, Kolkata. Currently, there are about 50 players in the Indian senior living industry, of which 10 are serious contenders. Favourable demographics, depleting quality of urban life and safety for seniors, healthcare concerns, rising affordability and a higher acceptability and awareness of senior living continues to be major growth drivers. Is these are assisted by favourable macro economic conditions, then the Indian senior living sector could see a strong upswing.





MR. RAJENDER SUD

Chief Executive Officer



MR. ANSHUMAN KAMTHAN

Vice President & Key Account Manager



MR. PUSHKAR SARAN

Senior Vice President & Head Business-Operations & Strategy



MS. SARIKA SWARUP

Vice President & Head - Content



MS. SIMAR DEEP KAUR

Vice President & Head - Human Resources



MR. SUDHIR NAIR

Vice President & Key Account Manager



MR. SUNIL SOLANKI

Vice President & Key Account Manager

Max SkillFirst Limited (MSF) is a wholly-owned subsidiary of Max India, founded with the vision of impacting the sales and service culture in India by being the most admired Learning and Development organisation. The Company employs more than 330 professionals and 1,000 freelance trainers from premier institutes with vast experience in the fields of distribution, operations, strategy, human resource and finance, among others.

HIGHLIGHTS OF FY 2017

In FY 2017, MSF imparted over 4.3 lakh hours of training to more than 55,000 trainees through more than 1,25,000 sessions. During the fiscal, Max SkillFirst reported revenues of ₹ 44.6 crore, growing 27%, with profits of ₹ 4.7 crore.

CONTENT AS BUSINESS DRIVER

Content is one of the key business drivers of Max SkillFirst. In FY 2017, Max SkillFirst won the Brandon Hall Excellence Award - Gold for the "Best Use of Games or Simulations for Learning" for two of our flagship programmes – 'Selling Skills Workshop (SSW) and Recruitment Skills Workshop (RSW)', an acknowledgement of our world-class content design and delivery.

Max SkillFirst has developed 1,061 hours of new and refurbished content across all accounts by using instructional design principles. For Max Life, the Company has created a device-agnostic content, which includes induction, on-boarding across roles, sales and recruitment skill builders and interactive game-based e-learning modules for various Max Life products. MSF has also developed content for different channels of Max Bupa, viz. Agency, Bancassurance, Direct sales, Tele-sales along with leadership videos and customised videos on processes. For Max Healthcare, we have developed videos on frequently-occurring scenarios for Nurses, Front office and Security guards. Also, videos were developed on vision, mission & values featuring the Managing Director & CEO of Max Healthcare.

TECHNOLOGY

In FY 2017, MSF expanded the existing technologies and launched various new interventions. Max SkillFirst mobile/tablet-based app has been launched to provide a digital platform for learning and training. The modules of the app were customised as per the clients' requirements to suit their business needs. Most recent addition to this series of development is the roll-out of MSF app-world of BoB (Bank of Baroda) for Max Bupa, in order to simplify the business processes for Max Bupa BoB employees such as the facility to digitally fill the forms.

PEOPLE CULTURE

More than 120 employees were hired in FY 2017, which represents 36% of the current workforce. A 90-day induction module was initiated for capability development for all new hires in front line

training roles. A robust mechanism has been developed for the smooth induction and on-boarding of trainers. As part of our employee value proposition, Max SkillFirst has continued to deliver on its promise of employee enablement through Heart, Mind & Soul alignment workshops by delivering training on the same to 276 employees in FY 2017.

NEW TRAINING INITIATIVES

In FY 2017, Max SkillFirst launched the Power to Perform (P2P) programme for prior and established class agents to improve their performance by providing an engagement platform through the training on sales cycles, products, taxation, understanding customers, etc. MSF also provides training for the newly launched products. The most recent in this series is product training for HAv2 (Health Assurance version 2) for over 800 employees of Max Bupa and more than 950 agents. HBv4 (Heart Beat version 4) product training was also completed across all branches of all partner banks. Another major training initiative was the training of over 2,500 bank personnel across more than 1,000 branches of Bank of Baroda (BoB) in 13 different zones, which was carried out for Max Bupa's new bancassurance alliance with BoB.

OUTLOOK

The Indian training market is estimated to be around ₹ 5,000 crore and is growing at an annual rate of 10-12%. BFSI is the most attractive sector for B2B training, accounting for 50% of the total B2B training spends, while BFSI and Healthcare are the key sectors for B2C (source-skill-deploy model). Max SkillFirst has prepared itself to grow through different channels. As the B2B training market has huge potential and is the most attractive segment, Max SkillFirst is gearing up to expand its existing B2B training business. Recently, Max SkillFirst acquired its first external client, Magma Fincorp, one of India's leading NBFCs, after two years of providing training services exclusively to Max Group entities. As part of this new engagement, Max SkillFirst will offer sales management programmes to Magma Fincorp's Branch Managers and Territory Managers, while guiding their employees through sales and product training.

On the other hand, the B2C market is moving towards the source-skill-deploy model across industries including B2C healthcare training which is expected to touch ₹ 200 crore. Demand for allied healthcare professionals in the healthcare industry is estimated to be 1.9 million. Max SkillFirst has taken over Allied Healthcare Diploma business verticals from MIHER (Max Institute of Health Education & Research) to train aspirants on four healthcare disciplines viz., Lab technician, Operation theatre technician, Dialysis technician and Radiology technician. The focus is on incubation of this segment and scaling up the existing diploma training business from current annual enrolment of 180 students to 1,200 in the next 3 years.

BUSINESS RESPONSIBILITY REVIEW



➔ Mohini Daljeet Singh, CEO, Max India Foundation

At merely 47 years of age, Yogesh Kumar, who works in a cardboard factory in Aligarh (Uttar Pradesh) to support his wife and 12 year old son, was diagnosed with lung cancer. Over the next several weeks, Yogesh shuttled between hospitals in Aligarh and Delhi, losing precious time and resources, while his health continued to deteriorate. Then, in early 2016, Yogesh came under the care of Dr. Pramod K. Julka at Max Institute of Cancer Care in New Delhi. Without delay, Dr. Julka commenced Yogesh's treatment and also educated him and his family about the disease. Though Yogesh's friends and relatives came forward with financial help, it was not sufficient to cover the entire cost of the treatment. It was then that Dr. Julka referred the case to Max India Foundation (MIF), where we contributed approximately ₹ 4 lakh to cover the balance cost of the treatment. Yogesh has faced immense pain and struggle over the past few months, but having gone through five cycles of chemotherapy and two weeks of radiation, he is now well on his way to recovery. Like thousands of patients living with cancer across India, Yogesh had almost lost all hope, but with excellent care from his doctor and the staff at Max Institute of Cancer Care, he is finally ready to start a new innings of his life.

Yogesh is one of the nearly 28 lakh lives that MIF has benefitted over the last 10 years of its operations across 730 locations in India. Focused on providing healthcare to the underprivileged, the Foundation has adopted a 360° solution framework to address this issue. The model comprises of four critical pillars and under each pillar various interventions have been created to combat the issue holistically.

- **Pillar 1:** Provide quality healthcare and screening to address immediate health requirements
- **Pillar 2:** Create awareness on health and hygiene issues to promote healthy practices
- **Pillar 3:** Promote a sustainable and eco-friendly environment for good health
- **Pillar 4:** Village Adoption Program for holistic development of villagers

PILLAR 1: PROVIDING QUALITY HEALTH CARE

MOBILE HEALTH VAN – A new addition to the Program

In February 2017, MIF's dream of having its own Mobile Health Van (MHV) was realised, which was custom fabricated as per our requirements. The MHV, called 'Care on Wheels', was inaugurated by Group President, Mr. Rahul Khosla. 'Care on Wheels' is being used for conducting health camps as well as immunisation camps in Delhi and NCR area. In addition, the MHV also supports services such as testing and screening for serious illness and diseases. Moreover, the MHV is also fitted with a TV/ LED which shows health awareness films to the beneficiaries while they wait for checkups. This educates the community on various health related topics such as hand-washing, cancer, oral health, etc. in an easy to understand visual form. The MHV has further enhanced the accessibility of healthcare services for the underprivileged, particularly women who get full privacy during checkups.

Health Camps

MIF organises health camps for the underprivileged with the objective of providing specialised health care. A team of qualified doctors and paramedical staff conducts either general health camps or multi-speciality camps. Poor patients are screened and given free medicines. In FY 2017, 2,08,071 patients were treated through 769 camps across India.

Health Centres

In pursuance of our mission of caring for life, MIF has set up health centres in areas where health facilities are non-existent

or inadequate. Some of them are operational in difficult hilly terrains of Rudraprayag and Mussoorie, remote rural areas like Railmajra in Ropar, Punjab and various slums in metropolitan cities. The health centres reach migrants, labourers, etc. with special focus on women, children and elderly. 19,907 patients benefitted through our chain of five health centres in FY 2017.

Surgeries and Treatment

MIF extends its best support to seriously ill people who are underprivileged and need high value surgeries and treatment. In FY 2017, MIF supported 1,588 high-end surgeries for patients from economically weak families. These surgeries include a large number of paediatric cardiac surgeries, reconstructive surgeries, neuro surgeries, orthopaedic surgeries, cataract surgeries, oncology care and renal transplant, which are expensive treatments. This intervention has been able to bring a ray of hope in the lives of the underprivileged in dire need of medical support and saves them from getting pushed into the vicious cycle of debt/poverty.

Immunisation

India accounts for the largest number of children (i.e. 7.4 million) who are not immunised. Concerned by this gap, MIF focuses on protecting underprivileged children in the age group of 0-12 years who are Not Immunised or Partially Immunised. Children are vaccinated against MMR, DPT, hepatitis B and typhoid as per the guidelines of WHO to "close the immunisation gap". In FY 2017, 12,189 children were administered 19,849 shots through 150 camps across the country. The intervention has brought positive impact by reducing the dropout rate of school children and improving life expectancy.

Special Care and Support for Cancer Patients

The economic burden of cancer (including cost of illness, long-term costs and indirect costs) is huge and makes the underprivileged vulnerable in their fight against cancer. Therefore, MIF provides support for cancer surgeries. Specific details for FY 2017 are as follows:

- 22 oncology patients have been provided support through Max Healthcare
- 680 children have been supported with cancer treatment through our NGO partner – CanKids... Kidscan
- 111 cancer patients have been provided palliative support while 2,669 home visits were made by the CanSupport with support from MIF
- 196 cancer HPV DNA tests were carried out through the Indian Cancer Society, New Delhi
- 62 families were provided with boarding and lodging support through St. Jude India Child Care Centre, Noida



Artificial Limbs and Polio Calipers: MIF also provides artificial limbs and polio calipers camps to the physically challenged people to enhance their mobility and infuse them with renewed dignity and confidence to take charge of their lives.

186 specially-abled people benefitted in FY 2017 through this intervention – 180 patients were provided artificial limbs through Kiwanis Artificial Limb Centre whereas six motorised vehicles were given in partnership with Rajiv Gandhi Foundation.

PILLAR 2: CREATING AWARENESS ON HEALTH AND HYGIENE ISSUES

Based on the premise that preventive health care yields better outcomes in the long term, MIF focuses on health awareness to promote healthy behavioural practices

Health awareness is provided in infotainment mode through a host of approaches like group discussion/talks, films and counselling sessions. The focus issues include vector borne disease, cancer awareness, nutritious diet, sanitation, menstrual health, dengue, hand washing and others. Over 7.74 lakh individuals were reached through health and hygiene awareness initiatives in FY 2017.

Cancer Screening and Awareness Camps

In recent years, the incidence of cancer has significantly gone up. According to the National Cancer Institute, which is part of the US Department of Health and Human Services, every 13th new cancer patient in the world is an Indian (Indian Express, 12th May, 2016). In light of this, MIF has been focusing on conducting



➔ 'Care on Wheels.'
MIF's new mobile
health van

cancer screenings including free mammography and Pap smear tests, and awareness camps. The focus is on early detection as it ensures better outcomes at lower costs. MIF also produced a film on cancer awareness with oncologists and survivors telling their own stories, which is screened at these camps.

Celebrate ME – Annual Signature Campaign of MIF

Celebrate ME, Season 2 was held on 1st October, 2016 with the aim of raising funds and spreading awareness on cancer. Mrs. Maneka Gandhi, Union Minister for Women & Child Development, Government of India was the chief guest on the occasion. One of the highlights of the event was a panel discussion with top oncologists of Max Healthcare. 17 women and four young children who have defeated cancer walked the ramp in outfits designed by cancer survivors. An auction of paintings donated by well-wishers was also held on the occasion to raise funds, including a piece of tribal Gond artwork from Madhya Pradesh donated by Smt. Maneka Gandhi. Cricketer Yuvraj Singh, a cancer survivor himself donated his jersey and cap for the auction. Over 22 newspapers including online and print captured Celebrate ME event and emphasised upon awareness to beat cancer.

Walk for Life – Spreading Awareness Against Cancer

Since 2008, MIF has supported the cause of "spreading awareness on cancer and palliative care for cancer survivors" in association with CanSupport. The 10th Annual Walk for Life was held on 5th February, 2017 at Rajpath, Delhi. Bollywood star and cancer survivor, Manisha Koirala flagged off the event and led the lap of honour for cancer survivors. Dr. Harit Chaturvedi (Chairman – Oncology, Max Healthcare) together

with 305 enthusiastic employees of Max Group came on board to applaud, support and honour cancer patients.

Campaign Against the Use of Tobacco

Tobacco kills over one million people in India. In Delhi alone over 30.7 lakh people under the age of 15 use tobacco. Therefore, MIF launched a campaign against tobacco with emphasis on enforcement of COTPA (Cigarettes and Other Tobacco Products Act) so that smoking and sale of tobacco products in public places around schools, etc. is avoided within 500 meters. The campaign being implemented in partnership with Sambandh Health Foundation was launched on 28th May, 2016 in the presence of Special Commissioner (Law & Order) Delhi Police, Mr. P Kamaraj. The pledge supporting this initiative was also signed by Mr. Arvind Kejriwal, Chief Minister of Delhi.

So far, training and sensitisation program has been conducted in six districts of Delhi. The successful campaign saw high involvement of doctors from Max Oncology Centre led by Dr. Harit Chaturvedi (Chairman – Cancer Care, Director & Chief Consultant - Surgical Oncology, Max Healthcare). Other major outcomes are as follows:

- 1,200 police officers in six districts of Delhi have been trained on COTPA
- Over 165 articles were published in print media
- Over 800 people have been fined for smoking in public places / violation of COTPA
- The "No Smoking" signs are visible at most shops in Delhi

Anti Tobacco Flip book

In order to sensitise the population against the ill effects of tobacco and provide valuable information on quitting tobacco, MIF developed a flip book against tobacco use. An effective tool in preventing tobacco consumption, the flip book has pictures on one side and self explanatory information in simple Hindi on the other side.

PILLAR 3: CREATING A SUSTAINABLE & ECO-FRIENDLY ENVIRONMENT

MIF believes that good environment is a precursor to good health. Therefore, creating a sustainable and eco-friendly environment remains one of the core pillars for us. The focus is on environment awareness as well as making environment friendly choices in whatever work is being done. Key initiatives are as follows:

Tree Plantation Drives

MIF has been conducting regular tree plantation drives in Delhi, Haryana, Punjab and Dehradun. Further, we also promote tree plantation through our vast network of employees as well as NGO partners. MIF has planted fruit trees as well as trees with medicinal / herbal value for the betterment of future generations.

Environment Awareness Campaigns

MIF has been spearheading environment awareness campaigns on a structured manner through monthly campaigns focused on Max Group employees as well as its vast network of NGO partners on the ground. These well-researched and compelling environment awareness campaigns are also promoted across Max Hospitals and offices in Delhi and NCR.

PILLAR 4: VILLAGE ADOPTION PROGRAM FOR HOLISTIC DEVELOPMENT OF VILLAGERS

MIF adopted the villages of Dhakrani and Chandrothi Gram Sabha in the outskirts of Dehradun, the capital city of Uttarakhand in 2015. Various community interventions have been implemented across these villages especially in the area of health, education and environment to improve the quality of life of over 20,000 residents. Village specific initiatives are highlighted below:

Dhakrani Village

Sewage Treatment Plant: A sustainable underground sewerage system is being laid at Dhakrani. This was done as the village had no sewerage system in place and waste water spilled onto the streets as well as polluted the sources of drinking water supply. Accumulated waste water led to breeding of mosquitoes and flies and made villagers vulnerable to innumerable diseases. Under the project, all waste water and sewerage waste will be diverted through pipelines in a phased manner. So far, over 59,000 feet of pipeline has been laid and pilot testing is ongoing. Sand filters

and septic tanks have been built from which waste water will be treated and will be suitable for agricultural purpose.

Healthcare Services for the Villagers: Multi-Speciality health camps are held every month at Dhakrani in association with Max Super Speciality Hospital, Dehradun and employee volunteers from Max Life Insurance. These - include oral, gynaecological, paediatric, ophthalmology health camps among others where patients are given complete medical advice and free medication if needed. Till date 20 camps have been held with 5,447 beneficiaries. MIF also engaged with Bella Healthcare, a local NGO to conduct bi-weekly general health check-up camps in Dhakrani with special focus on women and children. In addition, Bella Healthcare is conducting immunisation camps for children in the age group of 0-12 years. 1,245 children have been immunised against MMR whereas 1,125 children have been immunised for typhoid.

Solid Waste Management: To keep the village clean, waste is being collected daily from households. Two different coloured dustbins have been distributed in 1,884 households for segregation of waste as organic and inorganic. Two tractor trolleys with cleaning teams have been deployed for the same. A machine has been procured for segregation of waste and the organic waste will be converted into compost. The intervention has made surroundings much cleaner, thus reducing the risk of diseases and thereby creating a healthier environment.

Sanitary Production Unit for Local Women: A sanitary napkin production unit has been facilitated in the village by donating relevant machinery to a women's group. The women from the village are making low cost sanitary napkins, which are being sold to the women in the village and neighbouring areas. By making available hygienic sanitary protection the health status of women and adolescent girls is expected to improve. 15,000 sanitary pads have been made till date.

Volunteering Initiatives: Employee/agent advisor volunteers from Max Life Insurance's Dehradun office have been actively engaged in making household visits. Promoting the philosophy of 'Swachh Raho, Swasth Raho', the volunteers speak about waste management, cleanliness, hygiene and also introduce the community to financial literacy.

Chandrothi Gram Sabha

- The streets in Chandrothi Gram Sabha did not have any lighting. Keeping the environment in mind, 310 high quality solar street lights have been installed on the road stretch of over 8 kms. The initiative has been highly applauded by villagers particularly ladies for making night travel safer.
- Further, there was no street cleaning happening in the village, therefore a cleaning vehicle has been commissioned in the village along with cleaning staff who keep the streets and area clean. The initiative is a small contribution towards furthering Swachh Bharat Mission.

➔ The Max India Foundation Team at a Health Camp



- MIF has set up a Health Centre for the benefit of villagers. The Centre is being operationalised by a team comprising doctor, nurse and pharmacist. Free medicine is given to the patients.
- The senior secondary government school in the village had major infrastructural issues – unpainted school walls, inadequate toilet facilities, lack of provision of safe drinking water, and non-functional computers being some of the serious concerns. . MIF stepped in and major upgradation has been made in the sanitation, sports and educational facilities of the school for the health, well-being and all-round development of children, as per following details:
- An Audio Visual hall at the school has been upgraded with installation of projector, TV, library kits, etc. for the students
- Four toilets have been constructed for girl students
- An RO water system has been installed to provide safe drinking water for the students
- Five computers have been donated to the school to provide computer enabled learning opportunities
- A cleaner has been engaged for cleaning the toilets and classrooms to ensure better health and hygiene of the children
- A badminton court has been constructed to encourage physical fitness in children
- The school exterior walls and some classrooms have been painted

OTHER CSR INITIATIVES

Life Line Express – Health on Wheels

The Life Line Express, the world's first hospital on a train is a flagship initiative of Impact India Foundation to serve the underprivileged in partnership with the Indian Railways. Doctors from Max Hospital Patparganj and Saket served at the Life Line Express camp in Shivpuri, Madhya Pradesh from 2nd – 22nd April, 2016. 21,174 OPDs (outpatient department) and 614 operations were conducted. 6,700 spectacles and 575 hearing aids were also distributed.

Multi Speciality Camp at Bodh Gaya

MIF in association with His Holiness Karmapa's Kagyupa International Monlam Trust organised a Multi Speciality health camp benefitting 4,145 people from 14th-18th February, 2017 at Bodh Gaya. 4 doctors from Max Healthcare, 3 Tibetan lady doctors, 8 Tibetan nurses from Delhi and Sikkim, 2 doctors from Gaya Medical College along with volunteers from Max Life Insurance (Team Gaya) and the Trust helped in conducting the camp. Awareness films on dangers of smoking, importance of hand-washing, breast cancer, TB awareness and prevention of malaria, hepatitis, and typhoid were also screened.

Capacity Building of Health Workers

Since a substantial section of the India population lives in remote areas, institutional births are not always possible. Training for traditional birth attendants (Dai) have been organised by NGO partner Seva Mandir, Udaipur that works towards improving maternal health in the tribal population of southern Rajasthan. The maternal mortality rate and infant mortality rate has been significantly reduced due to these specialised trainings. With

support from MIF, the organisation has benefitted 19,000 people since January 2013.

AWARDS AND RECOGNITION

Over the years, the Foundation has created a niche for its work under the ambit of Corporate Social Responsibility. The recent awards and recognition as listed below are testimony to the fact that MIF's sincere work has been appreciated by well respected agencies/groups.

- Conferred CSR Leadership Award by ABP News on 17th February, 2017
- Mohini Daljeet Singh, CEO of MIF conferred with Hari Chand Award for Corporate Citizen 2015 .
- Mohini Daljeet Singh, CEO MIF received the 'Best Women Leadership Excellence award in CSR' at The South Asian Partnership Summit & Business Awards held in Colombo on 13th October, 2016; the event was hosted by World HRD Congress and endorsed by Asian Confederation of Businesses
- Conferred with the Indywood CSR Excellence Award in Hyderabad on 26th September, 2016, which was organised by Indywood & Government of Telangana State
- CSR Award for Immunisation project by India CSR Awards Community Initiative Awards 2016

- Golden Peacock Award for Corporate Social Responsibility 2015 – awarded in February 2016
- "Excellence Social Accomplishments" Award by "Samast Bharat" was given away by His Holiness Dalai Lama at Dharamsala on 20th May, 2016 to Mohini Daljeet Singh, CEO, MIF

IMPACT

MIF health initiatives have helped free the underprivileged from being at the mercy of quacks, who in many cases, exploit them and may even jeopardise their health. All these quality services reach the underprivileged free of cost since at MIF we believe that good health is the right of every Indian. In the process, we have helped enhance the productivity of the individuals reached, improved their life expectancy levels as well as their overall quality of life. Timely support from MIF has also prevented families from getting trapped in the vicious cycle of debt and poverty.

In its 10 years of existence, MIF has been able to render health care to over 27.79 lakh underprivileged across 730 locations with dignity and care. However, 'Seva' is not a matter of numbers, it is a calling. At MIF, we are unwavering in our commitment to providing quality healthcare to those who need it the most but are unable to afford it, and we will continue to fight for the cause for the next several decades.



➔ In a span of 10 years, MIF has benefitted nearly 28 lakh lives



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

OUR CORPORATE GOVERNANCE PHILOSOPHY

Max India Limited is committed towards maintaining the highest standards of Corporate Governance and recognizes that in today's environment, it is a critical driver for achieving excellence, attracting high-quality talent, and optimizing capital sourcing and allocation across the Group.

To ensure strong discipline in capital management, robust performance management of the businesses and sustained value creation across all stakeholders, Max Group embarked upon a journey over the last few years, to implement a comprehensive governance framework across its companies, including Max India, entailing implementation of various transformational initiatives across three key facets of governance:

- **Board Architecture**

Boards in each of the Group's operating companies stand re-configured to create the right composition with an ideal number of Independent Directors, ensuring board diversity with respect to functional and industry expertise, having an active and engaged lead Director on each Board, and separating the role of the CEO and the Chairman. In addition, a clear role for the Board has been articulated on areas like strategy formulation, monitoring financial health, leadership development, risk management and succession planning.

- **Board Processes**

Various people processes of the Board have been optimized (viz. on-boarding of Directors, Board education and business engagement, enabling independence, adherence to code of conduct etc.). Key operational aspects such as ensuring a comprehensive and well-balanced meeting agenda, timely and adequate information-flow to the Board, inviting external speakers to take Board sessions, are in place to ensure that the Board time is spent optimally on all critical areas of the business. To enable this, detailed Standard Operating Procedures are in place to ensure that the Board materials are comprehensive, crisp and relevant for strategic discussions.

All material matters to be considered by Board are reviewed in specific sub-committees of the Board that are composed of the right balance between executive, non-executive and independent Directors, who add value to and are specifically qualified for the particular sub-committee. Detailed charters are published for every sub-committee of every Board.

- **Board Effectiveness**

To enhance 'Board Effectiveness' and assess the Board's performance, an annual evaluation of Board Members is conducted and inter-Company Board movements are effected to ensure that each Board is well-equipped and engaged to take the right decisions for the business. In addition, various mechanisms have been implemented to improve the performance of the Board, which involves establishing clear standards of conduct & behaviour, setting a calendar of key governance interventions (like strategy setting sessions, risk management sessions etc.), consequence management etc.

BOARD OF DIRECTORS

The Board of Directors of your Company as on 31st March, 2017, comprised of 7 (seven) members with 1 (one) Executive Director and 6 (six) Non-Executive Directors of which 3 (three) are Independent Directors. Mr. Rahul Khosla, Chairman of the Board of Directors of the Company is a Non-Executive and Non-Independent Director.

During the financial year, Mr. N.C. Singhal retired from the Board effective 10th August, 2016. Mr. D.K. Mittal was appointed as an Independent Director on 9th November, 2016. Mr. Sanjeev Kishen Mehra resigned from the Board of the Company effective 8th December, 2016. Simultaneously, the position held by Ms. Lavanya Ashok as Alternate Director to Mr. Sanjeev Mehra on the Board of the Company stood vacated.

There are no inter-se relationships between our Board members.

None of the Director is a member in more than ten committees or the Chairman of more than five committees, across all public companies in which he / she is a Director.

The details of the Directors and their attendance at the Board meeting during FY 2017 and at the last annual general meeting, including the details of their Directorships and Committee Memberships as of 31st March, 2017 are given below:

Name of Director	Number of Board meetings during the year 2016-17		Attendance at last AGM held on 27th September, 2016	Number of Directorships in other Companies as on 31st March, 2017*	Number of committee positions held in other public companies as on 31st March, 2017**	
	Held	Attended			Chairman	Member
Mr. Rahul Khosla [Chairman] (DIN:03597562)	6	5	Yes	5	-	-
Mr. Mohit Talwar [Managing Director] (DIN:02394694)	6	5	Yes	7	1	3
Mr. Ashok Kacker [Independent Director] (DIN:01647408)	6	6^	Yes	9	1	1
Mr. Ashwani Windlass [Non-Executive Director] (DIN:00042686)	6	4	No	5	3	-
Prof. Dipankar Gupta [Independent Director] (DIN:05213140)	6	5	No	1	-	-
Mr. Dinesh Kumar Mittal® [Independent Director] (DIN:00040000)	3	1	No	12	1	8
Mrs. Tara Singh Vachani®® [Non Executive Director] (DIN:02610311)	6	3	No	8	-	-
Mr. N.C. Singhal§ [Independent Director] (DIN:00004916)	3	3	N.A.	N.A.	N.A.	N.A.
Mr. Sanjeev Kishen Mehra# [Non-Executive Director] (DIN:02195545)	4	0	No	N.A.	N.A.	N.A.
Ms. Lavanya Ashok ## [Alternate Director to Mr. Sanjeev Kishen Mehra] (DIN:03453279)	4	0	No	N.A.	N.A.	N.A.

* Excluding Foreign Companies and Companies formed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956

** Represents Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies, other than companies formed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956.

@ Appointed as an Additional Director holding the position of Independent Director effective November 9, 2016.

@@ Belongs to persons forming part of promoter group of the Company.

\$ Retired from the Board effective 10th August, 2016.

Resigned from the Board effective 8th December, 2016.

The position of Ms. Lavanya Ashok as Alternate Director to Mr. Sanjeev Kishen Mehra stood vacated on resignation of Mr. Mehra from the Board effective 8th December, 2016.

^ One meeting attended through Video Conferencing.

DETAILS OF BOARD MEETINGS HELD DURING THE YEAR ENDED 31ST MARCH, 2017:

S. No.	Date	Board Strength	No. of Directors present
1	14th May, 2016	8	3
2	25th May, 2016	8	7
3	8th August, 2016	8	7
4	9th November, 2016	7	6
5	13th February, 2017	7	5
6	27th March, 2017	7	4

The details of equity shares of ₹ 2/- each held by Directors of the Company as on 31st March, 2017 are: (a) Mr. Rahul Khosla – 2,35,718 (Two Lakh Thirty Five Thousand Seven Hundred and Eighteen) shares (b) Mr. Ashwani Windlass – 1,62,850 (One Lakh Sixty Two Thousand Eight Hundred and Fifty) shares, (c) Mr. Mohit Talwar – 35,438 (Thirty Five Thousand Four Hundred and Thirty Eight) shares and (d) Mrs. Tara Singh Vachani – 1,00,000 (One Lakh) shares.

How do we make sure our board is effective?

The calendar for the Board and Committee meetings is fixed in advance for the whole year, along with significant agenda

items. At least one Board meeting is held within 45 days from the close of each quarter to review financial results and business performance and the gap between two Board meetings does not exceed 120 days, as required by law. Apart from the aforesaid four meetings, additional Board meetings are also convened to meet business exigencies. Matters of exigency are approved by the Directors by resolutions passed by circulation as permissible under the provisions of the Companies Act, 2013.

Meetings of Committees of Board are held prior to the Board meeting. The Chairpersons of the respective Committees brief the Board about the proceedings of the Committee meetings and its recommendations on matters that the Board needs to consider and approve.

All Agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans/business reviews and financial results, detailed presentations are made to the Board members. The materials for the Board and committee meetings are generally published (electronically in a secure dedicated portal) seven days in advance. The Board is regularly updated on the key risks and the steps and process initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process with the Company.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised on the overall performance of the Company and its subsidiary(ies)/joint ventures at every Board meeting. The Board has complete access to all the relevant information within the Company and all its employees. Senior Management is invited to attend the Board meetings to provide detailed insight into the items being discussed.

Code of Governance

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company had adopted a Code of Conduct for the Directors and senior management of the Company ('the Code'), a copy of which is available on the Company's website www.maxindia.com. All the members of the Board of Directors and senior management personnel had affirmed compliance with the above mentioned regulation including Code for the financial year ended March 31, 2017 and a declaration to this effect signed by the Managing Director forms part of this report as Annexure- I.

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted an Insider Trading Policy for prevention of insider trading, which is applicable to all Designated Persons including Promoters, Directors, Key Managerial Personnel, Designated employees and other Connected Persons.

COMMITTEES OF THE BOARD

The Board of Directors of the Company had constituted the following Committees:

Audit Committee:

As on 31st March, 2017, this Committee comprised of Mr. Ashok Kacker (Chairman), Prof. Dipankar Gupta, Mr. D.K. Mittal and Mr. Mohit Talwar. All members of the Committee, except Mr. Mohit Talwar, are Independent Directors. Mrs. Tara Singh Vachani is a permanent invitee to the Committee. All the members of Audit Committee are financially literate and the Chairman possesses the required accounting and financial management expertise. Mr. V. Krishnan, Company Secretary of the Company acts as the Secretary to this Committee. Mr. N. C. Singhal ceased to be a member of the Committee effective 10th August, 2016, upon his retirement from the Board.

The scope of the Audit Committee has been defined by the Board of Directors in accordance with Regulation 18 and Part C of Schedule II of the Listing Regulations and applicable provisions of the Companies Act, 2013. This Committee inter alia, recommends appointment and remuneration of statutory auditors, secretarial auditors and internal auditors; reviews Company's financial reporting processes and systems and internal financial controls, financial and risk management policies, Company's financial statements, including annual and quarterly financial results and financial accounting practices & policies and reviews the functioning of the whistle blower mechanism.

Representatives of Internal Auditors and Statutory Auditors are invited to the meetings of the Committee, as and when required. Mr. Ashok Kacker the Chairman of the Audit Committee, was present at the last Annual General Meeting.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. Ashok Kacker	04	04
Prof. Dipankar Gupta	04	03
Mr. D.K. Mittal*	01	01
Mr. Mohit Talwar	04	04
Mr. N.C. Singhal#	02	02

Ceased to be a member of the Committee effective 10th August, 2016

* Inducted as a member of the Committee effective 1st February, 2017

Nomination and Remuneration Committee:

As on 31st March, 2017, this Committee comprised of Mr. Ashok Kacker (Chairman), Prof. Dipankar Gupta and Mr. Rahul Khosla. All the members are Independent Directors, except Mr. Rahul Khosla, who is a Non-executive non-independent Director. Mr. Mohit Talwar, Managing Director of the Company is an invitee to the Committee.

The scope of the Nomination and Remuneration Committee has been defined by the Board of Directors in accordance

with Regulation 19 and Part D of Schedule II to the Listing Regulations and applicable provisions of the Companies Act, 2013. This Committee inter alia, evaluates the compensation and benefits for Executive Directors and Senior Executives at one level below the Board, recruitment of key managerial personnel and finalization of their compensation, induction of Executive and Non-Executive Directors and fixing the method, criteria and quantum of compensation to be paid to the Non-Executive Directors. It also administers the ESOP Scheme(s) of the Company including allotment of equity shares arising from exercise of stock options. The remuneration policy of the Company is aimed at attracting and retaining the best talent to leverage performance in a significant manner. The strategy takes into account, the remuneration trends, talent market and competitive requirements.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. Ashok Kacker	03	03
Prof. Dipankar Gupta	03	03
Mr. Rahul Khosla	03	03

Remuneration paid to Directors during FY 2017

During FY 2017, the Company paid sitting fees of ₹ 1,00,000/- (Rupees One Lakh Only) per meeting to its Non Executive/ Independent Directors for attending the meetings of Board and Committees of the Board and separate meeting of Independent Directors.

The Company does not have any pecuniary relationship or transactions with the Non-Executive Directors of the Company other than payment of the sitting fees for attending meetings and certain ESOP granted to Mr. Rahul Khosla, Non-executive Director, pursuant to the Scheme of Arrangement described in detail in Subsequent paragraphs.

Details of the sitting fees paid to Non Executive/ Independent Directors of the Company during FY 2017 are as under:

S. No.	Name of the Director	Sitting Fee paid (in ₹)
1	Mr. Rahul Khosla	12,00,000/-
2	Mr. Ashwani Windlass	12,00,000/-
3	Prof. Dipankar Gupta	13,00,000/-
4	Mr. Ashok Kacker	22,00,000/-
5	Mr. D.K. Mittal	2,00,000/-
6	Mrs. Tara Singh Vachani	6,00,000/-
7	Mr. N. C. Singhal	6,00,000/-

The remuneration payable to the Managing Director of the Company, including performance incentives and grant of

ESOPs, were determined from time to time by the Nomination and Remuneration Committee and approved by the Board of directors within the limits approved shareholders of the Company in terms of applicable provisions of the Companies Act, 2013 read with the Company's Remuneration Policy. The Company's Remuneration Policy forms part of the Directors' Report attached as part of this Annual Report.

Details of the remuneration paid to Mr. Mohit Talwar as Managing Director for the period from 1st April, 2016 to 31st March, 2017 are as under:

Description	Amount in ₹
Salary	78,46,404/-
Benefits (Perquisites)	49,92,313/-
Performance Incentive/special payments	48,75,200/-
Retirals	-
Service contract	5 years
Notice period	3 months
Stock options granted (in numbers)	25,394

The severance fee, if any, shall be payable to him as per the provisions of the Companies Act, 2013. The Variable Compensation/ Performance Incentive shall be paid to him basis his performance rating and company's performance within the limits approved by the shareholders of the Company.

In terms of the Scheme of Arrangement amongst Max Financial Services Limited (formerly Max India Limited), the Company (formerly Taurus Ventures Limited) and Max Ventures and Industries Limited (formerly Capricorn Ventures Limited) as sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh vide its Order dated 14th December, 2015, following directors were entitled to receive stock options, proportionate to the unvested stock options held by them in Max Financial Services Limited as of Effective Date:

- Mr. Rahul Khosla - 19,46,278 (Nineteen Lakh Forty Six Thousand Two Hundred and Seventy Eight)
- Mr. Mohit Talwar - 5,22,282 (Five Lakh Twenty Two Thousand Two Hundred and Eighty Two)

Further, during FY 2017, the Company granted 25,394 (Twenty Five Thousand Three hundred and Ninety Four) stock options to Mr. Mohit Talwar, Managing Director on 9th November, 2016 entitling him to receive 25,394 (Twenty Five Thousand Three hundred and Ninety Four) equity shares of ₹ 2/- (Rupees Two Only) at an exercise price of ₹ 2/- (Rupees Two Only) per equity share with a graded vesting over a four year period. No other Director was granted any stock options during FY 2017.

The performance evaluation procedure for Directors is detailed in the Board's Report attached as part of this Annual Report.

Stakeholders Relationship Committee

As on 31st March, 2017, this Committee comprised of Mr. Ashwani Windlass (Chairman), Mr. Ashok Kacker and Mr. Mohit Talwar. Key responsibilities of this Committee are formulation of procedures, in line with the statutory guidelines, for ensuring speedy disposal of various requests received from shareholders from time to time and redressal of shareholders' and investors' complaints/ grievances. The Committee also approves the transfer and transmission of securities; and issuance of duplicate certificates etc.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of the Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	04	04
Mr. Ashok Kacker	04	03
Mr. Mohit Talwar	04	04

Mr. V. Krishnan, Company Secretary is the designated Compliance Officer.

The Committee has delegated the authority to effect transfer and transmission of shares up to 1000 per folio to Company Secretary / Compliance Officer, and such transfers are subsequently ratified in next meeting of the Committee. The Company has normally attended to the Shareholders / Investors complaints within a period of 7 (seven) working days except in cases which were under legal proceedings/disputes. During the financial year ended 31st March, 2017, 2 (two) complaints/ queries were received by the Company, which were general in nature viz. (i) non receipt of shares after dematerialization and (ii) non-receipt of annual report, all of those were resolved to the satisfaction of the respective shareholders.

Investment & Finance Committee

As on 31st March, 2017, this Committee comprised of Mr. Ashwani Windlass (Chairman), Mr. Rahul Khosla, Mr. Ashok Kacker, Mrs. Tara Singh Vachani and Mohit Talwar. The responsibilities of this Committee are to review financial performance of businesses carried on by the Company and its subsidiary(ies), review and recommend revenue and capital budgets of the Company and its subsidiary(ies), review and recommend various fund raising options and financial resources allocation to Company's subsidiary(ies) and to review proposals on business restructuring, mergers, consolidations acquisitions, investments, establishment of joint ventures and divestments of any businesses, etc.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	04	04
Mr. Rahul Khosla	04	04
Mr. Ashok Kacker	04	04
Mrs. Tara Singh Vachani	04	03
Mr. Mohit Talwar	04	04
Mr. Sanjeev Kishen Mehra [#]	04	-
Ms. Lavanya Ashok @	04	-

[#] Ceased to be a member of the Committee effective 8th December, 2016

@ Ms. Lavanya Ashok was Alternate Director to Mr. Sanjeev Kishen Mehra and her position stood vacated on resignation of Mr. Mehra from the Board effective 8th December, 2016.

Corporate Social Responsibility Committee

As on 31st March, 2017, this Committee comprised of Mr. Ashok Kacker, Prof. Dipankar Gupta and Mr. D.K. Mittal. The responsibilities of this Committee are as enshrined in the Companies Act, 2013 read with Company's CSR Policy, as amended from time to time. The Committee met once during the year ended 31st March, 2017.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. Ashok Kacker	01	01
Prof. Dipankar Gupta	01	01
Mr. D.K. Mittal	01	-

Separate meeting of Independent Directors

During the year under review, the Independent Directors had a separate meeting on 8th August, 2016 whereat the following agenda items were considered, in terms of applicable Regulations:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole;
- Evaluation of the performance of Chairperson of the Company; and
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board.

Further, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at the following link of website of the Company www.maxindia.com/wp-content/uploads/2017/04/Details-of-familiarisation-programmes-for-Independent-Directors.pdf

ANNUAL GENERAL MEETING

The first Annual General Meeting (AGM) of the Company was held at the Registered Office of the Company at 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533.

The details of first AGM held and special resolutions passed by the shareholders at the said AGM are as under:

Financial Year ended	Date & Time	Special Resolutions passed
31st March, 2016	27th September, 2016 11:30 AM	<ul style="list-style-type: none"> Approval for appointment of Mr. Mohit Talwar as Managing Director of the Company for a period of five years from 15th January, 2016 upto 14th January, 2021 and approval for the payment of the remuneration to him for initial period of three years from 15th January, 2016 upto 14th January, 2019. Approval for "Max India Employee Stock Plan – 2016".

POSTAL BALLOT AND POSTAL BALLOT PROCESS

During FY 2017, the Company had passed a resolution through postal ballot process and the result of the same was declared on 27th September, 2016. The details of the said postal ballot processes are under:

Process followed for passing resolution passed through postal ballot process:

The Company appointed Mr. Sanjay Grover, a Practicing Company Secretary with his office at B-88, 1st Floor, Defence Colony, New Delhi as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The Company issued the postal ballot notice dated August 19, 2016 for proposing an Ordinary Resolution for seeking in-principle approval of the shareholder of the Company to the Composite Scheme of Amalgamation and Arrangement ("Scheme") involving (i) amalgamation of Max Life Insurance Company Limited into and with Max Financial Services Limited (the resultant entity being referred to as "MergeCo"); (ii) demerger of the undertaking pertaining to the insurance business from MergeCo and transfer of the same to HDFC Standard Life Insurance Company Limited; and (iii) amalgamation of the remaining MergeCo into and with the Company, in accordance with and on the terms and conditions as stated in the Scheme.

The draft resolution together with the explanatory statement and postal ballot form and self addressed envelopes were sent to the members through courier and the dispatch of the same was completed on 24th August, 2016 with a request to return the duly completed form to the Scrutinizer on or before 24th September, 2016.

The Company also offered e-voting facility as an alternate option to its shareholders to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. After due scrutiny of all the Postal Ballot Forms/e-voting received up to the close of the working hours of 24th September, 2016, the Scrutinizer submitted his report on 26th September, 2016.

The results of the postal ballots were declared on 27th September, 2016 at the Registered Office of the Company at Punjab. The results were also informed to the BSE Limited (the BSE) and National Stock Exchange of India Limited (the NSE), where the Company's shares are listed and made accessible on Company's website at www.maxindia.com/wp-content/uploads/2016/09/MIL-Voting-Result-Reg443.pdf

A summary of the valid votes casted through postal ballot/ e-voting for the above mentioned Ordinary Resolution is as under:

Particulars	Number of Valid Votes			
	Postal Ballot	e-Votes	Total	Percentage
Assent	3,83,266	8,84,26,905	8,88,10,171	93.30493
Dissent	12,395	63,60,154	63,72,549	06.69507
Total	3,95,661	9,47,87,059	9,51,82,720	100.0000

The aforesaid resolution shall not be acted upon as the parties decided to call off the merger proposal.

No resolution requiring postal ballot as required by the Companies (Management and Administration) Rules, 2014, is proposed to be placed for the shareholders' approval at the Annual General Meeting scheduled on 26th September, 2017.

MEANS OF COMMUNICATION

Timely disclosure of reliable information and corporate financial performance is the core of good Corporate Governance. Towards this direction, the quarterly / annual results of the Company were announced within the prescribed period and published in Economic Times, Mint and Desh Sewak. The results can also be accessed on the Company's website www.maxindia.com. The official news releases and the presentations made to the investors / analysts are also displayed on the Company's website. The Company made presentations to financial analysts and institutional investors after the quarterly/ annual financial results were approved by the Board.

DISCLOSURES

(a) Related party transactions

There are no materially significant related party transactions with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with related parties, which is available at the following link on the website of the Company www.maxindia.com/shareholder-information/Transactions entered with the related parties are disclosed in Notes to the financial statements in the Annual Report.

(b) Compliance by the Company

The Company has complied with all the mandatory requirements of the Listing Agreement entered into with the stock exchanges, Listing Regulations, SEBI and other statutory authorities on all matters relating to capital markets since the date of its listing on Stock Exchanges. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI, or any other statutory authorities on any matter relating to capital markets since its listing.

(c) Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy/ Vigil Mechanism and has established the necessary mechanism for directors/ employees to report concerns about unethical behavior. The policy provides adequate safeguards against victimization of directors/ employees. It is hereby affirmed that no person has been denied access to the Chairman of the Audit Committee on matters relating to Whistle Blower Policy of the Company.

(d) Disclosure of commodity price risk and commodity hedging activities,

As the Company is holding investments in group entities and provide management services to group entities which are all operating in India, there is no foreign exchange exposure. Hence, the said disclosure is not applicable to the Company.

(e) Disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

SUBSIDIARY COMPANY

The Company has no material unlisted subsidiary company during the year 2016-17. The Company has formulated a policy for determining 'material subsidiaries' which is disclosed at the following link on the website of the Company www.maxindia.com/shareholder-information/

GENERAL SHAREHOLDER INFORMATION

A section on the 'General Shareholder Information' is annexed, and forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

A section on the 'Management Discussion & Analysis' is annexed and forms part of this Annual Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The certification by the Managing Director and Chief Financial Officer of the Company, in compliance of Regulation 17(8) read with Part B, Schedule II of the Listing Regulations, is enclosed as Annexure II.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations and the said certificate is annexed to the Report as Annexure-III.

DISCLOSURE ON NON-MANDATORY REQUIREMENTS

The Company has duly complied with all the mandatory requirements under Listing Regulations and the status of compliance with the non-mandatory recommendations under Part E of Schedule II of the Listing Regulations is given below:

Shareholders' Rights:

The quarterly, half-yearly and annual financial results of the Company are published in newspapers and also posted on the Company's website.

Audit Qualification:

It has always been the Company's endeavor to present unqualified financial statements. There is no audit qualification in respect of financial statements of the Company for FY 2017.

Separate posts of Chairman and CEO

The Company has separate persons to the post of Chairman and Managing Director. Mr. Rahul Khosla, a Non Executive Director is the Chairman and Mr. Mohit Talwar is the Managing Director of the Company.

Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee, which defines the scope of Internal Audit.

For **Max India Limited**
(formerly Taurus Ventures Limited)

Rahul Khosla
Chairman

Place: New Delhi
Date : August 11, 2017

ANNEXURE - I

DECLARATION BY THE MANAGING DIRECTOR ON CODE OF CONDUCT AS REQUIRED BY REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to declare and confirm that the Company has received affirmations of compliance with the provisions of Company's Code of Conduct for the financial year ended 31st March, 2017 from all Directors and Senior Management personnel of the Company.

For **Max India Limited**
(formerly Taurus Ventures Limited)

Mohit Talwar
Managing Director

Place: New Delhi
Date : August 11, 2017

ANNEXURE - II

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To
**The Board of Directors,
Max India Limited,
(Formerly Taurus Ventures Limited)**

We, Mohit Talwar, Managing Director and Jatin Khanna, Chief Financial Officer of Max India Limited (Formerly Taurus Ventures Limited) ("the Company") certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading; and
 - (b) 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 Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever 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; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Max India Limited**
(formerly Taurus Ventures Limited)

Place: New Delhi
Date : August 11, 2017

Mohit Talwar
Managing Director

Jatin Khanna
Chief Financial Officer

ANNEXURE - III

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Max India Limited
(Formerly Taurus Ventures Limited)

We have examined the compliance of regulations of Corporate Governance by Max India Limited (Formerly Taurus Ventures Limited) (hereinafter referred to as "the Company"), for the year ended March 31, 2017 as stipulated in Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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

Sanjay Grover
Managing Partner
CP No.: 3850

Place: New Delhi
Date : August 11, 2017



GENERAL SHAREHOLDER INFORMATION

GENERAL SHAREHOLDER INFORMATION

REGISTERED OFFICE:

419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab- 144 533.

INVESTOR HELPLINE:

Max House, 1, Dr. Jha Marg, Okhla,
Phase III, New Delhi-110 020
Phone-011 42598000, Fax-011 26324126
e-mail: investorhelpline@maxindia.com

SHARE TRANSFER AGENT:

Mas Services Limited,
T-34, 2nd Floor,
Okhla Industrial Area, Phase - II
New Delhi-110 020,
Tel-011 26387281/82/83, Fax-011 26387384
e-mail: info@masserv.com

ANNUAL GENERAL MEETING:

Date and Time: Tuesday, 26th September, 2017 at 1130 hrs.

Venue: Registered Office of the Company at 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144 533.

Book Closure: Wednesday, 20th September, 2017 to Tuesday, 26th September, 2017 (both days inclusive)

Financial Year: The financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

FINANCIAL CALENDAR – 2017-18:

1	First quarter results	on 11th August, 2017
2	Second quarter & half yearly results	By 14th November, 2017
3	Third quarter results	By 14th February, 2018
4	Annual results	By 30th May, 2018

LISTING ON STOCK EXCHANGES:

The Equity Shares of the Company were listed on the following Stock Exchanges w.e.f. 14th July, 2016:

BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Limited ('NSE') "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
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The Company confirms that it has paid annual listing fees due to BSE and NSE for FY 2017-18.

CONNECTIVITY WITH DEPOSITORIES:

The Company's shares are in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

STOCK CODE:

BSE	539981
NSE	MAXINDIA
Demat ISIN No. for NSDL and CDSL	INE153U01017

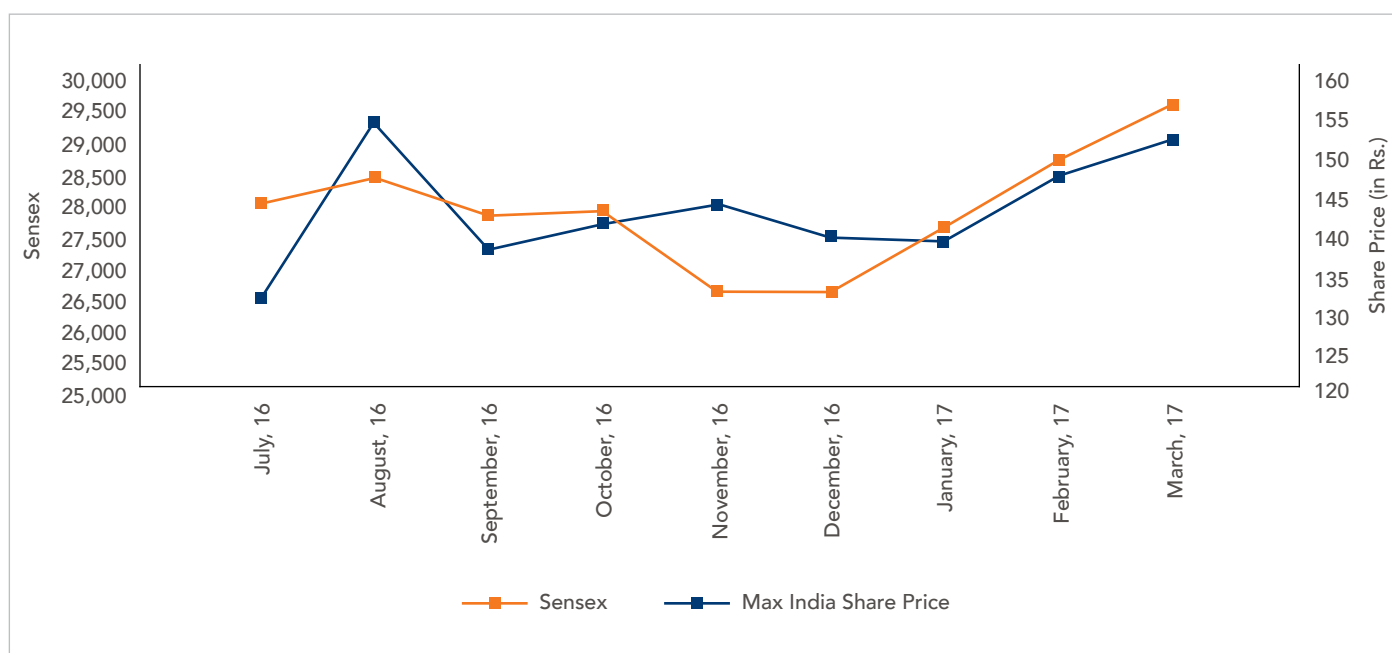
	Reuters	Bloomberg
BSE	MAXI.BO	MAXF:IN
NSE	MAXI.NS	NMAX:IN

MONTHLY HIGH AND LOW QUOTATION ON BSE LTD. (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
*July, 16	180.00	125.80	199.95	129.50
August, 16	167.50	119.05	167.00	119.20
September, 16	155.75	133.35	155.40	133.05
October, 16	145.05	135.70	144.40	135.60
November, 16	151.00	120.00	150.10	122.60
December, 16	146.90	137.30	147.20	137.50
January, 17	144.50	138.15	144.85	138.75
February, 17	164.40	139.50	164.30	139.40
March, 17	156.60	145.55	156.10	146.40

* The equity shares of the Company were listed on BSE Limited and National Stock Exchange respectively on 14th July, 2016. Therefore, the requisite information is presented from July 2016, onwards.

Share Price Vs Sensex



The equity shares of the Company were listed on stock exchanges on 14th July, 2016.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:

Category	No. of shares held %	% of shareholding
Promoters	10,99,55,098	41.14
Mutual Funds and UTI	5,40,34,531	20.22
Banks and Financial Institutions	1,82,513	0.07
Insurance Companies	45,750	0.02
Foreign Institutional Investors	2,37,07,762	8.87
Foreign Portfolio Investors	3,37,31,499	12.62
Foreign Direct Investment	2,54,22,763	9.51
Bodies Corporate	22,40,291	0.84
Non-resident Indians/ Overseas Corporate Bodies	7,67,437	0.29
Clearing Members	2,69,458	0.10
Resident Individuals	1,69,11,547	6.32
Trusts	1,400	0.00
Total	26,72,70,04	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:

No. of Shareholders	Percentage of Total Shareholders	Shareholdings	No. of shares	Percentage to Total Shares
36,466	97.18	1 to 5,000	96,72,211	3.62
504	1.34	5,001 to 10,000	18,73,349	0.70
224	0.60	10,001 to 20,000	16,38,883	0.61
68	0.18	20,001 to 30,000	8,55,044	0.32
30	0.08	30,001 to 40,000	5,41,102	0.20
24	0.07	40,001 to 50,000	5,49,367	0.21
65	0.17	50,001 to 1,00,000	23,76,978	0.89
144	0.38	1,00,001 – Above	24,97,63,115	93.45
37,525	100	Total	26,72,70,049	100.00

DEMATERIALISATION STATUS AS ON 31ST MARCH, 2017:

- (i) Shareholding in dematerialised mode 99.16%
- (ii) Shareholding in physical mode 0.84%

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a practicing Company Secretary carries out the Reconciliation of Share Capital Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid-up capital. The audit report, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED MODE

Shareholders holding shares in dematerialised mode are requested to intimate all changes with respect to bank details, mandate, nomination, power of attorney, change of address, change of name etc. to their depository participant (DP). These changes will be reflected in the Company's records on the downloading of information from Depositories, which will help the Company provide better service to its shareholders.

SHARE TRANSFER SYSTEM

In respect of shares upto 1,000 per folio, transfers are effected on a weekly basis. For others, the transfers are effected within limits prescribed by law. The average turnaround time for processing registration of transfers is 15 days from the date of receipt of requests. The processing activities with respect to requests received for dematerialisation are completed within 7 - 10 days.

DIVIDEND

The Company has not declared any dividend for the current financial year.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

There were no outstanding GDRs/ADRs/Warrants or any Convertible instruments as on 31st March, 2017. However, on 20th June, 2017, the Company has issued and allotted 1,93,84,854 Convertible Warrants on preferential basis to Mohair Investment And Trading Company Private Limited, an entity belonged to the Promoter Group, in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009 and such warrants are convertible into equal number of equity shares of 2/- each within eighteen months from the date of their allotment. After conversion of all

these Warrants, the Promoter's shareholding will increase from existing 41.14% to 45.12%.

PLANT LOCATIONS: The Company doesn't carry any manufacturing activity. Hence, this is not applicable.

COMMUNICATION OF FINANCIAL RESULTS

The unaudited quarterly financial results and the audited annual accounts are normally published in the Financial Express/Desh Sewak. The financial results, press releases and presentations etc. are regularly displayed on the Company's website- www.maxindia.com

ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

Investors and shareholders can correspond with the office of the share transfer agent of the Company or the Corporate Office of the Company at the following addresses:

Mas Services Limited (Registrar & Share Transfer Agent)

T-34, 2nd Floor
Okhla Industrial Area, Phase – II
New Delhi – 110 020

Contact Person

Mr. Sharwan Mangla
Tel No.: -011-26387281/82/83
Fax No.: - 011 – 26387384
e-mail : info@masserv.com

Max India Limited (Corporate Office)

Secretarial Department
Max House, 1, Dr. Jha Marg
Okhla Industrial Area, Phase – III
New Delhi – 110 020

Company Secretary and Compliance Officer

Mr. V. Krishnan
Tel. No.: - 011-42598000
Fax No.: - 011-26324126
e-mail:- vkrishnan@maxindia.com

Please visit us at www.maxindia.com for financial and other information about your Company

For **Max India Limited**
(formerly Taurus Ventures Limited)

Place: New Delhi
Date: August 11, 2017

Rahul Khosla
Chairman



FINANCIAL REVIEW

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the second Board's Report of Max India Limited ('the Company') along with the audited Statement of Accounts for the financial year ended March 31, 2017. This Board's report is prepared on the basis of standalone financial statements of the Company for the year ended March 31, 2017.

Standalone Results

The highlights of the stand-alone financial results of your Company along with previous year's figures are as under:

Particulars	(Rs. in Crore)	
	For the financial year ended March 31, 2017	For the period from January 1, 2015 to March 31, 2016
Income		
Revenue from operations	51.63	68.14
Other income	0.05	0.01
Total revenue (I)	51.68	68.15
Expenditure		
Employee benefits expense	24.04	22.51
Depreciation & Amortisation	0.80	0.73
Other expenses	26.29	22.28
Total expenses (II)	51.13	45.52
Profit/(Loss) before tax	0.55	22.63
Tax expense	3.13	8.29
Profit/(Loss) After Tax	(2.58)	14.34

Your Company is primarily engaged in business of making investments in its subsidiaries and joint ventures and accordingly in terms of extant RBI guidelines, your Company is a Core Investment Company ("CIC") with financial income exceeding 50% of its total income and financial assets (investments in securities etc.) exceeding 50% of the total assets. However, it does not meet the criteria stipulated by RBI for registration as a Systemically Important CIC under Section 45-IA of RBI Act, 1934.

Consolidated Results

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 27 on Financial Reporting of Interests in Joint Ventures/ subsidiaries/ step down subsidiaries, the audited consolidated financial statements are provided as part of this Annual Report.

The highlights of the consolidated financial results of your Company and its subsidiary(ies) are as under:

	(Rs. in Crore)	
	For the financial year ended March 31, 2017	For the period from January 1, 2015 to March 31, 2016
Income		
Net Sales	68.13	67.31
Service Income	1278.75	1044.41
Other operating revenue and investment income	82.56	100.15
Other Income	24.38	15.63
Total Revenue (I)	1453.82	1227.50
Expenses		
Purchase of pharmacy and pharmaceuticals supplies	194.46	185.70
(Increase)/ decrease in inventories of work-in-progress, finished goods and traded goods	(0.01)	(1.23)
Employee benefits expense	348.78	319.33

	For the financial year ended March 31, 2017	For the period from January 1, 2015 to March 31, 2016
Claims and other benefits payout	278.56	232.67
Other expenses	563.43	482.90
Depreciation & Amortisation	58.80	55.54
Financial Cost	52.70	40.96
Total Expenses (II)	1496.72	1315.87
Profit /(Loss) Before Tax (I-II)	(42.90)	(88.37)
Tax Expense	3.25	10.20
Profit / (Loss) After Tax	(46.15)	(98.57)
Minority Interest	(0.05)	17.83
Profit/(Loss) after tax (after adjusting Minority Interest)	(46.20)	(80.74)

Share Capital

The Authorized share capital of the Company as on March 31, 2017 was Rs. 60,00,00,000/- (Rupees Sixty Crores only) comprising of 30,00,00,000 equity shares of Rs. 2/- each.

During the year under review, pursuant to the provisions of the Composite Scheme of Arrangement and the order of the Hon'ble High Court of Punjab and Haryana dated December 14, 2015 ('Order') sanctioning the Composite Scheme of Arrangement involving Max Financial Services Limited (formerly Max India Limited) (MFSL), Max India Limited (formerly Taurus Ventures Limited) (the 'Company') and Max Ventures and Industries Limited (formerly Capricorn Ventures Limited), your Company had issued and allotted a total of 266,983,999 equity shares on May 14, 2016, in the ratio of 1 (one) equity share of Rs. 2/- each fully paid up of the Company for every 1 (one) equity share of Rs. 2/- each fully paid up, held by the shareholders in MFSL on January 28, 2016 (record date) and the initial issued, subscribed and paid up share capital of Rs. 500,000/- (Rupees Five Lakhs only) which was subscribed by the MFSL and its nominees was cancelled, in terms of the Composite Scheme of Arrangement.

Following the allotment of share as per the aforesaid Composite Scheme of Arrangement, the shares of the Company were listed with NSE and BSE effective July 14, 2016.

During the year under review, 2,86,050 equity shares of Rs.2/- each were allotted for cash under the 'Max India Employee Stock Plan 2016'.

The Paid up capital of the Company as on March 31, 2017 was Rs. 53,45,40,098/- (Rupees Fifty three crores forty five lacs forty thousand and ninety eight only) comprising of 26,72,70,049 equity shares of Rs. 2 each.

Further, your Company allotted 9,20,400 equity shares of Rs.2/- each for cash under the aforesaid Stock Plan post March 31, 2017 till the date of the Directors' report i.e. August 11, 2017

Employee Stock Option Plan

Your Company has adopted an employee stock option plan viz. 'Max India Employee Stock Plan 2016' ('2016 Plan') at its first Annual General Meeting held on September 27, 2016. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees and Directors of the Company. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

Pursuant to the Composite Scheme of Arrangement, the stock option-holders of MFSL received 25,03,560 stock options of the Company in proportion to the options held by them in MFSL with similar vesting schedule.

There is no change in the 2016 plan during the financial year under review. The 2016 plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

As required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the applicable disclosures as on March 31, 2017 are available on the Company's website at <https://goo.gl/wDNBZ8>

Extracts of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2017 forms part of this report as **Annexure 1**.

Subsidiaries, Associates and Joint Ventures

As of March 31, 2017, your Company had 9 subsidiaries and 1 Associate Company out of which the Company directly owns 100% of the share capital in 4 subsidiaries and 100% of the share capital in 3 subsidiaries, on a pass through basis. The basic details of these companies form part of the extracts of Annual Return given in '**Annexure-1**'.

Form AOC-1 containing the salient features of financial statements of the Company's subsidiaries and associates is attached as '**Annexure - 2**'.

During the year under review, your Company made further investments of Rs. 38.5 crore in Antara Senior Living Limited by subscribing to 8,50,000 Compulsory Convertible Preference Shares (CCPS) of Rs.100/- each. Further, your Directors approved an additional investment of Rs. 60 crore in CCPS of Antara Senior Living Limited as of the date of this report.

The Company is in the process of acquiring 2,01,49,399 equity shares of Rs. 10/- each held by International Finance Corporation, (IFC) USA in Max Healthcare Institute Limited (representing 3.75% equity stake in Max Healthcare) for a consideration of Rs. 105/- per equity share for an aggregate consideration of Rs. 211.57 crores. Post the aforesaid acquisition, both the Company and Life Healthcare, the JV partner will hold equal shareholding of 49.70%

in the paid up capital of Max Healthcare.

Subject to the shareholders approval, your Directors also approved issuance of 193,84,854 Convertible Warrants at an issue price of Rs.154.76 per warrant to Mohair Investment and Trading Company Private Limited, an entity forming part of the Promoter Group for an aggregate amount of Rs.300 crores.

Upon receipt of shareholders' approval at the Extraordinary General Meeting held on June 10, 2017, your Company allotted 193,84,854 Convertible Warrants on June 20, 2017 at an issue price of Rs. 154.76 per warrant to Mohair Investment and Trading Company Private Limited on receipt of 25% of the warrant subscription amount, i.e., Rs. 75 crore. The balance amount of Rs. 225 crore will be paid by the warrant holder at any time before the allotment of equity shares pursuant to conversion of warrants, i.e., on or before December 19, 2018.

Further, a detailed update on the business achievements of your Company's key operating subsidiaries is furnished as part of Management Discussion and Analysis section which forms part of the Report.

As provided in Section 136 of the Act, the financial statements and other documents of the subsidiary companies are not being attached with the financial statements of the Company. The complete set of financial statements including financial statements of the subsidiary of the Company is available on our website www.maxindia.com. These documents will also be available for inspection during business hours at the registered office of the Company and shall also be made available to the shareholders of the Company in hard copy, on demand.

Dividend

In view of losses, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2017, on the Equity Share Capital of the Company.

Transfer to Reserves

The Company has not transferred any amount to the General Reserves for the financial year ended March 31, 2017.

Directors

As on March 31, 2017, the Board of Directors comprised of 7 (seven) members with 1 (one) Executive Director and 6 (six) Non-Executive Directors of which 3 (three) are Independent. Mr. Rahul Khosla, Chairman of the Company is a Non Executive-Non Independent Director.

During the year under review, the following changes took place on the Board:

- Mr. N.C. Singhal, an Independent Director retired from the Board of Directors of the Company effective August 10, 2016.
- Mr. Sanjeev Mehra resigned from the Board of the Company effective December 8, 2016. Simultaneously, the position held by Ms. Lavanya Ashok as an Alternate Director to Mr. Sanjeev Mehra on the Board of the Company stood vacated.
- Mr. Dinesh Kumar Mittal was appointed as an Additional Director holding the position of Independent Director on the Board of the Company effective November 9, 2017. The

term of office of Mr. Mittal expires on the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Act from a member proposing the candidature of Mr. Dinesh Kumar Mittal (as a non-executive independent director) for being appointed as Director of the Company. The Board of Directors recommends his appointment as an Independent Director to the shareholders of the Company.

Your Directors places their deep appreciation for the valuable contributions made by Mr. N.C. Singhal, Mr. Sanjeev Kishen Mehra and Ms. Lavanya Ashok during their association with the Company.

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Rahul Khosla and Mrs. Tara Singh Vachani are liable to retire by rotation at the ensuing Annual General Meeting. Mr. Rahul Khosla and Mrs. Tara Singh Vachani being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting.

Brief profiles of these directors are annexed to the Notice convening Annual General Meeting forming part of this Annual Report.

The Board met six times during the financial year 2016-17:

S.No.	Date	Board Strength	No. of Directors Present at the meeting
1	May 14, 2016	8	3
2	May 25, 2016	8	7
3	August 8, 2016	8	7
4	November 9, 2016	7	6
5	February 13, 2017	7	5
6	March 27, 2017	7	4

The details regarding number of meetings attended by each Director during the year under review are part of the information furnished in the Corporate Governance Report attached as part of this Annual Report.

Statement of Declaration by Independent Directors

In terms of Section 149(6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received declaration of Independence from its independent directors.

Committees of the Board of Directors

The Company has the following committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. Details of these committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report.

1. Audit Committee:

The Audit Committee met four times during the financial year 2016-17, viz. on May 25, 2016, August 8, 2016, November 9, 2016 and February 10, 2017. The Committee as on March 31, 2017 consisted of Mr. Ashok Kacker (Chairman), Prof. Dipankar Gupta, Mr. Dinesh Kumar Mittal and Mr. Mohit Talwar.

2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met three times during the financial year 2016-17, viz. on August 8, 2016, November 9, 2016 and March 27, 2017. The Committee as on March 31, 2017 consisted of Mr. Ashok Kacker (Chairman), Prof. Dipankar Gupta and Mr. Rahul Khosla.

3. Investment & Finance Committee:

The Committee met four times during the financial year 2016-17, viz. on May 25, 2016, August 8, 2016, November 9, 2016 and February 13, 2017. The Committee as on March 31, 2017 consisted of Mr. Ashwani Windlass (Chairman), Mr. Rahul Khosla, Mr. Ashok Kacker, Mrs. Tara Singh Vachani and Mr. Mohit Talwar.

4. Corporate Social Responsibility Committee:

The Committee met once during the financial year 2016-17, viz. on November 9, 2017. The Committee as on March 31, 2017 consisted of Mr. Ashok Kacker, Prof. Dipankar Gupta and Mr. Dinesh Kumar Mittal.

5. Stakeholders Relationship Committee:

The Committee met four times during the financial year 2016-17, viz. on August 8, 2016, September 22, 2016, November 9, 2016 and February 10, 2017. The committee as on March 31, 2017 consisted of Mr. Ashwani Windlass (Chairman), Mr. Ashok Kacker and Mr. Mohit Talwar.

6. Committee of Independent Directors:

The Committee of Independent Directors as on March 31, 2017 consisted of Mr. Ashok Kacker, Prof. Dipankar Gupta and Mr. Dinesh Kumar Mittal. The Independent Directors had a separate meeting on August 8, 2016 during the financial year 2016-17.

Later, the Independent Directors also had another separate meeting on August 11, 2017 for the Board evaluation for FY 2016-17. The meeting was conducted to:

- Review the performance of non-independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors and;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation of the Board

As per the requirements of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formal Annual Evaluation process has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors including Chairperson.

The performance evaluation was carried out by obtaining feedback from all Directors through a confidential online survey mechanism through Diligent, a secured electronic medium through which the Company interfaces with its Directors. The

outcome of this performance evaluation was placed before the Nomination and Remuneration Committee and Independent Directors' Committee meetings and the Board meeting for the consideration of the members.

The review concluded by affirming that the Board as a whole as well as its Chairman, all of its members, individually and the Committees of the Board continued to display commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in overall growth of the organization.

Key Managerial Personnel

In terms of the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Mohit Talwar- Managing Director, Mr. Jatin Khanna, Chief Financial Officer and Mr. V. Krishnan, Company Secretary are the Key Managerial Personnel (KMP) of the Company.

Nomination & Remuneration Committee Policy

In terms of the provisions of Section 134 (3)(e) of the Act, the Board of Directors on the recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided and the same is attached as "Annexure- 3" and is also available on our website www.maxindia.com.

Corporate Social Responsibility Policy (CSR policy)

In terms of the provisions of section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance report, which forms part of this report.

The Board of Directors has adopted a CSR policy as approved by the Corporate Social Responsibility Committee which is available on the website of the Company at www.maxindia.com. The CSR Policy comprises Vision and Mission Statement, philosophy and objectives. It also explains the governance structure along with clarity on each one's roles and responsibilities.

Details on CSR Activities are enclosed as "Annexure – 4" to this Report.

Human Resources

As on March 31, 2017, there were 53 employees on the rolls of the Company. The remuneration of our employees is competitive with the market and rewards high performers across levels. The remuneration to Directors, Key Managerial Personnel and Senior Management are a balance between fixed, incentive pay and long-term equity program based on the performance objectives appropriate to the working of the Company and its goals and is reviewed periodically and approved by the Nomination and Remuneration Committee of the Board.

Details pursuant to Section 197 (12) of the Act, read with the Rule 5(1) and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure-5(a)** and **Annexure-5(b)**.

Prevention of Sexual Harassment of Women at workplace

Your Company has requisite policy for prevention of Sexual Harassment of Women at workplace. The comprehensive policy ensures gender equality and the right to work with dignity. An Internal Complaints Committee (ICC) has been constituted as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case under the said Act was reported to the Committee during the year under review.

Loans, Guarantees or Investments in Securities

The Company has pursuant to the provisions of Section 186 of the Act given loans, made guarantees and investments during the year under review and the details of such loans, guarantees and investments are provided in Notes 31 to the financial statements of the Company for the FY 2016-17.

Management Discussion & Analysis

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a review of the performance of the Company, including those of your Company's subsidiary, is provided in the Management Discussion & Analysis section, which forms part of this Annual Report.

Report on Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required by the said Clause, a separate Report on Corporate Governance forms part of the Annual Report of the Company.

A certificate from M/s Sanjay Grover & Associates, Practicing Company Secretaries regarding compliance with the regulations of Corporate Governance pursuant to Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a certificate from the Managing Director and Chief Financial Officer on compliance of Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of the Corporate Governance Report.

Public Deposits

During the year under review, the Company has not accepted or renewed any deposits from the public

Contracts or Arrangements with Related Parties

All transactions entered by the Company during the financial year with related parties except as disclosed in Form-AOC-2 enclosed as Annexure-6 were in the ordinary course of business and on an arm's length basis. There is no material contract or arrangement in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of all the Related Party Transactions form part of note no. 27 to the financial statements attached to this Annual Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.maxindia.com

Statutory Auditors and Auditors' Report

Pursuant to Sections 139 & 142 of the Act, M/s S.R. Batliboi & Co., LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the first Annual General Meeting held on September 27, 2016 to hold office from the conclusion of first Annual General Meeting till the conclusion of the 5th Annual General Meeting of the Company to be held in the year 2020, subject to ratification of their appointment in every Annual General Meeting held during their tenure.

M/s S.R. Batliboi & Co., LLP, Statutory Auditors, have provided a certificate that their appointment, if ratified, will be in conformity with the provisions of Section 141 of Companies Act, 2013. The Board recommends the ratification of the appointment of M/s S.R. Batliboi & Co., LLP, Chartered Accountants as the Statutory Auditors of the Company.

There are no audit qualifications or reporting of fraud in the Statutory Auditors Report given by M/s S.R. Batliboi & Co., LLP, Statutory Auditors of the Company for the FY 2016-17 as annexed elsewhere in this Annual Report.

Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Act, your Company had appointed M/s Sanjay Grover and Associates, Practicing Company Secretaries, New Delhi as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the FY 2016-17. The Report of Secretarial Auditor for the Financial Year ended March 31, 2017 is annexed to this report as 'Annexure-7'.

There are no audit qualifications, reservations or any adverse remark in the said Secretarial Audit Report.

Internal Auditors

During the year under review, M/s MGC and KNAV, Global Risk Advisory LLP were appointed as Internal Auditors for conducting the Internal Audit of key functions and assessment of Internal Financial Controls etc.

Risk Management

Your Company considers that risk as an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Company management periodically assesses risks in the internal and external environment and incorporates suitable risk treatment processes in its strategy, and business and operating plans.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company. However, some of the challenges/risks faced by its key operating subsidiaries have been dealt in detail in the Management Discussion and Analysis section of respective companies forming part of this Annual Report. A copy of the same can also be accessed at Company's web-site www.maxindia.com.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. The Management have reviewed the existence of various risk-based controls in the

Company and also tested the key controls towards assurance for compliance for the present fiscal. Further, the testing of such controls shall also be carried out independently by the Statutory Auditors as mandated under the provisions of the Act.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company.

During the year under review, there were no instances of fraud reported by the auditors under section 143(12) of the Act to the Audit Committee or the Board of Directors.

Vigil Mechanism

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy has been adopted and is in place. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns raised and also that no discrimination will be meted out to any person for a genuinely raised concern in respect of any unethical and improper practices, fraud or violation of Company's Code of Conduct.

The said Policy covering all employees, Directors and other persons having association with the Company is hosted on the Company's website www.maxindia.com

A brief note on Vigil Mechanism/ Whistle Blower Policy is also provided in the Report on Corporate Governance, which forms part of the Annual Report 2016-17.

Particulars of Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo as stipulated under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is as follows:

a) Conservation of Energy

- (i) the steps taken or impact on conservation of energy: Regular efforts are made to conserve the energy through various means such as use of low energy consuming lightings, etc.
- (ii) the steps taken by the Company for using alternate sources of energy: Since your Company is not an energy intensive unit, utilization of alternate source of energy may not be feasible.
- (iii) Capital investment on energy conservation equipment : Nil

b) Technology Absorption

Your Company is not engaged in manufacturing activities, therefore there is no specific information to be furnished in this regard.

There was no expenditure incurred on Research and Development during the period under review.

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo are given below:

Total Foreign Exchange earned	: Nil
Total Foreign Exchange used	: Rs. 281.85 Lacs

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Act, it is hereby confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The Directors had 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;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material Changes Affecting Financial Position

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2017 and the date of the Directors' report i.e. August 11, 2017 except the annulment of the proposal of a composite scheme of amalgamation and arrangement amongst Max Financial Services Limited ("MFSL"), Max Life Insurance Company Limited ("Max Life"), HDFC Standard Life Insurance Company Limited ("HDFC Life") and the Company, and their respective shareholders and creditors ("Scheme"). The Scheme, as approved by the Board of Directors of the Company in August 2016, inter alia contemplated consolidation of the life insurance business of Max Life into HDFC Life and merger of residual MFSL into the Company.

The parties to the proposed Scheme had applied for various regulatory approvals. However, Insurance Regulatory and Development Authority of India (IRDAI) expressed certain reservations to the Scheme. The proposed Scheme and the applications filed in this regard with the Stock exchanges and other regulatory authorities were withdrawn on July 31, 2017.

Significant and material orders passed by the regulators or courts or tribunals

During the year under review, there were no such significant and material orders passed by the regulators or courts or tribunals which could impact the going concern status and company's operations in future.

Unclaimed Shares

In compliance with the Listing Regulations, 2015, the Company sent all three reminders to those shareholders whose certificates

had been returned undelivered and were lying with the Registrar and Transfer Agents of the Company.

Pursuant to the approval of the Board, these unclaimed shares were transferred to one folio in the name of "Unclaimed Suspense Account". Such shares shall be dematerialized into the Demat Account exclusively opened for the purpose of keeping these unclaimed shares. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

Acknowledgements

Your Directors would like to place on record their appreciation of the contribution made by its management and its employees who through their competence and commitment have enabled the Company to achieve impressive growth. Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, Financial Institutions and Banks, Shareholders, Joint Venture partners and all other business associates.

***On behalf of the Board of Directors
Max India Limited
(formerly Known as Taurus Ventures Limited)***

New Delhi
August 11, 2017

Rahul Khosla
Chairman
(DIN: 03597562)

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	L85100PB2015PLC039155
Registration Date	01-01-2015
Name of the Company	Max India Limited (formerly known as 'Taurus Ventures Limited')
Category/ Sub-category of the Company	Public Company Limited by Shares; Indian Non-Government Company
Address of the Registered office & Contact details	419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533 Phone : 01881-462000 Fax : 01881-273607 E-mail : investorhelpline@maxindia.com
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited T-34, 2 nd Floor, Okhla Industrial Area Phase – II, New Delhi – 110020 Phone : 011- 26387281/82/83 Fax : 011 – 26387384 E-mail : info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the business of investments and providing consultancy services to group companies. However, since it is primarily engaged only in one business segment viz, "Business Investment" and most of the operations are in India, there are no separate reportable segments as per Accounting Standard 17 prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Business Activities of the Company namely Management Consultancy (NIC Code: 70200) and Investing in Subsidiaries (NIC Code: 64200), respectively constitutes 39.08% and 60.92% of total turnover of the Company.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

As on March 31, 2017, the Company has following Subsidiaries and Associate Companies:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Max Bupa Health Insurance Company Limited Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.	U66000DL2008PLC182918	Subsidiary	51.00%	2 (87) of the Companies Act, 2013
2.	Antara Senior Living Limited Max House 1, Dr. Jha Marg, Okhla New Delhi – 110 020.	U74140DL2011PLC218781	Subsidiary	100%	2 (87) of the Companies Act, 2013
3.	Antara Purukul Senior Living Limited Antara Senior Living Guniyal Gaon, P.o. Sinola Dehradun, Dehradun, UR 248003	U74120UR1995PLC018283	Subsidiary	100%	2 (87) of the Companies Act, 2013
4.	Antara Gurgaon Senior Living Limited. Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.	U74140DL2012PLC244411	Subsidiary	100%	2 (87) of the Companies Act, 2013
5.	Pharmax Corporation Limited Bhai Mohan Singh Nagar Railmajra, Tehsil Balachaur, Dist. Nawanshahr Punjab – 144 533.	U24232PB1989PLC009741	Subsidiary	85.21%	2 (87) of the Companies Act, 2013

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6.	Max Skill First Limited (formerly Max Healthstaff International Limited) Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.	U85199DL2003PLC119249	Subsidiary	100%	2 (87) of the Companies Act, 2013
7.	Max One Distribution and Services Limited Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.	U74140DL2013PLC254577	Subsidiary	100%	2 (87) of the Companies Act, 2013
8.	Max Ateev Limited Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.	U74899DL1994PLC060700	Subsidiary	100%	2 (87) of the Companies Act, 2013
9.	Max UK Limited Coveham House, Downside Bridge Road Cobham, Surrey KT11 3EP, United Kingdom	NA	Subsidiary	100%	2 (87) of the Companies Act, 2013
10.	Max Healthcare Institute Limited Max House 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.	U72200DL2001PLC111313	Associate Company	45.95%	2 (6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	*6	6	0.00	@6287622	0	6287622	2.35	2.35
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	*249994	249994	100.00	@103667476	0	103667476	38.79	38.79
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	0	*250000	250000	100.00	109955098	0	109955098	41.14	41.14
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	@54028966	@5565	54034531	20.22	20.22
b) Banks / FI	-	-	-	-	@168063	@14450	182513	0.07	0.07
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	0	@45750	45750	0.02	0.02
g) FIs	-	-	-	-	@23707707	@55	23707762	8.87	8.87
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	-	-	-	-	@33731499	-	33731499	12.62	12.62
j) Others (specify) FDI	-	-	-	-	@25422763	-	25422763	9.51	9.51
Sub-total (B)(1):-	-	-	-	-	137058998	65820	137124818	51.31	51.31
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	@2172135	@68156	2240291	0.84	0.84
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	-	-	-	®13226556	®2075323	15301879	5.72	5.72
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	®1101362	0	1101362	0.41	0.41
c) Others (specify)									
Non Resident Indians	-	-	-	-	®730952	®35967	766919	0.29	0.29
Overseas Corporate Bodies	-	-	-	-	®518	0	518	0.00	0.00
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	®2684458	®1000	269458	0.10	0.10
Trusts	-	-	-	-	®1400	0	1400	0.00	0.00
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Directors & their relatives	-	-	-	-	®508306	0	508306	0.19	0.19
Sub-total (B)(2):-	-	-	-	-	18009687	2180446	20190133	7.55	7.55
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	155068685	2246266	157314951	58.86	58.86
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	250000	250000	100	265023783	2246266	267270049	100.00	100.00

@ Allotment of equity shares arising from Composite Scheme of Arrangement.

* Cancellation of existing share capital arising from Composite Scheme of Arrangement.

B) Shareholding of Promoter-

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2016]			Shareholding at the end of the year [As on 31-March-2017]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Max Financial Services Limited (formerly Max India Limited)	2,50,000	100.00	0.00	0	0.00	-	(100.00)
2	Mr. Analjit Singh	-	-	-	5879789	2.20	0.00	2.20
3	Mrs. Neelu Analjit Singh	-	-	-	100000	0.04	0.00	0.04
4	Ms. Piya Singh	-	-	-	110333	0.04	0.00	0.04
5	Mr. Veer Singh	-	-	-	100500	0.04	0.00	0.04
6	Ms. Tara Singh Vachani	-	-	-	100000	0.04	0.00	0.04
7	@Medicare Investment Ltd.	-	-	-	-	-	-	-
8	@Cheminvest Ltd.	-	-	-	-	-	-	-
9	Liquid Investment & Trading Co. P. Ltd	-	-	-	23818876	8.91	49.80	8.91
10	@Maxopp Investments Ltd.	-	-	-	-	-	-	-
11	Mohair Investment & Trading Co. (P) Ltd.	-	-	-	8086560	3.03	0.00	3.03
12	Boom Investments Pvt. Ltd.	-	-	-	5604010	2.10	30.33	2.10
13	@P V T Investment Ltd.	-	-	-	-	-	-	-
14	@Maxpak Investment Ltd.	-	-	-	-	-	-	-
15	@Pen Investments Ltd.	-	-	-	-	-	-	-
16	@Pivet Finances Ltd.	-	-	-	-	-	-	-
17	Max Ventures Investment Holdings Private Ltd.	-	-	-	66158030	24.75	19.92	24.75

Notes:

- (i) The persons/entities forming part of promoter and promoter group from S. No. (2) to (17) have been allotted equity shares on May 14, 2016 arising from Composite Scheme of Arrangement.
- (ii) During the year under review, entities prefixed with mark @ were merged into Max Ventures Investment Holdings Private Limited arising from Composite Scheme of Capital Reduction and Amalgamation sanctioned by the Hon'ble High Court of Delhi. The details of change in their shareholding from the date of allotment of shares till March 31, 2017 have been given in the next table.
- (iii) During the year under review, Boom Investment Private Limited merged with Mohair Investment and Trading Company Private Limited pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Delhi. However, transfer of shares in the demat account of Mohair Investment and Trading Company was reflected post March 31, 2017.

C) Change in Promoters' Shareholding (please specify, if there is no change)

S.N.	Particulars	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Max Financial Services Limited (formerly Max India Limited)				
	At the beginning of the year	2,50,000	100.00	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	(2,50,000)	100.00	-	-
	At the end of the year	-	-	0	0.00
2.	Mr. Analjit Singh				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	58,76,789	2.20	-	-
	At the end of the year	-	-	58,76,789	2.20
3.	Mrs. Neelu Analjit Singh				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	100000	0.04	-	-
	At the end of the year	-	-	100000	0.04
4.	Ms. Piya Singh				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	110333	0.04	-	-
	At the end of the year	-	-	110333	0.04
5.	Mr. Veer Singh				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	100500	0.04	-	-
	At the end of the year	-	-	100500	0.04
6.	Ms. Tara Singh Vachani				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	100000	0.04	-	-
	At the end of the year	-	-	100000	0.04
7.	Medicare Investment Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year *14.05.2016	11968340	4.48	-	-
	@30.09.2016	(11968340)	4.48	-	-
	At the end of the year	-	-	0	0.00

S.N.	Particulars	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Cheminvest Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	9971065	3.73	-	-
	@30.09.2016	(9971065)	3.73	-	-
	At the end of the year	-	-	0	0.00
9.	Liquid Investment & Trading Co. Pvt. Ltd				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	23818876	8.92	--	--
	At the end of the year	-	-	23818876	8.92
10.	Maxopp Investments Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	18844919	7.06	-	-
	@30.09.2016	(18844919)	7.06	-	-
	At the end of the year	-	-	0	0.00
11.	Mohair Investment & Trading Company Pvt. Ltd.				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	8086560	3.03	--	--
	At the end of the year	-	-	8086560	3.03
12.	Boom Investments Private Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	14.05.2016	5604010	2.10	-	-
	*At the end of the year	-	-	5604010	2.10
13.	PVT Investment Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	1547543	0.58	-	-
	@30.09.2016	(1547543)	0.58	-	-
	At the end of the year	-	-	0	0.00
14.	Maxpak Investment Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	558200	0.21	-	-
	@30.09.2016	(558200)	0.21	-	-
	At the end of the year	-	-	0	0.00
15.	Pen Investments Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	1881110	0.70	-	-
	@30.09.2016	(1881110)	0.70	-	-
	At the end of the year	-	-	0	0.00
16.	Pivet Finances Limited				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	1758374	0.66	-	-
	@30.09.2016	(1758374)	0.66	-	-
	At the end of the year	-	-	0	0.00

S.N.	Particulars	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17.	Max Ventures Investment Holdings Pvt Ltd				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	*14.05.2016	17546167	6.57	-	-
	@30.09.2016	4,65,29,551	17.43	6,40,75,718	24.00
	#18.10.2016 to 20.10.2016	14,55,000	0.54	6,55,30,718	24.54
	#20.02.2017	3,50,000	0.13	6,58,80,718	24.67
	#20.03.2017	1,37,312	0.05	6,60,18,030	24.72
	#29.03.2017	1,40,000	0.05	6,61,58,030	24.75
	At the end of the year	-	-	66158030	24.75

* Allotment of equity shares arising from the Composite Scheme of Arrangement.

^ Cancellation of existing equity shares arising from the Composite Scheme of Arrangement.

@ On account of Merger with Max Ventures Investment Holdings Private Limited.(Described in detail as a footnote in the preceding table)

Acquisition of equity shares from open market.

& As described in the footnote no.(iii) in the preceding table.

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the Year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Xenok Limited				
	At the beginning of the year	0	0	-	-
	*14.05.2016	24079700	9.02	-	-
	Increase / Decrease in Shareholding during the year				
	18.11.2016	(622344)	0.23	23457356	8.78
	25.11.2016	(1254089)	0.47	22203267	8.31
	02.12.2016	(401937)	1.50	21801330	8.16
	09.12.2016	(148356)	0.06	21652974	8.10
	16.12.2016	(1064846)	0.40	20588128	7.70
	23.12.2016	(189182)	0.07	20398946	7.63
	30.12.2016	(69055)	0.03	20329891	7.60
	06.01.2017	(50191)	0.01	20279700	7.59
	13.01.2017	(400000)	0.15	19879700	7.44
	27.01.2017	(548017)	0.21	19331683	7.23
	03.02.2017	(112269)	0.04	19219414	7.19
	17.02.2017	(260000)	0.10	18959414	7.09
	24.02.2017	(502500)	0.19	18456914	6.90
	10.03.2017	(93000)	0.03	18363914	6.87
	17.03.2017	(537500)	0.20	17826414	6.67
	24.03.2017	(364700)	0.14	17461714	6.53
	31.03.2017	(300000)	0.11	17161714	6.42
	At the end of the year	-	-	17161714	6.42
2.	WF Asian Reconnaissance Fund Limited				
	At the beginning of the year	0	0	-	-
	*14.05.2016	4844428	1.81	-	-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the Year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase / Decrease in Shareholding during the year				
	02.09.2016	896525	0.34	5740953	2.15
	20.09.2016	1714248	0.64	7455201	2.79
	23.09.2016	905663	0.34	8360864	3.13
	27.09.2016	545000	0.20	8905864	3.33
	16.12.2016	1254800	0.47	10160664	3.80
	At the end of the year	-	-	10160664	3.80
3.	International Finance Corporation				
	At the beginning of the year	0	0	-	-
	*14.05.2016	8261049	3.09	-	-
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	-	-	8261049	3.09
4.	GS Mace Holdings Limited				
	At the beginning of the year	0	0	-	-
	*14.05.2016	17196381	6.44	-	-
	Increase / Decrease in Shareholding during the year				
	27.09.2016	(63000)	0.02	17133381	6.41
	30.09.2016	(386783)	0.14	16746598	6.27
	07.10.2016	(557992)	0.21	16188606	6.06
	14.10.2016	(242225)	0.09	15946381	5.97
	21.10.2016	(4255)	0.00	15942126	5.97
	28.10.2016	(1076733)	0.41	14865393	5.56
	18.11.2016	(219012)	0.08	14646381	5.48
	25.11.2016	(565487)	0.21	14080894	5.27
	02.12.2016	(836469)	0.31	13244425	4.96
	09.12.2016	(498044)	0.19	12746381	4.77
	16.12.2016	(941812)	0.35	11804569	4.42
	23.12.2016	(58188)	0.02	11746381	4.39
	06.01.2017	(146808)	0.05	11599573	4.34
	13.01.2017	(643634)	0.24	10955939	4.10
	20.01.2017	(201103)	0.07	10754836	4.03
	27.01.2017	(448455)	0.17	10306381	3.86
	17.02.2017	(353500)	0.13	9952821	3.72
	24.02.2017	(530099)	0.20	9422782	3.52
	03.03.2017	(126652)	0.05	9296130	3.47
	10.03.2017	(209628)	0.08	9086502	3.40
	17.03.2017	(643258)	0.24	8443244	3.16
	24.03.2017	(478529)	0.18	7964715	2.98
	31.03.2017	(459257)	0.17	7505458	2.81
	At the end of the year	-	-	7505458	2.81
5.	Government of Singapore - E				
	At the beginning of the year	0	0	-	-
	*14.05.2016	987840	0.37	-	-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the Year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase / Decrease in Shareholding during the year				
	29.07.2016	1220000	0.46	2207840	0.83
	19.08.2016	229585	0.08	2437425	0.91
	16.09.2016	81372	0.03	2518797	0.94
	20.09.2016	187547	0.07	2706344	1.01
	23.09.2016	142000	0.05	2848344	1.06
	30.09.2016	500000	0.19	3348344	1.25
	07.10.2016	578838	0.22	3927182	1.47
	14.10.2016	200000	0.07	4127182	1.54
	21.10.2016	500000	0.19	4627182	1.73
	28.10.2016	504589	0.19	5131771	1.92
	04.11.2016	115526	0.04	5247297	1.96
	11.11.2016	105549	0.04	5352846	2.00
	18.11.2016	561256	0.21	5914102	2.21
	25.1.2016	218561	0.08	6132663	2.29
	09.12.2016	200000	0.07	6332663	2.36
	16.12.2016	233000	0.09	6565663	2.45
	23.12.2016	9131	0.00	6574794	2.45
	30.12.2016	66760	0.02	6641554	2.48
	At the end of the year	-	-	6641554	2.48
6.	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund				
	At the beginning of the year	0	0	-	-
	*14.05.2016	3578979	1.34	-	-
	Increase/Decrease in Shareholding during the year				
	29.07.2016	2000000	0.75	5578979	2.09
	At the end of the year	-	-	5578979	2.09
7.	New York Life Insurance Company				
	At the beginning of the year	0	0	-	-
	*14.05.2016	5154105	1.93	-	-
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year	-	-	5154105	1.93
8.	Nomura Singapore Limited				
	At the beginning of the year	0	0	-	-
	*14.05.2016	1500000	0.56	-	-
	Increase / Decrease in Shareholding during the year				
	29.07.2016	2050000	0.77	3550000	1.33
	07.10.2016	89535	0.03	3639535	1.36
	04.11.2016	(89535)	0.03	3550000	1.33
	11.11.2016	35878	0.01	3585878	1.34
	18.11.2016	802751	0.30	4388629	1.64
	09.12.2016	500000	0.19	4888629	1.83
	13.01.2017	130116	0.05	5018745	1.88
	03.03.2017	(2243)	0.00	5016502	1.88
	10.03.2017	795	0.00	5017297	1.88
	At the end of the year	-	-	5017297	1.88
9.	Reliance Capital Trustee Co. Ltd. A/C Reliance Pharma Fund				
	At the beginning of the year	0	0	-	-
	*14.05.2016	2000000	0.75	-	-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the Year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	Increase / Decrease in Shareholding during the year				
	21.10.2016	300000	0.11	2300000	0.86
	28.10.2016	1700000	0.64	4000000	1.50
	04.11.2016	100000	0.04	4100000	1.53
	At the end of the year	-	-	4100000	1.53
	Mirae Asset Emerging Bluechip Fund				
	At the beginning of the year	0	0	-	-
	*14.05.2016	586257	0.22	-	-
	Increase / Decrease in Shareholding during the year				
	29.07.2016	1566344	0.59	2152601	0.81
	25.11.2016	233333	0.09	2385934	0.90
	13.01.2017	375000	0.14	2760934	1.04
	24.02.2017	500000	0.19	3260934	1.22
	10.03.2017	150000	0.56	3410934	1.28
	At the end of the year	-	-	3410934	1.28

* Allotment of equity shares arising from the Composite Scheme of Arrangement.

E) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Mohit Talwar, Managing Director				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	@14.05.2016	1,40,106	0.05	-	-
	*19.10.2016	35,332	0.01	1,75,438	0.06
	#29.03.2017	(1,40,000)	0.05	35,438	0.01
	At the end of the year	-	-	35,438	0.01
2.	Mr. Rahul Khosla, Chairman				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	@14.05.2016	5,62,312	0.21	-	-
	# 27 & 28.09.20216	(75000)	0.03	4,87,312	0.18
	*19.10.2016	2,35,718	0.09	7,23,030	0.27
	#20.02.2017	(3,50,000)	0.13	3,73,030	0.14
	#20.03.2017	(1,37,312)	0.05	2,35,718	0.09
	At the end of the year	-	-	2,35,718	0.09
3.	Mr. Ashwani Windlass, Director				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year				
	@14.05.2016	1,62,850	0.06	-	-
	At the end of the year	-	-	1,62,850	0.06

Sl. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Mrs. Tara Singh Vachani, Director At the beginning of the year	0	0	-	-
	Increase/Decrease in Shareholding during the year @14.05.2016	100,000	0.04	-	-
	At the end of the year	-	-	100,000	0.04
5.	Mr. Jatin Khanna - CFO At the beginning of the year	0	0	-	-
	Increase/Decrease in Shareholding during the year @14.05.2016	6,750	0.00	-	-
	*19.10.2016	5,000	0.00	11,750	0.00
	At the end of the year	-	-	11,750	0.00
6.	Mr. V. Krishnan - CS At the beginning of the year	0	0	-	-
	Increase/Decrease in Shareholding during the year @14.05.2016	5,100	0.00	-	0
	*19.10.2016	5,000	0.00	10,100	0.00
	At the end of the year	-	-	10,100	0.00

@ Allotment of equity shares arising from Composite Scheme of Arrangement.

* Allotment of equity shares under ESOP.

Sale of equity shares through open market.

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. : NIL

	Secured Loans excluding deposits & Working Capital Limits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Mohit Talwar, MD	Total Amount (Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,27,21,604	1,27,21,604
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 except stock options	26,400	26,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option^	49,65,913	49,65,913
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- others, specify...		
5	Others:		
	- Company Contribution to PF	-	-
	- Medical Rembursements	-	-
	- Medical Insurance Premium	-	-
	- Personal Accident Insurance Premium	-	-
	Total (A)	1,77,13,917	1,77,13,917
	Ceiling as per the Act		NA

^ Perquisite value of stock options exercised during the year.

B. Remuneration (sitting fees) to other directors:

SN.	Particulars of Remuneration	Name of Directors								Total Amount (Rs.)
		Mr. Rahul Khosla (NED)	Mrs. Tara Singh Vachani (NED)	Mr. N.C. Singhal* (ID)	Dr. Dipankar Gupta (ID)	Mr. Ashok Kacker (ID)	Mr. Dinesh Kumar Mittal** (ID)	Mr. Ashwani Windlass (NED)	Mr. Sanjeev Mehra*** (NED)	
1	Independent Directors:									
	Fee for attending board committee meetings	--	--	6,00,000	13,00,000	22,00,000	2,00,000	--	--	43,00,000
	Commission	--	--	--	--	--	--	--	--	-
	Others, please specify	--	--	--	--	--	--	--	--	--
	Total (1)	--	--	6,00,000	13,00,000	22,00,000	2,00,000	--	--	43,00,000
2	Other Non-Executive Directors:									
	Fee for attending board committee meetings	12,00,000	6,00,000	--	--	--	--	12,00,000	--	30,00,000
	Commission	--	--	--	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--	--	--	--
	Total (2)	12,00,000	6,00,000	--	--	--	--	12,00,000	--	30,00,000
	Total (B)=(1+2)	--	--	--	--	--	--	--	--	--
	Total Remuneration	12,00,000	6,00,000	6,00,000	13,00,000	22,00,000	2,00,000	12,00,000	--	73,00,000

*ceased to be director w.e.f. August 10, 2016.

** appointed as director w.e.f. November 9, 2016.

***ceased to be director w.e.f. December 8, 2016.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

SI No.	Particulars of Remuneration	Name of MD/WTM/ Manager			Total Amount (Rs.)
		CEO	Mr. V. Krishnan CS	Mr. Jatin Khanna CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	83,29,692	71,37,407	1,54,67,099
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 except stock options	-	32,400	39,600	72,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option^	-	24,86,500	24,86,500	49,73,000
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others:				
	- Company Contribution to PF	-	3,73,401	3,04,320	6,77,721
	- Medical Remibursement		15,000	15,000	30,000
	- LTA		33,684	--	33,684
	- Medical Insurance Premium	-	49,065	49,065	98,130
	- Personal Accident Insurance Premium		450	450	900
	Total (A)	-	1,13,20,192	1,00,32,342	2,13,52,534

^ Perquisite value of stock options exercised during the year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

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

Part "A" - Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
(Amt in Rs Lacs)														
1	Max Bupa Health Insurance Co. Ltd.	31.03.2017	INR	92,600.00	(69,299.63)	72,596.23	49,295.86	62,764.27	59,677.24	(367.66)	-	(367.66)	-	5100%
2	Pharmax Corporation Ltd	31.03.2017	INR	2,055.92	704.64	2,980.36	219.80	1,391.03	444.22	41.77	101.33	(59.56)	-	85.17%
3	Max Ateev Limited	31.03.2017	INR	3,144.36	(3,833.17)	15.08	703.88	-	-	(2.47)	-	(2.47)	-	100.00%
4	Max Skill First Ltd	31.03.2017	INR	969.50	(1,706.29)	2,555.48	3,292.27	560.00	4,463.83	447.80	(26.86)	474.66	-	100.00%
5	Max One Distribution and Services Ltd	31.03.2017	INR	560.00	(544.70)	20.69	5.39	-	71.89	(3.12)	-	(3.12)	-	100.00%
6	Antara Senior Living Ltd	31.03.2017	INR	19,121.42	(2,867.85)	16,788.84	535.28	16,048.21	1,147.12	(432.44)	-	(432.44)	-	100.00%
7	Antara Purukul Senior Living Ltd	31.03.2017	INR	15,392.71	(13,159.86)	55,001.84	52,768.99	-	57.82	(3,439.79)	-	(3,439.79)	-	100.00%
8	Antara Gurgaon Senior Living Ltd	31.03.2017	INR	5.00	(2.03)	3.17	0.20	-	-	(0.47)	-	(0.47)	-	100.00%
9	Max UK Ltd	31.03.2017	GBP	213.00	(71.87)	160.97	19.84	-	126.71	11.60	2.31	9.29	-	100.00%

Part "B" - Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures		(Amt in Rs Lacs)	
(1) Latest audited Balance Sheet date		Max Healthcare Institute Ltd	
(2) Shares of Associates/Joint Ventures held by the company on the year end		31-Mar-17	
Amount of Investment in Associates/Joint Ventures		(246,848,537 equity shares of Rs. 10/- each fully paid-up	
Extend of Holding %		49,412.68	
(3) Description of how there is significant influence		45.95%	
(4) Reason why the associate/joint venture is not consolidated		Max India Ltd. holds 45.95% of share capital in Max Healthcare Institute Ltd.	
(5) Networth attributable to Shareholding as per latest audited Balance Sheet ^		NA	
(6) Profit/Loss for the year ^		53,621.29	
i. Considered in Consolidation		1,454.00	
ii. Not Considered in Consolidation		668.08	
1. Names of associates or joint ventures which are yet to commence operations		785.92	
2. Names of associates or joint ventures which have been liquidated or sold during the year		Nil	
^ As per MHIL Consolidated financials		Nil	

Annexure-3 to the Directors' Report

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")

Preamble

In terms of Section 178 of the Act, the Nomination & Remuneration Committee ("NRC") shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP") and other employees.

Appointment Criteria and Qualification

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the Company. For this purpose, the NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

Remuneration Policy

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act with respect to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

Objective

Attract, motivate, and retain key talent by enabling sustenance of a high performance culture with differentiated rewards for high performers who live by the values of the Company.

The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

Applicability

This Policy applies to full time employees of the Company including Senior Management and Executive Directors.

Guiding principle

Our compensation programs, practices and policies are reviewed and re-evaluated periodically.

Remuneration linked to level of job responsibility, individual performance and company performance

- At higher levels of responsibility where direct imprint on business results and strategy is higher an increasing proportion of pay will be linked to business performance and creation of shareholder value.
- Strong differentiation in fixed pay increases and variable pay for top performers
- With a view to balancing the twin objectives of pay-for-performance and retention, the programs would ensure retention and motivation of high performers

Balance long-term focus linked to shareholder value and short-term financial objectives.

- Equity-based remuneration would be higher for those at higher levels of responsibility and influence on long-term results
- Annual variable pay as a reward for achievement of short-term performance goals that support and ensure long-term success

Reflect value of job in the marketplace.

- Remain competitive with the pay of other employers who compete with us for talent in the relevant markets to attract and retain a highly skilled workforce
- **Fixed Pay increase** : Top performers would receive 1.5 to 2 times the increase awarded to performers who meet expectations
- **Annual Variable Pay** : Top performers would receive 2 times the rate of variable pay for performers who meet expectations
- **Award of Long Term Incentives / ESOPs** : Taking into account individual performance, potential, criticality of the role / individual for the Company, relative market worth & assessed retention value, inputs from the management team, the MD would recommend award of ESOPs

Performance Management & Remuneration

- Remuneration decisions are based on the outcomes of the annual performance review process, based on the G & M framework. The performance evaluation process has four key steps – Self Evaluation, Manager Evaluation, Potential / Readiness Assessment and Developmental Planning
- Performance is assessed at two levels – Goals (G Review) and Competencies (M Review)
- G Rating determines Variable Pay, M Rating determines Fixed Pay increase
- Performance ratings are normalized in cohorts to adhere to an overall normal distribution

Potential, Development & Readiness

- Performance Review, Career Aspirations - Feb. / March
 - Individual and manager discussions
- Multi rater feedback - July
 - Feedback for individuals using a 360 survey process once in 2 years
 - Annual Engagement survey providing feedback on organization and people managers
- Development Planning & Mid-year performance review - Sept.
 - Basis performance review discussions, inputs from Hogan assessment & 360 feedback
 - Organization wide Talent and Succession planning & review - Oct. / Nov.
 - In depth functional planning & review including inputs from 360, engagement survey, supervisor, peer feedback, development planning
 - Organization wide consolidation
- The above is a key input for the annual & long term strategic business planning in Dec./Jan.

Report on Corporate Social Responsibility (CSR) Activities

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.

The Board of Directors has adopted a CSR policy as recommended by the Corporate Social Responsibility Committee. The CSR Policy comprises Vision and Mission Statement, philosophy and objectives. It also explains the governance structure along with clarity on each one's roles and responsibilities. The same can be viewed at <https://goo.gl/wDNBZ8>

Under the said policy, the Company had proposed to undertake or contribute for the activities relating to community development, promotion of healthcare and education etc.

2. The Composition of the CSR Committee.

The CSR Committee as on March 31, 2017 comprised of independent directors, viz., Mr. Ashok Kacker, Prof. Dipankar Gupta and Mr. Dinesh Kumar Mittal.

3. Average net profit of the Company for last three financial years :

Rs.2263 Lakhs, being the first financial year of the Company ended March 31, 2016.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) :

Rs.45.26 Lakhs for the financial year ended March 31, 2017

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year : *Rs. 45.26 Lakhs*
 b) Amount unspent, if any: *Rs. 0.26 Lakhs*
 c) Manner in which the amount spent during the financial year is detailed below :

Sl. No	CSR project or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or Other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. Lakhs)	Amount spent on the projects or programs Sub-heads: (Rs. Lakhs) Direct expenditure on Project/ Programme	Cumulative expenditure upto to the reporting period Overheads	Amount spent: Direct or through implementing agency
1	Health Centre - Providing Medicines for health centre and its maintenance. -Cleanliness of surrounding area roads	Healthcare	Purkul Village-Dehradun, Uttarakhand	7.88	7.88	Nil	7.88 Max India Foundation
2	NGO work on Healthcare Platform - Nutrition for Village children at Purkal Youth Development Society, Dehradun, an English medium school for under privileged. - Support Raphael Centre expenditure for one month, Dehradun	Healthcare	Chandrothi Village, Dehradun Uttarakhand	21.00	21.00	Nil	21.00 Max India Foundation
3	Rural Development Projects: - Village Adoption by provision of Solar Street Lighting, Water purifier, Badminton court, Computer, TV, painting and stone work for Govt School	Rural Development for community	Chandrothi Village, Dehradun, Uttarakhand	16.12	16.12	Nil	16.12 Max India Foundation
TOTAL				45.00	45.00	Nil	45.00

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.:

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

CSR initiatives of the Company are on the focus areas approved by the Board benefitting the community. However, for the year ended March 31, 2017, being the second financial year of the Company, the company has embarked on the journey of ascertained CSR programs.

For this reason, during the year, the Company's spend on the CSR activities has remained at Rs. 45 Lakhs which was short by Rs.26,000/-, slightly lesser than the limits prescribed under the Companies Act, 2013 . The Company has carried forward the unspent amount to next financial year.

Moving forward, the Company will endeavor to spend the complete amount on CSR activities in accordance with applicable laws.

7. Responsibility statement:

The CSR Committee of Max India Limited, do confirm that the Company has implemented and monitored the CSR policy in compliance with its CSR objectives.

Mohit Talwar
Managing Director

Ashok Kacker
Chairman of CSR Committee

New Delhi
August 11, 2017

PARTICULARS OF EMPLOYEES

INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2017

Sr. No.	Name	Age (Yrs.)	Designation	Nature of duties	Remuneration (In Rs.)	Qualification	Date of Commencement of employment	Experi-ence (Yrs.)	Last Employment Held Organisation	Position held
Details of top ten employees in terms of remuneration, including										
A. Employed throughout the year and were in receipt of remuneration of not less than Rs.102,00,000/- per annum										
1	Basu Shahana	49	Director - Legal & Regulatory Affairs	Legal & Regulatory Affairs	13,777,346	Degree of Juris Doctor from Yale Law School, Connecticut and M.A. Sociology from University of Chicago	01/02/16	18	Amira Pure Foods Pvt. Ltd.	Global General Counsel
2	Chadha Pradeep Pal	50	Dy. Director - Finance & Treasury	Finance & Treasury	7,423,291	B. com (Hons) LLB, CA	15/01/16	23	Max Financial Services Limited (formerly known as Max India Limited)	Deputy Director - Finance & Treasury
3	Dwarakanath Patnam	70	Head - Group Human Capital	Group Human Resources	30,130,783	B. Sc., LLB., PGDM (PM & IR)	15/01/16	47	Max Financial Services Limited (formerly known as Max India Limited)	Director - Group Human Capital
4	Hoskote, Prashant	51	Senior Director - Quality & Service Excellence	Quality & Service Excellence	17,727,834	BSc., Diploma in Computer Science & Management, Certified Trainer & Facilitator from the Juran Institute, INC, USA	15/01/16	30	Max Financial Services Limited (formerly known as Max India Limited)	Senior Director - Quality & Service Excellence
5	Krishnan, V	53	Company Secretary	Company Law Matters	11,320,192	B.Com, FCS	15/01/16	32	Max Financial Services Limited (formerly known as Max India Limited)	Company Secretary
6	Khanna Jatin	38	Chief Financial Officer	Finance	10,032,342	CA, PGPMAX-ISB	15/01/16	17	Max Financial Services Limited (formerly known as Max India Limited)	Chief Financial Officer
7	Narang Dilbagh Singh	46	Director - Taxation	Taxation	7,432,247	B. Com, CA	15/01/16	19	Max Financial Services Limited (formerly known as Max India Limited)	Deputy Director - Taxation
8	Raj Rishi	40	Director - Strategy & Corporate Development	Strategy & Corporate Development	10,575,371	PGDBM, B.A. (Hons) Economics	14/04/16	18	McKinsey & Company	Senior Practice Manager (COO) of Strategy and Trends Analysis Center
9	Talwar, Mohit	57	Managing Director	General Management	17,713,917	Post Graduate (Arts), Post Graduate (Hospitality Management)	15/01/16	38	Max Financial Services Limited (formerly known as Max India Limited)	Deputy Managing Director
10	Thakur Nitin	43	Director - Brand & Communication	Communication	9,373,933	B. Com, PGDBM	15/01/16	20	Max Financial Services Limited (formerly known as Max India Limited)	Director - Brand & Communications
B. Employed for part of the year and were in receipt of remuneration of not less than Rs. 8,50,000/- per month										
11	Khurana Munish	45	Director - Strategy & Business Performance	Strategy & Business Performance	7,949,997	PGDBA, BSC	21/09/15	21	Max Financial Services Limited (formerly known as Max India Limited)	Director - Strategy & Business Performance

Notes :

- 1 Remuneration includes salary, allowances, value of rent free accommodation, bonus, value of ESOPs exercised, medical expenses, leave travel assistance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation fund, leave encashment and value of perquisites.
- 2 None of the above employees is a relative of any director of the Company.
- 3 All appointments are/were contractual in accordance with the terms and conditions as per Company Rules/Policies.
- 4 Mr. Mohit Talwar holds 2,80,838 equity shares constituting 0.10% of the equity share capital of the Company as of the date of this report.
- 5 None of the above employees hold by himself or alongwith his spouse and dependent children 2% or more equity shares of the Company.

On behalf of the Board of Directors
Max India Limited
Rahul Khosla
Chairman

New Delhi
August 11, 2017

Annexure 5(b) to the Directors' Report

Information required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is appended below:

- (i) Ratio of remuneration of each Director to the median remuneration of all employees of your Company for the financial year ended 2016-17 is as follows:

Mr. Mohit Talwar: 8.9 : 1

- (ii) Percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17 is as follows:

Name	Designation	% Increase in Remuneration in FY17 vs. FY16
Mr. Mohit Talwar	Managing Director	(Refer note no.2)
Mr. Jatin Khanna	Chief Financial Officer	
Mr. V. Krishnan	Company Secretary	

Note:

- 1) Non-executive Directors have been receiving remuneration in the form of Sitting Fees for attending the meetings of Board of directors or committee thereof, therefore their remuneration details have not been considered while disclosing particulars under S. No. (i) and (ii).
 - 2) There has not been any increase in the total remuneration paid to Managing Director and Company Secretary for the year under review, in comparison to its previous year as the remuneration for previous financial year comprised of special one-time bonus paid on account of conclusion of some critical projects adding significant value to company and its subsidiaries and no such special bonus was paid during year under review. However, the fixed remuneration paid to Chief Financial Officer and Company Secretary has been increased by 15.2% and 9%, respectively, in the year under review vis-a-vis its previous year.
- (iii) The Percentage increase in the median remuneration of all employees in the financial year 2016-17 was 13.9%.
- (iv) The number of permanent employees on the rolls of the Company as on March 31, 2017 was 53.
- (v) The average percentile increase in salaries of employees other than managerial personnel in the financial year 2016-17 was 12.1%, while there has been no increase in the fixed remuneration of managerial remuneration as explained above.
- (vi) The Company confirms that remuneration paid during the year 2016-17, is as per the Remuneration Policy of the Company.

During Financial year 2016-17, the Company did not have any employee who received remuneration in excess of Director(s) and held 2% or more of the equity shares in the Company along with spouse and/or dependent children.

Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Max Bupa Health Insurance Company Limited, a Subsidiary of the Company in terms of Section 2(87) of the Companies Act, 2013
(b)	Nature of contracts/arrangements/transactions	This agreement is an amendment to existing Trademark License Agreement executed between erstwhile Max India Limited with the above mentioned related party. The amended agreement has been executed between the Company and related party and it provides usage of Company's trademark/logo by the related party without charging any royalty fee in the initial period of few years. The JV Partner, viz. Bupa Finance Plc., UK had also accorded approval for usage of Trade Logos, without charging any consideration.
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	The parties to the agreement have agreed to amend the exiting Trade Mark License Agreement to adhere to the provisions of the IRDA Guidelines.
(f)	Date(s) of approval by the Board	May 25, 2016
(g)	Amount paid as advances, if any:	Nil Consideration
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	September 27, 2016

2. Details of material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	There is no material contract or arrangement in accordance with the requirements of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

Rahul Khosla
Chairman

August 11, 2017
New Delhi

Annexure-7 to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 India Limited
(Formerly known as 'Taurus Ventures Limited')
(CIN: L85100PB2015PLC039155)
419, Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur, Nawan Shehar
Punjab-144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Max India Limited** (formerly known as 'Taurus Ventures Limited') (hereinafter called 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.

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 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, regulations and standards and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and 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.

Based on our verification of the Company's books, papers, minutes 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, 2017 ("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, 2017 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 (wherever applicable);
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (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;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*No event took place under these regulations during the Audit Period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

- (vi) The Company is engaged in the business of investments and providing consultancy services to group companies. The Company is a multi-business corporation focusing on the core businesses of (i) healthcare, through Max Healthcare Institute Limited; (ii) health insurance, through Max Bupa Health Insurance Company Limited; and (iii) senior living, through Antara Senior Living Limited. Max India also has interests in learning and skill development, through Max Skill First Limited.

The Company applied for Listing of its shares on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and received Listing Approvals from NSE and BSE on July 11, 2016 and traded on NSE and BSE effective from July 14, 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 Audit Period were carried out in compliance with the provisions of applicable laws.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting 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, standards and guidelines.

We further report that during the Audit Period-

- 1) Subject to the approval of Insurance Regulatory and Development Authority ("IDRA"), the shareholders of the Company vide Postal Ballot process accorded their in-principle approval to the Composite Scheme of Amalgamation and Arrangement amongst the Company, Max Life Insurance Company Limited ("Max Life"), HDFC Standard Life Insurance Company Limited ("HDFC Life") and Max Financial Services Limited ("MFSL"), and their respective shareholders and creditors ("Scheme"), which inter alia provides for:
 - a) Amalgamation of Max Life into and with MFSL and the issuance of Equity Shares by MFSL to the shareholders of Max Life (excluding MFSL itself), based on the share exchange ratio of 1 share of face value of Rs. 2/- each of MFSL for every approx. 5 shares of face value of Rs. 10/- each held in Max Life, on a Record Date to be specified for this purpose in accordance with the Scheme;
 - b) Demerger of the undertaking pertaining to the Life Insurance Business of Max Life arising from the amalgamation referred to in sub-clause (a), into HDFC Life and the issuance of Equity Shares by HDFC Life to the shareholders of MFSL (including the shareholders to whom shares allotted pursuant to (a) above) based on the share entitlement ratio of approx. 7 shares of face value of Rs. 10/- each of HDFC Life for every 3 shares of face value of Rs. 2/- each held in MFSL, on a Record Date to be specified for this purpose in accordance with the Scheme; and
 - c) Amalgamation of MFSL which remains after the demerger referred to sub-clause (b) into and with the Company and the issuance of Equity Shares by the Company to the shareholders of MFSL (including the shareholders to whom shares allotted pursuant to (a) above), based on the share exchange ratio of 1 share of face value of Rs. 2/- each of the Company for every 500 shares of face value of Rs. 2/- each held in MFSL, on a Record Date to be specified for this purpose in accordance with the Scheme.

Pursuant to the disclosure made by the Company with Stock Exchanges on July 31, 2017, the above said scheme has been withdrawn.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900
August 11, 2017
New Delhi
Devesh Kumar Vasisht
Partner

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Max India Limited (formerly Taurus Ventures Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 38 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 29, 2017

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

Re: **Max India Limited (formerly Taurus Ventures Limited)** (‘the Company’)

- | | |
|--|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.</p> <p>(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.</p> <p>(ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not been commented upon.</p> <p>(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.</p> <p>(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.</p> <p>(v) The Company has not accepted any deposits from the public.</p> <p>(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.</p> <p>(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, and other material statutory dues applicable to it. The provisions relating to duty of excise, employees’ state insurance, duty of custom, cess are not applicable to the Company.</p> <p>(b) According to the information and explanations given to us, no undisputed amounts payable in</p> | <p>respect of provident fund, income-tax, service tax, sales tax, and other material statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise, employees’ state insurance, duty of custom, cess and wealth tax are not applicable to the Company.</p> <p>(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, which have not been deposited on account of any dispute. The provisions related to employees’ state insurance, sales tax, duty of excise, duty of custom and value added taxes are not applicable to the Company.</p> <p>viii) The Company did not have any outstanding dues in respect of debenture holders, financial institutions, banks, or government during the year.</p> <p>(ix) According to information and explanation given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans, hence reporting under clause (ix) is not applicable to the Company and hence not commented upon.</p> <p>(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.</p> <p>(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.</p> <p>(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to</p> |
|--|--|

us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review and hence not commented upon.

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

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 29, 2017

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

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

We have audited the internal financial controls over financial reporting of Max India Limited (formerly Taurus Ventures Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Atul Seksaria**

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 29, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

(Rs. in Lacs)

	Notes	As at March 31, 2017	As at March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share capital	4	5,345.40	5.00
Share capital pending allotment	32	-	5,334.68
Reserves and surplus	5	158,424.47	158,577.98
		163,769.87	163,917.66
Non-current liabilities			
Long-term provisions	7	265.51	210.08
		265.51	210.08
Current liabilities			
Trade payables	8	-	-
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		165.05	247.80
Other current liabilities	8	209.23	363.70
Short-term provisions	7	159.13	123.62
		533.41	735.12
TOTAL		164,568.79	164,862.86
Assets			
Non-current assets			
Fixed assets			
Property, Plant and Equipments	10	276.33	271.94
Capital work-in- progress		-	2.19
Non-current investments	9	119,255.92	134,631.92
Deferred tax assets	6	-	-
Loans and advances	11	13,560.04	11,900.24
		133,092.29	146,806.29
Current assets			
Current investments	12	30,051.95	16,162.81
Cash and bank balances	14	60.59	84.02
Short-term loans and advances	11	222.31	80.43
Trade receivables	13	1,141.65	914.58
Other current assets	15	-	814.73
		31,476.50	18,056.57
TOTAL		164,568.79	164,862.86
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurgaon
Date : May 29, 2017

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

Mohit Talwar
(Managing Director)
DIN No - 02394694

Jatin Khanna
(Chief Financial Officer)

Place : New Delhi
Date : May 29, 2017

Ashok Brijmohan Kacker
(Director)
DIN No. 01647408

V. Krishnan
(Company Secretary)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	Notes	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Income			
Revenue from operations	16	5,162.49	6,814.39
Other income	17	5.12	1.25
Total revenue		5,167.61	6,815.64
Expenses			
Employee benefits expense	18	2,404.30	2,250.87
Depreciation expense	20	80.18	73.10
Other expenses	19	2,628.53	2,228.97
Total expenses		5,113.01	4,552.94
Profit before tax		54.60	2,262.70
Tax expense			
Current tax		339.37	829.12
Tax related to previous years		(26.70)	-
Total tax expense		312.67	829.12
Profit/(loss) after tax		(258.07)	1,433.58
Earnings per equity share	21		
[Nominal value of shares Rs. 2/- each]			
Basic (Rs.)		(0.10)	0.54
Diluted (Rs.)		(0.10)	0.53
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurgaon
Date : May 29, 2017

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

Mohit Talwar
(Managing Director)
DIN No - 02394694

Jatin Khanna
(Chief Financial Officer)

Place : New Delhi
Date : May 29, 2017

Ashok Brijmohan Kacker
(Director)
DIN No. 01647408

V. Krishnan
(Company Secretary)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Cash flow from operating activities		
Net profit before tax	54.60	2,262.70
Non cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	80.18	73.10
Interest income	(671.12)	(464.74)
Option fees	(627.70)	(3,104.79)
Net loss on sale of fixed assets	2.77	8.04
Net profit on sale of current investments	(1,846.74)	(1,691.32)
Fixed assets written off	-	0.07
Liability/ provisions no longer required written back	(0.14)	(0.09)
Provision for doubtful advances - subsidiary	2.74	6.91
Employee stock option expense	20.46	23.99
Gain on forex fluctuation	(4.26)	-
Operating profit before working capital changes	(2,989.21)	(2,886.13)
Movement in working capital :		
(Decrease) in trade payables	(78.35)	(124.75)
(Decrease)/Increase in other current liabilities	(153.11)	159.35
Increase in long term provisions including stock options	139.53	52.65
(Decrease)/increase in short term provisions	35.51	(93.50)
(Increase) in long-term loans and advances	(1,670.98)	(4,496.39)
Decrease in short-term loans and advances	16.51	161.05
(Increase) in short-term trade receivables	(227.07)	(406.46)
Cash generated from/(used in) operations	(4,927.17)	(7,634.18)
Direct taxes (paid)/ net of refunds	(462.62)	(837.59)
Net cash flow used in operating activities (A)	(5,389.79)	(8,471.77)
Cash flow from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(97.14)	(155.34)
Proceeds from sale of fixed assets	10.63	29.00
Purchase of non- current investments	(5,278.00)	(23,275.00)
Proceeds from sale of non-current investments	20,654.00	-
Purchase of current investments	(68,734.79)	(45,960.00)
Proceeds from sale/maturity of current investments	56,692.39	69,283.68
Option fees received	1,442.43	3,000.36
Interest received	671.12	474.05
Net cash flow from /(used in) investing activities (B)	5,360.64	3,396.75
Cash flow from financing activities		
Proceeds from issue of share capital	5.72	5.00
Net cash flow from /(used in) financing activities (C)	5.72	5.00

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Net decrease in cash and cash equivalents (A + B + C)	(23.43)	(5,070.02)
Cash and cash equivalents at the beginning of the year	84.02	-
Cash and cash equivalents transferred on demerger	-	5,154.04
Cash and cash equivalents at the end of the year	60.59	84.02

Components of cash and cash equivalent

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Cash on hand	0.28	0.77
Cheques/drafts on hand	3.35	0.65
Balances with banks on current account	56.96	82.60
Total cash and cash equivalents	60.59	84.02
Summary of significant accounting policies	3	

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

per Atul Seksaria
 Partner
 Membership Number: 086370

Mohit Talwar
 (Managing Director)
 DIN No - 02394694

Ashok Brijmohan Kackar
 (Director)
 DIN No. 01647408

Place : Gurgaon
 Date : May 29, 2017

Jatin Khanna
 (Chief Financial Officer)

V. Krishnan
 (Company Secretary)

Place : New Delhi
 Date : May 29, 2017

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. Corporate information

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules, 2016. The financial statements have been prepared on accrual basis and under the historical cost convention.

3. Summary of significant accounting policies

3.1 Use of estimates

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

3.2 Property, plant and equipments

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

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

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Gains or losses arising from derecognition of fixed 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 derecognized.

3.3 Depreciation on property, plant and equipments

Leasehold improvement is amortized on straight line basis over the period of lease

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

	Useful life (years)
Furniture and Fixtures	10 years
Office Equipment	5 years
IT Equipment (End user devices)	3 years
IT Equipment (Servers and network)	6 years
Vehicles	3-8 years

3.4 Leases

Where the Company is lessee

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

line basis over the lease term.

Where the Company is lessor

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

3.5 Impairment of tangible assets

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

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

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

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

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

3.6 Investments

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

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

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

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

3.7 Revenue recognition

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

Income from services

Revenues from shared services contracts are recognized over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

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

3.8 Foreign currency transactions*Initial recognition*

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

Conversion

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

Exchange differences

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

3.9 Employee benefits*Provident Fund*

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

Gratuity

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

Compensated Absences

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

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

3.10 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and enacted in India the income computation and disclosure standards. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

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

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

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

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

3.11 Employee stock compensation cost

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

In accordance with the Securities and Exchange Board of India (SEBI) (Share based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and the end of that period and is recognized in employee benefits expense.

3.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

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

3.13 Provisions

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

3.14 Contingent liability

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

3.15 Cash and cash equivalents

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

4. Share capital

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Authorised shares (Nos.)		
300,000,000 (March 31, 2016: 300,000,000) equity shares of Rs. 2/- each	6,000.00	6,000.00
	6,000.00	6,000.00
Issued, subscribed and fully paid-up shares (Nos.)		
267,270,049 (March 31, 2016: 250,000) equity shares of Rs. 2/- each fully paid up	5,345.40	5.00
	5,345.40	5.00

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

(Rs. in Lacs)

	March 31, 2017		March 31, 2016	
	No. of shares	Rs. In Lacs	No. of shares	Rs. In Lacs
Equity shares				
At the beginning of the period/year	250,000	5.00	-	-
Cancelled during the year	(250,000)	(5.00)	-	-
Issued during the year - Fresh Allotment	266,983,999	5,339.68	250,000	5.00
Issued during the year - ESOP	286,050	5.72	-	-
Outstanding at the end of the year	267,270,049	5,345.40	250,000	5.00

4.2 Terms/rights attached to equity shares

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

4.3 Details of shareholder holding more than 5% shares is set out below:

Name of the Shareholder	March 31, 2017		March 31, 2016	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 2/- each fully paid				
- Max Ventures Investment Holdings Private Limited	66,158,030	24.75%	-	-
- Liquid Investment and Trading Private Limited	23,818,876	8.91%	-	-
- Xenok Limited	17,161,714	6.42%	-	-
- Max Financial Services Limited (MFSL) (formerly known as Max India Limited)	-	-	250,000	100.00%

(Including 6 shares held by nominees of MFSL)

4.4 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 22.

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

The Company has issued total 286,050 shares (March 31, 2016: Nil) during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employees services.

5. Reserves and surplus

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Capital reserve		
Balance at beginning of the year	156,917.06	-
Add: arising out of Scheme of demerger (Refer note 32)	-	156,917.06
Closing balance	156,917.06	156,917.06
Share premium		
Balance at beginning of the year	-	-
Add: transferred from stock option outstanding	133.53	-
Closing balance	133.53	-
Employee stock option outstanding		
Balance at beginning of the year	227.34	-
Add: arising out of Scheme of demerger (Refer note 32)	-	198.38
Add/(less): compensation options granted during the year	104.56	28.96
Less : transferred to securities premium account	133.53	-
Closing balance	198.37	227.34
Surplus in the statement of profit and loss		
Balance at beginning of the year	1,433.58	-
Profit/(loss) for the year	(258.07)	1,433.58
Net surplus in the statement of profit and loss	1,175.51	1,433.58
Total reserves and surplus	158,424.47	158,577.98

6. Deferred tax assets

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes in subsequent years	156.10	129.92
Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	43.11	39.43
Gross deferred tax assets	199.21	169.35
Deferred tax liabilities	-	-
Net deferred tax liabilities / (assets)	(199.21)	(169.35)
Net deferred tax liabilities / (assets) recognised (refer note below)	-	-

Note:

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset.

7. Short term Provisions

(Rs. in Lacs)

	Long - term		Short - term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits				
Provision for leave benefits	-	-	139.56	107.10
Provision for gratuity (refer note 18.1)	265.51	210.08	19.57	16.52
	265.51	210.08	159.13	123.62

8. Other current liabilities

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Trade payables		
• Total outstanding dues of micro enterprises and small enterprises	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	165.05	247.80
Other liabilities		
Security deposit received	23.24	20.16
Statutory dues payable	185.99	342.18
Capital creditors	-	1.36
	209.23	363.70
	374.28	611.50

8.1 There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the period April 01, 2016 to March 31, 2017. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9. Non - current investments

(Rs. in Lacs)

		As at March 31, 2017		As at March 31, 2016
Trade investments (valued at cost unless stated otherwise)				
Investment in subsidiaries				
Unquoted equity instruments				
<i>Max Bupa Health Insurance Co. Limited</i>				
472,260,000 (March 31, 2016: 664,520,000) Equity shares of Rs.10 each fully paid up		47,226.01		66,452.01
<i>Pharmax Corporation Limited</i>				
47,122,747 (March 31, 2016: 47,122,747) Equity shares of Re.1 each fully paid up		1,420.81		1,420.81
<i>Antara Senior Living Limited</i>				
8,000,000 (March 31, 2016: 8,000,000) Equity shares of Rs. 10 each fully paid up		800.00		800.00
<i>Max UK Limited</i>				
299,742 (March 31, 2016: 299,742) Equity shares of GBP 1 each fully paid up	213.00		213.00	
Less: provision for diminution	(213.00)	-	(213.00)	-
<i>Max Ateev Limited</i>				
31,443,600 (March 31, 2016: 31,443,600) Equity shares of Rs. 10 each fully paid up	3,144.36		3,144.36	
Less: provision for diminution	(3,144.36)	-	(3,144.36)	-
<i>Max Skill First Limited</i> (formerly known as Max Healthstaff International Limited)				
9,095,000 (March 31, 2016: 9,095,000) Equity shares of Rs. 10 each fully paid up	1,022.87		1,022.87	
Less: provision for diminution	(447.87)	575.00	(447.87)	575.00
Unquoted preference instruments				
<i>Pharmax Corporation Limited</i>				
1,500,000 (March 31, 2016: 1,500,000) 9% Preference shares of Rs.100 each fully paid up		1,500.00		1,500.00
<i>Antara Senior Living Limited</i>				

		As at March 31, 2017	As at March 31, 2016
18,321,417 (March 31, 2016: 14,471,417) Zero Coupon Compulsorily Convertible Preference shares of Rs.100 each fully paid up		18,321.42	14,471.42
Investment in joint ventures			
<i>Max Healthcare Institute Limited</i>			
246,848,537 (March 31, 2016: 246,848,537) Equity shares of Rs.10 each fully paid up		49,412.68	49,412.68
		119,255.92	134,631.92
		119,255.92	134,631.92
Aggregate amount of unquoted investments		123,061.15	138,437.15
Aggregate provision for diminution in value of investments		(3,805.23)	(3,805.23)

10. Property, Plant and Equipments

(Rs. in Lacs)

	Leasehold Improvements	Furniture & Fixture	Office Equipments	Computers	Vehicles	Total
Cost						
Opening balance	355.51	54.25	90.62	124.04	288.70	913.12
Additions	-	0.52	3.37	14.22	79.86	97.97
Deletions/ Adjustments	-	-	3.85	4.93	16.30	25.08
At March 31, 2017	355.51	54.77	90.14	133.33	352.26	986.01
Depreciation						
Opening balance	355.51	42.40	59.31	85.56	98.40	641.18
Charge for the year	-	1.78	8.67	15.51	54.22	80.18
Deletions/ Adjustments	-	-	2.30	2.92	6.46	11.68
At March 31, 2017	355.51	44.18	65.68	98.15	146.16	709.68
Net Block						
At March 31, 2016	-	11.85	31.31	38.48	190.30	271.94
At March 31, 2017	-	10.59	24.46	35.18	206.10	276.33

11. Loans and advances

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Capital advances				
Unsecured, considered good	7,320.00	7,320.00	-	-
A	7,320.00	7,320.00	-	-
Security deposits				
Unsecured, considered good	150	150	-	-
B	150	150	-	-
Loans and advances to related parties (refer note 27)				
Unsecured, considered good (unless stated otherwise)				
Advances recoverable in cash or kind				
Considered good	-	-	-	-
Considered doubtful	2,618.48	2,615.74	-	-
Security deposit	85.00	84.56	-	-
Inter corporate deposit	6,150.00	4,475.00	-	-
	8,853.48	7,175.30	-	-
Provision for doubtful advances	(2,618.48)	(2,615.74)	-	-
C	6,235.00	4,559.56	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	2.13	4.45
D	-	-	2.13	4.45

Standalone Financial Statements

Notes to Financial Statements for the year ended March 31, 2017

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Other loans and advances (unsecured, considered good unless stated otherwise)				-
Balances with statutory/government authorities	-	-	23.22	17.83
Prepaid expenses	-	-	33.73	46.77
Loans to employees	3.54	10.74	4.84	11.38
Advance income tax (net of provisions)	-	8.44	158.39	-
E	3.54	19.18	220.18	75.98
Total (A+B+C+D+E)	13,560.04	11,900.24	222.31	80.43

12. Current Investments

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Current investments (valued at lower of cost and fair value)		
Unquoted mutual funds		
<i>Birla Sun Life Cash Plus - Growth Direct Plan Growth</i>	4,869.33	-
1,895,100 (March 31, 2016: Nil) units of Face value Rs. 100/- per unit fully paid		
<i>DFHL Pramerica Insta Cash Plus Fund - Direct Plan Growth</i>	1,481.74	-
741,093 (March 31, 2016: Nil) units of Face value Rs. 100/- per unit fully paid		
<i>DSP BlackRock Liquidity Fund -Direct Growth</i>	6,298.48	-
280,058 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
<i>JM High Liquidity Fund (Direct) Growth</i>	6,275.10	-
14,800,894 (March 31, 2016: Nil) units of Face value Rs. 10/- per unit fully paid		
<i>Invesco India Liquid Fund Direct Plan Growth</i>	1,712.29	-
76,992 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
<i>L&T India Liquid Fund- Direct Fund Growth</i>	3,020.01	-
140,003 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
<i>Tata Money Market Fund - Direct Fund Growth</i>	-	16,162.81
Nil (March 31, 2016: 701,846) units of Face value Rs. 1000/- per unit fully paid		
<i>UTI Money Market Fund - Direct Fund Growth</i>	6,395.00	-
356,604 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
	30,051.95	16,162.81
Aggregate amount of unquoted investments	30,051.95	16,162.81

13. Trade receivables

(Rs. in Lacs)

	Current	
	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	1,141.65	914.58
	1,141.65	914.58

14. Cash and bank balances

(Rs. in Lacs)

	Current	
	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Balances with banks		
on current accounts	56.96	82.60
Cheques/drafts on hand	3.35	0.65
Cash on hand	0.28	0.77
	60.59	84.02

15. Other assets

(Rs. in Lacs)

	Current	
	As at March 31, 2017	As at March 31, 2016
Others		
Option fee receivable	-	814.73
	-	814.73

16. Revenue from operation

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Other operating revenue		
Income from shared services	2,017.65	1,554.70
Income from investment activities		
Interest income on		
Inter corporate deposits	645.76	366.29
Fixed deposits	24.64	97.29
Profit on sale of current investments	1,846.74	1,691.32
Option fee (refer note 16.1)	627.70	3,104.79
	3,144.84	5,259.69
Revenue from operation (net)	5,162.49	6,814.39

16.1. The Company has a put option to transfer upto 24% of its shareholding in Max Bupa Health Insurance Co. Limited (Max Bupa) and Bupa Singapore Pte. Limited (Bupa Singapore) has a call option under which the Company would be required to transfer 24% of its shareholding in Max Bupa to Bupa Singapore subject to approval under applicable laws and regulations. As a consideration of the call option granted by the Company, Bupa Singapore is obliged to pay an option fee, which is disclosed as above (refer note 35).

17. Other Income

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Interest income	0.72	1.16
Gain on forex fluctuation	4.26	-
Liabilities/provisions no longer required written back	0.14	0.09
	5.12	1.25

18. Employee benefits expense

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Salaries, wages and bonuses	2,182.96	2,058.33
Contribution to provident and other funds	75.60	78.29
Employee stock option scheme	20.46	23.99
Gratuity expense (Refer note 18.1)	60.89	33.89
Staff welfare expenses	64.39	56.37
	2,404.30	2,250.87

18.1. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Current service cost	35.98	27.76
Interest cost on benefit obligation	17.67	16.93
Net actuarial(gain) / loss recognized in the year	7.24	(10.80)
Net benefit expense	60.89	33.89
Actual return on plan assets	-	-

Balance sheet

Benefit asset/ (liability)

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	285.08	226.60
Funded Status	(285.08)	(226.60)
Plan asset / (liability)	(285.08)	(226.60)

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

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	226.60	-
Value of obligation transferred on demerger	-	217.08
Interest cost	17.67	16.93
Current service cost	35.98	27.76
Benefits paid by employer	(2.41)	(24.37)
Actuarial (gains) / losses on obligation	7.24	(10.80)
Closing defined benefit obligation	285.08	226.60

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

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Discount rate	7.30%	7.80%
Expected rate of return on assets	NA	NA
Retirement Age	58 years	58 years
Employee turnover	5%	5%

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

Amounts for the current period are as follows:

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	285.08	226.60
Plan assets	-	-
Surplus / (deficit)	(285.08)	(226.60)
Experience adjustments on plan liabilities	7.24	(10.80)
Experience adjustments on plan assets	-	-

18.2. Provident Fund

In terms of Composite Scheme of Arrangement amongst Max Financial Services Limited (formerly known as Max India Limited), Max India Limited (formerly known as Taurus Ventures Limited) and Max Ventures and Industries Limited (formerly known as Capricorn Ventures Limited) sanctioned by the Hon'ble High Court of Punjab & Haryana at Chandigarh vide letter dated December 14, 2015, the Company is contributing in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund". The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per AS-15 (Revised).

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

The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund".

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Plan assets at year end at fair value	1,010.19	741.53
Present value of defined benefit obligation at year end	997.21	736.37
Surplus as per actuarial certificate	12.98	5.16
Shortfall recognised in balance sheet	-	-
Active members as at year end (Nos)	53	48

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

	March 31, 2017	March 31, 2016
Discount rate for the term of the obligation	6.67%	7.72%
Average historic yield on the investment portfolio	8.79%	9.06%
Discount rate for the remaining term to maturity of the investment portfolio	6.67%	7.72%
Expected investment return	8.79%	9.06%
Guaranteed rate of return	8.65%	8.75%

19. Other expenses

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Recruitment and training expenses	57.45	136.45
Rent	101.73	95.04
Insurance	35.21	60.38
Repairs and maintenance:		
Others	91.76	85.92
Electricity and water	14.80	17.32
Printing and stationery	36.27	8.17
Travelling and conveyance	183.12	188.35
Communication	45.14	26.40
Legal and professional (refer note 19.1)	1,049.36	715.42
Management service charges	745.00	744.72
Directors' fee	73.37	44.22
Advertisement and publicity	53.85	24.76
Net loss on sale/disposal of fixed assets	2.77	8.04
Provision for doubtful advances in subsidiary	2.74	6.91
Fixed assets written off	-	0.07
Charity and donation	-	0.02
Contribution towards corporate social responsibility	45.00	-
Net loss on foreign exchange fluctuation	-	7.61
Miscellaneous	90.96	59.17
	2,628.53	2,228.97

19.1 Payment to auditor (excluding service tax) (included in legal and professional)

(Rs. in Lacs)

	For the year ended March 31, 2017	For the year ended January 01, 2015 to March 31, 2016
As auditor:		
Audit fee	15.00	15.00
In other capacity:		
Other services	2.00	-
Reimbursement of expenses	0.50	-
	17.50	15.00

20. Depreciation expense

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Depreciation of property, plant and equipments	80.18	73.10
	80.18	73.10

21. Calculation of Earnings per share (EPS) - Basic and Diluted

	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic EPS		
Profit after tax (Rs. in Lacs)	(258.07)	1,433.58
Net profit for calculation of basic EPS (Nos)	(258.07)	1,433.58
Weighted average number of equity shares outstanding during the period (Nos.)	267,112,526	266,998,381
Basic Earnings Per Share (Rs.)	(0.10)	0.54
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding (Nos)	2,384,982	2,769,196
Weighted average number of equity shares outstanding during the period for dilutive earnings per share (Nos)	269,497,508	269,767,577
Diluted Earnings Per Share (Rs.)	(0.10)	0.53

22. Employee stock option
22.1. Max India Employee Stock Plan – 2016 ("the 2016 Plan"):

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

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Option outstanding at the beginning of the year	2,503,560	2.00	-	-
Granted during the year	25,394	2.00	-	-
Transferred from MFSL during the year	-	-	2,503,560	2.00
Exercised during the year	(286,050)	2.00	-	-
Outstanding at the end of the year	2,242,904		2,503,560	
Exercisable at the end of the year	-	2.00	5,000	2.00

Note

For the period, the weighted average share price at the exercise date was Rs. 142.55 (March 31, 2016: Rs. Nil)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2017 is 1.63 years (March 31, 2016: 1.69 years). The range of exercise prices for options outstanding at the end of the year was 2.00 to 394.00 (March 31, 2016: 2.00 to 394.00).

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair

value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Particulars	March 31, 2017	March 31, 2016
Date of option granted	9-Nov-16	-
Stock Price Now (in Rupees)	140.00	-
Exercise Price (X) (in Rupees)	2.00	-
Expected Volatility (Standard Dev - Annual)	31.60%	-
Life of the options granted (Vesting and exercise period) in years	3.00-5.39	-
Expected Dividend	0.00%	-
Average Risk- Free Interest Rate	6.56%-6.75%	-
Weighted average fair value of options granted	138.36-138.61	-

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

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit as reported (Rs. in Lacs)	(258.07)	1,433.58
Add: Employee stock compensation under intrinsic value method (Rs. in Lacs)	20.46	23.99
Less: Employee stock compensation under fair value method (Rs. in Lacs)	(61.17)	-
Performa profit (Rs. in Lacs)	(298.78)	1,457.57
Earnings Per Share (Rupees)		
Basic		
- As reported	(0.10)	0.54
- Performa	(0.11)	NA
Diluted		
- As reported	(0.10)	0.53
- Performa	(0.11)	NA

23. Leases

Operating lease: Company as lessee

The Company has entered into operating leases for its office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year is Rs. 101.73 Lacs (March 31, 2016: Rs. 95.04 Lacs). The Company has not entered into sublease agreements in respect of these leases and there are no restrictions placed upon the Company by entering into these leases.

The detail of total of future minimum lease payments under non-cancellable leases are as follows:

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Not later than one year	-	92.14
Later than one year and not later than five year	-	-
Later than five year	-	-
	-	92.14

24. Interest in a joint venture

The Company's share of the assets, liabilities, income and expenses of Max Healthcare Institute Limited (MHIL), the jointly controlled entity for the period from March 31, 2017 are as follows:

	As at March 31, 2017	As at March 31, 2016
Current assets	16,558.91	13,373.88
Non current assets	91,152.81	89,223.83
Current liabilities	(17,617.08)	(19,385.74)
Non Current liabilities	(36,473.35)	(31,080.48)
Equity	53,621.29	52,131.49
Revenue	77,040.59	68,256.58
Cost of material consumed	(19,445.31)	(18,444.61)
Depreciation	(4,386.58)	(4,007.91)
Finance cost	(4,695.34)	(3,380.49)
Employee benefit expenses	(16,279.55)	(13,971.23)
Other Expenses	(31,645.22)	(29,113.55)
Profit/(Loss) before tax	588.59	(661.21)
Tax expense	(79.49)	-
Profit/(Loss) after tax	668.08	(661.21)
Capital commitments	6,999.14	2,077.99
Contingent liabilities	16,136.20	15,275.58

25. Segment reporting

Being a holding company, the Company is having investments in various subsidiaries and joint ventures and is primarily engaged in growing and nurturing these business investments and providing shared services to group companies. Accordingly, the Company views these activities as one business segment, therefore there are no separate reportable segments as per Accounting Standard 17 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

26. Capital and other commitments

a) Capital commitments

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	7,320.00	7,320.00
Less: Capital advances	7,320.00	7,320.00
Net capital commitment for acquisition of capital assets	-	-

b) The Company will provide financial support to Max Ateev Limited and Antara Senior Living Limited a wholly owned subsidiaries of the company in order to meet their future financial obligations.

27. Related parties disclosures as per AS-18

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary companies	<ol style="list-style-type: none"> 1 Max Bupa Health Insurance Company Limited 2 Max UK Limited 3 Pharmax Corporation Limited 4 Max Ateev Limited 5 Max Skill First Limited 6 Antara Senior Living Limited 7 Max Neeman Medical International Limited (upto April 30, 2015)
Step down subsidiary companies	<ol style="list-style-type: none"> 1 Antara Purukul Senior Living Limited 2 Antara Gurgaon Senior Living Limited 3 Max One Distribution and Services Limited

Names of other related parties with whom transactions have taken place during the year

Joint venture	<ol style="list-style-type: none"> 1 Max Healthcare Institute Limited
----------------------	--

	2 Alps Hospital Limited
Key management personnel (KMP)	1 Mr. Mohit Talwar (Managing Director) - Effective January 15, 2016 2 Mr. Jatin Khanna (Chief Financial Officer) - Effective January 15, 2016 3 Mr. V Krishnan (Company Secretary) - Effective January 15, 2016
Enterprises owned or significantly influenced by key management personnel or their relatives	1 Max India Foundation 2 Max Life Insurance Company Limited (upto May 14, 2016) 3 Max Financial Services Limited (upto May 14, 2016) 4 Max Venture and Industries Limited (upto March 7, 2016) 5 New Delhi House Services Limited (upto January 18, 2016)
Employee benefits fund	1 Max Financial Services Ltd. Employees' Provident Fund Trust

Transactions with related parties during the year:

(Rs. in Lacs)

	Subsidiaries		Joint Ventures		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Income from shared services												
Max Healthcare Institute Limited			149.60	139.00							149.60	139.00
Pharmax Corporation Limited	100.00	99.00									100.00	99.00
Max Financial Services Limited							92.29	897.00			92.29	897.00
Max Life Insurance Company Limited							-	313.00			-	313.00
Max Skill First Limited	34.00	50.70									34.00	50.70
Max Venture and Industries Limited							-	56.00			-	56.00
Reimbursement of expenses (Received from)												
Max Financial Services Limited							10.12	709.63			10.12	709.63
New Delhi House Services Limited								14.19				14.19
Reimbursement of expenses (Paid to)												
Max UK Limited	30.55	32.36									30.55	32.36
Max Bupa Health Insurance Company Limited	-	10.17									-	10.17
New Delhi House Services Limited								19.48				19.48
Services Received												
Healthcare Services												
Alps Hospital Limited			-	0.09							-	0.09
Max Healthcare Institute Limited			0.09	0.06							0.09	0.06
Management service charges												
Max Financial Services Limited							89.81	741.38			89.81	741.38
Rent paid												
Pharmax Corporation Limited	92.14	92.30									92.14	92.30
Alps Hospital Limited			2.75	2.73							2.75	2.73
Repair & Maintenance												
New Delhi House Services Limited								62.58				62.58
CSR activities												
Max India Foundation							45.00	-			45.00	-
Managerial Remuneration												
Mohit Talwar					177.14	49.41					177.14	49.41
Jatin Khanna					100.32	15.49					100.32	15.49
V Krishnan					113.20	31.22					113.20	31.22
Company's contribution to Provident Fund Trust												
Max Financial Services Ltd. Employees' Provident Fund Trust									67.15	69.76	67.15	69.76
Provision for Diminution												
Max Ateev Limited.	2.74	6.91									2.74	6.91
Loans given												
Pharmax Corporation Limited	-	225.00									-	225.00
Antara Purukul Senior Living Limited	1,900.00	4,250.00									1,900.00	4,250.00

Standalone Financial Statements

Notes to Financial Statements for the year ended March 31, 2017

	Subsidiaries		Joint Ventures		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Loans repaid												
Pharmax Corporation Limited	225.00	-									225.00	-
Interest income												
Antara Purukul Senior Living Limited	632.37	357.51									632.37	357.51
Pharmax Corporation Limited.	13.39	8.78									13.39	8.78
Investments made												
Max Healthcare Institute Limited.			-	15,000.00							-	15,000.00
Max Skill First Limited	-	320.00									-	320.00
Antara Senior Living Limited	3,850.00	-									3,850.00	-
Max Bupa Health Insurance Company Limited	1,428.00	7,955.00									1,428.00	7,955.00
Sale of assets												
Max Healthcare Institute Limited.			-	14.26							-	14.26
Investments sold												
Max Bupa Health Insurance Company Limited	20,654.00	-									20,654.00	-
Max Neeman Medical International Limited	-	942.90									-	942.90
Balance outstanding as at the year end												
Corporate Guarantee												
Antara Purukul Senior Living Limited	25,033.89	15,025.19									25,033.89	15,025.19
Loans and advances given												
Max Ateev Limited	702.14	699.39									702.14	699.39
Antara Purukul Senior Living Limited	6,150.00	4,250.00									6,150.00	4,250.00
Pharmax Corporation Limited	-	225.00									-	225.00
Max Skill First Limited	1,916.34	1,916.34									1,916.34	1,916.34
Provision made against above												
Max Ateev Limited	(702.14)	(699.39)									(702.14)	(699.39)
Max Skill First Limited	(1,916.34)	(1,916.34)									(1,916.34)	(1,916.34)
Amount receivable												
Max Healthcare Institute Limited	-	145.29	282.34	-							282.34	145.29
Max Skill First Limited	20.28	52.98									20.28	52.98
Max Life Insurance Company Limited							-	358.39			-	358.39
Max Financial Services Limited							-	195.95			-	195.95
Max Venture and Industries Limited							-	58.52			-	58.52
Pharmax Corporation Limited	-	103.45									-	103.45
Security Deposit receivable												
Pharmax Corporation Limited	85.00	84.56									85.00	84.56
Amount Payable												
New Delhi House Services Limited							-	(3.87)			-	(3.87)
Alps Hospital Limited	-	-	(114)	(0.69)							(114)	(0.69)
Investment in Equity Share Capital												
Max Ateev Limited	3,144.36	3,144.36									3,144.36	3,144.36
Max Healthcare Institute Limited.		-	49,412.68	49,412.68							49,412.68	49,412.68
Max Bupa Health Insurance Company Limited	47,226.01	66,452.01									47,226.01	66,452.01
Antara Senior Living Limited	800.00	800.00									800.00	800.00
Pharmax Corporation Limited	1,420.81	1,420.81									1,420.81	1,420.81
Max Skill First Limited	1,022.87	1,022.87									1,022.87	1,022.87
Max UK Limited	213.00	213.00									213.00	213.00
Provision made against above												
Max Ateev Limited	(3,144.36)	(3,144.36)									(3,144.36)	(3,144.36)
Max Skill First Limited	(447.87)	(447.87)									(447.87)	(447.87)
Max UK Limited	(213.00)	(213.00)									(213.00)	(213.00)
Investment in Preference Share Capital												
Antara Senior Living Limited	18,321.42	14,471.42									18,321.42	14,471.42
Pharmax Corporation Limited	1,500.00	1,500.00									1,500.00	1,500.00

28 Contingent liabilities not provided for

(Rs. in Lacs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
i.	Corporate guarantee given to bank in respect of financial assistance availed by a subsidiary company.	25,033.89	15,025.19

29 Particulars of unhedged foreign currency exposure

(Rs. in Lacs)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Foreign Currency	Exchange Rate	Indian Rupee	Foreign Currency	Exchange Rate	Indian Rupee
	(in Lacs)	(Rupee)	(in Lacs)	(in Lacs)	(Rupee)	(in Lacs)
Trade payables (GBP)	0.47	80.48	37.80	0.63	95.09	59.91
Investments	-	-	213.00	-	-	213.00

30 Expenditure in foreign currency (on accrual basis)

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Legal and professional	223.98	75.00
Others	57.87	35.00
Total	281.85	110.00

31. Disclosure of section 186 (4) of the Companies Act 2013

a) Particulars of Loans given:

(Rs. in Lacs)

Sr. No	Name of the loanee	Opening Balance as on 31.03.16	Loan given during the year	Loan repaid during the year	Outstanding Balance as on 31.03.17	Purpose
1	Pharmax Corporation Limited	225.00	-	225.00	-	Operational cash flow requirement
2	Antara Purukul Senior Living Limited	4,250.00	1,900.00	-	6,150.00	Operational cash flow requirement
		4,475.00	1,900.00	225.00	6,150.00	

b) Particulars of Guarantee given:

(Rs. in Lacs)

Sr. No	Name of the entity	Opening Balance as on 31.03.16	Guarantee agreed to be given during the year	Guarantee discharged during the year	Outstanding Balance as on 31.03.17	Purpose
1	Antara Purukul Senior Livings Limited	15,025.19	10,008.70	-	25,033.89	Collateral security for term loan for Project
		15,025.19	10,008.70	-	25,033.89	

Note:

The above amounts are outstanding balances with term lenders against the total guarantee given.

c) Particulars of investments made:

(Rs. in Lacs)

Sr. No	Name of the investee	Opening Balance as on 31.03.16	Investment made	Investment redeemed/ extinguished	Outstanding Balance as on 31.03.17	Purpose
	Investment in Equity Share Capital					
1	Max Ateev Limited	3,144.36	-	-	3,144.36	Strategic investment
2	Max Healthcare Institute Limited.	49,412.68	-	-	49,412.68	Strategic investment
3	Max Bupa Health Insurance Company Limited	66,452.01	1,428.00	20,654.00	47,226.01	Strategic investment
4	Antara Senior Living Limited	800.00	-	-	800.00	Strategic investment
5	Pharmax Corporation Limited	1,420.81	-	-	1,420.81	Strategic investment
6	Max Skill First Limited	1,022.87	-	-	1,022.87	Strategic investment
7	Max UK Limited	213.00	-	-	213.00	Strategic investment
	Investment in Preference Share Capital					
1	Antara Senior Living Limited	14,471.42	3,850.00	-	18,321.42	Strategic investment
2	Pharmax Corporation Limited	1,500.00	-	-	1,500.00	Strategic investment
		138,437.15	5,278.00	20,654.00	123,061.15	

32 Scheme of Arrangement (Demerger) between Max Financial Services Limited (MFS), the Company and Max Venture and Industries Limited (MVIL)

In the previous year, the Board of Directors of Max Financial Services Limited ('MFS', erstwhile Max India Limited) in their meeting held on January 27, 2015 had approved the Corporate Restructuring plan to vertically split MFS through a Composite scheme of arrangement ('Scheme'), into three separate listed companies.

- a) The Hon'ble High Court of Punjab and Haryana vide its order dated December 14, 2015, sanctioned the Scheme under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 between Max Financial Services Limited ('MFS' - erstwhile Max India Limited), Max India Limited ("the Company" - erstwhile Taurus Ventures Limited) and Max Ventures and Industries Limited ('MVIL' - erstwhile Capricorn Ventures Limited). The Scheme is effective from January 15, 2016 i.e. the date of filing of the certified copy of the order of the Hon'ble High Court of Punjab and Haryana with the Registrar of Companies, Chandigarh and Shimla. Pursuant to the Scheme, all the assets and liabilities pertaining to the Demerged Undertaking (as defined in the Scheme) have been transferred to and vested in the Company with retrospective effect from the appointed date i.e. April 1, 2015 at their respective book values appearing in the books of demerged company i.e., MFS. Accordingly, the Scheme has been given effect to in the financial statements. in the previous year.
- b) The consideration for the demerger to the equity shareholders of the demerged company i.e., MFS is discharged by the Company i.e., Max India Limited wholly by issue of equity shares of the Company. Pursuant to the Scheme coming into effect, every shareholder holding fully paid up equity shares of Rs. 2/- each in MFS as on the Record Date i.e., January 28, 2016 will be allotted one equity share of Rs.2/- each in the Company for every one equity share of Rs.2/- each held in MFS as on the Record Date. As a result of this and pursuant to the provisions of the Scheme, the existing share capital of Rs.5 lacs of the Company shall stand cancelled. Further, with respect to employee's stock options granted by the demerged company i.e. MFS to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company or not) shall be allotted one stock option by the Company under the new ESOP scheme for every stock option held in MFS. Accordingly, ESOP outstanding as on the Effective Date in MFS shall be allocated between the demerged company and resulting companies. The surplus of net assets acquired by the Company over the aggregate face value of share capital to be issued shall be credited to capital reserve. The value of net assets acquired effective from April 1, 2015 and the calculation of differential consideration and value of net identifiable assets acquired is set out below:

Particulars	Amount (In lacs)
Assets acquired	
- Fixed assets (net of accumulated depreciation)	225.45
- Investments (Non-current and current)	149,152.09
- Loans and advances (Non-current and current)	7,645.99
- Cash and bank balance	5,154.04
- Other current assets	1,227.73
Sub-total (A)	163,405.30
Liabilities assumed	
- Trade payables and other current liabilities	575.63
- Provisions (Non-current and current)	374.55
Sub-total (B)	950.18
Net assets acquired (A-B)	162,455.12
Share capital to be issued	5,339.68
ESOP to be issued	198.38
Capital Reserve	156,917.06

- c) The reconciliation of share capital to be issued pursuant to the scheme is given below and disclosed as 'Shares capital pending allotment' in the financial statements in the previous year:

Particulars	Amount (In lacs)
Shares capital to be issued (refer point b above)	5,339.68
Less: Existing share capital pending cancellation	(5.00)
Share capital pending allotment	5,334.68

- d) The Company has received the Foreign Investment Promotion Board (FIPB) approval to issue and allot shares to MFS's shareholders as on the record date i.e. January 28, 2016, vide its letter dated May 06, 2016. The Company has issued and allotted 26,69,83,999 equity shares of Rs. 2/- each on May 14, 2016 and the existing equity capital of the Company of Rs. 5.00 lacs which was fully held by MFS, has been cancelled pursuant to the provisions of the Scheme and the Company ceases to be a subsidiary of MFS effective May 14, 2016.
- e) This Scheme is a non-cash transaction and hence, has no impact on the cash flow of the Company.

33. The Board of Directors of Max India Limited ("the Company") approved a composite scheme of amalgamation and arrangement ("Scheme") on August 8, 2016 ("Proposed Scheme"), which inter alia contemplates (a) merger of Max Life Insurance Company Limited with Max Financial Services Limited ("MFSL") (with a share exchange ratio of one share of MFSL for approximately five shares held in Max Life); (b) demerger of the life insurance undertaking of MFSL and merger of the said undertaking with HDFC Standard Life Insurance Company Limited ("HDFC Life") (share exchange ratio of approx. seven shares of HDFC Life for every three shares held in MFSL); and (c) merger of MFSL (holding the non-life insurance business) with the Company (with a share exchange ratio of one share of the Company for 500 shares held in MFSL).

The parties to the Proposed Scheme have applied for various regulatory approvals as required for implementing the Proposed Scheme.

On November 11, 2016, Insurance Regulatory and Development Authority of India ("IRDAI") issued a letter raising concerns over the Proposed Scheme in its current form. Max Life has made representation to the IRDAI in this regard and awaits a response from IRDAI.

34. Max India Limited ("the Company") is a core investment company (non systemically important - CIC) under the Non-Banking Financial Company (NBFC) Rules as defined under the RBI Act, 1934. The financial statements for the year ended March 31, 2017 have been prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
35. During the year, the Company divested its 23% stake in Max Bupa Health Insurance Limited (Max Bupa), a subsidiary company, to Bupa Singapore Pte. Limited for a consideration of Rs. 20,654.00 lacs. Consequently, the Company's stake in Max Bupa has reduced to 51% and the option agreement stands terminated effective June 09, 2016.
36. Subsequent to the year end, on May 11, 2017, the Board of Directors of the Company approved issuance of 19,384,854 warrants at an exercise price of Rs. 154.76 each to Mohair Investment and Trading Company Private Limited, one of the Promoter Group companies. Each warrant entitles the holder thereof to subscribe to one equity share of Rs. 2/- each in the share capital of the Company at a premium of Rs. 152.76 per equity share. Each warrant is convertible into one equity share as per prevalent SEBI guidelines at any time before expiry of 18 months from the date of allotment. The allotment of warrants shall be subject to the approval of members of the Company in the Extra Ordinary General Meeting scheduled to be held on June 10, 2017.
37. Subsequent to the year end, on May 11, 2017, the Board of Directors of the Company approved acquisition of 3.75% equity share capital of Max Healthcare Institute Limited (MHIL) held by International Finance Corporation, for a consideration of Rs. 21,156.87 lacs (approx). Subsequent to such acquisition, shareholding of the Company in MHIL will increase to 49.70%, same as that of its joint-venture partner Life Healthcare International.
38. Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

(Rs. in Lacs)			
Particulars	SBNs	Other Denomination notes	Total
Closing Cash in hand as on November 8, 2016	1.00	0.20	1.20
Add : Permitted receipt's	-	1.15	1.15
Less : Permitted payments	-	0.87	0.87
Less : Amount deposited in banks	1.00	-	1.00
Closing cash in hand as on december 30, 2016	-	0.48	0.48

39. Figures for previous period are from January 01, 2015 March 31, 2016, hence not comparable with current year figures.

As per our report of even date

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurgaon
Date : May 29, 2017

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

Mohit Talwar
(Managing Director)
DIN No - 02394694

Jatin Khanna
(Chief Financial Officer)

Place : New Delhi
Date : May 29, 2017

Ashok Brijmohan Kackar
(Director)
DIN No. 01647408

V. Krishnan
(Company Secretary)

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Max India Limited (formerly Taurus Ventures Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by

the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and jointly controlled entities, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and jointly controlled entities as at March 31, 2017, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

The auditors of Max Bupa Health Insurance Company Limited (Max Bupa) a subsidiary company have drawn attention on following matters:-

- a) Note 45 to the consolidated financial statements regarding the change in the manner of estimating unearned risk reserve, resulting in credit of Rs 5,300 lacs to the profit and loss account of Max Bupa.
- b) Note 46 to the consolidated financial statements regarding treatment of expenses in excess of limits specified by IRDAI Expenses of Management Rules 2016 aggregating to Rs 10,556 lacs.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

- (a) We /the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and jointly controlled companies incorporated in India, none of the directors of the Group's companies, and jointly controlled companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and jointly controlled entities – Refer Note 36 to the consolidated financial statements;

- ii. The Group, and jointly controlled entities did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and jointly controlled companies incorporated in India during the year ended March 31, 2017.
- iv. The Holding Company, subsidiaries, and jointly controlled entities incorporated in India, have provided requisite disclosures (as applicable) in Note 47 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including jointly controlled entities and as produced to us by the Management of the Holding Company except for jointly controlled entity in which Rs 20,339,082 was directly deposited in bank by its customers, which are other than permitted receipts.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose financial statements include total assets of Rs 147,348.94 lacs and net assets of Rs 44,017.94 lacs as at March 31, 2017, and total revenues of Rs 61,525.46 lacs and net cash out flows of Rs 233.64 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of jointly controlled entity, whose financial statements and other financial information reflect total assets of Rs 7,133.85 lacs and net assets of Rs 5,451.92 lacs as at March 31, 2017, and total revenues of Rs 2,314.03 lacs and net cash outflows of Rs.242.80 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this jointly controlled

entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

- (c) The auditor of Max Bupa Health Insurance Company Limited, (Max Bupa), a subsidiary company, have reported that the actuarial valuation of liabilities in respect of claims Incurred but Not Reported (IBNR), including claims Incurred but Not Enough Reported ('IBNER') as at March 31, 2017 is the responsibility of the Company's Appointed Actuary (appointed actuary) and has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion the assumptions for such valuation are in accordance with the applicable guidelines and norms, if any, issued by Insurance Regulatory Development Authority of India (IRDAI) and the Actuary Society of India in concurrence with the IRDAI. The auditors of Max Bupa have relied upon

the Appointed Actuary's Certificate in this regard for forming their opinion on the financial statements of Max Bupa.

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 29, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAX INDIA LIMITED (FORMERLY TAURUS VENTURES LIMITED)**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Max India Limited (formerly Taurus Ventures Limited) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Max India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its jointly controlled companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 8 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, companies incorporated in India.
- b) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, insofar it relates to a joint venture, which is unaudited, is based on management assessment of internal controls over financial reporting furnished to us by the management. In our opinion and according to the information and explanations given to us by the management, the joint venture is not material to the Group.
- c) The auditor of Max Bupa Health Insurance Company Limited, (Max Bupa), a subsidiary company, have reported that the actuarial valuation of liabilities in respect of claims Incurred but Not Reported (IBNR), including claims Incurred but Not Enough Reported ('IBNER') as at March 31, 2017 is required to be certified by the Appointed Actuary as per the Insurance

Regulatory and Development Authority (preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002 (the IRDA Financial Statements Regulations"), and has been relied upon by them, as mentioned in Other matter para of their report on the financial statements of the Company as at and for the year ended March 31, 2017. Accordingly the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuary valuation is also certified by the appointed actuary and accordingly, the auditors of Max Bupa have relied upon the appointed actuary's certificate.

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 29, 2017

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

(Rs. in Lacs)

	Notes	As at March 31, 2017	As at March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share capital	4	5,345.40	5.00
Share application pending allotment	38	-	5,334.68
Reserves and surplus	5	121,394.87	109,896.68
		126,740.27	115,236.36
Preference shares		67.03	98.72
Minority interest		12,185.16	5,979.38
Non-current liabilities			
Long-term borrowings	6	52,454.47	45,443.98
Deferred tax liabilities	7	769.36	207.89
Other long-term liabilities	8	19,053.14	11,099.45
Long-term provisions	9	1,172.42	906.40
		73,449.39	57,657.72
Current liabilities			
Short-term borrowings	10	3,999.30	5,583.76
Trade payables	11	-	-
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		24,389.72	20,517.55
Other current liabilities	11	21,334.72	11,942.25
Short-term provisions	9	30,037.21	27,930.32
		79,760.95	65,973.88
TOTAL		292,202.80	244,946.06
Assets			
Non-current assets			
Fixed Assets			
Property, Plant & Equipment	12	50,228.33	50,683.00
Intangible assets	13	3,135.10	2,422.68
Capital work-in-progress		44,365.84	24,803.51
Intangible assets under development		64.77	23.88
Goodwill on consolidation		39,712.63	40,541.15
Non-current investments	14	40,940.67	36,307.79
Deferred tax assets	7	838.85	-
Loans and advances	15	29,758.65	28,011.71
Trade receivables	16	1,558.73	1,688.13
Other non-current assets	17	56.52	49.18
		210,660.09	184,531.03
Current assets			
Current investments	18	54,318.89	37,450.52
Inventories	19	1,079.47	1,087.48
Trade receivables	16	13,068.25	11,331.20
Cash and bank balances	20	5,096.56	3,698.15
Loans and advances	15	4,223.15	2,921.78
Other current assets	17	3,756.39	3,925.90
		81,542.71	60,415.03
TOTAL		292,202.80	244,946.06
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurgaon
Date : May 29, 2017

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

Mohit Talwar
(Managing Director)
DIN No - 02394694

Jatin Khanna
(Chief Financial Officer)

Place : New Delhi
Date : May 29, 2017

Ashok Brijmohan Kackar
(Director)
DIN No. 01647408

V. Krishnan
(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	Notes	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Income			
Revenue from operations	21	142,944.43	121,186.83
Other income	22	2,437.63	1,562.92
Total revenue (I)		145,382.06	122,749.75
Expenses			
Purchase of pharmacy and pharmaceuticals supplies		19,446.29	18,570.21
(Increase)/ decrease in inventories of traded goods	23	(0.97)	(122.54)
Employee benefits expense	24	34,878.35	31,933.12
Other expenses	25	84,197.88	71,556.44
Depreciation and amortisation expense	26	5,879.60	5,553.95
Finance costs	27	5,270.35	4,096.09
Total expenses (II)		149,671.50	131,587.27
Loss before tax (I-II)		(4,289.44)	(8,837.52)
Tax expense			
Current tax		1,194.59	1,245.75
MAT credit entitlement		(565.16)	(271.75)
Tax related to previous years		(26.70)	-
Deferred tax		(277.38)	45.96
Total tax expense		325.35	1,019.96
Loss after tax		(4,614.79)	(9,857.48)
Minority Interest		(4.94)	1,782.92
Net loss (after adjusting minority interest)		(4,619.73)	(8,074.56)
Earnings per equity share	28		
[Nominal value of shares Rs.2]			
Basic (Rs.)		(1.73)	(3.02)
Diluted (Rs.)		(1.73)	(3.02)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Mohit Talwar
(Managing Director)
DIN No - 02394694

Ashok Brijmohan Kacker
(Director)
DIN No. 01647408

Place : Gurgaon
Date : May 29, 2017

Jatin Khanna
(Chief Financial Officer)

V. Krishnan
(Company Secretary)

Place : New Delhi
Date : May 29, 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Cash flow from operating activities		
Net (loss) before tax	(4,289.44)	(8,837.52)
Non cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation / amortisation	5,879.60	5,553.95
Interest expense	4,871.50	3,488.87
Interest income	(5,206.25)	(4,004.80)
Option fees	(627.70)	(3,104.79)
Amortisation of discount/(premium) on investments	(322.04)	(372.76)
Dividend income from investments	-	(3.38)
Net loss on sale of fixed assets	36.14	33.16
Net loss on foreign exchange fluctuation	1.21	25.62
Net profit on sale of investments	(2,691.08)	(2,844.05)
Fixed assets written off	-	0.08
Doubtful advances written off	151.22	251.18
Provision for doubtful debts and advances	471.72	628.66
Liabilities/provisions no longer required written back	(234.72)	(218.41)
Employee stock option expense	20.06	30.88
Operating profit before working capital changes	(1,939.78)	(9,373.31)
Movement in working capital :		
Increase in short-term trade payables	4,105.68	6,445.35
Increase in long-term provisions	266.02	23.80
Increase in short-term provisions	1,999.75	6,345.11
Increase in other current liabilities	431.26	2,254.91
Increase in other long-term liabilities	7,953.69	2,843.13
Decrease in long-term trade receivables	129.40	105.54
Increase in short-term trade receivables	(1,940.19)	(663.16)
Increase in inventories	8.01	(224.21)
Increase in long-term loans and advances	(628.06)	1,926.77
Increase in short-term loans and advances	(972.85)	(160.59)
Increase in other current assets	161.58	(2,268.13)
Cash generated from/(used in) operations	9,574.51	7,255.21
Direct taxes paid (net of refunds)	(1,792.05)	(9,450.99)
Net cash flow from /(used in) operating activities (A)	7,782.46	(2,195.78)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(25,412.43)	(52,615.99)
Proceeds from sale of fixed assets	315.33	173.54
Purchase of investments	(131,298.89)	(165,963.91)
Proceeds from sale of investments	112,810.76	183,353.21
Redemption in deposits (having original maturity of more than three months) and margin money	(101.77)	5,191.53
Option fee received	1,442.43	3,104.79
Interest received	4,306.23	4,004.80
Net cash flow from /(used in) investing activities (B)	(37,938.34)	(22,752.03)
Cash flow from financing activities		
Proceeds from issue of share capital	5.72	5.00
Issue of shares by subsidiary to minority	23,213.27	2,795.00

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Proceeds from long -term borrowings	19,191.77	27,326.97
Repayment of long -term borrowings	(4,593.02)	(5,243.73)
Repayment of short -term borrowings	(1,584.46)	3,219.26
Interest paid	(4,768.96)	(3,488.87)
Net cash flow from /(used in) financing activities (C)	31,464.32	24,613.63
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	1,308.44	(334.19)
Cash and cash equivalents at the beginning of the year	3,488.67	-
Cash and cash equivalents transferred on demerger	-	3,822.85
Cash and cash equivalents at the end of the year	4,797.11	3,488.67

Components of cash and cash equivalent

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Cash on hand	52.96	69.83
Cheques/drafts on hand	344.56	280.14
Balance with banks		
On current account	3,581.70	2,283.70
Deposits with original maturity of less than three months	817.89	855.00
Total cash and cash equivalents	4,797.11	3,488.67

Summary of significant accounting policies

3

As per our report of even date

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurgaon
Date : May 29, 2017

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

Mohit Talwar
(Managing Director)
DIN No - 02394694

Jatin Khanna
(Chief Financial Officer)

Place : New Delhi
Date : May 29, 2017

Ashok Brijmohan Kackar
(Director)
DIN No. 01647408

V. Krishnan
(Company Secretary)

1. Basis of preparation

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

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

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

2. Principles of Consolidation

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

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

Minority interest in the net assets of Subsidiaries consist of :

- The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made;
- The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

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

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

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

Sl. No.	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2017	Proportion of ownership as at March 31, 2016
1	Max Bupa Health Insurance Company Limited	India	51.00%	74.00%
2	Antara Senior Living Limited	India	100.00%	100.00%
3	Antara Purukul Senior Living Limited (i)	India	100.00%	100.00%
4	Antara Gurgaon Senior Living Limited (i)	India	100.00%	100.00%
5	Pharmax Corporation Limited	India	85.17%	85.21%
6	Max Ateev Limited	India	100.00%	100.00%
7	Max Skill First Limited	India	100.00%	100.00%
8	Max One Distribution and Services Limited (ii)	India	100.00%	100.00%
9	Max UK Limited	United Kingdom	100.00%	100.00%

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

Name of Joint Venture		Country of incorporation	Proportion of ownership as at March 31, 2017	Proportion of ownership as at March 31, 2016
1	Forum I Aviation Limited (iii)	India	20.00%	20.00%
2	Max Healthcare Institute Limited (MHIL)	India	45.95%	46.28%

Notes:

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

2.2 Additional information

Sl. No.	Name of the Subsidiary	Net Assets i.e total assets - total liabilities		Share in profit or loss	
		Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss
	Parent				
1	Max India Limited	154,781.33	122.12%	(725.44)	15.70%
	Indian Subsidiaries	-			
2	Max Bupa Health Insurance Company Limited	(23,733.30)	(18.73%)	(187.51)	4.06%
3	Antara Senior Living Limited	16,253.54	12.82%	(1,187.90)	25.71%
4	Antara Purukul Senior Living Limited (i)	(26,150.44)	(20.63%)	(3,439.80)	74.46%
5	Antara Gurgaon Senior Living Limited (i)	(2.03)	0.00%	(0.47)	0.01%
6	Pharmax Corporation Limited	1,107.98	0.87%	(54.61)	1.18%
7	Max Ateev Limited	(3,131.03)	(2.47%)	(2.62)	0.06%
8	Max Skill First Limited	57.70	0.05%	474.66	(10.27%)
9	Max One Distribution and Services Limited (ii)	(544.71)	(0.43%)	(3.14)	0.07%
	Foreign Subsidiaries				
10	Max UK Limited	(86.80)	(0.07%)	9.29	(0.20%)
	Minority interest in all subsidiaries	(12,185.16)	(9.61%)	-	-
	Joint Ventures				
1	Forum I Aviation Limited	379.65	0.30%	22.10	(0.48%)
2	Max Healthcare Institute Limited	19,993.54	15.78%	475.71	(10.30%)
	Total	126,740.27	100%	(4,619.73)	100%

3. Summary of significant accounting policies

3.1 Use of estimates

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

3.2 Property, plant and equipments

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

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

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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

3.3 Depreciation on property, plant and equipment

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

Assets	Useful life (years)
Factory Building	30
Other Building	60
Fences, Wells & Tubewells	5
Electrical Installations and Equipment	10
Plant and Equipment	15-25
Medical Equipment	13
Lab Equipment	10
Furniture and fixtures	5-10
Office equipment	3-5
IT Equipment (End user devices)	3
IT Equipment (Servers and network)	3-6
Vehicles including Ambulances	3-8

Leasehold improvement is amortized on a straight line basis over the period of lease

The management has estimated the useful life of the following classes of asset supported by internal technical assessment:

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

3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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

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

Cost of internally generated intangible assets

Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the asset
- its ability to use the asset
- how the asset will generate future economic benefits
- the availability of adequate resources to complete the development and to use the asset
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

3.5 Leases

Where the Group is lessee

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

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

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

Where the Group is the lessor

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

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

3.6 Borrowing costs

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

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

3.7 Impairment of tangible and intangible assets

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses

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

3.8 Investments

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

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

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

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

Insurance business:

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

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

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

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

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

Unlisted Securities are stated at cost.

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

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

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

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

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

3.9 Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes purchase price including duties, taxes and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on first-in-first out basis.

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

3.10 Revenue Recognition

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

Sale of goods

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

Interest

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

Dividend

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

Health Insurance Business

Premium Income

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

Reserve for unexpired risk (Unearned Premium)

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

Premium Deficiency

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

Reinsurance ceded

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

Commission on Reinsurance Premium

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

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

Interest/Dividend income

Interest income is recognised on accrual basis.

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

Premium/discount on purchase of investments

Accretion of discount and amortization of premium relating to debt securities is recognized as per constant yield method over the period of maturity/holding.

Profit/loss on Sale/Redemption of investments

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

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

Healthcare Business

Revenue from healthcare services are recognised on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets. Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

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

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

Lease Rentals

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

3.11 Foreign exchange transactions**Initial recognition**

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

Conversion

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

Exchange differences

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

Forward exchange contracts not intended for trading or speculation purposes

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

Translation of non-integral foreign operations

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

3.12 Employee Benefits**Provident Fund**

The Group contributes to employees provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The minimum interest rate payable by the trust to the beneficiaries every year is notified by the government and

the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date.

Gratuity

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

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

Long term incentive plan (MHIL & Max Bupa)

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

Long term incentive plan (Other companies)

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

Compensated Absences

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

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

3.13 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and Income Computation and Disclosure Standard (ICDS) enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against

current tax liabilities and the deferred tax assets and deferred taxes relate to the same governing taxation laws.

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

3.14 Employee Stock Option Scheme

Equity settled

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

In accordance with the Securities and Exchange Board of India (SEBI) (Share based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Cash settled (the Copany and MHIL)

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

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

3.15 Segment reporting policies

Identification of segments

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

Inter-segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment policies

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

3.16 Earnings Per Share

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

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

3.17 Provisions

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

3.18 Contingent liabilities

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

3.19 Cash and Cash equivalents

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

3.20 Other Health insurance business specific accounting policies

(a) Claims Incurred

Claims incurred comprises of claims paid, change in estimated liability for outstanding claims, change in estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising survey, legal and other directly attributable expenses.

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

IBNR and IBNER

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

(b) Allocation of Investment Income

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

(c) Fair Value Change Account

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

(d) Acquisition Cost of Insurance Contracts

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

(e) Advance Premium

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

(f) Claims Incurred

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

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

(j) Allocation of Operating Expenses

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

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

4. Share Capital

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Authorised shares (Nos.)		
300,000,000 (March 31, 2016: 300,000,000) equity shares of Rs. 2/- each	6,000.00	6,000.00
	6,000.00	6,000.00
Issued, subscribed and fully paid-up shares (Nos.)		
267,270,049 (March 31, 2016: 250,000) equity shares of Rs. 2/- each fully paid up	5,345.40	5.00
	5,345.40	5.00

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

	March 31, 2017		March 31, 2016	
	No. of shares	Rs. In Lacs	No. of shares	Rs. In Lacs
Equity Shares				
At the beginning of the period	250,000	5.00	-	-
Cancelled during the year	(250,000)	(5.00)	-	-
Issued during the period - Fresh Allotment	266,983,999	5,339.68	250,000	5.00
Issued during the period - ESOP	286,050	5.72	-	-
Outstanding at the end of the year	267,270,049	5,345.40	250,000	5.00

4.2 Terms/rights attached to equity shares

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

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

(Rs. in Lacs)

Name of the Shareholder	March 31, 2017		March 31, 2016	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 2/- each fully paid				
- Max Ventures Investment Holdings Private Limited	66,158,030	24.75%	-	-
- Liquid Investment and Trading Private Limited	23,818,876	8.91%	-	-
- Xenok Limited	17,161,714	6.42%	-	-
- Max Financial Services Limited - (MFSL) (formerly known as Max India Limited)	-	-	250,000	100.00%
(Including 6 shares held by nominees of MFSL)				

4.4 Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 29.1.

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

The Company has issued total 286,050 shares (March 31, 2016: Nil) during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employees services.

5. Reserves and surplus

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Capital reserve		
Balance at beginning of the period / year	117,701.43	-
Add: arising out of scheme of demerger (Refer note 38)	-	117,701.43
Closing Balance	117,701.43	117,701.43
Securities Premium Account		
Balance at beginning of the period / year	-	-
Add: transferred from stock option outstanding	133.53	-
Closing Balance	133.53	-
Employee stock option outstanding		
Balance at beginning of the period / year	227.34	-
Add: arising out of scheme of demerger (Refer note 38)	-	198.38
Add/(less): compensation options granted during the year	104.56	28.96
Less : transferred to securities premium account	133.53	-
	198.37	227.34
Foreign Currency Translation Reserve		
Balance at beginning of the period / year	42.47	-
Add: arising out of scheme of demerger (Refer note 38)	-	38.74
Increase/(decrease) during the year	(21.14)	3.73
	21.33	42.47
Surplus/ (deficit) in the statement of profit and loss		
Balance at beginning of the period / year	(8,074.56)	-
Add: Gain on dilution of stake in subsidiaries	16,034.50	-
(Less): loss for the year	(4,619.73)	(8,074.56)
Net Surplus in the statement of profit and loss	3,340.21	(8,074.56)
Total reserves and surplus	121,394.87	109,896.68

6. Long term borrowings

(Rs. in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Term loans (Secured)				
From banks	49,234.73	35,382.98	8,528.42	273.96
From financial institutions	-	4,593.05	-	-
From non-banking financial companies	2,843.64	4,454.12	190.63	633.38
Deferred payment liabilities (Unsecured)				
Deferred payment liabilities	-	764.19	40.22	248.48
Financial lease obligation (Secured)	161.09	203.33	40.95	105.28
Vehicle loans (Secured)	215.01	46.31	86.30	37.16
	52,454.47	45,443.98	8,886.52	1,298.26
The above amount includes				
Secured borrowings	52,454.47	44,679.79	8,846.30	1,049.78
Unsecured borrowings	-	764.19	40.22	248.48
Amount disclosed under the head "other current liabilities" (note 11)	-	-	(8,886.52)	(1,298.26)
	52,454.47	45,443.98	-	-

6.1 Term loans from banks
Max Healthcare Institute Limited (MHIL) and its subsidiaries

- i) Loan of Rs. Nil (March 31, 2016: Rs. 3,184.82 Lacs) from ICICI Bank Limited obtained by MHIL repayable in 36 quarterly instalments from June 2014 is secured by way of: Exclusive charge over the immovable property located at Shalimar Bagh, first pari passu charge on the whole of movable fixed assets (excluding vehicles) including medical equipments (except assets having exclusive charge in favour of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc of MHIL, second pari passu charge on all the entire current assets including book debts, operating cash flows, receivables, revenue subject to prior charge in favour of working capital bankers restricted to working capital limits of Rs.7500 lacs, first pari passu charge on the whole of movable fixed assets of Max Medical Services Limited MMS), a subsidiary of MHIL and pledge of MHIL's 26% shareholding in MMS and pledge of MMS's 26% shareholding in its subsidiary Alps Hospital Limited.
- ii) Loan of Rs. 8,905.49 (March 31, 2016: Rs. 462.78 Lacs) from IDFC Bank obtained by MHIL repayable in 52 quarterly installments from April, 2018.

The above loan is secured by:

- (a) A First mortgage and charge on entire immovable properties of the borrower pertaining to Max Saket Hospital and Max Shalimar bagh Hospital, both present and future.
- (b) A first Parri-Passu charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower and Max Medical Services Limited (MMSL), both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans.
- (c) A charge on the entire current assets including cashflows, 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 favour of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
- (d) a first charge on the entire current assets including cashflow receivables, book debts, revenues, raw material, stock-in-trade, and inventory of MMSL, of whatsoever nature and wherever arising both present and future.
- (e) a first charge on the entire intangible assets of the Borrower and MMSL, including but not limited to goodwill and uncalled capital, intellectual property, both present and future.
- (f) A first charge/mortgage/assignment, as the case may be, of -(a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in the project document (including the documents given in schedule 2), duly acknowledged and consented to by the relevant counter-parties to such project Documents, all as amended,

varied or supplemented from time to time (b) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL in the Clearance, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower and MMSL 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 Borrower and MMSL under all insurance contracts.

- (g) Pledge of share held by Borrower in demat form in the equity share capital of MMSL representing 30% (thirty percent) of the total paid up equity share capital of MMSL which shall, on the earlier of assignment/novation/transer by the Bank of part of the Loan to any person or upon participation by other lender(s) in the Loan or on being permissible under the Applicable Laws shall be increased to 51% (fifty one percent) of the total paid up equity share capital of MMSL provided that, the Borrower shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of MMSL, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid up equity share capital of the Borrower to the effect that the Borrower will not transer, assign, dispose of pledge charge or create any lien or any security interest or in any way encumber in favor of any person(s) shares representing 21% (twenty one percent) of the total equity share capital of MMSL so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of MMSL upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/joint venture agreement/financing arrangement, with regard to pledge/transfer of the shares/Securities including transfer upon enforcement of the pledge.
- (h) Security interest set out in sub clause (c) shall be subject to the first prior charge of only working capital facility lenders to the extent of INR 75 crore.
- (i) Security interest set out in sub clauses (a), (b) and (d) to (g) shall rank pari-passu amongst the lenders of the Borrower for an aggregate rupee loan of upto INR 340 Crore.
- iii) Loan of Rs. 689.21 (March 31, 2016: Rs. 925.56 Lacs) from HDFC Bank Limited repayable in 20 structured quarterly installments from November 2019 is secured by way of: First charge on movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets of ALPS Hospital Limited (ALPS). First charge on all the book debts, operating cash flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior first pari-passu charge in favour of working capital bankers restricted to the present working capital limits of Rs.500 Lacs). First charge on all intangibles. Corporate guarantee given by MHIL.
- iv) Term loan of Rs. 5,703.43 Lacs (March 31, 2016: Rs. 4,381.56 Lacs) from Axis Bank having moratorium period of 2.25 years repayable in 38 quarterly installments from December 2017 is secured by way of first charge on the entire movable/immovable fixed Assets, of Crosslay Remedies Limited, both present and future, excluding vehicles specifically charged to other lenders, both present and future and first charge on all the current assets of Crosslay Remedies Limited and collaterally secured by way of Corporate Guarantee of MHIL.
- v) Term loan of Rs. 6,634.32 Lacs (March 31, 2016: Rs.5,843.94 Lacs) from Yes Bank Limited repayable in 48 structured quarterly installments from November 2018 is secured by way of: First pari passu charge over Max Super Smart Speciality Hospital, all present and future, moveable and immovable, tangible and intangible fixed assets excluding vehicles and current assets. The charge, however, is yet to be registered with ROC. Pledge of 25.50% share capital of the Max Super Smart Speciality Hospital. Unconditional and Irrevocable corporate guarantee by MHIL for the loan period.
- vi) Term loan of Rs. 5,791.64 Lacs (March 31, 2016: Rs.5,833.10 Lacs) from Axis Bank Limited repayable in 52 structured quarterly installments from January 2019 is secured by way of: First pari-passu charge over Max Super Smart Speciality Hospital all present and future, moveable and immovable, tangible and intangible fixed assets excluding vehicles and current assets. Pledge of 25.50% share capital of the Max Super Smart Speciality Hospital held by the Company. Further, there is negative lien for 21% shareholding of Max Super Smart Speciality Hospital. Unconditional and Irrevocable corporate guarantee by MHIL for the loan period.
- vii) Term Loan from banks includes Rs. 2,668.15 lacs (March 31, 2016: Rs. Nil) raised from IDFC Bank Limited repayable in 52 structured quarterly installments from June 2018.

The above Loan is secured by:

- (a) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
- (b) A Charge on the entire current assets including cashflows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.

- (c) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the Borrower under all Insurance Contracts;
 - (d) Pledges of Shares held by Max Medical Services Ltd. (MMSL) in demat form in the equity share capital of the Borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/novation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that MMSL shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that MMSL will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The Shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;
- viii) Rs. 2,337.33 Lacs (March 31, 2016: Rs. Nil) from IDFC Bank Limited repayable in 52 structured quarterly installments from June 2018.

The above Loan is secured by:

- (a) A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:
- (b) A Charge on the entire current assets including cashflows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.
- (c) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the Borrower under all Insurance Contracts;
- (d) Pledges of Shares held by Max Medical Services Ltd. (MMSL) in demat form in the equity share capital of the Borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/novation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that MMSL shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that MMSL will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The Shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;

Antara Purukul Senior Living Limited (APSL)

- (i) Term Loan from Axis Bank Limited of Rs. 25,033.89 Lacs (March 31, 2016: Rs. 15,025.18 Lacs) obtained by APSL is repayable in 12 quarterly instalment commencing from June 15, 2017 with an option to prepay. The loan is secured by a exclusive charge by way of mortgage of the land on which APSL is building a senior living community" ('Project') admeasuring 19 acres (including project land of 13 acres and surplus land of 6 acres) situated at Village Chak Soloniwala, Dehradun, owned by APSL. Exclusive charge by way of hypothecation on entire current assets and movable fixed assets (excluding vehicles hypothecated to the financiers of the vehicles) of APSL and Antara Senior Living Limited ('ASL'), both present and future. Exclusive charge over designated account and over all cash flows of APSL and ASL including but not limited to cash flows arising out of sales / leasing of area / project receipts / all other cash flows pertaining to project. Exclusive charge on all the receivables of APSL and ASL by way of hypothecation of scheduled receivables both present and future. Exclusive charge by way of hypothecation / mortgage / assignment as the case may be of all the FSI, rights, title, interest, benefits, claims and demands whatsoever of APSL and ASL in respect of the project, in the project documents, all as amended, varied or supplemented from time to time; subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of APSL and ASL in the clearances, and all the rights, title, interest, benefits, claims and demands whatsoever of APSL and ASL in any letter of credit, guarantee, performance bond, guarantee, bank guarantee provided by any vendor/contractor/party to APSL and ASL in relation to the project. Corporate Guarantees given by Max India Limited and ASL.

6.2 Term loans from financial institutions

MHIL and its subsidiaries

- (i) Rs. NIL (March 31, 2016: Rs. 4,593.05 lacs) from Housing Developing Finance Corporation Limited (HDFC) repayable in 36 quarterly installments from February, 2015. The above loans are secured by First pari-passu charge on the whole of movable fixed assets (excluding vehicles) including medical equipments (except assets having exclusive charge in favour of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc of MHIL and its subsidiary namely Max Medical Services Limited. First pari-passu charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of MHIL, present and future (subject to a prior charge in favour of working capital lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate). Pledge of MHIL's 26% shareholding in its subsidiary, namely Max Medical Services Limited and pledge of Max Medical Services Limited's 26% shareholding in Alps Hospital Limited. The term loans is secured by equitable mortgage of MHIL's immovable property at Plot no 1, Press Enclave Road, Saket, New Delhi. MHIL has also created charge in favour of Canara Bank, which is acting as a security trustee for term loan.

6.3 Term loan from non-banking financial companies

MHIL and its Subsidiaries

- (i) Term loan of Rs. 279.31 Lacs (March 31, 2016: Rs. 460.00 Lacs) from SREI Equipment Finance Private Limited repayable in 28 quarterly instalments from December 2011 is secured by way of exclusive charge over the medical equipment acquired from through this facility.
- (ii) Term Loan from financial institutions includes Rs. 640.96 lacs (March 31, 2016: Rs. Nil) raised from IDFC Infra, repayable in 52 structured quarterly installments commencing after moratorium of 2 Years from the date of first disbursement of the loan. The above loans are secured by following:
- First Pari passu charge on the whole of movable fixed assets (excluding vehicles) including medical equipments (except assets having exclusive charge in favour of SREI Equipment Finance Private Limited), movable plant and machinery, spares etc of the Company and its subsidiaries namely Max Medical Services Limited.
 - First Pari passu charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company, present and future (subject to a prior charge in favour of working capital Lenders restricted to working capital limits of Rs. 7,500 Lacs in aggregate).
 - Pledge of the Company's 26% shareholding in its subsidiary, namely Max Medical Services Limited and pledge of Max Medical Services Limited's 26% shareholding in Alps Hospital Limited.
 - The term loan at (i) above is secured by a Corporate guarantee by Max India Limited.
 - The term loans at (i) & (ii) above are secured by equitable mortgage of the Company's immovable property at Plot no 1, Press Enclave Road, Saket, New Delhi. The company has also created charge in favour of Canara Bank, which is acting as a security trustee for term loans referred in (i) & (ii) above.
- iii) Rs. 2,113.68 Lacs (March 31, 2016: Rs. Nil) from IDFC Infrastructure Finance Limited repayable in 52 structured quarterly installments from May 2018. The above Loan is secured by:
- A first charge by way of hypothecation of entire movable properties (except the movable current assets) of the Borrower, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature but excluding the movable properties financed by specific vehicle/equipment finance loans:

- (b) A Charge on the entire current assets including cashflows, receivables, book debts revenues, raw material, stock-in-trade, and inventory of the Borrower, of whatsoever nature and wherever arising, both present and future.
- (c) A first charge/mortgage/assignment, as the case may be, of -(a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including the documents given in Schedule 2), duly acknowledged and consented to by the relevant counterparties to such Project Documents all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, Corporate guarantee, bank guarantee provided by any party to the project Documents; (d) all the right, title, interest, benefits claims and demands whatsoever of the Borrower under all Insurance Contracts;
- (d) Pledges of Shares held by Max Medical Services Ltd. (MMSL) in demat form in the equity share capital of the Borrower representing 30% (thirty percent) of the total paid-up equity share capital of the Borrower which shall, on the earlier of assignment/novation/transfer by the Bank of part of the loan to any person or upon participation by other lender(s) in the loan or on being permissible under the Applicable Laws, shall be increase to 51% (fifty one percent) of the total paid up equity share capital of the Borrower Provided that MMSL shall, pending creation of pledge over the entire 51% (fifty one percent) of the total paid up equity share capital of the Borrower, execute an undertaking in favour of the Bank in respect of the balance 21% (twenty one percent) of the total paid equity share capital of the Borrower to the effect that MMSL will not transfer, assign, dispose of, pledge, charge or create any lien or any Security Interest or in any way encumber in favour of any person(s) shares representing 21% (twenty one percent) of the total equity shares Capital of the Borrower so long as pledge is increased from 30% (thirty percent) to 51% (fifty one percent) of the total paid up equity share capital of the Borrower upon earlier of assignment/novation/transfer by the Lender of part of the Loan to any person or upon participation by other lender(s) in the Loan on being permissible under Applicable Law. The Shares to be pledged shall be free from any restrictive Covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/ joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares/ Securities including transfer upon enforcement of the pledge;
- iv) Term Loan from L&T Infrastructure Finance Company Limited of Rs. Nil (March 31, 2016: Rs.4627.50 Lacs) repayable in 32 quarterly installments from December 2014 obtained is secured by way of assignment of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts, first charge on movable fixed assets excluding vehicles, including movable plant and machinery, machinery spares, tools and flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior charge in favour of working capital bankers restricted to the present working capital limits of Rs.1,000 lacs each in HEPL and Rs.500 lacs in HBPL) and first charge on intangibles.

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

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

6.6 Vehicle Loans Rs. 301.31 Lacs (March 31, 2016: Rs. 83.47 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 1 to 5 years.

7. Deferred tax liabilities

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	769.36	214.90
Gross deferred tax liability	769.36	214.90
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	838.85	7.01
Gross deferred tax assets	838.85	7.01
Net deferred tax liability	(69.49)	207.89

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

8. Other long term liabilities

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Advances from customers	17,643.16	10,129.77
Lease equalisation reserve	767.20	807.23
Security deposits received	162.39	-
Retention money payable	480.39	162.45
	19,053.14	11,099.45

9. Provisions

(Rs. in Lacs)

	Long - term		Short - term	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Provision for employee benefits				
Provision for leave benefits	-	-	1,142.91	952.27
Provision for gratuity (note 24.1)	1,083.88	906.40	223.78	111.45
Provision for employee stock options	-	-	46.68	21.33
Provision for long term incentive plan	-	-	303.00	575.01
Other provisions				
Provision for reserve for unexpired risk	-	-	28,208.10	26,244.60
Provision for income tax (net of advance tax)	-	-	112.74	25.66
Provision for Restoration expenses under PPP	88.54	-	-	-
	1,172.42	906.40	30,037.21	27,930.32

10. Short term borrowings

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Loans repayable on demand		
Cash credit from banks (secured)	3,999.30	4,426.82
Short term loan from banks (unsecured)	-	1,156.94
	3,999.30	5,583.76
The above amount includes		
Secured borrowings	3,999.30	4,426.82
Unsecured borrowings	-	1,156.94
	3,999.30	5,583.76

MHIL

Cash credit facilities availed by MHIL and ALPS 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 favour of term lenders of MHIL and ALPS. The cash credit is repayable on demand.

HEPL and HBPL

Cash credit facility availed by HEPL and HBPL from bank is secured by:

First charge by way of hypothecation of the entire current assets of the respective companies, present and future (prior to charge in favour of term lenders), except escrow account with the Government of Punjab. Second charge on the entire movable fixed assets (excluding vehicles) both present and future.

Crosslay Remedies Limited (CRL)

Working capital facilities from Axis bank is secured by way of first charge on entire movable / immovable fixed assets of CRL both present and future, excluding vehicles specially charged to other lenders, both present and future and first charge on all the current assets of Crosslay Remedies Limited and collaterally secured by way of Corporate Guarantee of MHIL.

Saket City Hospital Private Limited (SCHPL)

Cash credit taken by SCHPL, Max Smart Super Speciality Hospital "MSSH", is secured by way of first pari passu charge over MSSH all present and future, moveable and immoveable, tangible and intangible fixed assets excluding vehicles and current assets. Pledge of 25.50% share capital of the MSSH held by MHIL, unconditional and Irrevocable corporate guarantee by MHIL for the loan period.

11. Current liabilities

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Trade payables		
• Total outstanding dues of micro enterprises and small enterprises	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	24,389.72	20,517.55
Other liabilities		
Current maturities of long-term borrowings (note 6)	8,845.57	1,192.98
Current maturity of finance lease obligation (note 6)	40.95	105.28
Interest accrued but not due on borrowings	232.83	130.29
Advance from customers and policyholders	1,861.34	1,521.07
Claims outstanding (includes claims pending investigation)	5,312.06	4,956.49
Unclaimed amount - policyholders	177.17	266.65
Other liabilities		
Security deposit received	250.34	194.08
Statutory dues payable	1,369.86	1,734.24
Unexpired discount on forward contracts	39.19	0.99
Capital creditors	2,894.62	1,624.21
Others	310.79	215.97
	21,334.72	11,942.25
	45,724.44	32,459.80

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

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

12. Property, Plant and Equipments

(Rs. in Lacs)

	Land (Freehold)	Land (Leasehold)	Building	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Leasehold Improvements	Electrical Installations & Equipments	Computer & Data processing Units	Total
Cost											
Opening balance	5,884.67	3,777.99	18,917.93	30,847.84	2,836.88	1,571.31	905.42	5,602.33	1,744.66	3,024.33	75,113.36
Additions	-	2.70	591.95	2,009.42	180.95	260.05	484.07	385.94	26.46	1,081.78	5,023.32
Deletions/ Adjustments	-	-	-	(471.08)	(26.29)	(123.10)	(108.58)	64.53	(11.06)	(163.77)	(839.35)
Adjustment on account of acquisition	-	(26.98)	(122.17)	(204.62)	(33.25)	37.42	(3.14)	(25.51)	(12.29)	(61.07)	(451.61)
March 31, 2017	5,884.67	3,753.71	19,387.71	32,181.56	2,958.29	1,745.68	1,277.77	6,027.29	1,747.77	3,881.27	78,845.72
Depreciation											
Opening balance	-	-	2,464.36	12,953.70	1,649.64	1,051.63	341.74	2,880.40	773.77	2,315.12	24,430.36
Charge for the year	-	-	378.25	2,695.40	258.84	199.84	161.11	551.08	170.51	519.50	4,934.53
Deletions/ Adjustments	-	-	-	(317.36)	(22.51)	(44.87)	(71.24)	64.53	(9.90)	(158.81)	(560.16)
Adjustment on account of acquisition	-	-	(15.92)	(106.40)	(26.46)	20.01	(1.42)	(10.56)	(5.14)	(41.45)	(187.34)
March 31, 2017	-	-	2,826.69	15,225.34	1,859.51	1,226.61	430.19	3,485.45	929.24	2,634.36	28,617.39
Net Block											
March 31, 2016	5,884.67	3,777.99	16,453.57	17,894.14	1,187.24	519.68	563.68	2,721.93	970.89	709.21	50,683.00
March 31, 2017	5,884.67	3,753.71	16,561.02	16,956.22	1,098.78	519.07	847.58	2,541.84	818.53	1,246.91	50,228.33

12.1 Max Healthcare Institute Limited (MHIL)

Land pertaining to hospital situated in Saket and Shalimar Bagh is under perpetual lease

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

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

12.2 Medical Equipment includes medical equipment taken on finance lease:

(Rs. in Lacs)

	March 31, 2017	March 31, 2016
Gross Block	899.65	906.28
Depreciation charge for the year	98.77	86.34
Accumulated depreciation	375.94	279.52
Net book value	523.71	626.76

12.3 Pharmax Corporation Limited

Land under perpetual lease Rs. 1.82 Lacs

The following assets given on an operating lease:

(Rs. in Lacs)

	Building		Plant & Equipment	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Gross Block	361.54	361.54	144.95	138.59
Depreciation charge for the year	5.68	5.68	7.12	6.12
Accumulated depreciation	81.31	75.63	127.24	122.40
Net book value	280.23	285.91	17.71	16.19

13. Intangible assets

(Rs. in Lacs)

	Non compete fee	Computer Software	Total
Cost			
Opening balance	585.41	5,800.12	6,385.53
Additions	-	1,665.95	1,665.95
Deletions/ Adjustments	-	(1.70)	(1.70)
Adjustment on account of acquisition	(4.18)	(16.52)	(20.70)
March 31, 2017	581.23	7,447.85	8,029.08
Amortization			
Opening balance	61.09	3,901.76	3,962.85
Charge for the year	82.97	862.10	945.07
Deletions/ Adjustments	-	(1.37)	(1.37)
Adjustment on account of acquisition	(0.63)	(11.94)	(12.57)
March 31, 2017	143.43	4,750.55	4,893.98
Net Block			
March 31, 2016	524.32	1,898.36	2,422.68
March 31, 2017	437.80	2,697.30	3,135.10

13.1 Non compete fees represents amount paid to erstwhile owners of CRPL as per the terms of share purchase agreement dated May 28, 2015. The non compete fees is amortised over a period of seven years.

14. Non- current investments

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Non-trade investments (valued at cost unless stated otherwise)		
Health Insurance Business:		
Bonds(quoted)	9,081.26	5,046.78
Government and trust securities (quoted)	14,251.46	14,967.93
Term deposits (unquoted)	225.00	1,896.00
Investment in infrastructure & social sector (quoted)	12,068.57	11,144.41
Other approved securities (quoted)	5,145.40	3,083.69
	40,771.69	36,138.81
Pharmax Corporation Limited		
Max Speciality Films Limited		
3,38,350 (March 31, 2016: 3,38,350) Equity Share of Rs 10/- each fully paid up	168.98	168.98
	168.98	168.98
	40,940.67	36,307.79
Aggregate market value of quoted investments	42,030.24	34,871.90
Aggregate amount of quoted investments	40,546.69	34,242.81
Aggregate amount of unquoted investments	393.98	2,064.98

15. Loans and advances

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Capital advances				
Secured, considered good	81.20	715.35	-	-
Unsecured, considered good	10,107.92	8,882.97	-	-
A	10,189.12	9,598.32	-	-
Security deposits				
Unsecured, considered good	15,334.57	14,780.32	33.37	7.72
Doubtful	-	10.73	-	-
	15,334.57	14,791.05	33.37	7.72
Provision for doubtful security deposit	-	(10.73)	-	-
B	15,334.57	14,780.32	33.37	7.72
Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	1,132.89	879.08
Doubtful	-	-	1,020.00	1,084.26
	-	-	2,152.89	1,963.34
Provision for doubtful advances	-	-	(1,020.00)	(1,084.26)
C	-	-	1,132.89	879.08
Intercompany deposits				
Unsecured, considered good	505.42	419.54	-	-
D	505.42	419.54	-	-
Other loans and advances (unsecured, considered good unless stated otherwise)				
Balances with statutory/government authorities	26.42	26.61	383.45	390.25
Prepaid expenses	15.16	9.11	924.52	648.17
Loans to employees	3.54	10.74	13.76	20.45
MAT credit entitlement	107.39	99.11	831.22	274.34
Advance income tax (net of provisions)	3,577.03	3,067.96	903.94	701.77
E	3,729.54	3,213.53	3,056.89	2,034.98
Total (A+B+C+D+E)	29,758.65	28,011.71	4,223.15	2,921.78

- i) The Group has till date recognised Rs. 938.61 lacs (March 31, 2016: Rs. 373.45 lacs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.
- ii) Vide Termination agreement dated November 27, 2015, SCHPL has converted the loan amount including interest thereon alongwith trade receivables from Gujarmal Modi Hospital and Research Centre for Medical Sciences (Society) to refundable security deposit. The said security deposit shall be repayable out of the surplus funds available with the society along with the interest agreed (upto 12% per annum).

16. Trade receivables

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	2,381.43	952.84
Doubtful	-	-	2,405.50	2,202.36
	-	-	4,786.93	3,155.20
Provision for doubtful receivables	-	-	(2,405.50)	(2,202.36)
A	-	-	2,381.43	952.84
Other receivables				
Unsecured, considered good	1,558.73	1,688.13	10,686.82	10,378.36
B	1,558.73	1,688.13	10,686.82	10,378.36
Total (A+B)	1,558.73	1,688.13	13,068.25	11,331.20

Notes:

- a) As at December 10, 2001, MMS a subsidiary of joint venture entity (MHIL) had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 2,431 Lacs. The said consideration is repayable in equal instalments over 26.5 years from the handover date. Further, "MMS" has completed phase II of the construction in financial year 2010-11 and handed over the possession for a consideration of Rs.3,520 Lacs. The said consideration is repayable in equal instalments over 20.5 years from the handover date. Accordingly, the non current portion represents the Group share of Joint Venture with respect to this transaction.
- b) Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to Rs. 437.53 Lacs (March 31, 2016: Rs. 422.68 Lacs) has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other Income" as income from deferred credit.

17. Other assets

(Rs. in Lacs)

	Non - Current		Current	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 20)				
Marginal money deposit	35.72	29.87	-	-
Deposit under lien	15.95	-	-	-
Deposits with original maturity of more than 12 months	-	10.00	-	-
Others				
Interest accrued on fixed deposits	4.85	9.31	10.71	14.40
Interest accrued on investments	-	-	2,092.71	1,906.50
Interest accrued on loans	-	-	624.28	-
Unbilled revenue	-	-	903.04	1,190.27
Option fee receivable	-	-	-	814.73
Property, plant and equipment held for sale	-	-	13.78	-
Export benefits receivables	-	-	80.69	-
Forward Recoverable	-	-	31.18	-
	56.52	49.18	3,756.39	3,925.90

18. Current investments

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Current investments		
Health Insurance Business:		
Investment in infrastructure & social sector (quoted)	1,000.00	-
Bonds (quoted)	500.00	2,729.66
Term deposits (unquoted)	6,869.00	10,345.28
Unit in mutual funds (unquoted)	6,316.06	5,520.95
Commercial paper (quoted)	7,281.16	1,880.22
	21,966.22	20,476.11
Other Business (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted Mutual funds		
<i>Birla Sun Life Cash Plus - Growth Direct Plan Growth</i>	4,869.33	-
1,895,100 (March 31, 2016: Nil) units of Face value Rs. 100/- per unit fully paid		
<i>DFHL Pramerica Insta Cash Plus Fund - Direct Plan Growth</i>	1,481.74	-
741,093 (March 31, 2016: Nil) units of Face value Rs. 100/- per unit fully paid		
<i>DSP BlackRock Liquidity Fund -Direct Growth</i>	6,298.48	-
280,058 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
<i>JM High Liquidity Fund (Direct) Growth</i>	6,275.10	-
14,800,894 (March 31, 2016: Nil) units of Face value Rs. 10/- per unit fully paid		
<i>Invesco India Liquid Fund Direct Plan Growth</i>	1,712.29	-
76,992 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
<i>L&T India Liquid Fund- Direct Fund Growth</i>	3,020.01	-
140,003 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		

	As at March 31, 2017	As at March 31, 2016
<i>Tata Money Market Fund - Direct Fund Growth</i>	-	16,162.81
Nil (March 31, 2016: 701,846) units of Face value Rs. 1000/- per unit fully paid		
<i>UTI Money Market Fund - Direct Fund Growth</i>	6,395.00	-
356,604 (March 31, 2016: Nil) units of Face value Rs. 1000/- per unit fully paid		
<i>Tata Liquid Fund Direct Plan - Growth</i>	68.41	151.44
2,820 (March 31, 2016: 6,242) units of Face value Rs. 1000/- per unit fully paid		
<i>Tata Money Market Fund - Direct Fund Growth</i>	354.58	550.00
15,746 (March 31, 2016: 24,425) units of Face value Rs. 1000/- per unit fully paid		
<i>Birla Sun Life Cash Plus - Direct Plan</i>	100.00	100.00
47,885 (March 31, 2016: 47,885) units of Face value Rs. 1000/- per unit fully paid		
<i>SBI Ultra Short Term debt Fund-Regular plan-Growth</i>	20.00	10.00
21,330 (March 31, 2016: 2,702) units of Face value Rs. 1000/- per unit fully paid		
<i>Axis Liquid fund - Direct Plan (CFDGG)</i>	1,757.73	0.16
98,078 (March 31, 2016: 9) units of Face value Rs. 1000/- per unit fully paid		
	32,352.67	16,974.41
	54,318.89	37,450.52
Aggregate market value of quoted investments	8,786.36	4,635.86
Aggregate amount of quoted investments	8,781.16	4,609.88
Aggregate amount of unquoted investments	45,537.73	32,840.64

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

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Stores and spares	13.54	13.19
Traded goods of pharmacy and pharmaceuticals supplies	1,065.93	1,074.29
	1,079.47	1,087.48

20. Cash and bank balances

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents				
Balances with banks				
on current accounts	-	-	3,581.70	2,283.70
Deposits with original maturity of less than three months	-	-	817.89	855.00
Cheques/drafts on hand	-	-	344.56	280.14
Cash on hand	-	-	52.96	69.83
	-	-	4,797.11	3,488.67
Other bank balances				
Deposits with remaining maturity for more than 3 months but less than 12 months	-	-	0.16	3.69
Deposits with remaining maturity for more than 12 months	-	10.00	-	-
Balance in escrow accounts	-	-	148.37	157.24
Margin money deposits	35.72	29.87	3.21	48.55
Deposit under lien	15.95	-	147.71	-
	51.67	39.87	299.45	209.48
Amount of non current assets disclosed under other current assets (note 17)	51.67	39.87		
	-	-	5,096.56	3,698.15

Other bank balances includes deposits given as security

Rs. 1.37 Lacs (March 31, 2016: Rs. 4.16 Lacs) to secure bank guarantee given to sales tax authorities.

Rs. 2.74 Lacs (March 31, 2016: Rs. 41.94 Lacs) to secure performance bank guarantee issued to customer.

Rs. 198.64 Lacs (March 31, 2016: Rs. 46.01 Lacs) to secure performance bank guarantee in favour of Government Authorities

21. Revenue from operations

		(Rs. in Lacs)
	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Sale of products		
Traded goods		
Pharmacy and pharmaceuticals supplies	6,812.69	6,730.94
	6,812.69	6,730.94
Sale of services		
Healthcare services	66,186.62	58,558.11
Health insurance premium (net)	54,428.10	39,310.96
Lease rentals	1,488.15	1,310.37
Training income	3,794.62	3,295.66
Shared services income	1,812.91	1,456.37
Others	164.71	509.51
	127,875.11	104,440.98
Other Operating revenue		
Income from investment activities		
Interest income on		
Government securities	1,537.87	1,045.96
Bonds	1,680.73	1,152.50
Fixed deposits	962.19	1,409.98
Amortisation of discount/(premium)	322.04	372.76
Profit on sale of investments	2,560.23	2,472.08
Option fees (refer note 21.1)	627.70	3,104.79
	7,690.76	9,558.07
Other		
Other operating revenue from healthcare services		
- Sponsorship and educational income	224.22	179.56
- Income from laundry services	-	65.25
- Income from ancillary activities	158.06	125.88
Export benefits	183.59	86.15
	565.87	456.84
Total Other operating revenue	8,256.63	10,014.91
Revenue from operations (net)	142,944.43	121,186.83

21.1. The Company has a put option to transfer upto 24% of its shareholding in Max Bupa Health Insurance Co. Limited and Bupa Singapore Pte. Limited (Bupa Singapore) has a call option under which the Company would be required to transfer 24% of its shareholding in Max Bupa Health Insurance Co. Limited to Bupa Singapore subject to approval under applicable laws and regulations. As a consideration of the call option granted by the Company, Bupa Singapore is obliged to pay an option fee, which is disclosed as above. (Refer note 42)

22. Other Income

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Dividend income on long term investment	-	3.38
Interest income on		
Inter corporate deposits	834.54	212.72
Fixed deposits	52.62	88.52
Others	138.30	95.12
Profit on sale of current investments	130.85	371.97
Liabilities/provisions no longer required written back	234.72	218.41
Income from deferred credit	437.53	422.68
Other non operating income	609.07	150.12
	2,437.63	1,562.92

23. (Increase) / decrease in traded goods

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Inventories at end of period		
Traded goods - Pharmacy and pharmaceuticals supplies	1,065.93	1,074.29
	1,065.93	1,074.29
Inventories at beginning of the period		
Traded goods - Pharmacy and pharmaceuticals supplies	1,074.29	-
	1,074.29	-
(Increase)/ Decrease in traded goods	8.36	(1,074.29)
Less: Arising on account of change in stake	(9.33)	-
Less: Acquired during the year	-	99.85
Less: Arising on account of demerger (Refer note 38)	-	851.90
Net (Increase) / decrease in traded goods	(0.97)	(122.54)
Details of inventory		
Traded goods	1,065.93	1,074.29
Pharmacy and pharmaceuticals supplies	1,065.93	1,074.29

24. Employee benefits expense

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Salaries, wages and bonus	32,030.04	29,598.09
Contribution to provident and other funds	1,166.55	1,044.59
Employee stock option scheme (note 29)	20.06	30.88
Gratuity expense (note 24.1)	400.53	321.04
Staff welfare expenses	1,261.17	938.52
	34,878.35	31,933.12

24.1. Gratuity

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

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

Consolidated Financial Statements

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(Rs. in Lacs)

	Gratuity	
	March 31, 2017	March 31, 2016
Current service cost	276.25	243.24
Interest cost on benefit obligation	90.73	72.71
Expected return on plan assets	(35.00)	(29.75)
Net actuarial (gain) / loss recognized in the period	68.55	34.84
Net benefit expense	400.53	321.04
Actual return on plan assets	(1.84)	(2.31)

Balance sheet

Benefit asset/ liability

(Rs. in Lacs)

	Gratuity	
	March 31, 2017	March 31, 2016
Defined benefit obligation	1,633.07	1,233.31
Fair value of plan assets	325.41	215.46
Funded Status	(1,307.66)	(1,017.85)
Plan asset / (liability)	(1,307.66)	(1,017.85)

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

(Rs. in Lacs)

	Gratuity	
	March 31, 2017	March 31, 2016
Opening defined benefit obligation	1,233.31	
Value of obligation transferred on demerger	154.76	898.65
Interest cost	90.73	72.71
Current service cost	276.25	243.24
Benefits paid by fund	(47.79)	(72.82)
Benefits paid by employer	(175.36)	(64.78)
Adjustment of account of acquisition	-	134.69
Actuarial (gains) / losses on obligation	101.17	21.62
Closing defined benefit obligation	1,633.07	1,233.31

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

(Rs. in Lacs)

	Gratuity	
	March 31, 2017	March 31, 2016
Fair value of plan assets transferred on demerger	215.45	218.43
Expected return	20.32	17.16
Contributions by employer	104.81	65.91
Benefits paid	(47.79)	(72.82)
Actuarial gains / (losses)	32.62	(13.22)
Closing fair value of plan assets	325.41	215.46

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

	Gratuity	
	March 31, 2017	March 31, 2016
Discount rate	6.60%-7.35%	7.25%-8.00%
Expected rate of return on assets	7.00%-23.13%	7.00%-23.13%
Retirement Age	58-67 years	58-67 years
Employee turnover	1%-72.3%	3%-55%

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

Amounts for the current year are as follows:

	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Defined benefit obligation	1,633.07	1,233.31
Plan assets	325.41	215.46
Surplus / (deficit)	(1,307.66)	(1,017.85)
Experience adjustments on plan liabilities	5.65	(11.12)
Experience adjustments on plan assets	0.19	(1.85)

24.2. Provident Fund

In terms of Composite Scheme of Arrangement amongst Max Financial Services Limited (formerly known as Max India Limited), Max India Limited (formerly known as Taurus Ventures Limited) and Max Ventures and Industries Limited (formerly known as Capricorn Ventures Limited) sanctioned by the Hon'ble High Court of Punjab & Haryana at Chandigarh vide letter dated December 14, 2015, the Company is contributing in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund". The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per AS-15 (Revised).

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

The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its group companies based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Plan assets at year end at fair value	12,308.44	11,111.83
Present value of defined benefit obligation at year end	12,150.32	11,034.59
Surplus as per actuarial certificate	158.12	77.24
Shortfall recognised in balance sheet	-	-

Active members as at year end (Nos)	5,405	5,005
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Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Discount rate for the term of the obligation	6.67%	7.72%
Average historic yield on the investment portfolio	8.79%	9.06%
Discount rate for the remaining term to maturity of the investment portfolio	6.67%	7.72%
Expected investment return	8.79%	9.06%
Guaranteed rate of return	8.65%	8.75%

25. Other expenses

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Claims and other benefits payout	27,856.25	23,267.29
Agents' commission for health insurance business	5,897.10	4,479.73
Policy issuance cost	720.17	690.05
Professional and consultancy Fees	16,222.86	15,164.58
Legal and professional	6,857.38	4,527.66
Concession Fee	682.78	568.42
Management service charges	1,049.36	744.72
Power and fuel	2,075.55	2,162.50
Recruitment and training expenses	823.99	1,319.21
Outside lab investigation	503.65	400.43
Patient catering expenses	795.89	785.05
Rent	2,930.26	2,750.25
Insurance	516.85	440.69
Rates and taxes	464.43	247.54
Repairs and maintenance:		
Building	707.25	586.57
Plant and equipments	1,788.31	1,305.65
Others	3,546.63	3,227.63
Printing and stationery	543.82	538.71
Travelling and conveyance	1,798.75	1,875.31
Communication	988.84	833.17
Directors' sitting fee	198.12	151.85
Commission to other than sole selling agents	19.49	18.99
Branding, advertisement and publicity	5,823.48	4,221.53
Provision for doubtful debts and advances	471.72	628.66
Net loss on sale/disposal of fixed assets	36.14	33.16
Doubtful advances written off	151.22	251.18
Fixed assets written off	-	0.08
Charity and donation	30.69	0.77
Net loss on foreign exchange fluctuation	1.21	25.62
Provision for delay of possession	208.38	-
CSR Expenditure	65.87	-
Miscellaneous expenses	421.44	309.44
	84,197.88	71,556.44

26. Depreciation and amortization expense

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Depreciation of property, plant and equipment	4,934.53	4,652.01
Amortization of intangible assets	945.07	901.94
	5,879.60	5,553.95

27. Finance cost

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Interest	4,871.50	3,488.87
Bank charges	398.85	607.22
	5,270.35	4,096.09

28. Earnings per share (EPS)

	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Basic EPS (Nominal value of share Rs 2 each)		
Profit after tax (after adjusting minority interest) (Rs. in Lacs)	(4,619.73)	(8,074.56)
Net profit for calculation of basic EPS	(4,619.73)	(8,074.56)
Weighted average number of equity shares outstanding during the year (Nos.)	267,112,526	266,998,381
Basic Earnings Per Share (Rs.)	(1.73)	(3.02)
Dilutive EPS (Nominal value of share Rs 2 each)		
Equivalent weighted average number of employee stock options outstanding	2,384,982	2,769,196
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	269,497,508	269,767,577
Diluted Earnings Per Share (Rs.)	(1.71)	(2.99)

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

29. Max India Employee Stock Plan

29.1. Max India Limited

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

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

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Option outstanding at the beginning of the year	2,503,560	2.00	-	-
Granted during the year	25,394	2.00	-	-
Transferred from MFSL during the year	-	-	2,503,560	2.00
Exercised during the year	(286,050)	2.00	-	-
Outstanding at the end of the year	2,242,904	-	2,503,560	-
Exercisable at the end of the year	-	2.00	5,000	2.00

Note

For the period, the weighted average share price at the exercise date was Rs. 142.55 (March 31, 2016: Rs. Nil)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2017 is 1.63 years (March 31, 2016: 1.69 years). The range of exercise prices for options outstanding at the end of the year was 2.00 to 394.00 (March 31, 2016: 2.00 to 394.00).

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

(Rs. in Lacs)

Particulars	March 31, 2017	March 31, 2016
Date of option granted	9-Nov-16	-
Stock Price Now (in Rupees)	140.00	-
Exercise Price (X) (in Rupees)	2.00	-
Expected Volatility (Standard Dev - Annual)	31.60%	-
Life of the options granted (Vesting and exercise period) in years	3.00-5.39	-
Expected Dividend	0.00%	-
Average Risk- Free Interest Rate	6.56%-6.75%	-
Weighted average fair value of options granted	138.36-138.61	-

29.2. Max Healthcare Institute Limited

Employee Stock Option Plan – 2006 ("the 2006 Plan"):

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

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

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

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

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

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

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

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

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

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

9. Exit option for Stock options : The employee may opt to exit from the stock options granted by the Company in full or in parts based on the share valuation price ,i.e., Valuation of shares of the Company done by a Category -I merchant banker and/or valuation of shares of the Company for any investment in the shares of the Company , whichever is later. The difference between the exercise price and the Share price would be paid to such employee as deferred compensation.
10. Exit option for the employees who have been issued shares upon exercise of the Stock options : The employee is having an exit option by way of listing of shares. Prior to listing of shares of the Company and/or upon the occurrence of any strategic event in the nature of a change in management control/ownership, the NRC may , at its sole discretion on case to case basis, endeavor to determine the methodology, price, timelines, restrictions and other relevant matters for offering appropriate exit mechanism to such employees.

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

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	3,937,340	51.55	1,613,000	48.32
Granted during the Year	754,234	54.40	2,524,340	51.69
Forfeited during the year	558,250	41.29	-	-
Exercised during the year	-	-	200,000	28.75
Outstanding at the end of the year	4,133,324	53.45	3,937,340	51.48
Exercisable at the end of the year	420,000	38.31	230,000	42.22

The weighted average fair value of stock options granted during the year was Rs 54.40 (March 31, 2016: Rs 51.69)

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2017 are as follows:

	March 31, 2017		March 31, 2016	
	Number of options	Weighted average	Number of options	Weighted average
		remaining life in years		remaining life in years
01-Mar-12	220,000	4.14	220,000	5.14
01-Oct-12	-	-	300,000	5.84
25-Mar-14	893,000	6.25	893,000	7.25
01-Jul-15	1,585,068	6.35	1,585,070	7.35
01-Aug-15	508,626	6.44	508,626	7.44
25-Aug-15	150,646	6.50	150,646	7.50
03-Feb-15	280,000	4.92	42,000	6.42
01-Apr-16	754,234	8.28	-	-

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

Black Scholes Option Pricing model

Particulars	March 31, 2017	March 31, 2016
A. Stock Price Now (in Rupees)	48.12	47.65
B. Exercise Price (X) (in Rupees)	54.40	53.13
C. Expected Volatility (Standard Dev - Annual)	26.87%	44.93%
D. Historical Volatility		
E. Expected Life of the options granted (Vesting and exercise period) in years	8.28 Years	7.08 Years
F. Expected Dividend	Nil	Nil
G. Average Risk- Free Interest Rate	7.25%	7.81%
H. Expected Dividend Rate	Nil	Nil

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

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

Particulars	For the year ended March 31, 2017	For the period from January 01, 2015 to March 31, 2016
Net Profit after tax as reported	(4,619.73)	(8,074.56)
Add: Employee stock compensation under intrinsic value method	20.06	30.88
Less: Employee stock compensation under fair value method	(142.31)	(122.43)
Proforma profit	(4,741.98)	(8,166.11)
Earnings Per Share		
Basic		
- As reported	(1.73)	(3.02)
- Proforma	(1.78)	(3.06)
Diluted		
- As reported	(1.71)	(3.00)
- Proforma	(1.76)	(3.03)

30. Leases

30.1. Finance lease: group as lessee

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

(Rs. in Lacs)

	March 31, 2017		March 31, 2016	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	56.71	40.92	127.72	105.28
After one year but not more than five years	185.17	161.12	243.42	203.33
More than five years	-	-	-	-
Present value of minimum lease payments	241.88	202.04	371.14	308.61

30.2. Operating lease: group as lessee

Lease rentals recognized in the statement of profit and loss for the year is Rs. 2,930.26 Lacs (March 31, 2016: Rs. 2,750.25 Lacs)

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

(Rs. in Lacs)

Particulars	March 31, 2017	March 31, 2016
Not later than one year	1,900.86	1,709.11
Later than one year and not later than five year	6,356.67	5,942.39
Later than five year	8,093.62	9,511.62
Total	16,351.15	17,163.12

31. Capitalisation of Expenditure

(Rs. in Lacs)

Particulars	March 31, 2017	March 31, 2016
Arising on account of demerger	5.09	8.33
Less: Capitalised during the year	-	(3.24)
Preoperative expenses pending capitalisation	5.09	5.09

32. Interest in a joint venture

The Group holds, 45.95% (March 31, 2016: 46.28%) interest in Max Healthcare Institute Limited (MHIL) (incorporated in India), a joint controlled entity which is involved in the business of healthcare services and 20.00% interest in Forum I Aviation Limited (FIAL) (incorporated in India), a joint controlled entity which is involved in the business of aircraft chartering services to its members.

(Rs. in Lacs)

	Max Healthcare Institute Limited		Forum I Aviation Limited	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current assets	16,558.91	13,373.88	194.76	122.49
Non current assets	91,152.81	89,223.83	1,232.01	1,241.63
Current liabilities	(17,617.08)	(19,385.74)	(21.17)	(13.70)
Non Current liabilities	(36,473.35)	(31,080.48)	(315.22)	(282.12)
Equity	53,621.29	52,131.49	1,090.38	1,068.30
Revenue	77,040.59	68,256.58	462.81	512.27
Cost of material consumed	(19,445.31)	(18,444.61)	-	-
Depreciation	(4,386.58)	(4,007.91)	(53.53)	(64.63)
Finance cost	(4,695.34)	(3,380.49)	(3.25)	(4.44)
Employee benefit expenses	(16,279.55)	(13,971.23)	(103.24)	(97.24)
Other Expenses	(31,645.22)	(29,113.55)	(280.31)	(338.89)
Profit/(Loss) before tax	588.59	(661.21)	22.48	7.07
Tax expense	(79.49)	-	14.65	45.96
Profit/(Loss) after tax	668.08	(661.21)	7.83	(38.89)
Capital commitments	6,999.14	2077.99		
Contingent liabilities	16,136.20	15275.58		

33. Segment Information

33.1. Business Segments

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

- Healthcare Business – Some of the Company's subsidiaries/joint ventures are engaged in the delivery of healthcare services in North India through its primary and tertiary healthcare centers. This also includes revenue from leasing of medical and other equipment.
- Business Investments – This segment is represented by treasury investments.
- Health Insurance – This segment relates to the health insurance business carried out pan India, by one of the Company's subsidiary.
- Senior Living – One of the Company's subsidiaries is engaged in the business of senior living.
- Others – The leasing activities undertaken by one of the Company's subsidiary are classified under this segment.

The above business segments have been identified considering:

- The nature of products and services
- The differing risks and returns
- Organizational structure of the group, and
- The internal financial reporting systems

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

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

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

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

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

33.2. Geographical Segments

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

33.3. Segment Information

(Rs. in Lacs)

Primary Segments	Healthcare business		Health Insurance business		Senior Living business		Business Investments		Learning and Development		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
a. Segment Revenue from														
Sales to external customers	6,812.69	6,730.94	-	-	-	-	-	-	-	-	-	-	6,812.69	6,730.94
Service Income	67,525.08	59,567.80	54,428.10	39,310.96	-	-	-	-	3,794.62	3,295.66	2,127.31	2,266.56	127,875.11	104,440.98
Service/Interest Income from inter segments	424.95	134.97	-	-	69.03	57.27	645.76	366.30	635.66	223.73	480.06	492.09	2,255.46	1,274.36
Income from investment activities	-	-	5,191.69	4,303.30	-	-	2,499.07	5,254.77	-	-	-	-	7,690.76	9,558.07
Other operating revenue	565.87	456.84	-	-	-	-	-	-	-	-	-	-	565.87	456.84
Total Segment Revenue	75,328.59	66,890.55	59,619.79	43,614.26	69.03	57.27	3,144.83	5,621.07	4,430.28	3,519.39	2,607.37	2,758.65	145,199.89	122,461.19
Less: Inter segment revenue	424.95	134.97	-	-	69.03	57.27	645.76	366.30	635.66	223.73	480.06	492.09	2,255.46	1,274.36
Revenue from operations	74,903.64	66,755.58	59,619.79	43,614.26	-	-	2,499.07	5,254.77	3,794.62	3,295.66	2,127.31	2,266.56	142,944.43	121,186.83
b. Segments Results														
Interest Income	5,112.88	2,510.52	765.16	(6,398.06)	(4,018.54)	(3,296.49)	2,499.07	5,388.84	(159.61)	(52.97)	(222.19)	(16.39)	3,976.77	(1,864.55)
Sub-total													1,025.46	395.11
Less:													5,002.23	(1,469.44)
Unallocated Expenses (Net of unallocated income)													4,021.32	3,271.99
Interest Expenses													5,270.35	4,096.09
Profit before tax													(4,289.44)	(8,837.52)
Provision for taxation (includes provision for Deferred Tax)													325.35	1,019.96
Profit after tax													(4,614.79)	(9,857.48)
Minority Interest													4.94	(1,782.92)
Profit after tax (after adjusted minority interest)													(4,619.73)	(8,074.56)
c. Carrying amount of segment assets														
Add: Unallocated assets	76,664.50	74,433.63	72,378.01	64,291.71	53,537.43	35,055.14	30,112.54	16,246.83	1,435.27	974.70	4,441.66	6,817.76	238,569.41	197,819.77
Goodwill													13,920.76	6,585.14
Total Assets	13,995.46	13,009.79	48,887.65	43,324.04	22,113.33	12,680.04	-	-	1,355.65	905.83	153.23	341.98	86,505.32	70,261.68
d. Segment Liabilities														
Add: Unallocated liabilities													66,705.03	53,369.92
Total Liabilities	1,115.00	14,337.73	2,173.86	291.73	-	12,097.44	-	-	3.77	52.40	234.29	610.09	153,210.35	123,631.60
e. Cost to acquire tangible and intangible fixed assets														
Unallocated													3,526.92	27,389.39
Total Addition													97.97	875.30
f. Depreciation and amortisation expenses														
Unallocated depreciation & amortization	4,387.01	4,008.10	1,154.79	1,145.12	109.20	187.77	-	-	20.04	4.84	208.56	135.02	3,624.89	28,264.69
Total depreciation and amortization	(0.40)	6.89	-	-	-	-	-	-	-	-	(2,162.50)	(54.30)	5,879.60	5,480.85
g. Non-cash expenses other than depreciation and amortisation														
Unallocated non cash expenses													2,182.96	78.29
Total													20.06	30.88

SECONDARY SEGMENT

	India		Outside India		Total	
	2017	2016	2017	2016	2017	2016
a. Revenue from external customers	142,944.43	121,186.83	-	-	142,944.43	121,186.83
b. Carrying amount of segment assets by location of assets	238,408.44	197,648.30	160.97	171.47	238,569.41	197,819.77
c. Cost to acquire tangible and intangible fixed assets by location of assets	3,525.37	27,389.06	155	0.33	3,526.92	27,389.39

34. Related parties disclosures

Names of other related parties with whom transactions have taken place during the year

Joint Venture	1 Max Healthcare Institute Limited 2 Alps Hospital Limited
Key Management Personnel (KMP)	1 Mr. Mohit Talwar (Managing Director) - Effective January 15, 2016 2 Mr. Jatin Khanna (Chief Financial Officer) - Effective January 15, 2016 3 Mr. V Krishnan (Company Secretary) - Effective January 15, 2016
Enterprises owned or significantly influenced by key management personnel or their relatives	1 Max Financial Services Limited (upto May 14, 2016) 2 Max Life Insurance Company Limited (upto May 14, 2016) 3 Max Venture and Industries Limited (upto March 7, 2016) 4 Malsi Estates Limited (upto May 14, 2016) 5 Max Ventures Private Limited (upto May 14, 2016) 6 Siva Realty Ventures Private Limited (upto May 14, 2016) 7 Piveta Estates Private Limited (upto May 14, 2016) 8 Vana Retreats Private Limited (upto May 14, 2016) 9 Max Speciality Films Limited (upto May 14, 2016) 10 New Delhi House Services Limited (upto January 18, 2016) 11 Veeras Kitchen Private Limited (upto May 14, 2016)
Employee benefit funds	1 Max Financial Services Ltd. Employees' Provident Fund Trust

Transactions with related parties during the period:

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Income from shares services								
Max Financial Services Limited	-	-	92.29	897.00	-	-	92.29	897.00
Max Life Insurance Company Limited	-	-	-	313.00	-	-	-	313.00
Max Venture and Industries Limited	-	-	-	56.00	-	-	-	56.00
Reimbursement of expenses (Received from)								
Max Financial Services Limited	-	-	10.12	716.21	-	-	10.12	716.21
Max Life Insurance Company Limited	-	-	27.65	3,066.61	-	-	27.65	3,066.61
Malsi Estates Limited	-	-	-	6.12	-	-	-	6.12
Max Ventures Private Limited	-	-	-	2.16	-	-	-	2.16
Siva Realty Ventures Private Limited	-	-	-	0.54	-	-	-	0.54
Piveta Estates Private Limited	-	-	-	2.65	-	-	-	2.65
Vana Retreats Private Limited	-	-	-	28.10	-	-	-	28.10
Max Speciality Films Limited	-	-	-	1.56	-	-	-	1.56
New Delhi House Services Limited	-	-	-	15.40	-	-	-	15.40
Reimbursement of expenses (Paid to)								
Max Financial Services Limited	-	-	-	6.23	-	-	-	6.23
Max Life Insurance Company Limited	-	-	5.04	154.46	-	-	5.04	154.46
New Delhi House Services Limited	-	-	-	54.30	-	-	-	54.30
Management service charges								
Max Financial Services Limited	-	-	-	744.72	-	-	-	744.72
Repair & Maintenance								
New Delhi House Services Limited	-	-	-	92.31	-	-	-	92.31
Insurance paid								
Max Life Insurance Company Limited	-	-	2.64	7.12	-	-	2.64	7.12

Consolidated Financial Statements

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
CSR activities								
Max India Foundation	-	-	45.00	-	-	-	45.00	-
Managerial Remuneration								
Mohit Talwar	177.14	49.41	-	-	-	-	177.14	49.41
Jatin Khanna	100.32	15.49	-	-	-	-	100.32	15.49
V Krishnan	113.20	31.22	-	-	-	-	113.20	31.22
Company's contribution to Max India Ltd Provident Fund Trust	-	-	-	-	924.68	346.96	924.68	346.96
Dividend income								
Max Speciality Films Limited	-	-	-	3.38	-	-	-	3.38
Purchase of assets								
Max Life Insurance Company Limited	-	-	-	22.50	-	-	-	22.50
Balance outstanding as at the year end								
Other receivable								
Max Life Insurance Company Limited	-	-	-	298.02	-	-	-	298.02
Max Financial Services Limited	-	-	-	189.72	-	-	-	189.72
Malsi Estates Limited	-	-	-	4.37	-	-	-	4.37
Vana Retreats Private Limited	-	-	-	10.89	-	-	-	10.89
Max Venture and Industries Limited	-	-	-	58.52	-	-	-	58.52
Amount Payable								
Veeras Kitchen Private Limited	-	-	-	(1.91)	-	-	-	(1.91)
New Delhi House Services Limited	-	-	-	(6.51)	-	-	-	(7.20)

35. Capital and Other Commitments

a) Capital Commitments

	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	21,954.32	21,471.98
Less: Capital advances (note 15)	10,189.12	9,598.32
Net capital commitment for acquisition of capital assets	11,765.20	11,873.66

35.1 Commitment with respect to leases refer note 30

36. Contingent Liabilities not provided for

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
i	Share of guarantee given by the jointly controlled entity (Max Healthcare Institute Limited) (Refer note (a))	10,853.65	10,935.26
ii	Claims against the Company not acknowledged as debts (Refer note (b))		
	- Service tax demands	643.94	655.91
	- Sales tax	113.49	142.54
	- Legal cases and claims	4,845.96	3,389.72
iii	Obligation arising from import of capital equipment at concessional rate of duty during the year under Export Promotion Capital Goods Scheme	-	701.57
iv	Income tax cases	(note (c) and (d))	(note (c) and (d))

Note:

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

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

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

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

d) Max Healthcare Institute Limited

Income Tax Cases

Assessment year	Pending before ITAT		Disallowances pending before CIT(A)	Disallowances pending - as at March 31, 2017 (Rs. In lacs)	Disallowances pending- as at March 31, 2016 (Rs. In lacs)	Demand (if any) (Rs. In Lacs)	
	Disallowances deleted by CIT(A) for which department has filed an appeal before ITAT	Disallowances confirmed by CIT(A) for which company has filed an appeal before ITAT				As at March 31, 2017	As at March 31, 2016
2003-04	941	213	-	1,154	1,154	-	-
2004-05	641	-	-	641	641	-	-
2005-06	598	-	-	598	598	-	-
2006-07	462	-	-	462	462	-	-
2007-08	907	-	-	907	907	-	-
2008-09	239	-	-	239	239	-	-
2009-10	201	-	-	201	201	-	-
2010-11	171	-	-	171	410	-	-
2011-12	177	-	-	177	997	-	-
2012-13	-	-	711	711	1,646	-	-
2013-14	-	-	114	114	982	-	-
2010-11	-	-	90	90	-	-	9
2012-13	-	-	-	-	-	9	-
	4,337	213	915	5,465	8,237	9	9

37. Actuarial Assumptions

Health Insurance Business

Max Bupa's appointed actuary has determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims Incurred But Not Reported' (IBNR) amounting to Rs. 3,608 lacs that conform with Regulations issued by the IRDAI and professional guidance notes issued by the Institute of Actuaries of India.

- (i) As at March 31, 2017, the Company has made a provision of Rs. 107 lacs towards provider reconciliation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.
- (ii) As at March 31, 2017, the Company has made a provision of Rs. 1,533 lacs towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.

38. Scheme of Arrangement (Demerger) between Max Financial Services Limited (MFS), the Company and Max Venture and Industries Limited (MVIL)

In the previous year, the Board of Directors of Max Financial Services Limited ('MFS', erstwhile Max India Limited) in their meeting held on January 27, 2015 had approved the Corporate Restructuring plan to vertically split MFS through a Composite scheme of arrangement ('Scheme'), into three separate listed companies.

- a) The Hon'ble High Court of Punjab and Haryana vide its order dated December 14, 2015, sanctioned the Scheme under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 between Max Financial Services Limited ('MFS' - erstwhile Max India Limited), Max India Limited ("the Company" - erstwhile Taurus Ventures Limited) and Max Ventures and Industries Limited ('MVIL' - erstwhile Capricorn Ventures Limited). The Scheme is effective from January 15, 2016 i.e. the date of filing of the certified copy of the order of the Hon'ble High Court of Punjab and Haryana with the Registrar of Companies, Chandigarh and Shimla. Pursuant to the Scheme, all the assets and liabilities pertaining to the Demerged Undertaking (as defined in the Scheme) have been transferred to and vested in the Company with retrospective effect from the appointed date i.e. April 1, 2015 at their respective book values appearing in the books of demerged company i.e., MFS. Accordingly, the Scheme has been given effect to in the financial statements in the previous year.
- b) The consideration for the demerger to the equity shareholders of the demerged company i.e., MFS is discharged by the Company i.e., Max India Limited wholly by issue of equity shares of the Company. Pursuant to the Scheme coming into effect, every shareholder holding fully paid up equity shares of Rs. 2/- each in MFS as on the Record Date i.e., January 28, 2016 will be allotted one equity share of Rs.2/- each in the Company for every one equity share of Rs.2/- each held in MFS as on the Record Date. As a result of this and pursuant to the provisions of the Scheme, the existing share capital of Rs.5 lacs of the Company shall stand cancelled. Further, with respect to employee's stock options granted by the demerged company i.e. MFS to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company or not) shall be allotted one stock option by the Company under the new ESOP scheme for every stock option held in MFS. Accordingly, ESOP outstanding as on the Effective Date in MFS shall be allocated between the demerged company and resulting companies. The surplus of net assets acquired by the Company over the aggregate face value of share capital to be issued shall be credited to capital reserve. The value of net assets acquired effective from April 1, 2015 and the calculation of differential consideration and value of net identifiable assets acquired is set out below:

Particulars	Amount (In lacs)
Assets acquired	
- Fixed assets (net of accumulated depreciation)	57,452.60
- Goodwill on consolidation	14,166.59
- Investments (Non-current and current)	88,522.86
- Loans and advances (Non-current and current)	24,060.46
- Trade receivables (Non-current and current)	11,765.14
- Inventories	863.04
- Cash and bank balance	8,428.23
- Other assets (Non-current and current)	3,200.88
Sub-total (A)	208,459.80
Liabilities assumed	
- Borrowings (long term and short term)	25,725.24
- Other long term liabilities	8,394.95
- Trade payables and other current liabilities	23,958.98
- Provisions (Non-current and current)	22,467.81
- Minority Interest	4,634.59
Sub-total (B)	85,181.57
Net assets acquired (A-B)	123,278.23
Share capital to be issued	5,339.68
ESOP to be issued	198.38
Foreign currency translation reserve	38.74
Capital Reserve	117,701.43

- c) The reconciliation of share capital to be issued pursuant to the scheme is given below and disclosed as 'Shares capital pending allotment' in the financial statements in the previous year:

Particulars	Amount (In lacs)
Shares capital to be issued (refer point b above)	5,339.68
Less: Existing share capital pending cancellation	(5.00)
Share capital pending allotment	5,334.68

- d) The Company has received the Foreign Investment Promotion Board (FIPB) approval to issue and allot shares to FS's shareholders as on the record date i.e. January 28, 2016, vide its letter dated May 06, 2016. The Company has issued and allotted 26,69,83,999 equity shares of Rs. 2/- each on May 14, 2016 and the existing equity capital of the Company of Rs. 5.00 lacs which was fully held by MFS, has been cancelled pursuant to the provisions of the Scheme and the Company ceases to be a subsidiary of MFS effective May 14, 2016.

- e) This Scheme is a non-cash transaction and hence, has no impact on the cash flow of the Company.

39. The Board of Directors of Max India Limited ("the Company") approved a composite scheme of amalgamation and arrangement ("Scheme") on August 8, 2016 ("Proposed Scheme"), which inter alia contemplates (a) merger of Max Life Insurance Company Limited with Max Financial Services Limited ("MFSL") (with a share exchange ratio of one share of MFSL for approximately five shares held in Max Life); (b) demerger of the life insurance undertaking of MFSL and merger of the said undertaking with HDFC Standard Life Insurance Company Limited ("HDFC Life") (share exchange ratio of approx. seven shares of HDFC Life for every three shares held in MFSL); and (c) merger of MFSL (holding the non-life insurance business) with the Company (with a share exchange ratio of one share of the Company for 500 shares held in MFSL).

The parties to the Proposed Scheme have applied for various regulatory approvals as required for implementing the Proposed Scheme.

On November 11, 2016, Insurance Regulatory and Development Authority of India ("IRDAI") issued a letter raising concerns over the Proposed Scheme in its current form. Max Life has made representation to the IRDAI in this regard and awaits a response from IRDAI.

40. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure

Particulars	As at March 31, 2017			As at March 31, 2016		
	Foreign Currency	Exchange Rate	Indian Rupee	Foreign Currency	Exchange Rate	Indian Rupee
Import capital creditors (EUR)	3.99	69.29	276.47	0.17	76.59	13.02
Import capital creditors (USD)	2.47	64.85	160.18	4.34	67.61	293.43
Import capital creditors (YEN)	0.30	0.58	0.17	0.66	0.60	0.40
Trade payables (GBP)	0.10	80.48	8.05	0.34	95.09	32.65

41. Max India Limited ("the Company") is a core investment company (non systemically important - CIC) under the Non-Banking Financial Company (NBFC) Rules as defined under the RBI Act, 1934. The financial for the year ended March 31, 2017 have been prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
42. During the year, on June 01, 2016, the Company divested its 23% stake in Max Bupa Health Insurance Limited (Max Bupa), a subsidiary company, to Bupa Singapore Pte. Limited for a consideration of Rs. 20,654.00 lacs. Consequently, the Company's stake in Max Bupa has reduced to 51% and the option agreement stands terminated effective June 09, 2016.
43. Subsequent to the year end, on May 11, 2017, the Board of Directors of the Company approved issuance of 19,384,854 warrants at an exercise price of Rs. 154.76 each to Mohair Investment and Trading Company Private Limited, one of the Promoter Group companies. Each warrant entitles the holder thereof to subscribe to one equity share of Rs. 2/- each in the share capital of the Company at a premium of Rs. 152.76 per equity share. Each warrant is convertible into one equity share as per prevalent SEBI guidelines at any time before expiry of 18 months from the date of allotment. The allotment of warrants shall be subject to the approval of members of the Company in the Extra Ordinary General Meeting scheduled to be held on June 10, 2017.
44. Subsequent to the year end, on May 11, 2017, the Board of Directors of the Company approved acquisition of 3.75% equity share capital of Max Healthcare Institute Limited (MHIL) held by International Finance Corporation, for a consideration of Rs. 21,156.87 lacs (approx). Subsequent to such acquisition, shareholding of the Company in MHIL will increase to 49.70%, same as that of its joint-venture partner Life Healthcare International.

45. Pursuant to IRDAI circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016, during the year, Max Bupa (subsidiary company) has exercised the option as stated in aforesaid circular and changed the method of calculation of Unearned Premium Reserve (UPR) from '1/365 method' to '50% of net written premium of preceding twelve month'. Due to this change the UPR and the net loss of Max Bupa for the year ended March 31, 2017 is lower by Rs. 5300 lacs. Had the earlier 1/365 method been followed the UPR and net loss would have been higher by same amount.
46. Max Bupa (a subsidiary company) had received exemption from IRDA under the provisions of Sec 40 C (1) of the Insurance Act, 1938 read with rule 17 E of the Insurance Rules, 1939, which was valid for a period of 5 financial years starting from FY 2010-11 to FY 2014-15. Max Bupa had filed with IRDA for forbearance for exceeding the expenses of management over the allowable limit for 2015-16 along with a convergence plan. A sum of Rs. 10,556 lacs, which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account in accordance with the circular no. IRDAI/Reg./12/124/2016.
47. Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	84.15	3.96	88.11
Add : Permitted receipt's*	87.30	718.50	805.80
Less : Permitted payments	-	43.31	43.31
Less : Amount deposited in banks*	171.45	646.48	817.93
Closing cash in hand as on December 30, 2016	-	32.67	32.67

* It excludes Cash deposited by Cutomers directly in the bank accounts amouting to Rs. 203.39 lacs.

48. Figures for previous period are from January 01, 2015 March 31, 2016, hence not comparable with current year figures.

As per our report of even date

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

per Atul Seksaria
 Partner
 Membership Number: 086370

Place : Gurgaon
 Date : May 29, 2017

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

Mohit Talwar
 (Managing Director)
 DIN No - 02394694

Jatin Khanna
 (Chief Financial Officer)

Place : New Delhi
 Date : May 29, 2017

Ashok Brijmohan Kackar
 (Director)
 DIN No. 01647408

V. Krishnan
 (Company Secretary)

