

Directors' Report





Post the de-merger of healthcare assets of Radiant Life Care Private Limited into Max Healthcare, effective June 1, 2020, Max Healthcare becomes the second largest healthcare delivery chain in India by revenue.

Your Directors have the pleasure of presenting the 19th Annual Report on business and operations of the Company ("Max Healthcare" or "MHIL") together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2020.

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

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated January 17, 2020 sanctioned the Composite Scheme of Amalgamation and Arrangement (hereinafter referred to as "the Scheme") amongst Max India Limited, Radiant Life Care Private Limited ("Radiant Life"), Advaita Allied Health Services Limited) and the Company and their respective shareholders and creditors ("NCLT Order"), the certified copy of the NCLT order was received on May 27, 2020 and accordingly the Scheme became effective from June 1, 2020 after complying with necessary requirements under the Companies Act, 2013 ("the Act") and Rules made thereunder.

Subsequent to the effective date of the Scheme, healthcare business of Radiant Life (which is supported by global funding firm Kohlberg Kravis Roberts "KKR") has been demerged into the Company and also, residual Max India (i.e. post demerger of allied health and associated services into Advaita Allied Health Services Limited) which comprises of healthcare activities (including its underlying investment in the Company) amalgamated with the Company. Post demerger and amalgamation, your Company has become the second largest healthcare delivery chain in India by revenue. The enhanced scale will enable it to drive efficiencies and improve capabilities.

Earlier, in June 2019, Radiant Life had acquired the entire 49.7% stake of Life Healthcare in your Company, which was followed by the reconstitution of the Board of Directors and the Management team. The relentless focus of the reconstituted team on driving the company's agenda in a disciplined manner

led to superlative performance during the year, making your Company the industry leader on most profitability parameters and positioned it well for the future.

GROWING DEMAND FOR QUALITY HEALTHCARE IN INDIA

Overall, the fundamentals of the markets in which your Company operates remain strong with growing demand for healthcare services.

Low level of public healthcare spend (1.1% - 1.5% of GDP) in the last decade has led to emergence of private healthcare which currently caters to ~ 70% of all healthcare delivery needs of the Country. We believe that increasing population and changing demographic trends, growing lifestyle diseases, rising awareness, affordability, and increase in insurance penetration would continue to be the key contributors to the rising demand for quality healthcare in future. Further the "Ayushman Bharat - National Health Protection Mission" (AB-NHPM), under which over 100 million poor and vulnerable families of the Country will get access to quality healthcare through an insurance model is also expected to give a huge boost to the overall demand for healthcare.

COVID-19: GLOBAL PANDEMIC

The World Health Organisation declared COVID-19 as global pandemic on February 11, 2020 and it was followed by a countrywide lockdown from midnight of March 22, 2020. Your Company decided to take the lead in dealing with the pandemic. It was the first Indian private hospital chain to offer (directly or indirectly through its subsidiaries or other network hospitals) a completely dedicated facility in Delhi and Mumbai for COVID-19 patients. It was also one of the first few private labs to start Reverse Transcription Polymerase Chain Reaction (RT-PCR) testing. Your Company also took the lead in treatment and was the first to do the convalescent plasma therapy trial for the critically ill patients.

To manage the operations internally, your Company formed a Central Co-ordination Committee, which formulated detailed clinical protocols for clinical management and infection prevention, trained its medical and non-medical staff, created isolation wards for segregation and ensured adequate supply of PPEs. Further, the team leveraged technology to aid "work from home" for support staff and enabled "video consultations" with doctors and remote monitoring through Max@Home for patients.

At the same time, your Company has taken steps to maintain high level of liquidity to meet the strategic and operational requirements. As at March 31, 2020, your Company had a balance of INR 268.70 Crores in cash and cash equivalents including funds invested in Fixed Deposit Receipts. The liquidity will enable your Company to be agile, ready for meeting unforeseen strategic and business needs. We believe that your Company is fully equipped to pass through the tough phase all healthcare organisations in the world are facing due to sudden drop in revenue and spiraling costs.

As a responsible member of the community, your Company has contributed to various COVID-19 relief and monitoring programmes including webinars and distribution of over 3 lakh food packets to migrant workers.



Doctors donning PPE during the COVID-19 Pandemic

PERFORMANCE HIGHLIGHTS

Your Company took care of nearly 14 Lakh patients in FY 2019-20 (on standalone basis). Medical value travellers from over 97 countries contributed to international revenue of INR 100 crores, constituting 9.3% of your Company's revenues.

The revenue performance of your Company (standalone) through the year ramped up well and clocked an overall growth of 8.5% (FY 2018-19 had a de-growth of 4.5%) despite no increase in bed capacity. The revenues from healthcare services grew by 10%. During March 2020, the momentum was interrupted after the World Health Organisation declared COVID-19 as a pandemic and this led to sudden drop in footfall and admissions in last 10 days of March. Notwithstanding the drop in occupancies towards the end of the year, it was a satisfying performance both on revenue and on profitability during the period.

Revenue from key clinical specialities (i.e. Cardiac sciences, Orthopaedics, Neuro-sciences, Liver & Biliary Sciences, Oncology, MAS and Renal) has improved by 11.6% as compared to last year and share of Centres of Excellence has increased from 58.8% in FY 2018-19 to 61% in FY 2019-20.

There was a thrust on hiring new doctors, enhancing the level of engagement and also improving the efficiency of the available resources through automation, technological intervention and focus on reducing the length of stay in line with "eager to get you home" promise. This led to an improvement in average revenue per occupied beds by 5.6% to INR 48,207 in FY20 compared to the previous year.

Further, your Company strengthened its presence in the upcountry clusters. Implementation of Sales force as a new CRM solution helped to improve the productivity of sales and marketing efforts. The efforts to digitally connect patients with the hospital started to bear fruit and the digital channel led revenues touched ~ INR 90 Crores during the year. Patient services were re-engineered for both domestic and international patients to implement best practices and enhance patient satisfaction.

These initiatives led to the increase in bed occupancy for FY 2019-20 to 74.2% as compared to 73.4% in the FY 2018-19 on the same number of operational beds. Average Length of Stay (ALOS) based on IP Volume discharge also improved from 4.80 in FY 2018-19 to 4.71 in FY 2019-20. The Inpatient Average Revenue Realized (ARR) improved by 8.8% while the hospital ARR improved by 5.6% during FY 2018-19.

Your Company continued to do well in terms of managing its cost structure as well and accordingly, the Operating expenses to Revenue ratio improved by 5.4% (on the same basis), leading to expansion in EBITDA margins. Despite increase in operating revenues by 10% of the employee costs and other overheads grew only marginally during the year 2019-20, compared to the previous year.

The improvement in operating performance was all pervasive. The material costs to operating revenue ratio improved by 152 bps. Similarly, other costs (including employees, doctors, hospital services, sales and marketing, power and fuel etc.) were lower than the previous year by 385 bps on the same basis.

The operating profit before interest and depreciation was INR 180.30 Crores, increase of 118.3% as compared to FY 2018-19. The cash profits were INR 90.50 Crores, 1.6x increase over the previous year, a part of this is also due to accounting for leases under Ind AS 116. Net Profit stood at INR 25.06 Crores, as compared to loss of INR 23.38 Crores in the previous year.

With the improved performance, your Company invested in newer technology for its Neurosciences department by introducing Intra-Operative CT and O-Arm. New high-end CT has also been ordered for its network facility in Saket. However, the work on new Max Medcentre for Immigration and Wellness at Mohali has been delayed due to lockdown.

Your Company has been engaging with the community by running free OPD consults in Delhi, donating medicines, holding free camps, sponsoring various health awareness events and also holding webinars and health talks in order to better serve the people. It also joined hands with NGOs like Goonj Foundation, Max Foundation, Genesis Foundation and India Foundation Clinics during the year to enlarge the sphere of its CSR activity.

Going forward, your Company will continue to identify and implement initiatives to achieve sustained growth. This will involve initiatives across capacity expansion, adding new clinical programmes, improving share of medical value travel and hiring of clinical talent. Further, cost optimization and operational effectiveness efforts will continue to be area of focus in FY 2020-21 too.

FINANCIAL HIGHLIGHTS

The highlights of the Company's financial performance on Standalone and Consolidated basis, for the year ended March 31, 2020 are summarised below:

Particulars	(Standalone) (INR in crores)		Consolidated (INR in crores)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Continuing operations				
Revenue from operations	1,093	1,008	1,885	1,691
Other Income including Finance Income	57	47	72	57
Total Income	1,150	1,055	1,957	1,748
Total Expenditure	970	972	1,595	1,536
Operating Profit	180	83	362	212
Less: Finance Charges	89	44	153	101
Cash Profit	91	39	209	111
Less: Depreciation	64	53	120	103
Profit/(Loss) before Tax from continued operations	27	(14)	89	8
Tax Expense/(Income)	-	5	(6)	8
Profit/(Loss) after tax from continued operations	27	(19)	95	-
Profit/(Loss) after tax from discontinued operations	1	(4)	-	-
Other Comprehensive Income - Remeasurement Loss on defined benefit	3	-	4	-
Total Comprehensive Income/(Loss), net of tax	25	(23)	91	-
Earnings per equity share**				
Basic & diluted (INR) for continuing operations	0.50	(0.35)	1.77	(0.06)
Basic & diluted (INR) for discontinued operations	0.02	(0.08)	-	-
Basic & diluted (INR) for continuing and discontinued operations	0.52	(0.43)	-	-

** Nominal value of INR 10/- per share

Previous year figures have been re-grouped and/or re-arranged wherever considered necessary to make it comparable with those of current year.

FINANCIAL OVERVIEW

Your Company witnessed overall revenue growth of 8.5% in FY 2019-20 and achieved revenue of INR 1,093 Crores as compared to INR 1,008 Crores in FY 2018-19. The revenues from healthcare services grew by 10% and those from low value added sale of pharmaceutical supplies contracted by 16%. Last 10 days of March 2020, witnessed sudden drop in footfalls and admissions due to COVID-19 related developments. Notwithstanding the drop in occupancies and footfalls towards the end of the year, it was a satisfying performance on both revenue and profitability during the period.

The material costs to operating revenue ratios improved by 152 bps during the year pursuant to the relative shift in contribution of trading revenues in overall revenues.

Other costs (including employees, doctors, hospital services, sales and marketing, power and fuel etc.) were lower than the previous year by 385 bps on the same basis.

The operating profit before interest and depreciation was INR 180.3 Crores, increase of 118.3% as compared to FY 2018-19. The cash profits were INR 90.5 Crores, increase of 1.6x over the previous year.

Net Profit stood at INR 25.1 Crores as compared to loss of INR 23.4 Crores in the previous year.

STEPS TAKEN OR PROPOSED TO BE TAKEN FOR ENHANCING PERFORMANCE

Following steps have been or are being taken by your Company for enhancing its performance:

- Occupancy is the driver of revenues in the hospital industry and the Company's hospitals have been experiencing higher footfalls leading to higher occupancies. In addition, your Company has embarked on a programme to cut down length of stay of IPD patients through a number of initiatives. This, while adding effective capacity to the hospitals would also lead to higher ARPOB and profitability. Further, going forward, your Company plans to reduce its dependence on Institutional payors where collection delays and arbitrary deductions are causing pressure on working capital and margins respectively.
- With growing number of lifestyle diseases like Cardiac, Neuro-sciences and Orthopaedics, etc., there is increasingly high demand for complex procedures like organ transplant, interventional neurology, etc. Your Company plans to add to its clinical talent and add new and complex procedures to its offering, leading to higher realizations and better utilization of its resources.
- Your Company also worked on innovative models for doctor engagement during the year. Further, significant efforts have been made by the clinical leadership to revisit and revise policies / procedures in order to ensure transparency, compliance and proper documentation to enhance patient trust and loyalty.
- Your Company had also embarked upon a cost efficiency programme during the course of the year, which are partly reflected in the performance for the financial year 2019-20. There is focus on specific actions to reduce costs across functions and businesses and re-organize the existing corporate and organisation structure to ensure efficiency across the network and business. Costs in the areas of manpower deployment, IT Infrastructure and services and supply chain / procurement are being reviewed to align with the best in the industry. The full year benefit of these actions will be visible and accrue to us in FY20-21 and beyond.
- Some of our network hospitals have added capacity in the course of the financial year and we expect this to add to the revenue and profitability in short to medium term as we gradually ramp up the occupancy. Similarly, there is incremental bed capacity expansions planned in the course of this year, which will help add to revenue. In addition, there are approvals in place for significant bed capacity augmentation at Max Hospital, Shalimar Bagh and in one of the network hospitals (i.e. Max Smart Super Speciality Hospital) in near future. These will add to revenue and profitability in the medium to long run.
- The Company also plans to widen the geographic width and depth of its offering in Laboratory Services and this profitable segment of the business is expected to contribute to the profitability in short to medium term.

- The performance for the last quarter was impacted significantly due to COVID-19 related developments and these being temporary in nature, your Company is confident that the normalized performance going forward in the post COVID-19 scenario will be improved to that extent.

STRATEGIC BUSINESS UNITS



Max@Home kiosk at Max Hospital

MAX@HOME

The out-of-hospital business division of your Company provides quality, accessible, continued care at home. The services cover preventive and pre and post-hospitalization care including critical care or ICU at home, assistance based services (nursing & health attendant), rehabilitation & physiotherapy, diagnostics, medicine delivery, nursing procedures, medical equipment, doctor home visits and onsite medical rooms amongst others.

Since its inception in FY17, Max@Home has scaled up to become the largest provider of home healthcare services in the region with most comprehensive suite of in-house services. It has created multi-channel access for patients with the ability to book services over web, mobile application, Whatsapp and a 24x7 centralized patient helpline. To ensure seamless delivery, back-end operations are enabled through a custom technology enabled service delivery platform.

FY20 recorded yet another promising year for Max@Home across all key parameters – financial, quality, customer experience, people & innovation.

During FY20, Max@Home registered 22% YoY growth in topline at ~ INR 77 Crores with healthy growth across all key service lines. During the period, customer satisfaction scores - administered through a third party for the business stood at 88% T2-B2, up from 81% in FY19. The scores reflect very well upon the quality of service delivery that is essential given the nature of services yet are difficult to achieve given remote, distributed workforce and logistics heavy operations.

In FY20, the Quality and Accreditation Institute (QAI) accredited Max@Home. QAI is the only certifying body for home healthcare in India and is a member of the ISQua (International Society for Quality in health care); umbrella organisation for organisations providing international healthcare accreditation. This is a notable achievement for a growing business to

receive such a prestigious accreditation validating highest standards of quality of delivery and clinical compliances.

Max@Home continued to expand operations extending coverage to Max Super Speciality Hospital (Dehradun) and BLK Super Speciality Hospital (Delhi) in the network. The employee strength has grown to over 650 certified & trained caregivers and support staff.

Innovation takes centre stage at Max@Home, being one of the core principles. In FY20, Max@Home launched premium rehabilitation services through fully loaded physiotherapy van providing a near OP set-up at patients' homes. The business also launched self-service kiosks for patients at each of its network hospitals to facilitate seamless order taking and extension of services to their homes. Max@Home also extended its diagnostics offering to provide ECG@Home service, supplementing its preventive & wellness portfolio.

Max@Home has built a strong foundation backed by a promising product suite, tech based service delivery platform and a sizeable, trained frontline to cater to the growing home care demand; one of the fastest emerging healthcare segments in the country.

MaxLab

MaxLab is a business vertical of your Company offering diagnostics services to patients outside its hospitals. MaxLab offers pathology services to patients directly and through its network of partners which are Clinicians, Hospitals & Nursing Homes, Pathology Labs, and Franchisees. MaxLab offers multiple business models for each partner segment and has managed to aggressively expand its partner network during the year.

During the year, MaxLab clocked net revenue of INR 59 crores. The B2B segment clocked INR 40.5 crores with 67% growth, while INR 18.5 crores is from pathology serviced by Max@Home team. The B2B business growth is led by addition of partners and the team has added over 222 partners, taking the total partner count to over 600. The team has served over 5.6 Lakhs patients during the year, up 80% from 3.2 Lakhs in last year. MaxLab also operationalised five new hospital lab implants in the year. The business also added Company Owned Company Operated (COCO) Collection centres with start of four new centres in different parts of NCR. These centres are well received and also act as operational Hubs to service the partners' network in their region.

In the current COVID-19, pandemic MaxLab is actively working with the Delhi Govt. and District teams in NCR towns to offer COVID-19 testing facilities. It is extending support to government teams for sample collection in containment regions, doorstep collection as required by surveillance teams and doing the regular testing and reporting of COVID-19 RT-PCR tests.

In order to add depth with the partners and enhance their skills, capabilities and financial success, the team

revised the existing Partner engagement programme "Shubh Lab" during the year. New features were added to incentivise the Collection Centre partners. The programme is also linked to long-term strategic goals of the organisation. The 2020 edition included Tier based rewards for sales performance, Customer NPS, and NABL commitment.

Technology team continued its development focus and extended LIMS (Lab Information Management System) implementation into 2nd Phase focusing on Supply Chain integration, and automated Quality modules. CRM platform is revamped with implementation of Salesforce for sales and marketing functions. The team also implemented GPS integrated mobile Phlebotomy platform for route guidance and optimised resource deployment.



MaxLab Collection Centre at East of Kailash

The team embarked on its journey to become the most customer centric player in the diagnostic space with Net Promoter Score ("NPS") solution to take customer feedback from all customers served. The focused approach on customer NPS resulted in average ratings of 56% which are best in class, not just in diagnostics but also amongst the best in the service sector.

The team continues to be fully committed to highest standards of clinical excellence with adoption of NABL guidelines for pathology labs as well as connected collection centres. The collection centres were also audited along with pathology labs and full audits were conducted for South Delhi, Gurgaon, East Delhi, Mohali regions. MaxLab intends to be the first lab with 100% coverage of collection centres as per NABL guidelines.

Since launch, MaxLab has been successful in establishing its presence in NCR, Uttarakhand, and Punjab with support of 600+ partners and has plans to expand operations to cover entire North India in near future.

DIVIDEND & TRANSFER TO RESERVES

In view of the Company's carried forward losses, your Directors do not recommend any dividend for the year under review and no amount was transferred to the general reserves.

DETAILS OF AMALGAMATION / RESTRUCTURING

The Board of Directors at their meeting held on December 24, 2018, approved the Scheme.

The Scheme enables the Company to have strong presence in North India and emerge as a strong competition for existing healthcare players.

The effective date and appointed date in terms of the Scheme is June 1, 2020.

Subsequent to the effective date, healthcare business of Radiant Life (as specifically defined in the Scheme) has been demerged into the Company and also, residual Max India (i.e. post demerger of the allied health and associated services into Advaita Allied Health Services Limited) amalgamated into the Company.

Further, pursuant to the Scheme 63,50,42,075 (Sixty Three Crores Fifty Lakhs Forty Two Thousand Seventy Five) fully paid up equity shares of the Company have been allotted to the shareholders of Radiant Life as on the Record date 2 i.e. June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 (Twenty Six Crores Sixty Two Lakhs Forty One Thousand Nine Hundred Ninety Five) fully paid up equity shares to the shareholders of Max India as on the Record date 3 i.e. June 15, 2020 in the share exchange ratio of 99:100.

Also, pursuant to the Scheme, 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred Thirty Seven) equity shares each held by Radiant Life and Max India, in MHIL, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant Life and Max India as aforesaid, on June 19, 2020.

Pursuant to the effective Scheme, the equity shares of our Company shall be listed and admitted to trading on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company for seeking listing. Accordingly, the listing applications are being filed by the Company with both Stock Exchanges i.e. BSE and NSE for listing and trading approval after obtaining necessary regulatory approvals.

Pursuant to effectiveness of the Scheme, the Max India Promoters (i.e. Mr. Analjit Singh and Max Ventures Investment Holdings Private Ltd.), other members of the promoter group of Max India as existing immediately prior to the effective date i.e. June 1, 2020 (i.e. Ms. Neelu Analjit Singh, Ms. Tara Singh Vachani, Ms. Piya Singh and Mr. Veer Singh), Kayak Investments Holding Pte Ltd ("Kayak") and Mr. Abhay Soi shall be classified as 'promoters' of the Company, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

Further, after the reclassification of existing Max India Promoters as public shareholders as per the Scheme and in accordance with the applicable laws, Kayak and Mr. Abhay Soi shall continue to be the Promoters of the Company.

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

In terms of Shareholders' Agreement dated December 24, 2018 entered amongst the Company, Max India and Radiant Life ("Pre – Merger SHA"), the members of the Company in their meeting held on June 21, 2019 approved and adopted a new set of Articles of Association ("AOA") covering the relevant clauses under the Pre-Merger SHA to incorporate the rights and obligations conferred on Radiant, Max India and the Company in place of and to the exclusion of existing Articles of Association of the Company.

Further, in terms of Shareholders' Agreement dated December 24, 2018 entered amongst the Company, Mr. Abhay Soi and Kayak ("Post-Merger SHA") read with Deed of Accession and Adherence dated June 1, 2020 executed by the Company confirming its adherence to the terms of the Post-Merger SHA and pursuant to NCLT order, the equity shares of the Company shall be listed on the NSE and BSE subject to completion of necessary regulatory requirements. Accordingly, several changes were proposed in AOA of the Company in accordance with the requirement under applicable laws, for proposed listing of equity shares on the aforementioned stock exchanges; provisions relating to general management of affairs of the Company as per Table F with exceptions and incorporating the rights and obligations conferred on Mr. Abhay Soi and Kayak in accordance with Post-Merger SHA.

The requisite Postal Ballots notice containing the resolution for adoption of new set of AOA is being sent to the members through an e-mail in terms of Section 110 and other applicable provisions of the Act read with Rule 20 and 22 of the Companies (Management & Administration) Rules, 2014 (the "Management Rules") read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 22/2020 dated June 15, 2020 issued by the Ministry of Corporate Affairs, Government of India ("MCA") in view of COVID-19 ("MCA Circulars"), by way of voting through electronic means ("E-voting"), for their approval.

AMENDMENT IN OBJECT CLAUSE OF THE MEMORANDUM & ASSOCIATION

The clause III B (45) of the Memorandum of Association ("MOA") of the Company is proposed to be amended to incorporate necessary enabling powers relating to invest and deal with the assets/money and to lend/borrow money and to provide security or give guarantee including mortgaging, hypothecating or pledging or creating charge over the whole or any part of the property, for operational convenience and clarity. The resolution for amendment in the aforesaid object clause of the MOA is being sent to the shareholders of the Company in above mentioned postal ballot notice.

CHANGES IN SHAREHOLDING DURING THE YEAR

Pursuant to Share Purchase Agreement dated December 24, 2018 executed amongst Life Healthcare International Proprietary Limited ("LHC"), Radiant

Life and the Company, 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred and Thirty Seven only) fully paid up Ordinary equity shares of INR 10 (Rupees Ten only) each of the Company amounting to 49.7% of the total paid up equity share capital of the Company were transferred from LHC to Radiant Life on June 21, 2019.

As on March 31, 2020, Max India and Radiant Life have equal shareholding of 49.70 % each in the Company aggregating 53,39,95,874 (Fifty Three Crores Thirty Nine Lakhs Ninety Five Thousands Eight Hundred and Seventy Four only) equity shares holding 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred and Thirty Seven only) equity shares each.

Further, pursuant to the Scheme, on June 19, 2020, 63,50,42,075 (Sixty Three Crores Fifty Lakhs Forty Two Thousand Seventy Five) fully paid up equity shares of the Company have been allotted to the shareholders of Radiant Life as on the Record date 2 i.e. June 1, 2020 in the share entitlement ratio of 9,074:10 and 26,62,41,995 (Twenty Six Crores Sixty Two Lakhs Forty One Thousand Nine Hundred Ninety Five) fully paid up equity shares to the shareholders of Max India as on Record date 3 i.e. June 15, 2020 in the share exchange ratio of 99:100.

Also, pursuant to the Scheme, 26,69,97,937 (Twenty Six Crores Sixty Nine Lakhs Ninety Seven Thousand Nine Hundred Thirty Seven) equity shares each held by Radiant Life and Max India, in MHIL, got cancelled simultaneous to the issuance of equity shares to the shareholders of Radiant and Max India as aforesaid, on June 19, 2020.

SHARE CAPITAL

As on March 31, 2020, the authorized share capital of the Company stands at INR 10,85,00,00,000 (Indian Rupees One Thousand Eighty Five Crores) divided into (i) 96,00,00,000 (Ninety Six Crores) equity shares having a nominal value of INR 10/- each and (ii) 12,50,00,000 (Twelve Crore Fifty Lakhs) Cumulative Preference Shares having a nominal value of INR 10 each.

As on March 31, 2020, the issued, subscribed and paid up equity share capital stands at INR 5,37,24,43,280 (Indian Rupees Five Hundred Thirty Seven Crores Twenty Four Lakhs Forty Three Thousand Two Hundred Eighty only) divided into 53,72,44,328 (Fifty Three Crores Seventy Two Lakhs Forty Four Thousand Three Hundred Twenty Eight) equity shares of INR 10 each.

There is no change in the authorized share capital pursuant to the Scheme.

Further, subsequent to allotment of shares in accordance with the sanctioned Scheme, as on date, the issued, subscribed and paid up equity share capital of the Company stands at INR 904,53,25,240 (Indian Rupees Nine Hundred Four Crores Fifty Three Lakhs Twenty Five Thousand Two Hundred Forty) divided into 90,45,32,524 (Ninety Crores Forty Five Lakhs Thirty Two Thousand Five Hundred Twenty Four) equity shares of INR 10 each.

During the year under review, the Company has not issued any shares except as mentioned above.

NON CONVERTIBLE DEBENTURES

The Board of Directors of the Company had, in their meeting held on August 1, 2019, subject to the completion of conditions precedent, approved the proposal for inviting, offering or issuing secured Non-Convertible Debentures aggregating upto principal amount not exceeding INR 483.90 Crores by way of private placement, in one or more tranches, subject to approval of members of the Company and the same was approved by the members in the Annual General Meeting held on September 24, 2019. The fund was proposed to be utilized for exercising option to purchase remaining 49% equity stake in one of the subsidiary companies of the Company i.e. Saket City Hospitals Private Limited, general capital expenditure of the Company or its network hospitals and / or such other purposes as permitted under the applicable laws and approved by the Board from time to time.

Further, the Board of Directors of the Company had, in their meeting held on February 06, 2020, had recommended offering and issuing secured / unsecured/ redeemable / listed/ unlisted Non-Convertible Debentures including but not limited to subordinate debentures, bonds, and/or other debt securities etc. aggregating to a nominal value of up to INR 100,00,00,000 (Indian Rupees One Hundred Crores only), to a select group of investors being foreign portfolio investors (FPIs) registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (as amended from time to time) by way of private placement, in one or more tranches and the same was approved by the members in the Extra-ordinary General Meeting held on February 25, 2020. As per the terms of issue, the subscription money was proposed to be utilized for exercising option to purchase remaining 22.05% equity stake in one of the subsidiary companies of the Company i.e. Crossaly Remedies Limited and / or such other purposes as permitted under the applicable laws and approved by the Board from time to time.

The above approvals by the members were enabling in nature, however, none of the above NCDs were issued by the Company till date.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATES

As on March 31, 2020, your Company has five subsidiaries i.e. Hometrail Buildtech Private Limited (100%), Alps Hospital Limited (100%), Crosslay Remedies Limited (77.95%), Saket City Hospitals Private Limited (57.20%) and MHC Global Healthcare (Nigeria) Limited ("MGHL").

As on March 31, 2020, your Company has no associate/ joint venture company.

MGHL was incorporated on May 20, 2019 under the Companies and Allied Matters Act 1990 (of Nigeria), as a wholly owned subsidiary of the Company. However, share subscription money has not been invested in MGHL till March 31, 2020. MGHL was incorporated in line with the international strategy of your Company to expand its operations in Nigeria.

Further, pursuant to the effectiveness of the Scheme, Radiant Life Care Mumbai Private Limited (99.99%) became subsidiary of our Company w.e.f June 1, 2020.

CONSOLIDATED FINANCIAL STATEMENTS

In terms of Rule 8 (1) of the Companies (Accounts) Rules, 2014, this Board Report has been prepared on the basis of Standalone Financial Statements of the Company for FY 2019 -20.

In compliance with provisions of Section 129 (3) of the Act read with Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and all of the subsidiaries are prepared in the same form and manner as that of its own and in accordance with the applicable accounting standards and relevant provisions of the Act and Rules made thereunder, which shall also be laid before the Annual General Meeting ("AGM") of the Company along with the laying of its Financial Statement under Section 129(2) of the Act.

Further, a statement containing salient features of the financial statements of the subsidiary companies of the Company is disclosed separately and forms part of this Annual Report in Form AOC-1.

In terms of provision to Section 136(2) of the Act, the members interested in obtaining a copy of separate audited or unaudited financial statements, as the case may be, as prepared in respect of each of the subsidiaries of the Company may write to the Company Secretary at the Company's registered office or by email: investors@maxhealthcare.com

REPORT ON PERFORMANCE & FINANCIAL POSITION OF THE SUBSIDIARIES

In terms of Rule 8(1) of the Companies (Accounts) Rules, 2014, the highlights on performance of subsidiaries and their contribution to the overall performance of the Company during the Financial Year ended March 31, 2020 are as follows:

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

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

During the year ended March 31, 2020, HBPL made a profit after tax INR 42 Crores. The total comprehensive income for the FY 2020 is INR 42 Crores.

- **Alps Hospital Limited (Alps):** Alps was incorporated on May 26, 1989 and is having its registered office at N - 110, Panchsheel Park, New Delhi-110017. Alps is a wholly owned subsidiary of the Company.

It operates in the healthcare services business in India. Currently, it focuses on establishing, maintaining and running a hospital in Gurgaon, Haryana ("Max Hospital, Gurgaon"). It also has dispensaries, maternity and family welfare centers, diagnostic and pathology centers, emergency and trauma centers, X-Ray and E.C.G centers etc. Also, in order to effectively manage radiology services and to provide the services round the clock cover, during the year, Alps has outsourced its Radiology and related services to Saket City Hospitals Pvt. Ltd. ("SCHPL"). During the year ended March 31, 2020, Alps made a profit after tax of INR 8 Crores. The total comprehensive income for the FY 2020 is INR 8 Crores.

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

CRL owns and operates a hospital located in East Delhi – Ghaziabad – Noida corridor and provides a spectrum of preventive, diagnostic and treatment alternatives with follow – up care in all medical specialities. It also provides key tertiary care specialities such as oncology, renal sciences, GI sciences, Orthopaedics and joint replacement, cardiac sciences and neurosciences etc.

CRL became subsidiary of your Company w.e.f. July 10, 2015 and as on March 31, 2020, the Company is holding 77.95% equity stake in CRL. During the year, CRL has purchased the Noida healthcare facility namely 'Max Multi Speciality Hospital, Noida' from the Company, for operational effectiveness and efficiency and synergy benefits in support staff cost, sales and marketing cost etc.

Further, the Company has entered into the CRL Share Purchase Agreement on January 15, 2020 for purchase of 3,15,68,142 equity shares of CRL ("Total Share Capital"), representing 22.05% of the paid-up share capital of CRL. This Share Purchase Agreement was executed to consummate the transactions for the sale and purchase of equity shares of CRL, pursuant to the exercise of a put-option right under the Shareholders' Agreement dated May 28, 2015 entered into between Dr. Vinay Aggarwal Group, Dr. Arun Narula Group, Dr. P. D. Garg Group, Mr. O. P. Manchanda Group, Dr. G. K. Mani Group, Mr. Akhil Jain Group, CRL and our Company (collectively, the "Parties"). Pursuant to this Share Purchase Agreement, our Company will hold 100% of the paid-up share capital of CRL.

Further, by way of a supplemental amendment agreement dated June 18, 2020 entered into between the Parties, our Company has agreed to purchase, in tranches, 75,00,001 equity shares of CRL (representing 5.24% of the paid-up share capital) out of the Total Share Capital. As on the date, the Company has acquired 57,31,881 equity shares, out of 75,00,001 equity shares, pursuant to the aforesaid supplemental amendment agreement.

During the year ended March 31, 2020, CRL made a profit after tax of INR 32 Crores. The total comprehensive income for the FY 2020 is INR 31 Crores.

- **Saket City Hospitals Private Limited (SCHPL):** In terms of the Shareholders' Agreement dated November 27, 2015, amongst the Company, Smart Health City Pte Ltd. ("Seller") and SCHPL ("SHA"), SCHPL became subsidiary of your Company w.e.f December 1, 2015 by way of acquisition of 51% of the paid up equity share capital of SCHPL.

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

On March 26, 2020, the Seller, the Company, Dr. Bhupendra Kumar Modi, Kayak and SCHPL entered into a Share Purchase Agreement, to buy the option shares from the Seller jointly by Kayak and the Company. Accordingly, the Seller transferred 16,81,883 shares (Sixteen Lakhs Eighty One Thousand Eight Hundred and Eighty Three) and 1,26,00,000 (One Crore Twenty Six Lakhs) equity shares to MHIL and Kayak respectively on March 27, 2020 at a purchase consideration of INR 386.50 (INR Three Hundred Eighty Six and Fifty Paise) per equity share which is based on the fair market valuation of SCHPL as on February 29, 2020 by a SEBI registered category 1 Merchant Banker.

Simultaneously, on March 26, 2020, SCHPL, MHIL and Kayak, have entered into a Share Purchase Agreement for purchasing the Kayak's stake (i.e.1,26,00,000) subsequently, such that MHIL holds 100% of the paid-up share capital of SCHPL ultimately. In accordance with the terms of this SPA, MHIL has to pay the purchase price for an aggregate amount in cash equal to the INR equivalent of USD 64,246,702 which price, the Parties agree shall not exceed the fair market value of these shares i.e. INR 386.50 per equity share.

Further on March 31, 2020, 5,00,000 (Five Lakhs) Compulsory Convertible Preference Shares (CCPS) of face value INR 10 (ten) each of SCHPL held by the Company were converted into 2,85,714 equity shares in accordance with the terms of issuance of CCPS.

As on March 31, 2020 the Company and Kayak is holding 57.20% and 42.80% equity stake respectively in SCHPL.

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

During the year ended March 31, 2020, SCHPL made a loss after tax of INR 2 Crores. The total comprehensive loss for the FY 2020 is INR 2 Crores.

- **MHC Global Healthcare (Nigeria) Limited (MGHL):** MGHL was incorporated under the Companies and Allied Matters Act 1990 (of Nigeria), on May 20, 2019 and is having its registered office at Kresta Laurel Complex, 4th Floor, 376, Ikorodu Road, Maryland, Ikeja, Lagos, Nigeria, as a wholly owned subsidiary.
- Nigeria contributes significantly to medical tourism in India (largest after Kenya and Sudan among African nations) and opening an office in Nigeria was in line with the international strategy of your Company. Keeping in view the expanded business scope of Nigeria office, a wholly owned subsidiary was incorporated in Nigeria. However, the Company till date has not invested the subscription money in MGHL.

REPRESENTATIVE OFFICE IN KENYA

The Kenya branch office continued on its strong growth trajectory with a 35% growth over FY 19. The revenue reached INR 11.75 Crores. The Nairobi office expanded its footprints within Kenya by setting two smaller offices in the cities of Mombasa and Kisumu. The business rose significantly from these markets. The Nairobi office also focused on high-end and high value procedures of Bone Marrow Transplants, Liver Transplants and paediatric Cardiac Surgeries. Approximately 40% of the revenue came from these specialities. The credit business through the key client National Health Insurance Fund (NHIF), remained very well managed and within approved credit limits.



Patient Assistance Centre at Kenya

DIRECTORS

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

The Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and independent directors including one-woman director. As on date, the Board comprises of seven directors out of which four are independent directors, two are non-executive directors (including one woman director) and one is executive director. The Board provides strategic guidance and direction to the Company to help achieve its vision, long-term strategic objectives and to protect the interest of the stakeholders.

The following changes took place in the directorship of the Company during the financial year 2019-20:

Changes in terms of the Pre – Merger SHA due to the change in ownership and control of the Company:

- Mr. Petrus Phillippus Van Der Westhuizen (DIN 06877878), Dr. Shrey Balaguru Viranna (DIN 08102893) and Mr. Adam Mills Pyle (DIN 07634698) (nominee directors of LHC) have resigned from the position of non-executive directors of the Company w.e.f June 21, 2019
- Dr. Omkar Goswami (DIN- 00004258) and Ms. Roshini Bakshi (DIN- 01832163) have resigned from the position of independent director of the Company w.e.f June 21, 2019.
- Mr. Yogesh Kumar Sareen (DIN-00884252) has resigned from the position of whole time director including the directorship of the Company w.e.f on June 21, 2019 and he continues to hold the office of Senior Director and Chief Financial Officer of the Company.
- Dr. Pradeep Kumar Chowbey (DIN-01141637) has resigned from the position of Executive Vice Chairman of the Board including the directorship w.e.f June 21, 2019 and he continues to hold the office of Chairman - MAMBS & Allied Surgical Specialities of the Company.
- Mr. Abhay Soi (DIN 00203597) was appointed as the non-executive Chairman of the Company (retiring director) w.e.f. June 21, 2019 as a nominee director of Radiant and he was re designated as a non-retiring director w.e.f. July 15, 2019.
- Mr. Sanjay Omprakash Nayar (DIN 00002615) and Mr. Prashant Kumar (DIN 08342577) were appointed as Directors, w.e.f June 21, 2019 as nominee directors of Radiant and both of them were liable to retire by rotation in terms of section 152 of the Act.
- Mr. Rajit Mehta (DIN: 01604819) resigned from the position of Managing Director & CEO of the Company w.e.f July 28, 2019.
- Mr. Mohit Talwar was re-designated as a non-retiring director w.e.f July 15, 2019 and Mr. Dinesh Kumar Mittal (DIN-00040000) was appointed as a non-executive director w.e.f July 29, 2019. Ms. Tara Singh Vachani, Mr. Mohit Talwar and Mr. Dinesh Kumar Mittal are the nominee directors of Max India.
- Mr. Upendra Kumar Sinha (DIN-00010336), Mr. Mahendra Gumanmalji Lodha (DIN 00012920) and Mr. Michael Thomas Neeb (DIN-08522685) were appointed as additional directors of the Company

with effect from June 21, 2019 and the members of the Company in extra-ordinary general meeting held on July 15, 2019 first appointed them as Directors in terms of Section 160 of the Act and then as Independent Directors for a period of five years w.e.f July 15, 2020.

Other changes during the year:

- Mr. Rahul Khosla (DIN 03597562) resigned from the position of Non-executive Director and Chairman of the Company w.e.f June 5, 2019.
- Mr. K Narasimha Murthy (DIN 00023046) was reappointed as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f September 26, 2019.

Changes subsequent to the Financial Year 2019 - 20 till date in accordance with the Post Merger SHA

- Mr. Mohit Talwar, Ms. Tara Singh Vachani and Mr. Dinesh Kumar Mittal stepped down from the position of directors of the Company as nominee directors of Max India w.e.f June 1, 2020.
- Mr. Prashant Kumar and Mr. Sanjay Omprakash Nayar continues on the Board as nominee directors of Kayak w.e.f June 1, 2020. Due to preoccupation elsewhere, Mr. Prashant Kumar stepped down from the Board w.e.f. June 19, 2020 and Ms. Ananya Tripathi joined the Board in his place as a nominee director of Kayak w.e.f June 19, 2020.
- Mr. Abhay Soi was appointed as the Chairman and Managing Director of the Company w.e.f. June 19, 2020 and based on recommendations of the Nomination & Remuneration Committee and subject to approval of members of the Company, the Board approves the terms & conditions of his appointment thereof.

In terms of the provisions of Section 152 of the Act, Mr. Sanjay Omprakash Nayar (DIN 00002615), non-executive director of the Company, is liable to retire by rotation at the ensuing AGM of the Company. Being eligible, he has offered himself for re-appointment. Your Directors recommend his appointment at the ensuing Annual General Meeting.

In terms of Section 165 of the Act, none of the Directors of the Company is a Director on the Board of more than twenty companies (including ten Public Limited companies). In addition, none of the Directors is related to each other.

The disclosures with regard to resignation and re-appointment are available at website of the Company at www.maxhealthcare.in.

A brief profile and other details of the director seeking appointment / re-appointment and / or fixation of remuneration of Directors (including Managing Director or whole time directors), as may be applicable, at the ensuing AGM of the Company will be provided in the notice of the AGM.

DECLARATION OF INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declarations from all Independent Directors of the Company (i.e. Mr. K Narasimha Murthy,

Mr. Mahendra Gumanmalji Lodha, Mr. Michael Thomas Neeb and Mr. Upendra Kumar Sinha) confirming their independence as prescribed under Section 149 (6) of the Act. Further, they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act. The terms and conditions of appointment of independent directors are available for inspection at the registered office of the Company by any member during normal business hours and the same has also been posted on the Company's website. The declaration regarding the compliance with sub-rule 1 and 2 of Rule 6 of the Companies (Appointment and Qualification of Director) Rules, 2014 (as amended in 2019) as mentioned in sub-rule 3, relating to inclusion of name in the data bank of "Independent Directors" maintained by the Indian Institute of Corporate Affairs ("IICA") by registering with the IICA and its periodic renewal thereof, has been received from all the Independent directors.

Accordingly, in the opinion of the Board of your Company, the Independent Directors fulfill the criteria of integrity, expertise and experience (including the proficiency) as required for this purpose.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. A tentative annual calendar of the Board and Committee Meetings is generally circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by way of Board Meeting through shorter notice or by video conferencing or by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in New Delhi. The Agenda for the Board and Committee meetings including detailed notes on items to be discussed at the meeting are circulated in advance to enable the Directors to take an informed decision. The quantum and quality of information supplied by the Management to the Board goes well with the requirement stipulated under Act, Secretarial Standards on the meetings of the Board issued by Institute of Company Secretaries of India ("SS-1"). The Directors may seek necessary clarification from the management on any information provided to them.

During the year under review, the Board met 6 times viz. May 14, 2019, June 21, 2019, August 1, 2019, October 21, 2019, February 6, 2020 and March 25, 2020. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

The Board of Directors of your Company have constituted various sub-committees to develop subject specific expertise in Board's operations and desire to access particular expertise of Board Members. The composition of all committees complies with the provisions of the Act, Pre Merger SHA and

Post Merger SHA as applicable to the Company from time to time.

In view of the proposed listing of the Company on the Stock Exchanges and change in composition of Board on June 1, 2020, the Board in its meeting held on June 19, 2020, revisited the composition and terms of reference to various sub-committees of Board in order to ensure that these committees also comply with Listing Regulations (as amended from time to time), as and when applicable to the Company.

The various sub-committees constituted by the Board as on date are:

Audit Committee ("AC")

As on March 31, 2020, the composition of AC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Mahendra Gumanmalji Lodha	Chairman (Independent Director)
2.	Mr. Dinesh Kumar Mittal	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
5.	Mr. Upendra Kumar Sinha	Member (Independent Director)

All the members of Audit Committee are financially literate and the Chairman possesses the required accounting and financial management expertise. The role and terms of reference of the Audit Committee comply with the Section 177 of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The Board has accepted all recommendations made by the Audit Committee from time to time.

The revised composition of the Audit Committee (rechristened as Audit and Risk Committee) w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Mahendra Gumanmalji Lodha	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
5.	Mr. Upendra Kumar Sinha	Member (Independent Director)

Nomination & Remuneration Committee (“NRC”)

As on March 31, 2020, the composition of NRC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Upendra Kumar Sinha	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Mohit Talwar	Member (Non Executive Director)
5.	Mr. Mahendra Gumanmalji Lodha	Member (Independent Director)

All the members are Independent Directors, except Mr. Abhay Soi and Mr. Mohit Talwar, who are Non-Executive Director. The composition, role and terms of reference of this Committee comply with the Section 178 of the Act, besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

The revised composition of the NRC w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Upendra Kumar Sinha	Chairman (Independent Director)
2.	Mr. K Narasimha Murthy	Member (Independent Director)
3.	Ms. Ananya Tripathi	Member (Non Executive Director)
4.	Mr. Mahendra Gumanmalji Lodha	Member (Independent Director)

Corporate Social Responsibility Committee (“CSR”)

In terms of Section 135 of the Act and Companies (Corporate Social Responsibilities Policy) Rules, 2014, the CSR Committee of Board of Directors was constituted to recommend the CSR Policy of the Company indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, recommending the amount of expenditure to be incurred on such activities once the Company meets the profitability criteria prescribed under the Rules and monitoring the CSR Policy of the Company from time to time.

As on March 31, 2020, the composition of CSR is as under:

S. No.	Name of the Member	Designation
1.	Mr. Mahendra Gumanmalji Lodha	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Non Executive Director)
3.	Ms. Tara Singh Vachani	Member (Non Executive Director)

The revised composition of the CSR Committee w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Mr. Mahendra Gumanmalji Lodha	Member (Independent Director)
3.	Ms. Ananya Tripathi	Member (Non Executive Director)

Executive Council (“EC”)

In terms of the Pre-Merger SHA, EC comprising of 3 (three) nominee directors of Max India and 3 (three) nominee directors of Radiant for reviewing the strategic and operational matters was constituted on June 21, 2019.

As on March 31, 2020, the composition of EC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Non Executive Director)
2.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
3.	Mr. Prashant Kumar	Member (Non Executive Director)
4.	Mr. Mohit Talwar	Member (Non Executive Director)
5.	Ms. Tara Singh Vachani	Member (Non Executive Director)
6.	Mr. Dinesh Kumar Mittal	Member (Non Executive Director)

Consequent upon the effectiveness of the Scheme, the Executive Council was dissolved w.e.f June 1, 2020.

Corporate Restructuring Committee (“CRC”)

The Board of Directors of your Company had at their meeting held on December 24, 2018 constituted Corporate Restructuring Committee to oversee the process of implementation of the Scheme of Amalgamation as approved by the Board on the same day. Due to the change in the composition of Board of the Company on June 21, 2019, the CRC was reconstituted on the same day.

As on March 31, 2020, the composition of CRC is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Non Executive Director)
2.	Ms. Tara Singh Vachani	Member (Non Executive Director)
3.	Mr. Mohit Talwar	Member (Non Executive Director)
4.	Mr. Prashant Kumar	Member (Non Executive Director)
5.	Mr. K Narasimha Murthy	Member (Independent Director)

The revised composition of the CRC w.e.f June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Ms. Ananya Tripathi	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)

Debenture Committee

The Board of Directors of your Company had at their meeting held on February 06, 2020 constituted Debenture Committee to oversee the process of allotment of debentures and other requisite item as may be considered necessary and expedient in relation to the allotment of Debentures from time to time.

As on March 31, 2020, the composition of Debenture Committee is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Non Executive Director)
2.	Mr. Prashant Kumar	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)

The revised composition of Debenture Committee w.e.f. June 19, 2020 is as under:

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Ms. Ananya Tripathi	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)

In addition, the Board of Directors at their meeting held on June 19, 2020 constituted Listing Committee for taking necessary decisions and dealing with matters connected with the proposed listing of the Company and Stakeholder Relationship Committee in line with the requirements of Listing Regulations and the composition of these Committees are as follows:

Listing Committee

S. No.	Name of the Member	Designation
1.	Mr. Abhay Soi	Chairman (Executive Director)
2.	Mr. Sanjay Omprakash Nayar	Member (Non Executive Director)
3.	Mr. K Narasimha Murthy	Member (Independent Director)
4.	Mr. Upendra Kumar Sinha	Member (Independent Director)

Shareholders' Relationship Committee

S. No.	Name of the Member	Designation
1.	Mr. K Narasimha Murthy	Chairman (Independent Director)
2.	Mr. Abhay Soi	Member (Executive Director)
3.	Ms. Ananya Tripathi	Member (Non Executive Director)

The detailed and exhaustive mandates of the Audit and Risk Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders' Relationship Committee reflecting the salient terms of reference and responsibilities for such Committee are available on the website of the Company for reference.

The details of Board / Committee meetings held during the financial year 2019-20 and attendance thereof as required under SS-1 and a detailed note on the change in its composition has been provided as **Annexure – 1**.

DISSOLVED COMMITTEES

The following committees (not mandatorily required under the Act) have been dissolved on June 21, 2019:

S. No.	Name of the Committee
1.	Executive Council
2.	Scientific Projects & Technology Committee
3.	Medical Excellence Committee
4.	Service Excellence Committee
5.	Investment and Performance Review Committee

BOARD EVALUATION

A formal evaluation of performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the financial year 2019-20. The Company followed two-pronged approach with first, an evaluation based on a questionnaire with the aim to evaluate the Board's own performance and that of its Committees and the evaluation was done on a 3 points rating scale i.e. strongly disagree, agree and neither agree nor disagree. The second part was driven by face-to-face discussions (via video conferencing) at the NRC and Board meeting with the aim to evaluate the performance of individual directors. In addition, a separate meeting of all the Independent Directors was convened to review the performance of non-independent directors and Board as a whole, review the performance of Chairman of the Company, 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.

The evaluation process focused on various aspects of the Board and Committees functioning such as fulfillment of key responsibilities, structure and composition, Committee charter & fulfillment, effectiveness of Board Processes & functioning and culture and dynamics. A separate exercise was carried out to evaluate the performance of individual directors on parameters such as knowledge, contribution and guidance to the Management. Based on majority of the feedback, the Directors expressed satisfaction with the evaluation process and also suggested for having 5 points rating scale under Board Evaluation Mechanism for future (with rating 5 being the highest) i.e. strongly agree – agree – disagree – strongly disagree – neither agree nor disagree, as this will help in better understanding of the evaluation.

INDUCTION AND FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

A formal letter of appointment together with the induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The directors are familiarized with your Company's business and operations and interactions are held between the directors and senior management of your Company. Directors are familiarized with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board/Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

The details of familiarization programme for independent directors may be accessed on the Company's website at the link: <https://www.maxhealthcare.in/investors>.

KEY MANAGERIAL PERSONNELS (KMPS) – APPOINTMENT & RESIGNATION

In terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014,

as on March 31, 2020, Mr. Yogesh Kumar Sareen, Chief Financial Officer, Ms. Ruchi Mahajan, Company Secretary & Compliance Officer and Dr. Mradul Kaushik, Manager, are the KMPS of the Company.

During the year under review, Mr. Rajit Mehta ceased to be the Managing Director & CEO of the Company w.e.f. closure of business hours of July 28, 2019 and Dr. Mradul Kaushik was appointed as a Manager of the Company for a period of 3 years, w.e.f. August 01, 2019. Subsequently on June 15, 2020, Dr. Mradul Kaushik stepped down from the position of Manager and KMP of the Company.

In terms of the Post Merger SHA, Mr. Abhay Soi was appointed as the Chairman and Managing Director of the Board of the Company w.e.f. June 19, 2020 also KMP in terms of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE ACT

In terms of Section 178 of the Act, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director and the Board has approved the Policy, relating to the remuneration of the Directors, Key Managerial Personnel ("KMP") and other employees. The salient features of this Policy are as under:

- Appointment Criteria / Process and Qualification for Board, KMPS (other than MD/ WTD), Senior Management and other employees.
- The remuneration policy of the Company aiming at rewarding the performance based on review of achievements on a regular basis and is in consonance with the existing industry practice.
- Remuneration Criteria for MD / WTD/ KMP and Senior Management, Non-Executive Directors and Independent Directors.

There has been no change in the policy since last fiscal year. We affirm that the remuneration paid to directors is as per the terms laid out in the Nomination & Remuneration Policy of the Company.

In view of the proposed listing of the Company, the Board of Directors of the Company in their meeting held on June 19, 2020 adopted Nomination, Remuneration and Board Diversity Policy in line with the requirements of Listing Regulations.

The detailed policy is available on our website <https://www.maxhealthcare.in/investors>

CORPORATE GOVERNANCE & SECRETARIAL STANDARDS & COMPLIANCE SYSTEM

Your Company strives to attain high standards of corporate governance while interacting with all the stakeholders. The increasing diversity of the investing community and the integrated nature of global capital markets render corporate governance a vital issue for investors. Your Company believes that timely disclosures, transparent accounting policies and a strong independent Board go a long way in maintaining good corporate governance, preserving shareholders trust and maximizing long-term corporate value. In

pursuit of corporate goals, your Company accords high importance to transparency, accountability and integrity in its dealings. Our philosophy for Corporate Governance is driven towards welfare of all the Stakeholders and the Board of Directors remains committed towards this end.

In addition, your Company has duly followed all applicable Secretarial Standards issued by Institute of Company Secretaries of India from time to time.

In addition, your Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further, in view of the proposed listing of the Company, the Board of Directors of the Company have approved the various policies applicable to the Company on listing in terms of the Listing Regulations i.e. Code of conduct for Directors and Senior Management, Code of Conduct for Prevention of Insider Trading, Code of Fair Disclosure, Dividend Distribution Policy, Nomination Remuneration and Board Diversity Policy, Policy for Determination of Materiality of events or Information, Policy for Determining Material Subsidiary, Policy for Preservation of Documents & Archival, Policy on Familiarization Programme for Independent Directors, Related Party Transaction Policy, Stationery Control Policy, Whistle Blower Policy and Risk Management Policy.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

AUDITORS & THEIR REPORT

M/s. S.R. Batliboi & Co. LLP ("SRBC"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 28, 2015 for second term of 5 years until the conclusion of the AGM of the Company to be held in the Year 2020.

Pursuant to Section 139 of the Act and the rules made thereunder, it is mandatory to change the Statutory Auditors of the Company on completion of two terms of five consecutive years, as provided under the said Section.

Accordingly, SRBC will cease to hold the office of statutory auditor w.e.f closing of ensuing AGM. Based on the recommendation of Audit & Risk Committee, the Board in its meeting held on June 27, 2020 has approved the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N) ("Deloitte") as the Statutory Auditor to hold office from the conclusion of ensuing AGM till the conclusion of 24th Annual General Meeting to held in the year 2025, subject to approval of members of the Company. Accordingly, a resolution seeking members' approval for appointment of Deloitte, as the Statutory Auditors of the Company will be included in the notice convening the ensuing AGM along with the remuneration details.

As required under Section 139 of the Act, the Company has received a written consent from Deloitte for such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Act and the rules made thereunder and that they are not disqualified to be appointed as statutory auditors in accordance with the provisions of Section 141 of the Act.

Notes on Financial Statements for FY 2019-20, referred in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH FDI NORMS

Pursuant to Reserve Bank of India Circular Ref. RBI / 2013-2014 / 117A.P., (DIR Series) Circular No. 1 dated July 4, 2013 (as amended from time to time) and in terms of Rule 23(6) of Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Company has obtained a certificate from the statutory auditors certifying that the Company complies with the regulations as regards downstream investment and other related FEMA stipulations in this regard.

REPORTING OF FRAUD BY THE AUDITORS

During the FY 2019 -20, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records & Audit) Rules, 2014 ("the Rules"), the Company had appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for FY 2019-20. The Company has made and maintained the Cost accounts and records in accordance with section 148 sub-section (1) of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report will be filed within the stipulated period of 180 days from the close of the financial year.

Further, the Company has received a certificate from M/s Chandra Wadhwa & Co., confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for the financial year 2020-21.

It is proposed to appoint M/s Chandra Wadhwa & Co., as Cost Auditor of the Company for the Financial Year 2020 -21, at a remuneration of INR 5,20,000 (Indian Rupees Five Lakhs Twenty Thousand Only) plus applicable taxes. Further, in terms of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor so appointed will be proposed for ratification by the members of the Company in the ensuing AGM.

SECRETARIAL AUDITOR AND THEIR REPORT

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Jus & Associates, Company Secretaries, as the Secretarial Auditor of the Company for FY 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as **Annexure 2** to this Report. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse opinion.

Further, in view of the enhanced scope on account of proposed listing of the Company, it is proposed to appoint M/s Sanjay Grover & Associates, Practising Company Secretaries, New Delhi as the Secretarial Auditor for FY 2020-21 pursuant to section 204 of the Act.

The Company has received a letter from of M/s Sanjay Grover & Associates consenting to act as the Secretarial Auditor of the Company for FY 2020-21.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

The Financial policies, standards and delegations of authority have been disseminated to senior management to cascade within their departments. During the year, your Company has taken various key new initiatives to improve reliability and objectivity in Financial Reporting & Controls viz. review of key Accounting policies with the Audit and Risk Committee ("AC"), review of significant areas requiring management estimates and judgement with the AC, change in Depreciation Policy after benchmarking with the best in class, Digitisation of various module and processes, improvement in MIS and introduction of auto alerts and exception control reporting to improve control environment.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Further, in the design and evaluation of our disclosure controls and procedures, our management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

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

RISK MANAGEMENT

The Management is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of the Risk Management Framework of the Company through the AC.

The Company follows detailed risk assessment and mitigation procedures, which are reviewed by the AC. The Company has in place a Risk Management Framework for identifying risks and opportunities that may have a bearing on the organisation's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The AC assists the Board in evaluating the Risk Management System of the Company including Risk Framework; Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management. The AC provides oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

A whistle blower can raise his / her concerns with the designated official and under exceptional circumstances with the AC. The investigations relating to the concern is required to be carried out by / or under the instruction of the Ethics and Compliance Committee comprising of three permanent members including Head Internal Audit, Head – HR, Head – Legal, Compliance & Regulatory Affairs (the Chairperson of the Committee for initial 2 years), Head of Clinical Directorate and any other members as may be co-opted on a case by case basis for effective redressal of a concern. Any allegations that fall within the scope of the concerns identified are investigated and resolved appropriately. Further, during the year under review, no individual was denied access to the AC for reporting concerns, if any.

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

The details of establishment of vigil mechanism for Directors and employees to report genuine concerns are available at the website of the Company viz. <https://www.maxhealthcare.in/investors>

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

In terms of the Act, all related parties transactions are approved by the AC / Board, as may be applicable, from time to time.

All contracts / arrangements / transactions entered by the Company during the Financial Year 2019-20, with related parties were in the ordinary course of business and on an arm's length basis.

The Company entered into Share Purchase Agreement with SCHPL and Kayak on March 26, 2020, for purchasing the Kayak's stake (i.e. 1,26,00,000) in SCHPL, as per the details elsewhere mentioned in this report, on an arm's length basis and such transaction is considered other than in ordinary course of business of the Company. Considering the fact that upon the effectiveness of the Scheme, Kayak will become one of the Promoters of the Company and may be considered as a related party of the Company in accordance with sub-clause (vii) of Section 2(76) of the Act, accordingly, from good governance perspective, the members at their extra ordinary general meeting held on March 25, 2020, approved the aforesaid transaction in terms of Section 188 of the Act read with the rules made thereunder.

The particulars of contracts or arrangements as mentioned above in terms Section 188(1) and applicable rules of the Act in Form AOC-2 is provided as **Annexure 3** to this Annual Report.

Further, there are no related party transactions made by the Company, which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the accompanying Financial Statements as required under Indian AS 24.

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the standalone financial statements of the Company.

EXTRACT OF ANNUAL RETURN

The extract Annual Return of the Company referred to in Section 92 (3) of the Act is annexed as **Annexure 4** and is also placed on the website of the Company and is available at <https://www.maxhealthcare.in/investors>

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company outline its CSR focus areas, recommend the amount of CSR expenditure, execution process, review & monitoring mechanism, and reporting process to the Management and the Board of Directors of the Company. The CSR Policy may be accessed on the Company's website.

As per the aforesaid Policy, your Company shall undertake CSR activities in all or any of the CSR Activities as prescribed under the Act, however, it shall give primary importance to the identified sectors viz., Health & Hygiene, Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project), nutrition underprivileged women and children and livelihood by way of vocational training and creating & supporting self-help groups for single women led households in villages identified for adoption by the Company. In terms of Section 135 of the Act read with Companies (Corporate Social Responsibilities Policy) Rules, 2013, in view of the Company's carried forward losses, your Company was unable to contribute to the CSR activities for the FY 2019-20. The Annual Report on CSR activities is annexed as **Annexure 5**.

DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the public and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

TALENT MANAGEMENT

This financial year 2019-20 marked as a dawn of new era in the history of your Company. While sailing through the transition, the HR function helped manage significant organisational changes in collaboration with other departments and worked towards ensuring smooth amalgamation of leadership and successful reorganisation of different teams and functions across entity. In tandem, the team built on a number of initiatives to improve existing HR systems and processes as well as developed new tools and practices

to enhance the employee experience. These efforts include spanned digital HR programme, recruitment and employer brand, learning & development, engagement & recognition and governance.

Most of our achievements and milestones in the past year reiterate the fact that creating a stellar employee experience is critical for us. This year as well, we have an unwavering and relentless focus to create an effective employee experience framework, wherein our employees feel even more engaged and happy at every touchpoint throughout their journey with the organisation.

The Company had 3783 (Three Thousand Seven Hundred Eighty Three) employees as of March 31, 2020 on standalone basis.

Pursuant to the Scheme, Employee Provident Fund Account of the Company has been transferred from Max Financial Services Employee PF Trust to Regional PF Commissioner w.e.f June 1, 2020.

Details of employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is given separately as an **Annexure 6** to this Report.

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

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

Your Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has complied with the provisions relating to constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is an ICC at every work locations / hospitals, which is responsible for redressal of complaints related to sexual harassment in accordance with the guidelines provided in the policy.

During the year ended March 31, 2020, the ICC received 7 complaints pertaining to sexual harassment. Detailed investigations were carried out and appropriate actions have been taken by the ICC in all the reported incidents and 1 complaint is being investigated and pending.

EMPLOYEES STOCK OPTIONS PLAN - 2006

Your Company implemented Employee Stock Option Plan in 2006 ("the ESOP Scheme"), which was amended with the approval of the shareholders of the Company in its meeting held on March 1, 2016. The Scheme is valid till August 10, 2026.

All options vested upto March 31, 2018 were exercised and grantees opted for the deferred compensation, which were also paid by the Company to the grantees and in FY 19, no new options were granted under the ESOP Scheme. Further, all the grantees have irrevocably opted for deferred compensation plan for the unvested part of employee stock options issued earlier. No new ESOPs were granted during the year under review and consequently, there are no outstanding stock options as on March 31, 2020.

Accordingly, no specific disclosure is required under with Section 62 of the Act and Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time).

PHANTOM STOCK PLAN

In order to enhance long-term shareholder value of the Company, further aligning the interests of the employees to the interests of the Company and motivating them to contribute to the growth and profitability of the Company, based on recommendations by the NRC, the Board of Directors of the Company had, in its meeting held on August 4, 2017, proposed a Phantom Stock Options Plan (PSP) for its key employees by adopting a Phantom Scheme under the name and style of "Max Healthcare Institute Limited Employee Phantom Stock Plan 2017 ("MHIL PS") for the purposes of granting phantom stock to the eligible employees of the Company.

MHIL PS includes cash settled rights wherein the employees of our Company are entitled to cash compensation based on the Company's fair value. The fair value of amount payable to the employees in respect of such options, which are settled in cash, is recognised as an expense with corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. Further details in relation to the MHIL PS are set out as **Annexure 7** to this Report.

STATUTORY DISCLOSURE UNDER SECTION 134 (3) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of the report. Also, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business, in the Company's subsidiaries or in the nature of business carried on by them and generally in the classes of business in which the Company has an interest.

ADDITIONAL INFORMATION

Information as per sub rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. Conservation of Energy

a) Steps taken for energy conservation / utilizing alternate source of energy:

Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review

of energy consumption and effective control on utilization of energy. The Company has designed its facilities keeping in view the objective of minimum energy losses. During the year, your Company has taken following significant energy conservation measures across its various hospitals:

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

b) Capital investment on energy consumption equipment: INR 181.35 Lakhs.

c) Impact of measures at (a) & (b):

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

B. Research & Development (R & D):

a. The areas of research being pursued by your Company include:

- Your Company has built a strong foundation in managing several sponsored global and national clinical trials and investigator initiated trials including studies in all major therapeutic areas like oncology, neurology, endocrinology, critical care medicine, pathology, radiology, nephrology and kidney transplant, IVF, obstetrics and gynaecology, dermatology, internal medicine and liver and biliary surgery covering the areas of drugs, devices and post marketing surveillance studies.
- Since 2005, through the Clinical Research Programme established at the hospitals and medical centres owned and operated by us, we have been able to successfully run over 200 sponsored clinical trials. We have derived benefits including fulfilling unmet therapeutic requirements, collaboration with the external

global funding and government agencies for carrying out research and innovation in the areas of new technology and clinical procedures thereby improving the treatment process as a result of our R&D initiatives.

- In addition to the above, your Company has entered into an agreement with Imperial College London for carrying on research in the area of non – communicable disease. Our Company is one of the few organisations in India that have a bio bank where serological samples are stored for future genetic research of over 10,000 research subjects. Our Company also generates serological samples for genetic testing in COVID-19.
- Your Company is one of the first private healthcare players to be registered with Department of Science & Industrial Research, which supports our R&D activities. This enables us to attract grants from various institutions such as the Indian Council of Medical Research, the Department of Biotechnology, the Department of Science and Technology. Recently our Company has received a grant from Biotechnology Industry Research Assistance Council and National Institute of Health Research, UK. Our Company with its background of large-scale clinical trials and research in the field of non-communicable diseases, was able to immediately shift gear to COVID-19 related research.

On account of the recent pandemic, our Company has initiated close to 50 research initiatives purely related to COVID-19, which includes seroepidemiological studies, investigator driven work and sponsored drug and clinical trials. We have registered approximately 50% of the COVID-19 studies on Clinical Trial Registry, India and Clinical Trials Gov, a global site for clinical trials. Our Company has also collaborated with the Institute of Genomics and Integrative Biology, Delhi to look at cutting edge COVID-19 research to identify genetic sequences and their behaviours in the Indian population. The research work undertaken by our Company results in over 250 high impact factor index journal scientific publications from our Company each year.

b. Benefits derived as a result of the above R&D:

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

c. Future Plan of action

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

- To conduct various training programmes on research areas like medical writing, statistics

through collaborations with the academic institutions in clinical research and renowned pharmaceutical companies to enhance the research skills of researchers.

- To explore opportunities to collaborate with other national and international research organisation to broaden the scope of research in other speciality areas other than Endocrinology.
- Your Company also plans to augment its clinical research programme in various areas viz. Epidemiology (Studies involving collecting & analysing data about health & disease in target populations), Clinical Research (Innovation of techniques and ideas by physicians, supported by laboratory research) and Clinical Trials (Investigations of a new drug on human volunteers to determine safety, toxicity, efficacy, dosage).
- To explore setting up of a Bio Bank with national / international collaborators.
- To establish Grant office and Bio-informatics division to expend research programme.

C. Technology Absorption:

(a) & (b):

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

Medical technology plays a crucial role in enhancing the quality of delivery, reduction in turnaround time of workflows and thus the overall cost, besides bringing in higher accountability into the system. Your Company has consistently invested in acquiring latest and newer technologies that result in better clinical outcomes and hence, greater patient satisfaction.

During the year under review, your Company has installed new hybrid Cath Lab at its network hospital at Max Hospital, Saket that has led to improved Patient safety, reduced complications (access site and bleeding) for advanced cardiovascular diagnostic and interventional procedures. High-end microscope, Ortho-suite Navigation system, DR system in Radiology are the other latest upgradations that has helped improve decision making capabilities and throughput of surgeon to gain competitive advantage.

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

- c) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished: NA

D. Foreign Exchange Earnings and Outgo:

- a) Activities relating to exports: Initiatives taken to increase exports, development of new export markets for products and services, and export plans: Your Company is engaged in the healthcare

business and is not carrying on any export activities. The Company has appointed healthcare facilitators in various countries to cater to international patients.

- b) Total foreign exchange earned and used :

(i) Earnings : INR 70.95 crores

(ii) Expenditure: CIF Value of Imports
INR 5.93 crores

Others - INR 9.75 crores

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of shares (including sweat equity shares) to employees of the Company under any scheme save and except under ESOP referred to in this Report.
3. Voting rights which are not exercised directly by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material adverse orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

VALUE RESEARCH PREMIUM

ACKNOWLEDGEMENT

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

Your Directors also thank the shareholders, Financial Institutions, Banks / other lenders, Customers, Vendors and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

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

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

For and on behalf of the Board of Directors

Sd/-

Abhay Soi

**Chairman & Managing Director
(DIN 00203597)**

Date: June 27, 2020

Place: New Delhi

