

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Metropolis Healthcare Limited**  
**Report on the Audit of the Consolidated Financial Statements**

**OPINION**

We have audited the consolidated financial statements of Metropolis Healthcare Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries] together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended March 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of its consolidated profit and other comprehensive loss, consolidated changes in

equity and consolidated cash flows for the year then ended.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**KEY AUDIT MATTER**

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Impairment assessment of Goodwill and Indefinite life intangible asset**

See Note 4 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in note 4, The Group's consolidated financial statements includes Goodwill aggregating Rs.45,468.37 lakhs pertaining to past acquisitions/ amalgamations. Further, the Group's consolidated financial statements also includes intangible assets with indefinite life ('Brand') aggregating Rs.29,387.00 lakhs, which was acquired pursuant to acquisition of Dr. Ganesan's Hitech Diagnostic Centre Private Limited, which together represents 50% of total assets of the Group as at March 31, 2023.</p> <p>Group tests goodwill and indefinite life intangible asset for impairment annually, or more frequently when there is an indication, the cash generating unit to which goodwill and indefinite life intangible asset has been allocated may be impaired</p> <p>The recoverable value of the CGU which is based on the value in use model, has been derived from discounted forecast cash flow model.</p> <p>We identified the assessment of impairment indicators in respect of goodwill and indefinite life intangible asset as a key audit matter considering:</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>● Understanding the process followed by the group in respect of the annual impairment analysis.</li> <li>● Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the group process of performing impairment assessment, including controls over determination of discount rate and terminal growth rate.</li> <li>● Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and related costs based on our knowledge of the group and market. Assessing historical accuracy by comparing past forecasts to actual results achieved.</li> <li>● Involving valuation professionals with specialised skills and knowledge to assist in evaluating the impairment model used and assumptions including discount rate and terminal growth rate applied by the group by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>● The significance of the value of goodwill and indefinite life intangible asset in the Consolidated Balance Sheet.</li> <li>● The degree of judgement involved in determining the recoverable amount of goodwill and indefinite life intangible asset including:               <ol style="list-style-type: none"> <li>i. Valuation assumptions such as discount rate and terminal growth rate.</li> <li>ii. Business assumptions such as revenue growth rate, related costs and the resultant cash flows projected to be generated from the above.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>● Testing data used to develop the estimate for completeness and accuracy.</li> <li>● Performing a sensitivity analysis to evaluate the impact of change in key assumption individually or collectively to the recoverable value.</li> <li>● Assessing the adequacy of disclosures in the revised consolidated financial statements.</li> </ul>

### OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are

the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

- a. We did not audit the financial statements of eight subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 9,243.29 lakhs as at March 31, 2023, total revenues (before consolidation adjustments) of Rs. 8,336.24 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 185.25 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during 11 August 2022 till 29 March 2023.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the paragraph (a) of the "Other Matters" paragraph:
  - a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group. Refer Note 46 to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2023.
  - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2023.
  - d. (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary company that, to the best of its knowledge and belief, as disclosed in the Note 60 to the consolidated financial statements, no

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of the subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of the subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary company that, to the best of its knowledge and belief, as disclosed in the Note 60 to the consolidated financial statements, no funds have been received by the Holding Company or any of the subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of the subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The interim dividend declared and paid by the Holding Company and its subsidiary company incorporated in India during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of the subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Sd/-  
**Tarun Kinger**  
Partner

Membership No.: 105003  
ICAI UDIN: 23105003BGYDKU1452

Place: Mumbai  
Date: 16 May 2023

## ANNEXURE A

### TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED MARCH 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remark, qualification or adverse remark in the report under the Companies (Auditor's Report) Order, 2020 (CARO), which have been reproduced as per the requirements of the Guidance note on CARO:

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Amins Pathology Laboratory Private Limited	U52300MH2012PTC236779	Subsidiary	(vii)(a)

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Sd/-  
**Tarun Kinger**  
Partner

Membership No.: 105003  
ICAI UDIN: 23105003BGYDKU1452

Place: Mumbai  
Date: 16 May 2023

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

### **TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

#### **REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **OPINION**

In conjunction with our audit of the consolidated financial statements of Metropolis Healthcare Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based

on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OTHER MATTER**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

Place: Mumbai  
Date: 16 May 2023

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Sd/-  
**Tarun Kinger**  
Partner  
Membership No.: 105003  
ICAI UDIN: 23105003BGYDKU1452



# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	13,724.60	13,923.39
Right of use assets	38	17,339.93	10,949.17
Goodwill	4	45,468.37	45,468.37
Other intangible assets	4	35,533.84	35,552.21
Intangible assets under development	4	1,951.18	577.65
Financial Assets			
i. Investments	5	175.28	175.28
ii. Other financial assets	6	1,663.78	3,474.91
Non-current tax assets (Net)	7	3,286.77	2,583.41
Deferred tax assets (Net)	36 (iv)	689.65	978.37
Other non-current assets	8	54.06	34.53
<b>Total Non-current assets</b>		<b>1,19,887.46</b>	<b>1,13,717.29</b>
<b>Current assets</b>			
Inventories	9	4,459.13	5,110.63
Financial Assets			
i. Investments	10	1,306.14	1,375.42
ii. Trade receivables	11	12,188.76	13,548.78
iii. Cash and cash equivalents	12	6,883.32	6,598.04
iv. Bank balances other than cash and cash equivalents	13	2,436.14	10,095.63
v. Loans	14	-	5.42
vi. Other financial assets	15	1,405.60	1,147.35
Other current assets	16	1,594.35	1,430.89
<b>Total Current assets</b>		<b>30,273.44</b>	<b>39,312.16</b>
<b>TOTAL ASSETS</b>		<b>1,50,160.90</b>	<b>1,53,029.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,024.21	1,023.44
Other equity	18	97,799.02	87,596.34
<b>Equity attributable to owners of the Company</b>		<b>98,823.23</b>	<b>88,619.78</b>
Non-controlling interests		247.85	196.85
<b>Total Equity</b>		<b>99,071.08</b>	<b>88,816.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	19	2,861.42	15,867.72
ii. Lease Liabilities	38	12,550.13	8,262.44
iii. Other financial liabilities	20	54.95	89.43
Provisions	21A	1,302.02	1,171.36
Deferred tax liabilities (net)	36 (iv)	7,824.21	8,666.91
<b>Total non-current liabilities</b>		<b>24,592.73</b>	<b>34,057.86</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	22	5,043.81	9,986.81
ii. Lease Liabilities	38	6,183.09	3,738.64
iii. Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	23	184.26	136.33
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	9,223.93	10,184.47
iv. Other financial liabilities	24	2,012.29	2,368.37
Other current liabilities	25	1,956.35	2,318.87
Provisions	21B	958.66	886.00
Current tax liabilities (net)	26	934.70	535.47
<b>Total current liabilities</b>		<b>26,497.09</b>	<b>30,154.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,50,160.90</b>	<b>1,53,029.45</b>

Basis of preparation, measurement and significant accounting policies 2

The accompanying notes 1 to 63 are an integral part of these consolidated financial statements.

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-  
**Tarun Kinger**  
Partner  
Membership No: 105003

Place: Mumbai  
Date: May 16, 2023

For and on behalf of the Board of Directors  
**Metropolis Healthcare Limited**  
L73100MH2000PLC192798

Sd/-  
**Dr. Sushil Shah**  
Chairman & Executive Director  
DIN: 00179918  
Place : Mumbai

Sd/-  
**Surendran Chemmenkotil**  
Chief Executive Officer  
Place : Mumbai

Sd/-  
**Ameera Shah**  
Managing Director  
DIN: 00208095  
Place : Mumbai

Sd/-  
**Rakesh Agarwal**  
Chief Financial Officer  
Place : Mumbai



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	27	1,14,821.02	1,22,833.60
Other income	28	1,522.46	1,762.30
<b>Total Income</b>		<b>1,16,343.48</b>	<b>1,24,595.90</b>
<b>Expenses</b>			
Cost of materials consumed	29	25,326.40	27,602.19
Laboratory testing charges	30	657.09	690.72
Employee benefits expense	31	25,273.41	23,317.33
Finance costs	32	2,680.15	1,974.20
Depreciation and amortization expense	33	8,921.56	6,322.28
Other expenses	34	34,734.53	36,944.22
<b>Total Expenses</b>		<b>97,593.14</b>	<b>96,850.94</b>
<b>Profit before exceptional items and tax</b>		<b>18,750.34</b>	<b>27,744.96</b>
<b>Exceptional items (Income)</b>	35	-	<b>(1,590.15)</b>
<b>Profit before tax</b>		<b>18,750.34</b>	<b>29,335.11</b>
<b>Tax expenses:</b>	36		
1. Current tax		5,127.43	6,989.23
2. Deferred tax (income) / expenses		(458.09)	1,006.12
3. Tax adjustments for earlier years		(258.40)	(128.85)
<b>Total Tax expenses</b>		<b>4,410.94</b>	<b>7,866.50</b>
<b>Profit for the year</b>		<b>14,339.40</b>	<b>21,468.61</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	49 (a)	(219.94)	(128.18)
Income tax on above	36	55.36	32.85
		(164.58)	(95.33)
(ii) Items that will be subsequently reclassified to profit and loss			
Exchange differences in translating financial statements of foreign operations		129.74	(136.36)
		129.74	(136.36)
<b>Other comprehensive income for the year, net of tax</b>		<b>(34.84)</b>	<b>(231.69)</b>
<b>Total comprehensive income for the year</b>		<b>14,304.56</b>	<b>21,236.92</b>
<b>Profit attributable to:</b>			
Owners of the Company		14,288.26	21,418.21
Non-controlling interest		51.14	50.40
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		(34.70)	(231.67)
Non-controlling interest		(0.14)	(0.02)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		14,253.56	21,186.54
Non-controlling interest		51.00	50.38
<b>Earnings per equity share</b>			
<b>Equity shares of face value of Rs. 2 each</b>			
Basic earnings per share (Rs.)	37	27.91	41.87
Diluted earnings per share (Rs.)	37	27.81	41.66

Basis of preparation, measurement and significant accounting policies 2

The accompanying notes 1 to 63 are an integral part of these consolidated financial statements.

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-  
**Tarun Kinger**  
Partner  
Membership No: 105003

Place: Mumbai  
Date: May 16, 2023

For and on behalf of the Board of Directors  
**Metropolis Healthcare Limited**  
L73100MH2000PLC192798

Sd/-  
**Dr. Sushil Shah**  
Chairman & Executive Director  
DIN: 00179918  
Place : Mumbai

Sd/-  
**Surendran Chemmenkotil**  
Chief Executive Officer  
Place : Mumbai

Sd/-  
**Ameera Shah**  
Managing Director  
DIN: 00208095  
Place : Mumbai

Sd/-  
**Rakesh Agarwal**  
Chief Financial Officer  
Place : Mumbai

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	18,750.34	29,335.11
<b>Adjustments for :</b>		
Depreciation and amortization expense	8,921.56	6,322.28
(Profit) / Loss on sale of property plant and equipments (net)	(0.77)	1.58
Sundry balances written back	(399.98)	(1.47)
Reversal of provision for impairment of non-current investments	-	(0.61)
(Reversal) for bad and doubtful debts (net)	(223.61)	(284.77)
Provision for bad and doubtful advances (net)	-	1.90
Foreign exchange loss / (gain) (net)	18.37	61.11
Share based payments expenses (Refer note 31)	28.51	685.72
Credit impaired trade receivables written off	6.39	-
Interest income	(515.07)	(1,253.02)
Interest income on income tax refund	(55.71)	(3.82)
Impairment of Goodwill	-	18.78
Changes in fair value of current investments	(67.81)	(41.97)
Reversal of provision no longer required	-	(1,600.00)
Write off of property plants and equipments	13.50	3.40
Interest expenses on borrowings	1,011.55	900.98
Interest on deferred purchase consideration	9.92	29.73
Interest on lease liabilities	1,658.68	1,043.49
<b>Cash generated from operations before working capital changes</b>	<b>29,155.87</b>	<b>35,218.41</b>
<b>Working capital adjustments:</b>		
Decrease in loans	5.42	9.78
Decrease / (Increase) in inventories	651.50	(793.73)
Decrease in trade receivables	1,577.24	1,158.70
(Increase) in other assets (Current and non current)	(181.47)	(158.12)
(Increase) in other financial assets (Current and non current)	(108.29)	(1,340.00)
(Decrease) / Increase in provisions	(16.62)	333.11
(Decrease) in trade payables	(531.22)	(1,650.70)
(Decrease) in other financial liabilities	(322.95)	(26.50)
(Decrease) / Increase in other liabilities	(362.52)	827.66
<b>Cash generated from operating activities</b>	<b>29,866.96</b>	<b>33,578.61</b>
Income taxes (paid) (net)	(5,157.98)	(8,251.15)
<b>Net cash generated from operating activities (A)</b>	<b>24,708.98</b>	<b>25,327.46</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and capital work-in-progress	(5,263.35)	(3,066.25)
Proceeds from sale of property, plant and equipment	14.93	-
Deferred purchase consideration paid	(45.06)	(650.94)
Purchase of current investments	(25,525.00)	(499.75)
Proceeds from sale of current investments	25,662.19	-
Investment in subsidiaries	-	(63,142.00)
Interest received	650.07	1,106.15
Net investments in term deposits (having original maturity of more than three months)	9,185.66	(7,504.63)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>4,679.44</b>	<b>(73,757.42)</b>



CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Particulars	(Rs. in Lakhs)	
	March 31, 2023	March 31, 2022
<b>C. Cash Flow from Financing Activities</b>		
Process from Issue of Share to ESOP holders(Refer note 49 (c) )	18.36	197.46
Proceeds from borrowings	-	60,000.00
Repayment of borrowings	(17,886.68)	(34,153.47)
Principal payment of lease liabilities	(4,535.31)	(3,753.33)
Interest paid on lease liabilities	(1,658.68)	(1,043.49)
Payment of dividend	(4,096.85)	(4,093.77)
Acquisition of non-controlling interests	-	(0.33)
Payment of upfront fees on borrowings	-	(106.08)
Interest paid on borrowing	(1,073.72)	(794.89)
<b>Net cash (used in) / generated from Financing activities ( C )</b>	<b>(29,232.88)</b>	<b>16,252.10</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>155.54</b>	<b>(32,177.86)</b>
Effect of exchange rate changes on cash and cash equivalents	129.74	(136.36)
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>285.28</b>	<b>(32,314.22)</b>
<b>Cash and Cash Equivalents at the beginning of the year (Refer note 12)</b>	<b>6,598.04</b>	<b>38,659.34</b>
<b>Add: Cash acquired under Business combination</b>	<b>-</b>	<b>252.92</b>
<b>Cash and Cash Equivalents at the end of the year (Refer note 12)</b>	<b>6,883.32</b>	<b>6,598.04</b>

**Notes:**

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows"
2. The figures in the brackets indicate outflow of cash and cash equivalents.
3. The movement of borrowing as per Ind AS 7 is as follows:

**Movement in borrowings (excluding interest accrued and not due):**

Particulars	March 31, 2022	Cash flows	Non cash changes	March 31, 2023
Long term borrowings	15,867.72	(13,006.30)	-	2,861.42
Short term borrowings	9,986.81	(4,943.00)	-	5,043.81
<b>Total borrowings</b>	<b>25,854.53</b>	<b>(17,949.30)</b>	<b>-</b>	<b>7,905.23</b>

The accompanying notes 1 to 63 are an intergal part of these consolidated financial statements.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

**Tarun Kinger**

Partner

Membership No: 105003

Place: Mumbai

Date: May 16, 2023

For and on behalf of the Board of Directors

**Metropolis Healthcare Limited**

L73100MH2000PLC192798

Sd/-

**Dr. Sushil Shah**

Chairman & Executive Director

DIN: 00179918

Place : Mumbai

Sd/-

**Surendran Chemmenkotil**

Chief Executive Officer

Place : Mumbai

Sd/-

**Ameera Shah**

Managing Director

DIN: 00208095

Place : Mumbai

Sd/-

**Rakesh Agarwal**

Chief Financial Officer

Place : Mumbai

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE')

FOR THE YEAR ENDED MARCH 31, 2023

**A. Changes in Equity Share Capital (Refer note 17)**

	Number of shares	Amount (Rs. in Lakhs)
<b>Equity Share Capital</b>		
<b>Balance as at April 01, 2021</b>	<b>5,11,16,813</b>	<b>1,022.33</b>
Changes in equity share capital due to prior period errors	-	-
Issued under Metropolis Employee Stock Option Scheme 2015 and Metropolis Restrictive Stock Unit Plan, 2020 (Refer note 49 (c) )	55,306	1.11
<b>Balance as at March 31, 2022</b>	<b>5,11,72,119</b>	<b>1,023.44</b>
Changes in equity share capital due to prior period errors	-	-
Issued under Metropolis Employee Stock Option Scheme 2015 and Metropolis Restrictive Stock Unit Plan, 2020 (Refer note 49 (c) )	38,545	0.77
<b>Balance as at March 31, 2023</b>	<b>5,12,10,664</b>	<b>1,024.21</b>

**B. Other Equity (Refer note 18)**

Particulars	Reserves & Surplus						Other comprehensive income	Total other Equity attributable to owners of Company	Non-controlling Interest	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Capital reserve	Employee stock options reserve	Retained earnings	Foreign Currency Translation reserves			
<b>Balance as at March 31, 2021</b>	<b>15,308.22</b>	<b>0.33</b>	<b>2,008.61</b>	<b>69.13</b>	<b>852.26</b>	<b>51,120.62</b>	<b>278.54</b>	<b>69,637.71</b>	<b>146.47</b>	<b>69,784.18</b>
<b>Restated balance as at April 01, 2021*</b>	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	21,418.20	-	21,418.20	50.40	21,468.60
Other comprehensive income	-	-	-	-	-	(95.33)	-	(95.33)	(0.02)	(95.35)
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	(147.21)	(147.21)	-	(147.21)
Transfer of business combination	135.59	-	-	-	-	(140.92)	-	(5.33)	-	(5.33)
<b>Total comprehensive income</b>	<b>135.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,181.95</b>	<b>(147.21)</b>	<b>21,170.33</b>	<b>50.38</b>	<b>21,220.71</b>
Interim dividend	-	-	-	-	-	(4,093.77)	-	(4,093.77)	-	(4,093.77)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 49 (c) )	196.35	-	358.48	-	(358.48)	-	-	196.35	-	196.35
Share based payments (Refer note 31)	-	-	-	-	685.72	-	-	685.72	-	685.72
<b>Balance as at March 31, 2022</b>	<b>15,640.16</b>	<b>0.33</b>	<b>2,367.09</b>	<b>69.13</b>	<b>1,179.50</b>	<b>68,208.80</b>	<b>131.33</b>	<b>87,596.34</b>	<b>196.85</b>	<b>87,793.19</b>



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE')  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Particulars	Reserves & Surplus						Other comprehensive income	Total other Equity attributable to owners of Company	Non-controlling Interest	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Capital reserve	Employee stock options reserve	Retained earnings	Foreign Currency Translation reserves			
<b>Balance as at April 01, 2022</b>	<b>15,640.16</b>	<b>0.33</b>	<b>2,367.09</b>	<b>69.13</b>	<b>1,179.50</b>	<b>68,208.80</b>	<b>131.33</b>	<b>87,596.33</b>	<b>196.85</b>	<b>87,793.18</b>
Profit for the year	-	-	-	-	-	14,288.26	-	14,288.26	51.14	14,339.40
Other comprehensive income	-	-	-	-	-	(164.58)	-	(164.58)	(0.14)	(164.72)
Transfer of business combination	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>15,640.16</b>	<b>0.33</b>	<b>2,367.09</b>	<b>69.13</b>	<b>1,179.50</b>	<b>82,332.48</b>	<b>131.33</b>	<b>1,01,720.01</b>	<b>247.85</b>	<b>1,01,967.86</b>
Interim dividend	-	-	-	-	-	(4,096.85)	-	(4,096.85)	-	(4,096.85)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note )	17.59	-	473.27	-	(473.27)	-	-	17.59	-	17.59
Share based payments (Refer note 31)	-	-	-	-	28.51	-	-	28.51	-	28.51
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	129.74	129.74	-	129.74
Debt instruments fair valued through other comprehensive income	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>15,657.75</b>	<b>0.33</b>	<b>2,840.36</b>	<b>69.13</b>	<b>734.74</b>	<b>78,235.64</b>	<b>261.07</b>	<b>97,799.02</b>	<b>247.85</b>	<b>98,046.85</b>

\* There are no changes in other equity due to prior period errors.

Refer Note 18 for nature and purpose of reserves

The accompanying notes 1 to 63 are an integral part of these consolidated financial statements.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

**Tarun Kinger**

Partner

Membership No: 105003

Place: Mumbai

Date: May 16, 2023

For and on behalf of the Board of Directors

**Metropolis Healthcare Limited**

L73100MH2000PLC192798

Sd/-

**Dr. Sushil Shah**

Chairman & Executive Director

DIN: 00179918

Place : Mumbai

Sd/-

**Surendran Chemmenkotil**

Chief Executive Officer

Place : Mumbai

Sd/-

**Ameera Shah**

Managing Director

DIN: 00208095

Place : Mumbai

Sd/-

**Rakesh Agarwal**

Chief Financial Officer

Place : Mumbai

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

## 1. BACKGROUND OF THE COMPANY AND NATURE OF OPERATION

Metropolis Healthcare Limited (the 'Holding Company'), was incorporated in India as Pathnet India Private Limited in the year 2000 and is engaged in the business of providing pathology and related healthcare services.

The registered office of the Holding Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai. The Holding Company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 15 April 2019 through sale of equity shares by Dr. Sushil Kanubhai Shah and CA Lotus Investments.

## 2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation and measurement

#### a Statement of compliance:

The consolidated financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. The consolidated financial statements are presented in Lakhs of Indian rupees rounded off to two decimal places, except per share information, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements have been prepared on the historical cost basis, except for share based payments, defined benefit obligations and certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The consolidated financial statements were authorised for issue by the Company's Board of Director on May 16, 2023.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

#### b Current vs non-current classification:

All the assets and liabilities have been classified into current and non current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating cycle:

All assets and liabilities have been classified as current or non-current as per the group normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets/inventories for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

#### c Basis of measurement

These consolidated financial statements have been prepared on accrual and going concern basis and the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

- Certain financial assets and liabilities (including derivative instruments) measured at fair value
- Assets and liabilities assumed on business combination measured at fair value
- Equity settled share-based payments measured at fair value
- Net defined benefit asset / liability - Fair value of plan assets less present value of defined benefit obligations.

### d Key estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are :

- i. Impairment of Investments (2.2. (d))
- ii. Impairment of Goodwill (2.2. (d))
- iii. Recognition of deferred tax assets; (Note 2.2(p))
- iv. Measurement of defined benefit obligations; (Note 2.2(n))
- v. Leases - Critical judgements in determining the discount rate (Note 2.2.(o))

### e Measurement of fair values

Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The group has an established control framework with respect to the measurement of fair values (including Level 3 fair values). The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes

- Financial instruments (Note 39)
- Share-based payment arrangements (Note 49 (c))
- Business combination

## 2.2 Significant accounting policies

### a) Business combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the consolidated statement of profit and loss.

Transaction costs are expensed in the consolidated statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

Subsequent changes in the fair value of contingent consideration are recognised in the consolidated statement of profit and loss.

Common Control:

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee company.

The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

**b) Property plant and equipment**

Recognition and measurement:

Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its

intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in statement of profit and loss when the item is derecognised.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to statement of profit and loss during the reporting year in which they are incurred.

Depreciation:

Depreciation on property, plant and equipment, other than leasehold improvements, is provided under the written down value method in the manner prescribed under Schedule II of the Act, except in the following case where the life is different than as indicated in Schedule II of the Act which is based on the technical evaluation of useful life carried out by the management:

<b>Particulars</b>	<b>Management's estimate of useful life</b>	<b>Useful life as per Schedule II</b>
<b>Laboratory Equipment's (Plant &amp; Equipment's) :</b>		
(Electrical Machinery, X-ray & diagnostic equipment's namely Cat-stan, Ultrasound, ECG monitors.)	13 years	10 years
Computers	6 years	3 years
Furniture and Fixtures	15 years	10 years
Vehicles	10 years	8 years

Leasehold improvement are depreciated over the tenure of lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### c) Intangible assets

#### Goodwill

Goodwill that arises on a business combination is subsequently measured at cost less any accumulated impairment losses on testing of impairment

#### Other Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

#### Amortization:

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in statement of profit and loss.

The estimated useful lives for current and comparative periods are as follows:

Computer software - 5 years

Brand - 10 years

Customer relationship - 5-8 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

### d) Impairment of non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### e) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as call options to buy out stake in subsidiary.

#### 1 Financial assets

##### Initial recognition and measurement

Financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Company applies lifetime expected credit loss model for measurement of trade receivables.

##### Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in three categories:

- amortised cost,
- Fair value through profit (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

Amortised cost :

A financial instrument is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Fair value through profit and loss ('FVTPL):

All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognised in the consolidated statement of profit and loss. Interest income (basis EIR method), from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Derivative financial instruments (call option over shares of subsidiaries) are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value.

They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss.

Fair value through Other Comprehensive Income ('FVOCI')

Financial assets are measured at FVOCI if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

The contractual rights to receive cash flows from the financial asset have expired, or

The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the group has transferred substantially all the risks and rewards of the asset, or
- (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL) and debt instruments (other than debt instruments measured at FVOCI) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition.

Impairment of financial assets

In accordance with Ind-AS 109, the group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

### 2 Financial liabilities

#### Initial recognition and measurement

Financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value minus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

#### Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

#### Financial Liabilities at Fair Value through Profit or Loss (FVTPL):

A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Statement of Profit and Loss.

#### Financial Liabilities at amortised cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss

#### Derecognition

A financial liability is derecognised when the obligation under the contract is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of

a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through statement of profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **f) Investments in subsidiaries and joint ventures:**

Investments representing equity interest in subsidiaries and joint ventures carried at cost less any provision for impairment.

Investments are reviewed for impairment at every year end or if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### **g) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified under current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**h) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**i) Inventories**

Inventories comprise of reagents, chemicals, diagnostic kits, medicines and consumables. Inventories are valued at lower of cost and net realisable value. Cost comprises the cost of purchase and all other costs attributed to bring the goods to that particular condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**j) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet and cash flow statement includes cash at bank and on hand, deposits held at call with banks, with original maturities less than three months which

are readily convertible into cash and which are subject to insignificant risk of changes in value.

**k) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is probable.

**l) Revenue Recognition**

Revenue comprise of revenue from providing healthcare services such as health checkup and laboratory services. Pathology service is the only principal activity and reportable segment from which the group generates its revenue.

Revenue is recognised at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the service to the customer. Revenue from sales of goods or rendering of services is net of indirect taxes, reversals and discounts;

Revenue is recognised once the testing samples are processed for requisitioned test, to the extent that it is probable that the economic benefits will flow to the group and revenue can be reliably measured.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Contract liabilities - A contract liability is the obligation to transfer services to a customer for which the group has received consideration from the customer. If a customer pays consideration before the group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the group performs under the contract.

### m) Other income

#### Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options); expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition

#### Dividend income

Dividend are recognised in statement of profit and loss on the date on which the group's right to receive payment is established.

### n) Employee Benefits

#### (i) Short-term Employee benefits

Liabilities for wages and salaries, compensated absences, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are classified as short term employee benefits and are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date which is based on the Black Scholes model. The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase

in equity under "Employee Stock Options Reserve", over the period that the employees become unconditionally entitled to the options.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the group revises its estimates of the number of options that are expected to vest, if required.

When the terms of an equity-settled award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

### (iii) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a group pays specified contributions to a separate entity and has no obligation to pay any further amounts. The group makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognised as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:

The group's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets (being funded portion), together with adjustments for unrecognised actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

**o) Leases**

Group as a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less incentives receivables
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date
- amount expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Value Ind AS Retail Limited, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Variable lease payments that depend on sales are recognized in statement of profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the lease payments using a discount rate.
- the lease payments change due to changes in an index or rate or a change in expected

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the lease payments using a discount rate.

The right-of-use assets are presented as a separate line in the statement of financial position. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

### p) **Income-tax**

Income tax expense /income comprises current tax expense /income and deferred tax expense / income. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income, in which case, the tax is also recognised directly in equity or other comprehensive income, respectively.

#### Current Tax

Current tax comprises of expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (or recovered from) the taxation authorities, using the applicable tax rates and tax laws.

- Current tax assets and liabilities are offset only if, the group has a legally enforceable right to set off the recognised amounts; and

- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred Tax

Deferred Income tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

### q) **Foreign currency transactions**

#### Functional and Presentation currency

The group's financial statements are prepared in Indian National Rupees (INR) which is also group's functional currency.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognised in statement of profit or loss in the year in which they arise except exchange differences arising from the translation of items which are recognised in Other comprehensive income.

**r) Dividend**

The group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the group on or before the end of the reporting period.

**s) Earnings per share:**

Basic Earnings per share is calculated by dividing the profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**t) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance.

As per IND AS-108, if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under IND AS-108 has been given in the consolidated financial statements.

**u) Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs (MCA), vide notification dated March 31, 2023, has made the following amendments to Ind AS which are effective April 01, 2023:

- a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by definition of 'accounting estimate'.
- c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

**v) Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of schedule III. The transactions & balances with values below the rounding off norms adopted by the group have been reflected as "0.00" in the relevant note to these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

**3. PROPERTY, PLANT AND EQUIPMENT**

**Changes in the carrying value of property, plant and equipment for the year ended March 31, 2023:**

(Rs. in Lakhs)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
<b>Gross Block (at cost) as at April 01, 2022</b>	<b>1,035.40</b>	<b>5,796.86</b>	<b>1,099.89</b>	<b>2,538.62</b>	<b>9,310.02</b>	<b>2,182.59</b>	<b>1,643.62</b>	<b>427.22</b>	<b>24,034.22</b>
Additions during the year	-	299.40	316.74	144.23	695.49	387.84	589.37	17.44	<b>2,450.51</b>
Disposals during the year	-	(0.81)	(0.74)	(3.46)	(16.87)	(8.99)	(1.43)	(1.08)	(33.38)
Exchange differences on translation of foreign operations	-	(9.97)	4.11	19.13	55.00	(6.05)	21.81	(2.87)	81.16
<b>Gross Block (at cost) as at March 31, 2023 (A)</b>	<b>1,035.40</b>	<b>6,085.48</b>	<b>1,420.00</b>	<b>2,698.52</b>	<b>10,043.64</b>	<b>2,555.39</b>	<b>2,253.37</b>	<b>440.71</b>	<b>26,532.51</b>
Accumulated depreciation as at April 01, 2022	-	1,382.94	795.25	1,158.64	4,293.13	1,343.06	850.24	287.57	10,110.83
Depreciation charged during the year	-	238.20	151.50	234.42	1,117.78	392.90	423.30	36.70	2,594.80
Disposals during the year	-	-	-	-	(11.41)	(7.40)	-	(0.42)	(19.23)
Exchange differences on translation of foreign operations	-	(2.49)	1.46	20.49	81.30	(1.49)	22.96	(0.72)	121.51
<b>Accumulated depreciation as at March 31, 2023 (B)</b>	<b>-</b>	<b>1,618.66</b>	<b>948.21</b>	<b>1,413.54</b>	<b>5,480.80</b>	<b>1,727.07</b>	<b>1,296.50</b>	<b>323.13</b>	<b>12,807.91</b>
<b>Net carrying amount as at March 31, 2023 (A) - (B)</b>	<b>1,035.40</b>	<b>4,466.82</b>	<b>471.80</b>	<b>1,284.97</b>	<b>4,562.84</b>	<b>828.32</b>	<b>956.88</b>	<b>117.57</b>	<b>13,724.60</b>

**Note :**

a The group has not revalued any of its property, plant and equipment.

b Details of benami property held:

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**Changes in the carrying value of property, plant and equipment for the year ended March 31, 2022:**

(Rs. in Lakhs)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Gross Block (at cost) as at April 01, 2021	1,035.40	5,307.78	901.55	1,963.03	6,753.24	1,590.98	1,024.95	371.13	18,948.06
<b>Additions during the year</b>	-	505.35	113.26	431.69	1,194.87	434.35	595.67	31.60	3,306.79
Additions on account of business combination- refer note 58	-	-	84.31	160.25	1,403.69	160.77	76.34	35.95	1,921.31
Disposals during the year	-	-	0.00	(2.54)	(7.66)	(3.07)	(49.04)	(4.69)	(67.00)
Exchange differences on translation of foreign operations	-	(16.27)	0.77	(13.82)	(34.12)	(0.44)	(4.30)	(6.77)	(74.95)
<b>Gross Block (at cost) as at March 31, 2022 (A)</b>	<b>1,035.40</b>	<b>5,796.86</b>	<b>1,099.89</b>	<b>2,538.62</b>	<b>9,310.02</b>	<b>2,182.59</b>	<b>1,643.62</b>	<b>427.22</b>	<b>24,034.22</b>
Accumulated depreciation as at April 01, 2021	-	1,174.93	576.38	921.90	2,897.43	969.18	650.28	244.47	7,434.57
Additions on account of business combination- refer note 58	-	-	57.30	56.95	418.40	103.17	42.15	12.25	690.22
Depreciation charged during the year	-	212.23	161.48	189.94	1,005.73	273.88	208.18	38.74	2,090.18
Disposals during the year	-	-	-	(2.13)	(7.17)	(2.93)	(46.39)	(2.68)	(61.30)
Exchange differences on translation of foreign operations	-	(4.22)	0.09	(8.02)	(21.26)	(0.24)	(3.98)	(5.21)	(42.84)
<b>Accumulated depreciation as at March 31, 2022 (B)</b>	<b>-</b>	<b>1,382.94</b>	<b>795.25</b>	<b>1,158.64</b>	<b>4,293.13</b>	<b>1,343.06</b>	<b>850.24</b>	<b>287.57</b>	<b>10,110.83</b>
<b>Net carrying amount as at March 31, 2022 (A) - (B)</b>	<b>1,035.40</b>	<b>4,413.92</b>	<b>304.64</b>	<b>1,379.98</b>	<b>5,016.89</b>	<b>839.53</b>	<b>793.38</b>	<b>139.65</b>	<b>13,923.39</b>

**Note :**

a The group has not revalued any of its property, plant and equipment.

**b Details of benami property held:**

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**4. OTHER INTANGIBLE ASSETS**
**Changes in the carrying value of intangible assets for the year ended March 31, 2023:**

(Rs. in Lakhs)

Particulars	Other Intangible Assets						
	Goodwill	Total	Computer Software	Brand name	Customer Relationships	Non compete fees	Total other intangible assets
<b>Gross Block (at cost) as at April 01, 2022</b>	<b>45,743.36</b>	<b>45,743.36</b>	<b>3,913.75</b>	<b>30,842.51</b>	<b>521.04</b>	<b>3,230.19</b>	<b>38,507.49</b>
Additions during the year	-	-	1,428.74	-	-	-	1,428.74
Disposals during the year	-	-	(0.12)	-	-	-	(0.12)
Exchange differences on translation of foreign operations	-	-	0.64	-	-	-	0.64
<b>Gross Block (at cost) as at March 31, 2023 (A)</b>	<b>45,743.36</b>	<b>45,743.36</b>	<b>5,343.01</b>	<b>30,842.51</b>	<b>521.04</b>	<b>3,230.19</b>	<b>39,936.75</b>
<b>Accumulated amortization as at April 01, 2022</b>	<b>274.99</b>	<b>274.99</b>	<b>1,686.67</b>	<b>675.88</b>	<b>416.02</b>	<b>176.69</b>	<b>2,955.26</b>
Amortization recognized for the year	-	-	858.89	145.55	42.01	403.63	1,450.08
Disposals during the year	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(2.43)	-	-	-	(2.43)
<b>Accumulated amortization as at March 31, 2023 (B)</b>	<b>274.99</b>	<b>274.99</b>	<b>2,543.14</b>	<b>821.43</b>	<b>458.03</b>	<b>580.32</b>	<b>4,402.91</b>
<b>Net carrying amount as at March 31, 2023 (A) - (B)</b>	<b>45,468.37</b>	<b>45,468.37</b>	<b>2,799.87</b>	<b>30,021.08</b>	<b>63.01</b>	<b>2,649.87</b>	<b>35,533.84</b>

**Changes in the carrying value of intangible assets for the year ended March 31, 2022:**

(Rs. in Lakhs)

Particulars	Other Intangible Assets						
	Goodwill	Total	Computer Software	Brand name	Customer Relationships	Non compete fees	Total other intangible assets
<b>Gross Block (at cost) as at April 01, 2021</b>	<b>9,300.04</b>	<b>9,300.04</b>	<b>3,297.43</b>	<b>1,455.51</b>	<b>521.04</b>	<b>-</b>	<b>5,273.98</b>
Additions during the year	-	-	583.55	-	-	-	583.55
Additions on account of business combination- refer note 61	36,445.60	36,445.60	32.77	29,387.00	-	3,229.00	32,648.77
Disposals during the year	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	(2.28)	(2.28)	-	-	-	1.19	1.19
<b>Gross Block (at cost) as at March 31, 2022 (A)</b>	<b>45,743.36</b>	<b>45,743.36</b>	<b>3,913.75</b>	<b>30,842.51</b>	<b>521.04</b>	<b>3,230.19</b>	<b>38,507.47</b>
<b>Accumulated amortization as at April 01, 2021</b>	<b>274.99</b>	<b>274.99</b>	<b>962.18</b>	<b>530.33</b>	<b>322.16</b>	<b>-</b>	<b>1,814.67</b>
Amortization recognized for the year	-	-	701.25	145.55	93.86	176.69	1,117.35
Additions on account of business combination- refer note 61	-	-	23.26	-	-	-	23.26
Disposals during the year	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(0.02)	-	-	-	(0.02)
<b>Accumulated amortization as at March 31, 2022 (B)</b>	<b>274.99</b>	<b>274.99</b>	<b>1,686.67</b>	<b>675.88</b>	<b>416.02</b>	<b>176.69</b>	<b>2,955.26</b>
<b>Net carrying amount as at March 31, 2022 (A) - (B)</b>	<b>45,468.37</b>	<b>45,468.37</b>	<b>2,227.08</b>	<b>30,166.63</b>	<b>105.02</b>	<b>3,053.50</b>	<b>35,552.21</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**Intangible assets under development**

(Rs. in Lakhs)

Particulars	Amount
<b>Opening as at April 01, 2021</b>	-
Addition	1,142.53
Capitalized during the year	564.88
<b>Closing amount as at March 31, 2022</b>	<b>577.65</b>
Addition	1,373.53
Capitalized during the year	-
<b>Closing amount as at March 31, 2023</b>	<b>1,951.18</b>

**(a) Intangible Asset under Development (IAUD) Ageing Schedule**
**As at March 31, 2023**

(Rs. in Lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,373.53	577.65	-	-	1,951.18
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,373.53</b>	<b>577.65</b>	<b>-</b>	<b>-</b>	<b>1,951.18</b>

(Rs. in Lakhs)

Particulars	Amount
Projects which have exceeded their original timeline	1,841.18

**Details of capital-work-in progress whose completion is overdue as compared to its original plan as at March 31, 2023**

(Rs. in Lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
CRM implementation Project	1,263.53	577.65	-	-	1,841.18
<b>Total</b>	<b>1,263.53</b>	<b>577.65</b>	<b>-</b>	<b>-</b>	<b>1,841.18</b>

**Ageing Schedule as at March 31, 2023**

(Rs. in Lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	577.65	-	-	-	577.65
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>577.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577.65</b>

- (b) There are no such Intangible Assets under Development, whose project costs which have exceeded their original plan cost as at March 31, 2023 and as at March 31, 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### Impairment

Carrying amount of goodwill which is allocated to the pathology division as at March 31, 2023 is Rs. 45,468.37 Lakhs (March 31, 2022 is Rs.45,468.37 Lakhs). This goodwill is acquired on account of business acquisition and on consolidation of subsidiaries.

For the purpose of impairment testing, goodwill recognised is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

(Rs. in Lakhs)

Entity	March 31, 2023	March 31, 2022
Metropolis Healthcare Limited	4,880.90	4,880.90
Sudharma Metropolis Health Services Private Limited	57.70	57.70
Desai Metropolis Health Services Private Limited	2,010.83	2,010.83
R.V. Metropolis Diagnostic & Health Care Center Private Limited	258.83	258.83
Micron Metropolis Healthcare Private Limited	319.96	319.96
Dr. Patel Metropolis Healthcare Private Limited	90.71	90.71
Raj Metropolis Healthcare Private Limited	30.37	30.37
Lab One Metropolis Healthcare Services Private Limited	278.31	278.31
Metropolis Bramser Lab Services (Mtius) Limited	0.06	0.06
Metropolis Healthcare Ghana Limited	41.76	41.76
Metropolis Healthcare (Mauritius) Limited	1.80	1.80
Metropolis Star Lab Kenya Limited	271.75	271.75
Amins Pathology Laboratory Private Limited	588.20	588.20
Ekopath Metropolis Lab Services Private Limited	44.04	44.04
Bokil Golwilkar Metropolis Healthcare Private Limited	147.55	147.55
Dr. Ganesan's Hitech Diagnostic Centre Private Limited	36,445.60	36,445.60
<b>Total</b>	<b>45,468.37</b>	<b>45,468.37</b>

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. We believe 5 years to be most appropriate time scale over which to review and consider annual performance before applying a fix terminal value multiple to year end cash flow.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

### Key assumptions used in the value-in-use calculations

Assumptions	How determined
Budgeted EBITDA growth rate*	Budgeted EBITDA has been based on past experience adjusted for the following: - Revenue in the diagnostic service is expected to grow on account of changing lifestyle and food habit. Revenue and Budgeted EBIDTA are factored by focused approach towards B2C division, network expansion , operational efficiencies and automation.
Terminal value growth rate	Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business , long term inflation expectation and long term GDP expectation for the Indian economy
Post tax risk adjusted discount rate	The discount rate applied to the cash flows of each of the Group's operations is generally based on the risk free rate for ten year bonds issued by the government in India. These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of of the Group.

\* EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

(Rs. in Lakhs)

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Post tax risk adjusted discount rate	12.4%-27%	12.50%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	2% - 45%	1% - 21%

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

As at March 31, 2023 and as at March 31, 2022, the estimated receivable amount of CGU exceeds its carrying amount and accordingly, no impairment was recognised.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

**5. NON-CURRENT INVESTMENTS**

(Rs. in Lakhs)

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Unquoted equity shares at Fair Value through Other comprehensive income</b>		
Centre for Digestive and Kidney Disease Private Limited 1,750,000 (March 31, 2022: 1,750,000) Equity shares (Face value of Rs. 10 each fully paid up)	175.00	175.00
Textiles Traders Co-operative Bank Limited 1,100 (March 31, 2022: 1,100) Equity shares (Face value of Rs. 25 each fully paid up)	0.28	0.28
<b>Unquoted equity shares at cost</b>		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (March 31, 2022: 1,020) Equity shares of AED of 1,000 each (Fully Paid up) (Refer note 53)	129.85	129.85
<b>Total</b>	<b>305.13</b>	<b>305.13</b>
Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai	(129.85)	(129.85)
<b>Total</b>	<b>175.28</b>	<b>175.28</b>
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of unquoted investments	305.13	305.13
Aggregate amount of impairment in value of investments	129.85	129.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**6. OTHER FINANCIAL ASSETS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<i>(Unsecured, considered good)</i>		
Security deposits	1,419.03	1,655.25
Interest accrued but not due on Bank deposits		
Other Advance		
Fixed Deposits with banks <sup>^</sup> (with remaining maturity of more than 12 months)	104.71	1,630.88
Other advances	140.04	188.78
<b>Total</b>	<b>1,663.78</b>	<b>3,474.91</b>
<i>(Unsecured, considered doubtful)</i>		
- credit impaired		
Security deposits	78.26	86.28
Other advances	79.39	-
	157.66	86.28
Less : Allowance for credit impairment	(157.66)	(86.28)
<b>Total</b>	<b>1,663.78</b>	<b>3,474.91</b>

<sup>^</sup> Includes Rs. 94.80 Lakhs (March 31, 2022 Rs. 1,167.91 Lakhs) of fixed deposits pledged against bank guarantee.

The movement in allowance for credit impairment is as follows:

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>Opening balance</b>	<b>86.28</b>	<b>87.98</b>
Change in allowance for credit impairment of security deposits during the year	71.38	(1.70)
Written off during the year	-	-
<b>Closing balance</b>	<b>157.66</b>	<b>86.28</b>

**7. NON-CURRENT TAX ASSETS (NET)**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Advance taxes (net of provision for taxes Rs. 17,762.87 Lakhs (March 31, 2022 Rs. 16,208.51 Lakhs))	3,169.53	2,470.32
Withholding Tax	117.24	113.09
<b>Total</b>	<b>3,286.77</b>	<b>2,583.41</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**8. OTHER NON-CURRENT ASSETS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<i>(Unsecured, considered good)</i>		
Capital advances	27.03	25.51
Prepaid expenses	27.03	9.02
<b>Total</b>	<b>54.06</b>	<b>34.53</b>
<i>(Unsecured, considered doubtful)</i>		
Capital advances		
- credit impaired	34.86	34.86
	<b>34.86</b>	<b>34.86</b>
Less : Allowance for credit impairment	(34.86)	(34.86)
<b>Total</b>	<b>54.06</b>	<b>34.53</b>
The movement in allowance for credit impairment is as follows:		
<b>Opening balance</b>	<b>34.86</b>	<b>34.86</b>
Change in allowance for credit impairment of capital advances during the year	-	-
Written off during the year	-	-
<b>Closing balance</b>	<b>34.86</b>	<b>34.86</b>

**9. INVENTORIES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<i>(valued at lower of cost and net realisable value)</i>		
Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables etc.)	4,444.38	5,036.10
Stock-in-trade	14.75	74.53
<b>Total</b>	<b>4,459.13</b>	<b>5,110.63</b>

**10. CURRENT INVESTMENTS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>(Unquoted at Fair Value through Profit or Loss)</b>		
<b>i) Investments in mutual funds</b>		
Birla Sun Life Cash Plus Growth - NIL (March 31, 2022 - 7,473.38) Units of Face Value Rs. 100 each	-	25.44
Birla Sunlife Life Income Plus (Growth) - NIL (March 31, 2022: 192,079) Units of Rs. 100 each	-	197.74
DSP BlackRock liquidity Fund- NIL (March 31, 2022: 12999.25) Units of Rs. 100 each	-	381.54
HDFC Cash Management Fund - Saving plan - NIL (March 31, 2022: 318.96) Units of Rs. 1,000 each	-	14.64
IDFC Super Saver Income Fund - Investment Plan - Growth - NIL (March 31, 2022: 247,116) Units of Rs.100 each	-	94.10
Kotak Bond Plan A (Growth) - NIL (March 31, 2022: 242,270) Units of Rs. 100 each	-	152.41
Aditya Birla Sun Life Overnight fund growth - Regular Plan - 108,141.59 (March 31, 2022 22,182.086) Units of Face Value Rs. 100 each	1,304.40	253.96
Aditya Birla Sun Life Liquid fund growth - Regular Plan - 14.945 (March 31, 2022 14.945) Units of Face Value Rs. 100 each	0.05	0.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

	March 31, 2023	March 31, 2022
HDFC Overnight fund - Regular Plan - Growth - 44.431 (March 31, 2022 8,097.110) Units of Face Value Rs.100 each	1.49	253.93
HDFC Liquid fund - Regular Plan - Growth - 1.225 (March 31, 2022 1.225) Units of Face Value Rs.100 each	0.05	0.05
HDFC Overnight fund - Direct Plan - Growth Option - NIL (March 31, 2022 44.431) Units of Face Value Rs.100 each	-	1.40
ICICI Liquid fund - Regular Plan - Growth - 16.243 (March 31, 2022 16.243) Units of Face Value Rs.100 each	0.05	0.05
SBI Overnight fund - Regular Plan - Growth - 1.484 (March 31, 2022 1.484) Units of Face Value Rs.100 each	0.05	0.05
SBI Overnight fund - Regular Plan - Growth - 1.537 (March 31, 2022 1.537) Units of Face Value Rs.100 each	0.05	0.05
<b>Total</b>	<b>1,306.14</b>	<b>1,375.42</b>
<b>ii) Investments in Commercial Papers</b>		
Infrastructure Leasing & Financial Services Limited 100 (March 31, 2022 - 100) Units of Face Value Rs.5,00,000 each	480.68	480.68
	<b>480.68</b>	<b>480.68</b>
<b>Less : Provision for impairment</b>	(480.68)	(480.68)
<b>Total</b>	<b>1,306.14</b>	<b>1,375.42</b>
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of quoted investments	<b>1,786.82</b>	<b>1,856.10</b>
Aggregate amount of impairment in value of investments	<b>480.68</b>	<b>480.68</b>

**11. TRADE RECEIVABLES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	13,205.70	14,587.60
Less: Allowance for expected credit loss	(1,016.94)	(1,038.82)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	981.71	1,353.50
Less: Allowance for credit impairment	(981.71)	(1,353.50)
<b>Total</b>	<b>12,188.76</b>	<b>13,548.78</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

As at March 31, 2023

(Rs. in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	4,461.97	5,929.25	841.82	1,277.63	387.92	307.10	13,205.70
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	12.21	8.02	27.58	5.71	183.95	744.24	981.71
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>4,474.18</b>	<b>5,937.27</b>	<b>869.40</b>	<b>1,283.34</b>	<b>571.87</b>	<b>1,051.34</b>	<b>14,187.41</b>
Allowance for expected credit loss							1,016.94
Allowance for credit impairment							981.71
<b>Total (B)</b>							<b>1,998.65</b>
<b>Total (A) - (B)</b>							<b>12,188.76</b>

As at March 31, 2022

(Rs. in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	3,711.52	8,267.95	1,511.31	850.24	163.98	82.60	14,587.60
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	27.81	169.47	190.31	196.00	0.25	769.66	1,353.50
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>3,739.32</b>	<b>8,437.42</b>	<b>1,701.62</b>	<b>1,046.24</b>	<b>164.23</b>	<b>852.26</b>	<b>15,941.10</b>
Allowance for expected credit loss							1,038.82
Allowance for credit impairment							1,353.50
<b>Total (B)</b>							<b>2,392.32</b>
<b>Total (A) - (B)</b>							<b>13,548.78</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**12. CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Cash on hand	123.92	167.41
Balances with banks		
- in current accounts	4,768.16	4,478.94
- in EEFC account	2.99	38.33
- in fixed deposits accounts with original maturity of less than 3 months	1,988.25	1,913.36
<b>Total</b>	<b>6,883.32</b>	<b>6,598.04</b>

**13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Investments in term deposits (with original maturity of more than three months but less than twelve months) <sup>*^</sup>	2,388.58	9,995.12
Other bank balance (other than above)	47.56	100.51
<b>Total</b>	<b>2,436.14</b>	<b>10,095.63</b>

\* Includes Rs.1218.61 Lakhs (March 31, 2022 Rs. 9.53 Lakhs) fixed deposits pledged against bank guarantee

**14. CURRENT LOANS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<i>(Unsecured, considered good)</i>		
Advance to employees	-	1.17
Other advances	-	4.25
<b>Total</b>	<b>-</b>	<b>5.42</b>
<i>(Unsecured, considered doubtful)</i>		
Advances to related parties (Refer note 40)	44.02	44.02
Other advances	42.33	44.89
	86.35	88.91
Less : Allowance for credit impairment	(86.35)	(88.91)
<b>Total</b>	<b>-</b>	<b>5.42</b>
The movement in allowance for credit impairment is as follows:		
<b>Opening balance</b>	<b>88.91</b>	<b>90.18</b>
Change in allowance for credit impairment during the year	(2.56)	(1.27)
Written off during the year	-	-
<b>Closing balance</b>	<b>86.35</b>	<b>88.91</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**15. OTHER FINANCIAL ASSETS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<i>(Unsecured, considered good)</i>		
Security deposits	978.79	551.22
Interest accrued but not due		
- From bank deposits	-	135.00
Other receivables	426.81	461.13
<b>Total</b>	<b>1,405.60</b>	<b>1,147.35</b>

**16. OTHER CURRENT ASSETS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<i>(Unsecured, considered good)</i>		
Prepaid expenses	511.88	384.87
Advance to employees	72.38	163.73
Advance to suppliers	530.61	356.82
Balances with Government Authorities	94.03	87.03
Other advances (Retainership fees, etc)	385.45	438.44
<b>Total</b>	<b>1,594.35</b>	<b>1,430.89</b>
<i>(Unsecured, considered doubtful)</i>		
Advance to employees	3.90	45.96
Advance to suppliers	40.13	49.75
Other advances	2.29	244.97
	46.32	340.68
Less : Allowance for credit impairment	(46.32)	(340.68)
<b>Total</b>	<b>1,594.35</b>	<b>1,430.89</b>
The movement in allowance for credit impairment is as follows:		
<b>Opening Balance</b>	<b>340.68</b>	<b>290.48</b>
Change in allowance for credit impairment during the year	(294.36)	50.20
Written off during the year	-	-
<b>Closing Balance</b>	<b>46.32</b>	<b>340.68</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**17. EQUITY SHARE CAPITAL****(a) Authorised share capital**

	March 31, 2023		March 31, 2022	
	Number of equity shares	Amount (Rs. in Lakhs)	Number of equity shares	Amount (Rs. in Lakhs)
Equity shares of the par value of Rs. 2 each (March 31, 2022 par value of Rs. 2 each)	31,93,04,015	6,386.08	31,93,04,015	6,386.08
	<b>31,93,04,015</b>	<b>6,386.08</b>	<b>31,93,04,015</b>	<b>6,386.08</b>

**(b) Issued, subscribed and paid up**

	March 31, 2023		March 31, 2022	
	Number of equity shares	Amount (Rs. in Lakhs)	Number of equity shares	Amount (Rs. in Lakhs)
Equity shares of the par value of Rs. 2 each (March 31, 2022 par value of Rs. 2 each)	5,12,10,664	1,024.21	5,11,72,119	1,023.44
	<b>5,12,10,664</b>	<b>1,024.21</b>	<b>5,11,72,119</b>	<b>1,023.44</b>

**(c) Reconciliation of number of shares outstanding at the beginning and end of the reporting year:**

	March 31, 2023		March 31, 2022	
	Number of equity shares	Amount (Rs. in Lakhs)	Number of equity shares	Amount (Rs. in Lakhs)
<b>Equity :</b>				
<b>Outstanding at the beginning of the year</b>	<b>5,11,72,119</b>	<b>1,023.44</b>	<b>5,11,16,813</b>	<b>1,022.33</b>
Issued under Metropolis Employee Stock Option Scheme 2015 and Metropolis Restrictive Stock Unit Plan, 2020 (Refer note 49 (c) )	38,545	0.77	55,306	1.11
<b>Outstanding at the end of the year</b>	<b>5,12,10,664</b>	<b>1,024.21</b>	<b>5,11,72,119</b>	<b>1,023.44</b>

**(d) Details of shareholders holding more than 5% of the aggregate equity shares in the Company:**

Name of Shareholder	March 31, 2023		March 31, 2022	
	Number	Percentage	Number	Percentage
Dr. Sushil Kanubhai Shah #	38,75,245	7.57%	38,75,245	7.57%
UTI Flexi Cap Fund	35,80,371	6.99%	-	-
Metz Advisory LLP ##	1,56,91,216	30.64%	1,56,91,216	30.66%
Dr. Duru Sushil Shah	57,29,685	11.19%	57,29,685	11.20%

# Includes five Equity Shares each held by Mayur Shah (jointly with Meera Shah) and Dr. Nilesh Shah as nominees of Dr. Sushil Kanubhai Shah

## Includes five Equity Shares held by Ameera Sushil Shah as nominee of Metz Advisory LLP

**(e) Details of shares held by promoters****As at March 31, 2023**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Sushil Kanubhai Shah	25,97,325	(12,80,267)	13,17,058	2.57%	(49.29%)
Ameera Sushil Shah	1,81,845	-	1,81,845	0.36%	0.00%
Duru Shah Family Trust	36,83,760	12,80,266	49,64,026	9.69%	34.75%
Sushil Shah Family Trust	12,77,920	12,80,267	25,58,187	5.00%	100.18%
Duru Sushil Shah	20,45,925	(12,80,266)	7,65,659	1.50%	(62.58%)
Metz Advisory LLP	1,56,91,216	-	1,56,91,216	30.64%	0.00%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**As at March 31, 2022**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Sushil Kanubhai Shah	24,47,325	1,50,000	25,97,325	5.08%	6.13%
Ameera Sushil Shah	1,81,845	-	1,81,845	0.36%	0.00%
Duru Shah Family Trust	12,77,920	24,05,840	36,83,760	7.20%	188.26%
Sushil Shah Family Trust	12,77,920	-	12,77,920	2.50%	0.00%
Duru Sushil Shah	48,76,765	(28,30,840)	20,45,925	4.00%	(58.05%)
Metz Advisory LLP	1,56,91,216	-	1,56,91,216	30.66%	0.00%

**(f) Terms/rights attached to equity shares :**

The Holding Company has only one class of Equity shares having a par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors, will be subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.

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

**(g) Dividends**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Declared during the year</b>		
Interim dividend for FY 2022-23: Rs.8 per equity share (FY 2021-22: Rs. 8 per equity share)	(4,096.85)	(4,093.77)
	<b>(4,096.85)</b>	<b>(4,093.77)</b>

**18. OTHER EQUITY**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Securities premium	15,657.75	15,640.16
Capital redemption reserve	0.33	<b>0.33</b>
General reserve	2,840.36	2,367.09
Capital reserve	69.13	69.13
Employee stock options reserve	734.74	1,179.50
Retained earnings	78,235.64	68,208.81
Foreign currency translation reserve	261.07	131.33
<b>Total</b>	<b>97,799.02</b>	<b>87,596.34</b>
<b>Movement in balances of Other equity:</b>		
<b>Securities Premium</b>		
Balance as at the beginning of the year	15,640.16	15,308.22
Transferred on account of business combination		135.59
Share options exercised under Metropolis Employee Stock Option Scheme 2007/2015 (Refer note 49 (c) )	17.59	196.35
<b>Balance as at the end of the year</b>	<b>15,657.75</b>	<b>15,640.16</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Particulars	March 31, 2023	March 31, 2022
<b>Capital redemption reserve</b>		
Balance as at the beginning of the year	0.33	0.33
Utilised on issue of bonus shares	-	-
<b>Balance as at the end of the year</b>	<b>0.33</b>	<b>0.33</b>
<b>General reserve</b>		
Balance as at the beginning of the year	2,367.09	2,008.61
Transfer from ESOP exercised during the year (Refer note 49 (c) )	473.27	358.48
<b>Balance as at the end of the year</b>	<b>2,840.36</b>	<b>2,367.09</b>
<b>Capital reserve</b>		
Balance as at the beginning of the year	69.13	69.13
Additions/Reductions during the year	-	-
<b>Balance as at the end of the year</b>	<b>69.13</b>	<b>69.13</b>
<b>Employee stock options reserve</b>		
Balance as at the beginning of the year	1,179.50	852.26
Transfer to General Reserve on account of ESOP exercised during the year (Refer note 49 (c) )	(473.27)	(358.48)
Share based payments (Refer note 31)	28.51	685.72
<b>Balance as at the end of the year</b>	<b>734.74</b>	<b>1,179.50</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	68,208.81	51,120.62
Transferred from statement of profit and loss	14,288.25	21,418.21
Transfer on business combination (Refer note 58)	-	(140.92)
Interim dividend paid	(4,096.85)	(4,093.77)
Other comprehensive income	(164.58)	(95.33)
<b>Balance as at the end of the year</b>	<b>78,235.64</b>	<b>68,208.81</b>
<b>Other comprehensive Income-</b>		
<b>(i) Foreign currency translation reserve</b>		
Balance as at the beginning of the year	131.33	278.54
Exchange differences in translating financial statements of foreign operations	129.74	(147.21)
<b>Balance as at the end of the year</b>	<b>261.07</b>	<b>131.33</b>

**Nature and purpose of reserves****Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be used to issue bonus shares, to purchase of its own shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

**Capital redemption reserve**

The Group recognises the capital redemption reserve from its retained earnings as per the provisions of Companies Act, 2013, as applicable.

**General reserve**

General Reserve is free reserve which is created by transferring funds from retained earnings to meet future obligations or purposes.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### Capital reserve

It represents the excess of net assets taken, over the cost of consideration paid in business combination transaction.

### Employee stock options reserve

The Group has established equity settled share based payment plan for certain categories of employees. (Refer note 49 (c) )

### Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Group.

### Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

## 19. BORROWINGS

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>Secured loan</b>		
Term loans from banks	2,861.42	15,867.72
<b>Total</b>	<b>2,861.42</b>	<b>15,867.72</b>

### Notes:

- Term loan from a bank amounting to Rs. 15,000 Lakhs is secured through first charge by way of pledge on 30% shares of Dr. Ganesan's Hitech Diagnostic Centre Limited and 30% shares of Desai Metropolis Health Services Private. Limited. (now merged with Metropolis Healthcare Limited). The Term loan is repayable in 36 equal monthly instalments with October 21, 2024 as maturity date with an interest rate as agreed with the bank.
- Term loan from a bank amounting to Rs. 15,000 Lakhs was secured through first charge on the current assets, movable fixed assets and specific immovable properties. The loan has been prepaid during the year & there is no outstanding as on March 31, 2023.
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

## 20. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Payable towards acquisition of business	54.95	89.43
<b>Total</b>	<b>54.95</b>	<b>89.43</b>

## 21. PROVISIONS

### 21A Non-Current

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Gratuity (Refer note 49 (a) )	1,302.02	1,171.36
Compensated absences	-	-
<b>Total</b>	<b>1,302.02</b>	<b>1,171.36</b>

### 21B Current

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Gratuity (Refer note 49 (a) )	932.96	856.47
Compensated absences	25.70	29.53
<b>Total</b>	<b>958.66</b>	<b>886.00</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**22. BORROWINGS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>Secured</b>		
Term loans from banks	5,043.81	9,986.81
<b>Unsecured loan</b>		
Related parties	0.00	
From directors of subsidiary companies (Refer Note (i) below)	-	
From others (Refer Note (ii) below)	-	-
<b>Total</b>	<b>5,043.81</b>	<b>9,986.81</b>

**Notes:**

- (i) Term loan from a bank amounting to Rs. 15,000 Lakhs is secured through first charge by way of pledge on 30% shares of Dr. Ganesan's Hitech Diagnostic Centre Limited (now merged with Metropolis Healthcare Limited) and 30% shares of Desai Metropolis Health Services Private. Limited. (now merged with Metropolis Healthcare Limited). The Term loan is repayable in 36 equal monthly instalments with October 21, 2024 as maturity date with an interest rate as agreed with the bank.
- (ii) Term loan from a bank amounting to Rs. 15,000 Lakhs is secured through first charge on the current assets, movable fixed assets and specific immovable properties. The Term loan is repayable in 36 equal monthly instalments with October 21, 2024 as maturity date with an interest rate as agreed with the bank. The loan has been prepaid during the year & there is no outstanding as on March 31, 2023.
- (iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**23. TRADE PAYABLES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Total outstanding due to micro enterprises and small enterprises (Refer note 23.1)	184.26	136.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,223.93	10,184.47
<b>Total</b>	<b>9,408.19</b>	<b>10,320.80</b>

1. Includes Creditors for expenses amounting Rs. 2,833.60 Lakhs (March 31, 2022 Rs. 4,296.86 Lakhs)

**Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023**
**As at March 31, 2023**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	183.60	0.16	0.04	0.46	184.26
Undisputed dues of creditors other than micro enterprises and small enterprises	8,488.26	310.55	283.48	141.64	9,223.93
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>8,671.85</b>	<b>310.71</b>	<b>283.52</b>	<b>142.10</b>	<b>9,408.19</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**As at March 31, 2022**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	123.78	12.45	0.10	-	136.33
Undisputed dues of creditors other than micro enterprises and small enterprises	9,391.34	137.22	418.00	237.91	10,184.47
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>9,515.12</b>	<b>149.67</b>	<b>418.10</b>	<b>237.91</b>	<b>10,320.80</b>

**23.1 Micro and small enterprises**

There are some micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at year end. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
a. Principal amount remaining unpaid to any supplier as at the year end	184.26	136.33
b. Amount of Interest paid during the year	-	-
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d. Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)	-	-
e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.	0.26	2.18
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006	-	-

**24. OTHER FINANCIAL LIABILITIES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Employee related dues	1,112.18	1,282.79
Payable towards purchase of property, plant and equipment	536.06	568.98
Payable towards acquisition of business	142.43	143.09
Security deposits	92.50	87.69
Others (unspent CSR liability, etc)	129.12	285.82
<b>Total</b>	<b>2,012.29</b>	<b>2,368.37</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**25. OTHER CURRENT LIABILITIES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Statutory dues#	421.15	469.26
Advances from Customers	1,404.61	1,655.45
Deferred Revenue	67.32	67.41
Other Payable*	63.27	126.75
<b>Total</b>	<b>1,956.35</b>	<b>2,318.87</b>

# Statutory Dues payable include Tax Deducted at Source, Provident Fund, Professional tax and Others

\* Other payable include payable to CA Lotus and Sushil Shah on account of refund of additional filing fee received from SEBI.

**26. CURRENT TAX LIABILITIES (NET)**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Provision for taxation (net of advance tax: March 31, 2022: Rs. 3,786.36 Lakhs {March 31, 2022: Rs. 6,230.29 Lakhs} )	934.70	535.47
<b>Total</b>	<b>934.70</b>	<b>535.47</b>

**27. REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>Revenue from Healthcare Services</b>		
Service income (Refer note 48)	1,14,477.00	1,22,651.57
Sale of traded goods (Refer note 48)	344.02	180.56
<b>Other Operating revenue</b>		
Sundry balances written back	-	1.47
<b>Total</b>	<b>1,14,821.02</b>	<b>1,22,833.60</b>

**28. OTHER INCOME**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<u>Interest Income</u>		
- from banks	320.80	1,048.71
- on income tax refund	55.71	3.82
- others	194.27	62.24
<u>Other Non-Operating Income</u>		
-Provision for doubtful debts written back (net)	-	426.83
- Fair value gain on mutual funds measured at FVTPL	67.81	41.97
- Excess provision written back	-	0.61
- Profit on sale of property, plant and equipment (net)	0.77	-
- Foreign exchange gain (net)	430.84	124.74
- Sundry balances written back (net)	-	0.41
- Miscellaneous income	452.26	43.54
- Provision for impairment of non-current investments	-	0.62
<b>Total</b>	<b>1,522.46</b>	<b>1,762.30</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**29. COST OF MATERIALS CONSUMED**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>Cost of material consumed</b>		
Opening stock (Refer note 9)	5,075.31	4,316.90
Add: Purchase of traded goods	224.90	120.84
Add: Purchases of raw materials	24,485.32	28,275.08
	29,785.53	32,712.82
Less: Closing stock (Refer note 9)	(4,459.13)	(5,110.63)
<b>Total</b>	<b>25,326.40</b>	<b>27,602.19</b>

**30. LABORATORY TESTING CHARGES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Laboratory testing charges	657.09	690.72
<b>Total</b>	<b>657.09</b>	<b>690.72</b>

**31. EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	22,494.56	20,026.24
Gratuity expenses (Refer note 49 (a) )	336.66	291.22
Contribution to provident and other funds (Refer note 49 (b) )	1,461.27	1,213.84
Share based payment expenses (Refer note 49 (c) ) *	28.51	685.72
Staff welfare expenses	952.41	1,100.31
<b>Total</b>	<b>25,273.41</b>	<b>23,317.33</b>

\*During the year ended March 31, 2023, total expense of Rs. 28.51 Lakhs (March 31, 2022 Rs. 685.72 Lakhs) includes reversals due to lapsed options amounting to Rs. 712.05 Lakhs (March 31, 2022 28.41 Lakhs).

**32. FINANCE COSTS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Interest on borrowings	1,010.96	900.97
Interest on long term loan	0.58	-
Interest on deferred purchase consideration measured at amortised cost	9.92	29.73
Interest on lease liabilities (Refer note 38)	1,658.68	1,043.49
<b>Total</b>	<b>2,680.15</b>	<b>1,974.20</b>

**33. DEPRECIATION AND AMORTIZATION EXPENSE**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Depreciation on Property, Plant and Equipment (Refer note 3)	2,594.80	2,090.15
Amortization on intangible assets (Refer note 4)	1,450.08	1,117.35
Depreciation on Right Of Use Asset (Refer note 38)	4,876.68	3,114.78
<b>Total</b>	<b>8,921.56</b>	<b>6,322.28</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**34. OTHER EXPENSES**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Accreditation expenses	168.14	236.94
Waste disposal charges	2.32	21.63
Electricity expenses	-	115.82
Laboratory expenses	217.36	200.07
Power and fuel	1,442.77	1,357.37
Rent (Refer note 38)	9,409.99	10,567.03
Repairs and maintenance		
Buildings	28.47	70.76
Plant and equipment	1,757.39	1,712.27
Others	293.35	376.55
Insurance	298.81	232.07
Rates and taxes	105.68	175.30
Sales promotion expenses	-	89.79
Bank charges	504.90	528.25
Sample Collection Charges	6.36	165.66
Legal and professional	7,384.95	8,002.11
Travelling and conveyance	1,167.11	1,084.56
Printing and stationery	754.16	692.76
Advertisement	-	31.14
Provision for bad and doubtful debts (net)	(223.61)	142.06
Provision for doubtful advances (net)	-	1.90
Credit impaired trade receivables written off	6.39	-
Postage and courier	4,917.98	5,853.68
Communication	471.41	480.44
Advertisement and sales promotion expenses	2,615.55	2,572.08
Facility maintenance charges	1,528.91	1,360.06
Loss on impairment of Goodwill	-	18.78
Loss on sale of property, plant and equipment	-	1.58
Donation	-	10.06
Payments to auditors (Refer note 47)	170.70	171.64
Corporate social responsibility expense (Refer note 51)	513.83	445.67
Directors' sitting fee & commission (Refer note 40)	78.86	47.94
Computer expenses	6.62	0.73
Office Expenses	65.24	52.49
Foreign exchange loss (net)	449.21	185.85
Security charges	1.03	3.55
Miscellaneous expenses	577.15	173.26
Write-off of Property, Plant and Equipment	13.50	3.40
<b>Total</b>	<b>34,734.53</b>	<b>36,944.22</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**35. EXCEPTIONAL ITEMS**

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Provision on account of settlement of litigation with Dr. Golwilkar	-	9.85
Provision reversal on account of settlement of disputed trade receivables	-	(1,600.00)
	-	<b>(1,590.15)</b>

**Notes:**

- The Company was in a prolonged dispute in relation to trade receivables from a party towards lab management services rendered by the Company and the matter was under arbitration. The Company has amicably resolved the dispute with the party and agreed final settlement of Rs. 1,600 Lakhs towards all the claims. The Company has disclosed this under exceptional item for the year ended March 31, 2022.
- The Company had filed Arbitration proceedings against Dr. Golwilkar Labs Private Limited. (Golwilkar) claiming an amount of Rs.759 Lakhs (along with interest thereon) lying in Escrow account. Golwilkar subsequently filed their Counter claim for an amount of Rs.143.10 Lakhs on the Company towards alleged non-payment of salary/ consultancy fees to them (along with interest thereon). On July 08, 2021, the Hon'ble Tribunal passed an Arbitral Award allowed claims of both the Claimant and the Respondents along with 6% interest. Thereafter the Company and Golwilkar entered into settlement agreement to withdraw the amount lying in Escrow account. The Company has disclosed this under exceptional items for the year ended March 31, 2022.

**36. INCOME TAXES**
**i. Tax expense recognised in Profit and Loss :**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Current tax expense</b>		
Current year	5,127.43	6,989.23
Tax adjustments for earlier years	(258.40)	(128.85)
<b>Total (A)</b>	<b>4,869.03</b>	<b>6,860.38</b>
<b>Deferred tax expense</b>		
Relating to addition & reversal of temporary differences	(458.09)	1,006.12
<b>Total (B)</b>	<b>(458.09)</b>	<b>1,006.12</b>
<b>Total (A+B)</b>	<b>4,410.94</b>	<b>7,866.50</b>

**ii. Tax charge recognised in Other Comprehensive Income**

(Rs. in Lakhs)

Particulars	March 31, 2023		
	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to statement of profit or loss</b>			
Remeasurements of the defined benefit plans	(219.94)	55.36	(164.58)
<b>Items that will subsequently be reclassified to statement of profit or loss</b>			
Exchange differences in translating financial statements of foreign operations	129.74	-	129.74
<b>Total tax charge recognized directly to Other Comprehensive Income</b>	<b>(90.20)</b>	<b>55.36</b>	<b>(34.84)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

(Rs. in Lakhs)

Particulars	March 31, 2022		
	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to statement of profit or loss</b>			
Remeasurements of the defined benefit plans	(128.18)	32.85	(95.33)
<b>Items that will subsequently be reclassified to statement of profit or loss</b>			
Exchange differences in translating financial statements of foreign operations	(136.36)	-	(136.36)
<b>Total tax charge recognized directly to Other Comprehensive Income</b>	<b>(264.54)</b>	<b>32.85</b>	<b>(231.69)</b>

**iii. Reconciliation of Effective Tax Rate:**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Profit before tax</b>	18,750.34	29,335.11
Income tax expense at tax rates applicable to individual entities	4,972.27	8,447.76
<b>Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:</b>		
Expenses not allowed under Income tax	123.63	309.42
Dividend Income (Exempt Income)	(201.34)	(954.31)
Income taxable at a different rate	-	-
Tax adjustment of earlier years	(258.40)	(128.85)
Others	(225.22)	192.50
<b>Total tax expense</b>	<b>4,410.94</b>	<b>7,866.50</b>

**iv. Movement in deferred tax balances**
**As at March 31, 2023**

Particulars	Net balance April 01, 2022	Recognised in statement of profit or loss	Recognised in OCI	On account of business combination	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(1,817.87)	366.08	-	40.54	(1,411.24)	31.84	(1,443.08)
Current investments	89.48	33.30	-	-	122.78	2.19	120.59
Business Combination	(8,209.45)	-	-	-	(8,209.45)	-	(8,209.45)
Provision for bad and doubtful debts	720.03	(122.75)	-	-	597.29	72.75	524.54
Provision for bad and doubtful advances / deposits	13.13	-	-	-	13.13	-	13.13
Provision for employee benefits	569.32	(51.57)	55.36	-	573.11	9.48	563.62
Impact of Ind AS -116	279.70	71.01	-	-	350.71	2.38	348.33
Share based payments	214.51	-	-	-	214.51	-	214.51
Others	452.59	162.01	-	-	614.60	571.00	43.60
<b>Tax Assets/ (Liabilities) (net)</b>	<b>(7,688.53)</b>	<b>458.09</b>	<b>55.36</b>	<b>40.54</b>	<b>(7,134.57)</b>	<b>689.65</b>	<b>(7,824.21)</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**As at March 31, 2022**

Particulars	Net balance April 01, 2021	Recognised in statement of profit or loss	Recognised in OCI	On account of business combination	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(1,559.28)	(275.12)	-	16.53	(1,817.87)	125.86	(1,943.72)
Current investments	91.46	(1.98)	-	-	89.48	(33.30)	122.78
Business Combination	-	-	-	(8,209.45)	(8,209.45)	-	(8,209.45)
Provision for bad and doubtful debts	1,429.54	(810.18)	-	100.67	720.03	209.86	510.18
Provision for bad and doubtful advances / deposits	2.38	10.75	-	-	13.13	13.13	-
Provision for employee benefits	441.11	25.29	32.85	70.07	569.32	190.97	378.35
Impact of Ind AS -116	213.54	66.10	-	0.07	279.70	59.97	219.73
Share based payments	214.51	(0.00)	-	-	214.51	-	214.51
Others	459.05	(20.98)	-	14.52	452.59	411.88	40.71
<b>Tax Assets/ (Liabilities) (net)</b>	<b>1,292.31</b>	<b>(1,006.12)</b>	<b>32.85</b>	<b>(8,007.59)</b>	<b>(7,688.54)</b>	<b>978.37</b>	<b>(8,666.91)</b>

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Further, the group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

**Tax Assets and Liabilities**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Non current tax assets (net of tax provision)	3,286.77	2,583.41
Current tax liabilities (net of tax assets)	934.70	535.47

**37. EARNINGS PER SHARE**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>i. Profit attributable to equity holders (Rs. in Lakhs)</b>		
Profit attributable to equity holders for basic and diluted EPS	14,288.26	21,418.21
<b>ii. Weighted average number of shares for calculating basic EPS</b>	<b>5,11,96,399</b>	<b>5,11,56,132</b>
<b>iii. Effect of dilution</b>		
Share options	1,73,624	2,58,016
<b>Weighted average number of shares for calculating diluted EPS</b>	<b>5,13,70,023</b>	<b>5,14,14,148</b>
<b>iv. Basic earnings per share (Rs.)</b>	<b>27.91</b>	<b>41.87</b>
<b>v. Diluted earnings per share (Rs.)</b>	<b>27.81</b>	<b>41.66</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

**38. DISCLOSURE ON IND-AS 116 LEASES**

**Following is the summary of practical expedients elected on application:**

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
  - ii Applied the exemption not to recognize right-of-use assets and liabilities for leases :
    - a. with less than 12 months of lease term on the date of initial application
    - b. Rent outflow of less than Rs. 5 Lakhs in entire tenure of arrangement
  - iii Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
  - iv Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- 1 The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the statement of Profit and Loss under the heading "Depreciation and Amortization Expense" and "Finance costs" respectively under Note No 33 and 32
  - 2 The incremental borrowing rate applied to lease liabilities for FY 2022-23 is 9.2% -10.10% based on tenure of arrangement
  - 3 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Category of ROU					Total
	Office Space	Patient Service Center	Lab	HUB	Re-agent	
<b>Balance as of April 01, 2021</b>	<b>1,987.37</b>	<b>1,994.27</b>	<b>1,799.19</b>	<b>187.77</b>	<b>4,344.57</b>	<b>10,313.17</b>
Reclassification	(842.82)	-	-	-	842.82	-
Additions on account of acquisition	85.45	-	765.76	-	-	851.21
Additions	597.54	523.17	248.87	-	1,530.00	2,899.56
Depreciation	(539.82)	(636.48)	(469.78)	(111.71)	(1,356.99)	(3,114.79)
<b>Balance as of March 31, 2022</b>	<b>1,287.72</b>	<b>1,880.96</b>	<b>2,344.04</b>	<b>76.06</b>	<b>5,360.39</b>	<b>10,949.17</b>
Reclassification						-
Additions	1,893.70	4,550.45	3,007.82	-	1,926.52	11,378.49
Deletion			(111.05)			(111.05)
Depreciation	(556.58)	(1,568.78)	(1,006.37)	(67.09)	(1,677.87)	(4,876.68)
<b>Balance as of March 31, 2023</b>	<b>2,624.83</b>	<b>4,862.64</b>	<b>4,234.44</b>	<b>8.97</b>	<b>5,609.05</b>	<b>17,339.93</b>

**4 The following is the break-up of current and non-current lease liabilities as of March 31, 2023:**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Current Lease liabilities	6,183.09	3,738.64
Non-current lease liabilities	12,550.13	8,262.44
<b>Total</b>	<b>18,733.21</b>	<b>12,001.08</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

5 The following is the movement in lease liabilities for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Amount
<b>Balance as of April 01, 2021</b>	<b>11,226.99</b>
Addition on merger	776.68
Additions	2,833.64
Interest accrued during the period	1,043.49
Payment of lease liabilities	(3,879.72)
<b>Balance as of March 31, 2022</b>	<b>12,001.08</b>
Additions	11,378.11
Deletions	(127.91)
Interest accrued during the period	1,658.68
Payment of lease liabilities	(6,176.74)
<b>Balance as of March 31, 2023</b>	<b>18,733.22</b>

6 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2023 on an undiscounted basis:

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Less than one year	6,336.20	3,738.22
One to five years	14,237.68	9,799.56
More than five years	2,179.95	945.26
<b>Total</b>	<b>22,753.83</b>	<b>14,483.04</b>

7 Impact of adoption of Ind AS 116 is as follows:

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Decrease in Other expenses by	6,176.74	3,879.72
Increase in Finance cost by	1,658.68	1,043.49
Increase in Depreciation by (excludes depreciation on reclassified assets)	4,876.68	3,114.79
<b>Net Impact on Statement of Profit and Loss</b>	<b>358.62</b>	<b>278.56</b>

8 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

9 Rental expense recorded for short-term leases / Variable rent was Rs. 9,409.99 Lakhs for the year ended March 31, 2023 (March 31, 2022 Rs. 10,567.03 Lakhs).

10 The total cash outflow for leases for year ended March 31, 2023 is Rs. 6,176.74 Lakhs (March 31, 2022 Rs. 3,879.68 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

**39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

**(A) Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs. in Lakhs)

Particulars	As at March 31, 2023						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current Financial assets</b>							
Non-current investments - Unquoted equity instruments in others**	-	-	-	-	-	-	-
Loans- Security Deposits	-	1,419.03	1,419.03	-	-	-	-
Other non current financial assets	-	244.75	244.75	-	-	-	-
<b>Current Financial assets</b>							
Investment in mutual funds	1,306.14	-	1,306.14	1,306.14	-	-	1,306.14
Trade receivables	-	12,188.76	12,188.76	-	-	-	-
Cash and cash equivalents	-	6,883.32	6,883.32	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	2,436.14	2,436.14	-	-	-	-
Current loans	-	-	-	-	-	-	-
Other current financial assets	-	1,405.60	1,405.60	-	-	-	-
	<b>1,306.14</b>	<b>24,577.61</b>	<b>25,883.75</b>	<b>1,306.14</b>	-	-	<b>1,306.14</b>
<b>Non-current Financial liabilities</b>							
Borrowings	-	2,861.42	2,861.42	-	-	-	-
Other non-current financial liabilities	-	54.95	54.95	-	-	-	-
Lease Liabilities	-	12,550.13	12,550.13	-	-	-	-
<b>Current Financial liabilities</b>							
Borrowings	-	5,043.81	5,043.81	-	-	-	-
Trade payables	-	9,408.19	9,408.19	-	-	-	-
Other current financial liabilities	-	2,012.29	2,012.29	-	-	-	-
Lease Liabilities	-	6,183.09	6,183.09	-	-	-	-
	-	<b>38,113.87</b>	<b>38,113.87</b>	-	-	-	-

\*\*The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at their cost, i.e. Rs. 175.28 Lakhs (March 31, 2022 Rs.175.28 Lakhs).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs. in Lakhs)

Particulars	As at March 31, 2022						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current Financial assets</b>							
Loans- Security Deposits	-	1,655.25	1,655.25	-	-	-	-
Other non current financial assets	-	1,819.66	1,819.66	-	-	-	-
<b>Current Financial assets</b>							
Investment in mutual funds	1,375.42	-	1,375.42	1,375.42	-	-	1,375.42
Trade receivables	-	13,548.78	13,548.78	-	-	-	-
Cash and cash equivalents	-	6,598.04	6,598.04	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	10,095.63	10,095.63	-	-	-	-
Current loans	-	5.42	5.42	-	-	-	-
Other current financial assets	-	1,147.35	1,147.35	-	-	-	-
	<b>1,375.42</b>	<b>34,870.13</b>	<b>36,245.55</b>	<b>1,375.42</b>	<b>-</b>	<b>-</b>	<b>1,375.42</b>
<b>Non-current Financial liabilities</b>							
Borrowings	-	15,867.72	15,867.72	-	-	-	-
Other non-current financial liabilities	-	89.43	89.43	-	-	-	-
Lease Liabilities	-	8,262.44	8,262.44	-	-	-	-
<b>Current Financial liabilities</b>							
Borrowings	-	9,986.81	9,986.81	-	-	-	-
Trade payables	-	10,320.80	10,320.80	-	-	-	-
Other current financial liabilities	-	2,368.37	2,368.37	-	-	-	-
Lease Liabilities	-	3,738.64	3,738.64	-	-	-	-
	<b>-</b>	<b>50,634.21</b>	<b>50,634.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*\*The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at their cost, i.e. Rs. 175.28 Lakhs (March 31, 2021 Rs.175.28 Lakhs).

The fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### (B) Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

#### Financial instruments measured at fair value

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at each reporting date.	Not applicable	Not applicable
Investment in Commercial Papers	The fair value of commercial papers is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable

### (C) Financial risk management

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group' risk management framework.

The Group has exposure to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk

#### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, investments, loans/advances and cash and cash equivalents. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

#### **a. Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The group does not have any significant concentration of credit risk. Further, group has no customer (March 31, 2022: one Customer) which accounts for 10% or more of the total trade receivables at each reporting date.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The movement in the provision for debts having significant increase in credit risk and which are credit impaired for the year ended March 31, 2023

(Rs. in Lakhs)	
<b>Particulars</b>	<b>Amount</b>
<b>Balance as at March 31, 2021</b>	<b>5,075.52</b>
Deduction on account of write off and collections	(2,726.39)
Expected Credit Loss allowance	43.19
<b>Balance as at March 31, 2022</b>	<b>2,392.32</b>
Expected Credit Loss allowance	(176.45)
Reversal of expected credit loss allowance	(217.22)
<b>Balance as at March 31, 2023</b>	<b>1,998.65</b>

**b. Cash and cash equivalents and Other bank balances**

The Group held cash and cash equivalents and other bank balances of Rs. 9,319.46 Lakhs at March 31, 2023 (March 31, 2022: Rs.16,693.67 Lakhs). The cash and cash equivalents are held with bank with good credit ratings.

**c. Investments**

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

**d. Loans and advances**

Loans and advances mainly consist security deposit and advances to related parties.

The security deposit pertains to rent deposit given to lessors. The Group does not expect any losses from non-performance by these counter-parties.

The loans and advances given majorly pertains to joint venture and associates. The parties have been generally regular in making payments and hence the Group does not expect significant impairment losses on its current profile of outstanding advances. The advances which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

The movement in the provision for advances having significant increase in credit risk and which are credit impaired for the year ended March 31, 2023:

(Rs. in Lakhs)	
<b>Particulars</b>	<b>Amount</b>
<b>Balance as at March 31, 2021</b>	<b>520.06</b>
Deduction on account of write off	30.47
Movement during the year	1.90
<b>Balance as at March 31, 2022</b>	<b>552.43</b>
Advance write off during the year	(227.24)
Movement during the year	-
<b>Balance as at March 31, 2023</b>	<b>325.19</b>

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(Rs. in Lakhs)

As at March 31, 2023	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Payable towards acquisition of business	197.38	198.44	178.44	20.00	-	-
Current borrowings	5,043.81	5,043.81	5,043.81	-	-	-
Lease Liabilities*	18,733.21	22,753.83	6,336.20	10,345.96	3,891.72	2,179.95
Trade payables	9,408.19	9,408.19	9,408.19	-	-	-
Other current financial liabilities	1,869.86	1,869.86	1,869.86	-	-	-
<b>Total</b>	<b>35,252.45</b>	<b>39,274.13</b>	<b>22,836.50</b>	<b>10,365.96</b>	<b>3,891.72</b>	<b>2,179.95</b>

(Rs. in Lakhs)

As at March 31, 2022	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Payable towards acquisition of business	232.52	234.75	143.02	91.73	-	-
Current borrowings	9,986.81	9,986.81	9,986.81	-	-	-
Lease Liabilities*	12,001.08	14,109.48	3,738.22	6,363.44	3,062.55	945.26
Trade payables	10,320.80	10,320.80	10,320.80	-	-	-
Other financial liabilities	2,225.28	2,225.28	2,225.28	-	-	-
<b>Total</b>	<b>34,766.49</b>	<b>36,877.12</b>	<b>26,414.13</b>	<b>6,455.17</b>	<b>3,062.55</b>	<b>945.26</b>

\*The outflows disclosed in the above table represent the total contractual undiscounted cash flows.

### Market risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

#### a. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk.

#### Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

(Rs. in Lakhs)

March 31, 2023	SGD	EUR	GBP	USD	OMR
<b>Financial assets (A)</b>					
Trade and other receivables	-	-	-	403.77	-
Advance given	28.04	-	0.04	86.69	-
<b>Financial liabilities (B)</b>					
Trade and other payables	-	-	-	31.82	-
Advance taken	-	-	-	1.09	-
<b>Net exposure (A - B)</b>	<b>28.04</b>	<b>-</b>	<b>0.04</b>	<b>457.56</b>	<b>-</b>

(Rs. in Lakhs)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

<b>March 31, 2022</b>	<b>SGD</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>OMR</b>
<b>Financial assets (A)</b>					
Trade and other receivables	-	-	-	300.78	-
Advance given	30.58	0.31	0.45	32.68	-
<b>Financial liabilities (B)</b>					
Trade and other payables	-	-	0.38	3.41	-
Advance taken	-	-	-	1.00	-
<b>Net exposure (A - B)</b>	<b>30.58</b>	<b>0.31</b>	<b>0.07</b>	<b>329.06</b>	<b>-</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at March 31, 2023 and March 31, 2022 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
	<b>Strengthening</b>	<b>Weakening</b>	<b>Strengthening</b>	<b>Weakening</b>
<b>Effect in INR</b>				
<b>3% movement</b>				
USD	(13.73)	13.73	(9.87)	9.87
SGD	(0.84)	0.84	(0.92)	0.92
GBP	(0.00)	0.00	-	-
OMR	-	-	-	-
EUR	-	-	(0.01)	0.01
	<b>(14.57)</b>	<b>14.57</b>	<b>(10.80)</b>	<b>10.80</b>

"0" denotes amount below Rs. 500

**b. Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

<b>Particulars</b>	(Rs. in Lakhs)	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Fixed-rate instruments</b>		
Financial assets	8,185.49	15,559.71
Financial liabilities	(5,241.19)	(10,219.33)
	<b>2,944.30</b>	<b>5,340.38</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(21,594.63)	(27,868.80)
	<b>(21,594.63)</b>	<b>(27,868.80)</b>
<b>Total</b>	<b>(18,650.33)</b>	<b>(22,528.42)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

(Rs. in Lakhs)

Particulars	Profit or loss	
	100 bp increase	100 bp increase
<b>For the year ended March 31, 2023</b>		
Variable-rate instruments	(215.95)	215.95
<b>Cash flow sensitivity (net)</b>	<b>(215.95)</b>	<b>215.95</b>
<b>For the year ended March 31, 2022</b>		
Variable-rate instruments	(278.69)	278.69
<b>Cash flow sensitivity (net)</b>	<b>(278.69)</b>	<b>278.69</b>

(Note: The impact is indicated on the profit/loss and equity before tax basis)

**(D) Capital management**

The objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value.

The Group has equity capital and other reserves attributable to the equity shareholders, as the only source of capital and the Company has insignificant interest bearing borrowings/ debts as on the reporting date. Hence, the Group is not subject to any externally imposed capital requirements.

**40. Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**
**A. Relationships –**
**Category I: Key Management Personnel (KMP)**

Dr. Sushil Kanubhai Shah, Chairman and Executive Director  
 Ms. Ameera Sushil Shah, Managing Director  
 Mr. Vijender Singh, Chief Executive Officer ( up to August 17, 2022)  
 Mr. Rakesh Agarwal, Chief Financial Officer  
 Mr. Milind Shripad Sarwate, Independent Director  
 Mr. Vivek Gambhir, Independent Director  
 Mr. Sanjay Bhatnagar, Independent Director  
 Ms. Anita Ramachandran, Independent Director  
 Ms. Simmi Singh Bisht, Company Secretary (up to January 07, 2023)  
 Mr. Hemant Sachdev, Non-Executive Director  
 Mr. Surendran Chemmenkotil, Chief executive Officer (w.e.f January 02, 2023)

**Category II: Relatives of KMP**

Dr. Duru Sushil Shah  
 Ms. Aparna Shah (Rajadhyaksha)

**Category III: Companies in which key management personnel or their relatives have significant influence (Other related parties)**

Metz Advisory LLP  
 Metropolis Health Products Retail Private Limited  
 Chogori Distribution Private Limited  
 Chogori India Retail Limited  
 Chogori Retail Private Limited  
 Sushil Shah Family Trust

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

Duru Shah Family Trust

**B. The transactions with the related parties are as follows:**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>1) Services rendered</b>		
<b>Relatives of KMP</b>		
Dr. Duru Sushil Shah	22.60	17.19
<b>Other related parties</b>		
Centre for Digestive and Kidney Disease (India) Private Limited	-	-
<b>2) Rent paid</b>		
<b>Key Management Personnel</b>		
Dr. Sushil Kanubhai Shah	118.35	118.35
<b>3) Compensation paid to Key Management Personnel</b>		
Short-term employee benefits <sup>^</sup>	989.49	1,011.58
Post employment benefit	42.75	43.76
Share-based payments expense	60.49	346.20
( <sup>^</sup> As gratuity expense is based on actuarial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.)		
<b>4) Dividend paid</b>		
<b>Key Management Personnel</b>		
Dr Sushil Kanubhai Shah	207.79	199.79
Ameera Sushil Shah	14.55	14.55
Vijender Singh	-	5.23
Rakesh Kumar Agarwal	0.24	0.12
<b>Other related parties</b>		
Metz Advisory LLP	1,255.30	1,255.30
Sushil Shah Family Trust	294.70	102.22
Duru Shah Family Trust	102.23	102.22
<b>Relatives of KMP</b>		
Dr Duru Sushil Shah	163.67	356.14
<b>5) Director sitting fees and Commission</b>		
Mr. Milind Shripad Sarwate	23.55	16.15
Mr. Vivek Gambhir	18.90	10.15
Ms. Anita Ramachandran	18.50	10.00
Mr. Sanjay Bhatnagar	14.65	9.90
<b>6) Professional Fees</b>		
<b>Relatives of KMP</b>		
Ms. Aparna Shah (Rajadhyaksha)	18.00	18.00
<b>7) Amount paid for CSR projects</b>		
<b>Other related parties</b>		
Metropolis Foundation	215.56	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

**C. The related party balances outstanding at year end are as follows:**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>1) (a) Trade payables</b>		
<i>Other related parties</i>		
Metropolis Health Products Retail Private Limited	1.87	1.87
<b>(b) Other Payable</b>		
Dr. Sushil Kanubhai Shah*	19.86	19.86
Aparna Rajadhyaksha	22.50	4.50
<b>2) Trade receivables</b>		
<i>Relatives of KMP</i>		
Dr. Duru Sushil Shah	3.66	4.73
<b>3) Loans and advances including interest accrued</b>		
<i>Other related parties</i>		
Metropolis Health Products Retail Private Limited	44.00	44.00
<b>4) Provision for doubtful advances</b>		
<i>Other related parties</i>		
Metropolis Health Products Retail Private Limited	44.00	44.00

\* Other payable include payable to Dr. Sushil Shah on account of refund of additional filing fee received from SEBI

**41. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

(a) The list of subsidiary companies included in the consolidated financial statements are as under;

Name of the subsidiary	Country of incorporation	Proportion of ownership interest	
		As at March 31, 2023	As at March 31, 2022
Amins Pathology Laboratory Private Limited	India	100.00%	100.00%
Ekopath Metropolis Lab Services Private Limited	India	60.00%	60.00%
Centralab Healthcare Services Private Limited	India	100.00%	100.00%
Metropolis Healthcare (Mauritius) Limited	Mauritius	100.00%	100.00%
Metropolis Star Lab Kenya Limited	Kenya	100.00%	100.00%
Metropolis Healthcare Ghana Limited	Ghana	100.00%	100.00%
Metropolis Healthcare Lanka Private Limited	Sri Lanka	100.00%	100.00%
Metropolis Healthcare Tanzania Limited	Tanzania	100.00%	100.00%
Metropolis Healthcare Uganda Limited	Uganda	100.00%	100.00%
Metropolis Bramser Lab Services (Mtius) Limited	Mauritius	100.00%	100.00%

(b) The list of Associates companies included in the consolidated financial statements are as under;

Name of Associates	Country of incorporation	Proportion of ownership interest	
		As at March 31, 2023	As at March 31, 2022
Star Metropolis Health Services Middle East LLC <sup>^</sup>	United Arab Emirates	34.00%	34.00%

<sup>^</sup> Associate is not accounted in the consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**42. DEFERRED PAYMENT CONSIDERATION**

During the 2018-19, the Company has entered into a business purchase agreement to acquire Sanjeevani Pathology Laboratory located at Rajkot for an initial purchase consideration of Rs. 4,104.00 Lakhs, an amount of Rs. 2,300.00 Lakhs is to be paid by the Company to Dr. Kiritkumar Patel, owner of Sanjeevani Pathology Laboratory in 7 tranches starting from February 2017 to March 2021.

The deferred consideration of Rs. 2,300.00 Lakhs has been measured at fair value (Rs. 2,100.96 Lakhs) on initial recognition and the difference of Rs. 199.04 Lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended March 31, 2023 Rs. NIL (March 31, 2022 Rs. NIL Lakhs) charged to statement of profit and loss (refer note 32).

In case of investment in Dr. Patel Metropolis Healthcare Private Limited during year ended March 31, 2019, out of total consideration of Rs. 868.92 Lakhs, an amount of Rs. 100 Lakhs is to be paid by Company in 2 tranches (Rs. 80 Lakhs to be paid on September 14, 2021 and remaining Rs. 20 Lakhs to be paid on September 14, 2023).

The deferred consideration of Rs. 100 Lakhs has been measured at fair value (Rs. 80.40 Lakhs) on initial recognition and the difference of Rs. 19.60 Lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended March 31, 2023 Rs. 1.25 Lakhs (March 31, 2022 Rs. 3.32 Lakhs) charged to statement of profit and loss (refer note 32).

During the year ended March 31, 2020, company made investment in Bokil Golwilkar Metropolis Healthcare Private Limited for a consideration of Rs. 192 Lakhs, of which an amount of Rs. 60 Lakhs is to be paid by Company in 2 tranches (Rs. 40 Lakhs to be paid on August 25, 2019 and remaining Rs. 20 Lakhs to be paid on February 25, 2022)

The deferred consideration of Rs. 60 Lakhs has been measured at fair value (Rs. 55.22 Lakhs) on initial recognition and the difference of Rs. 4.78 Lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended March 31, 2023 Rs. NIL (March 31, 2022 Rs. 1.31 Lakhs) charged to statement of profit and loss (refer note 33).

During the 2019-20, Desai Metropolis health Services Private Limited a subsidiary of the Company has entered into a business purchase agreement to acquire Four Laboratories (Yash Lab, Nagar lab, Doctor Lab and Iyer Lab) located at Surat for an initial purchase consideration of Rs. 1,800.00 Lakhs. The amount of Rs. 1,800.00 Lakhs is to be paid by the Desai Metropolis health Services Private Limited to the owners of these laboratories in 6 tranches starting from September 2019 to September 2024.

The deferred consideration of Rs. 1,800 Lakhs has been measured at fair value (Rs. 1,668.11 Lakhs) on initial recognition and the difference of Rs. 131.89 Lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended March 31, 2023 Rs. 8.67 Lakhs (March 31, 2022 Rs. 25.10 Lakhs) charged to statement of profit and loss (refer note 32).

**Summarised Details of Deferred Purchase Consideration**

	March 31, 2023		March 31, 2022	
	Finance Cost	Closing Fair value	Finance Cost	Closing Fair value
Sanjeevani Pathology Laboratory	-	100.00	-	100.00
Dr. Patel Metropolis Healthcare Private	1.25	19.54	3.32	18.54
Bokil Golwilkar Metropolis Healthcare Private	-	-	1.31	-
Desai Metropolis health Services Private Limited - Four Laboratories (Yash Lab, Nagar lab, Doctor Lab and Iyer Lab)	8.67	77.84	25.10	113.92
<b>Total</b>	<b>9.92</b>	<b>197.38</b>	<b>29.73</b>	<b>232.46</b>

**43. NON CONTROLLING INTERESTS**

Below is the partly owned subsidiary of the Company and the share of the non-controlling interests.

Name	Country of incorporation	As at March 31, 2023	As at March 31, 2022
Ekopath Metropolis Lab Services Private Limited	India	40.00%	40.00%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

The non-wholly owned subsidiary is material to the Group. Therefore, financial information about these non-wholly owned subsidiaries are not disclosed separately

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### 44. EQUITY ACCOUNTED INVESTEEES

#### Investment in Joint Ventures

##### Metropolis HistoXpert Digital Services Private Limited

During the year ended March 31, 2018, the Group has acquired 65% interest in Metropolis HistoXpert Digital Services Private Limited, a Joint Venture involved in providing pathology services in India. The Group's interest in the entity was accounted for using the equity method in the consolidated financial statements. On November 26, 2021 (effective date), the Company acquired balance stake of 35% in HistoXpert Digital Services Private Limited for cash consideration of Rs. 0.33 Lakhs. Thus, HistoXpert Digital Services Private Limited has now become a wholly owned subsidiary (earlier Joint venture) of the Company.

### 45. COMMITMENTS

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
<b>Capital commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account not provided for	285.47	831.85

#### Other commitments:

- The Company has entered into reagent agreement for a period ranging from 3 to 6 years with some of its major raw material suppliers to purchase agreed value of raw materials.
- The value of purchase commitments for the remaining number of years are Rs.26,295.23 Lakhs (March 31, 2022 Rs.24,900.23 Lakhs) of which annual commitment for next year is Rs.6,871.92 Lakhs (March 31, 2022 Rs.6,592.92 Lakhs) as per the terms of these arrangements.

### 46. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Income tax liability disputed in appeals	-	-
Service tax liability disputed as per Show Cause Notice	-	-
Employee related dues	-	-
Due to others	-	231.40
Claims against the Group not acknowledged as debt :		
- Claims by suppliers/contractors /others	89.90	73.26
- Claims pending in Consumer Dispute Redressal Forum	123.44	115.52
Contingent consideration on acquisition of remaining stake of subsidiary	-	-
	<b>213.34</b>	<b>420.18</b>

Note: The Company has settled cases CP IB No. 4334 of 2019 & 4366 of 2019 in FY 2022-23, hence excluded from CL.

### 47. AUDITORS' REMUNERATION

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Audit fees	123.04	123.04
Certification Fees	9.49	9.49
Others (including reimbursement of out of pocket expenses)	38.17	39.11
	<b>170.70</b>	<b>171.64</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**48.**
**(a) Disclosure as per Ind AS 115 - Revenue from contracts with customers**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Contract asset- unbilled revenue	-	-
Contract liabilities - Advance from Customers	-	-
<b>Opening Balance</b>	<b>1,655.45</b>	<b>1,036.79</b>
Movement during the year	(250.84)	618.66
<b>Closing Balance</b>	<b>1,404.61</b>	<b>1,655.45</b>

**(b) Reconciliation of revenue from contracts with customers**

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Revenue from contract with customer as per the contract price	1,16,117.95	1,24,205.02
Adjustments made to contract price on account of :-		
Discount / Rebates	1,296.93	1,372.90
<b>Revenue from contract with customer</b>	<b>1,14,821.02</b>	<b>1,22,832.13</b>
Other operating revenue	-	1.47
<b>Revenue from operations</b>	<b>1,14,821.02</b>	<b>1,22,833.60</b>

**49. EMPLOYEE BENEFITS**
**(a) Defined benefits plan**

The Group has gratuity as defined benefit retirement plan for its employees. Disclosures as required by Ind AS 19 are as under :

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>A. Amount recognized in the balance sheet</b>		
Present value of the obligation as at the end of the year	2,355.71	2,150.44
Fair value of plan assets as at the end of the year	(120.74)	(122.61)
<b>Net liability recognized in the balance sheet</b>	<b>2,234.98</b>	<b>2,027.83</b>
<b>Out of which,</b>		
Non-current portion (Refer note 21(A))	1,302.02	1,171.36
Current portion (Refer note 21(B))	932.96	856.47
<b>B. Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	2,150.43	1,896.39
On Acquisition of Subsidiary		
Current service cost	226.67	200.24
Past service cost	-	23.27
Interest cost	110.88	97.68
Actuarial loss/(gain)	226.70	128.18
Benefits paid	(358.97)	(221.40)
Liability transferred in	-	26.08
Liability transferred out	-	-
<b>Projected benefit obligation at the end of the year</b>	<b>2,355.71</b>	<b>2,150.43</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Particulars	March 31, 2023	March 31, 2022
<b>C. Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	122.61	116.73
Interest income	0.89	6.70
Return on plan assets (excluding Interest income)	6.76	1.15
Benefits paid	(9.52)	(1.97)
<b>Fair value of plan assets at the end of the year</b>	<b>120.74</b>	<b>122.61</b>
<b>D. Amount recognised in the statement of profit and loss</b>		
Current service cost	226.67	200.24
Interest cost	109.99	90.98
<b>Expenses recognised in the statement of profit and loss (Refer note 32)</b>	<b>336.66</b>	<b>291.22</b>
<b>E. Amount recognised in other comprehensive income</b>		
Actuarial loss/(gain) on Defined benefit obligation	226.70	129.33
Return on plan assets (excluding Interest income)	(6.76)	(1.15)
	219.94	128.18
<b>F. Plan Assets include the following:</b>		
(i) Insurance funds		
<b>G. Assumptions used</b>		
Discount rate	7.2%-7.52%	3.86% -6.26%
Long-term rate of compensation increase	5.00%-6.00% p.a	6.00% p.a
Rate of return on plan assets	7.20%	5.21%-6.43%
Attrition rate	5%-31%	13%-40%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

**H. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rs. in Lakhs)

Name of the Company	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(46.24)	49.07	(55.01)	59.18
Future salary growth (1% movement)	47.65	(45.99)	57.81	(54.79)
Employee Turnover (1% movement)	(1.81)	1.88	(5.66)	5.36



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**I. Expected future cash flows**

(Rs. in Lakhs)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2023					
Defined benefit obligations (Gratuity)	735.37	525.57	950.66	590.07	2,801.67
<b>Total</b>	<b>735.37</b>	<b>525.57</b>	<b>950.66</b>	<b>590.07</b>	<b>2,801.67</b>

(Rs. in Lakhs)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022					
Defined benefit obligations (Gratuity)	573.63	410.33	809.21	751.06	2,544.23
<b>Total</b>	<b>573.63</b>	<b>410.33</b>	<b>809.21</b>	<b>751.06</b>	<b>2,544.23</b>

**(b) Defined contribution plan**

The Group entities domiciled in India contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. Entities of the Group domiciled outside India also contributes to social security schemes as per the relevant regulations of the country for the welfare of the employees. These are defined contribution plans as per Ind AS - 19. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year March 31, 2023: Rs. 1,461.27 Lakhs (March 31, 2022: Rs. 1,213.84 Lakhs).

**(c) Employee Stock Option Schemes**
**Description of share-based payment arrangements:**

**As at March 31, 2023 and March 31, 2022 Company had following share-based payment arrangements:**

**RSU 2020 -**

This plan may be called the Metropolis–Restrictive Stock Unit Plan, 2020 (MHL-RSU Plan, 2020) as approved by the Board of Directors of the Company at its meeting held on February 06, 2020 as per the recommendation of Nomination and Remuneration Committee and approved by members of the Company through postal ballot process on April 06, 2020.

This plan shall be deemed to have come into force on April 06, 2020 (Being the date of passing of special resolutions for approving the MHL-RSU Plan 2020 by the Shareholder of the Company through postal ballot process) or on such date as may be decided by the Nomination and Remuneration Committee ("Committee") of the Company.

**MESOS 2015 -**

The Company has instituted "Metropolis Employee Stock Option Plan 2015" (MESOP 2015) for eligible employees. In terms of the said plan, options to the employees shall vest at the rate of 30% of Grant on 36 months from Grant Date, 35% of Grant on 48 months from Grant Date and 35% of Grant on 60 months from Grant Date. The vested options can be exercised on earlier of Listing of Company Shares on an Indian Stock Exchange or 60 month from the date of the grant. Further option can only be exercised during the exercise window specified by the Company. Each Option carries with it the right to purchase one equity share of the Company at the exercise price determined by Nomination and Remuneration Committee.

On September 19, 2017, consent was given by the Nomination and Remuneration Committee, where in vesting schedule was modified to grant options under Metropolis Employee Stock Options Scheme, 2015 (MESOS 2015). As per modified terms, option to

- Existing employees (person who is in continuous employment with the Company since January 01, 2016 or prior thereto) shall vest at the rate of 50% of Grant on January 01, 2018, 25% of Grant on January 01, 2019 and 25% of Grant on January 01, 2020.
- New employees (person who is in continuous employment with the Company after January 01, 2016.) shall vest at the rate of 50% of Grant on completion of 2 years from date of joining, 25% of Grant on completion of 3 years from date of joining and 25% of Grant on completion of 4 years from date of joining.
- No additional options to be granted to stock options under MESOS 2015 as per the resolution dated September 24, 2018, passed by the Nomination & Remuneration Committee

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

<b>Grant date / employees entitled</b>	<b>Number of instruments</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
RSU - Option granted to eligible employees on May 2020	3,70,000	For the Options to vest, the Grantee has to meet the performance parameters & be in employment of the Metropolis Group on the date of the vesting.	The exercise period for RSU vested will be two years from date of vesting .
MESOS 2015 - Option granted to eligible employees on April 25, 2016	27,800	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.
MESOS 2015 - Option granted to eligible employees on October 16, 2017	1,85,550	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.

**Reconciliation of Outstanding share options**

The number and weighted-average exercise price of share options under the share option plans are as follows:

**RSU 2020**

<b>Name of the Company</b>	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>
Outstanding at the beginning of the year	2	2,27,094	2	2,37,000
Granted during the year	2	1,02,650	2	26,000
Exercised during the year	2	(36,045)	2	(27,406)
Lapsed/ forfeited /surrender/buyback	2	(1,53,028)	2	(8,500)
Outstanding at the end of the year	2	1,40,671	2	2,27,094
Exercisable at the end of the year	2	-	2	-

# Summary of Shares/Option exercised during the period

<b>Particulars</b>	<b>Number of shares / Options</b>	<b>Amount</b>
Securities Premium (Exercise price (2.00) less Face value per share (2.00))	-	-
General Reserve (Fair Value - Nil per Option)	-	-
Equity Shares (Face value Rs. 2 per share)	36,045	0.72

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**MESOS 2015**

	March 31, 2023		March 31, 2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	705.77	5,000	705.77	32,900
Granted during the year	-	-	-	-
Granted due to bonus issue	-	-	-	-
Granted due to split of shares	-	-	-	-
Exercised during the year	705.77	2,500	705.77	27,900
Lapsed/ forfeited /surrendered	-	-	705.77	-
Outstanding at the end of the year	705.77	2,500	705.77	5,000

The options outstanding at March 31, 2023 have an exercise price of Rs. 705.77 (March 31, 2022 have an exercise price of Rs. 705.77) and a weighted average remaining contractual life of 6 months to 2 years (March 31, 2022: 6 months to 2 years)

The expense arising from MESOS 2015 scheme during the year is Rs. 6.98 Lakhs (March 31, 2022 Rs. 24.61 Lakhs);

The expense arising from RSU 2020 scheme during the year is Rs. 21.53 Lakhs (March 31, 2022 Rs. 661.11 Lakhs);

# Summary of Shares/Option exercised during the period

Particulars	Number of shares / Options	Amount
Securities Premium (Exercise price (705.77) less Face value per share (2))	2,500	17.59
General Reserve (Fair Value - Nil per Option)	-	-
Equity Shares (Face value Rs. 2 per share)	2,500	0.05

**Measurement of Fair value**

The fair value of employee share options has been measured at fair value of prevailing market value. The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Grant date	MESOS 2015		RSU 2020
	October 16, 2017	April 25, 2016	May 29, 2020
Fair value at grant date	142.80	66.00	Year 1 - 1,280.47 Year 2 - 1,267.36 Year 3 - 1,254.82 Year 4 - 1,242.37
Share price at grant date	2,910.00	2,289.00	1321
Exercise price	3,670.00	3,670.00	2
Expected volatility (Weighted average volatility)	16.04%	16.70%	Year 1 - 46.31% Year 2 - 61.61% Year 3 - 63.76% Year 4 - 63.76%
Expected life (expected weighted average life)	1.64 years	4.05 years	Year 1 - 3 years Year 2 - 4 years Year 3 - 5 years Year 4 - 6 years
Expected dividends	3%	3%	0.01
Risk-free interest rates (Based on government bonds)	6.35%	7.42%	Year 1 - 4.56% Year 2 - 4.69% Year 3 - 5.42% Year 4 - 5.6%

- Expected volatility of the option is based on historical volatility, during a period equivalent to the option life
- Dividend yield of the options is based on recent dividend activity
- Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

### (d) Compensatory absences:

Accumulation of casual leave is not permitted, and un-availed casual leave will lapse at the end of the year.

## 50. SEGMENT REPORTING

### (a) Basis for segmentation

The operations of the Group are limited to one segment viz. Pathology service. The services being provided under this segment are of similar nature and comprises of pathology and related healthcare services only.

The Group's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

### b. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Revenue from external customers		
India	1,09,210.57	1,18,070.48
Outside India	5,610.45	4,763.12

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Non-current assets (other than financial instruments and deferred tax assets)</b>		
India	1,16,059.81	1,07,996.18
Outside India	1,298.93	1,092.55

### c. Major customers

Revenue contributed by any single customer, does not exceed ten percent of the Group's total revenue.

## 51. CORPORATE SOCIAL RESPONSIBILITY (CSR)

### Details of CSR expenditure:

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
i) Amount required to be spent by the group during the year	513.83	445.67
ii) Amount of expenditure incurred		
A) Construction/ acquisition of any asset	-	-
B) On other than (i) above	513.83	365.00
iii) Shortfall at the end of the year	Nil	80.67
iv) Total of previous year shortfall	-	-
v) Reasons for shortfall	-	Due to ongoing projects
vi) Nature of CSR activities	Promoting healthcare, education and Covid 19 relief	
vii) Details of related party transaction	NIL	NIL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)****52. DISCLOSURE UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013**

All the loans given by the Company to its subsidiary companies are under section 293 of the Companies Act, 1956, accordingly, section 186 of the Companies Act, 2013 is not applicable to the Company.

**53. INVESTMENT AND RECEIVABLE FROM STAR METROPOLIS HEALTH SERVICES MIDDLE EAST LLC**

As at March 31, 2023, the Company has an investment of Rs. 129.85 Lakhs (March 31, 2022 Rs. 129.85 Lakhs) and receivable of Rs. 445.05 Lakhs (March 31, 2022 Rs. 445.05 Lakhs) from Star Metropolis Health Services Middle East LLC ('Star Metropolis'). Since the information has not been forthcoming for many years, Management has decided to discontinue to recognize the said entity as an associate from the current year and has filed an application to Reserve Bank of India (RBI) through Authorised Dealer Bank seeking permission to write off the above investment and receivable.

**54. TRANSFER PRICING**

The Group's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended March 31, 2023. Management continues to believe that its international transactions post March 31, 2023 and the specified domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

**55. SHAREHOLDING IN THE SUBSIDIARY COMPANY**

Metropolis Healthcare Lanka Private Limited (Metropolis Lanka) has bought back 250,000 ordinary shares held by Nawaloka Hospitals PLC ("Nawaloka") in Metropolis Lanka pursuant to memorandum of understanding (MOU) dated March 31, 2017. As per the MOU, the buy-back consideration payable by Metropolis Lanka was adjusted against certain receivables payable by Nawaloka to Metropolis Lanka. As at March 31, 2020, Metropolis Lanka has not filed relevant forms with Registrar of the Company in respect of share transfer. Currently, the shareholding records in the books of Metropolis Lanka assumes that the buy-back has been effectuated as per the MOU and Metropolis Healthcare Limited is reflected as 100% owner of Metropolis Lanka.

**56. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES**

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

**57. SUBSEQUENT EVENTS:**

There are no subsequent event occurred between the end of the reporting period i.e. March 31, 2023 and the date of adoption of consolidated financial statements by board i.e. May 16, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

**58. BUSINESS COMBINATION**

**A. Acquisition of Dr.Ganesan's Hitech Diagnostic Centre Private Limited**

On October 22, 2021, the Company has acquired 100% stake in Dr.Ganesan's Hitech Diagnostic Centre Private Limited ("Hitech") and its wholly owned subsidiary Centralab Healthcare Services Private Limited ("Centralab") for a cash consideration of Rs. 63,142 Lakhs as per the terms and conditions of the Share Purchase Agreement including amendments thereof entered between the Company and Hitech. Post completion of the aforesaid acquisition, "Hitech" and "Centralab" has become wholly owned subsidiary and step down subsidiary respectively of the Company.

**Details of assets acquired:**

The fair values of identifiable assets acquired as at the date of acquisition were:

(Rs. in Lakhs)

Particulars	Amount
<b>Tangible Asset</b>	
Net Working Capital	(62.00)
Property, Plant and Equipment	1,296.00
Right-of-Use Assets	854.00
<b>Total Tangible Asset (A)</b>	<b>2,088.00</b>
<b>Identified Intangibles Assets</b>	
Hitech Brand	29,387.00
Non-compete agreement	3,229.00
<b>Total Intangibles Assets (B)</b>	<b>32,616.00</b>
<b>Total (C)=(A)+(B)</b>	<b>34,704.00</b>
<b>Purchase Consideration (D)</b>	<b>63,142.00</b>
<b>Other Adjustments (E)</b>	<b>257.00</b>
<b>Goodwill (E)=(D)-(C)-(E)</b>	<b>28,181.00</b>

- Net Working Capital (trade receivables, inventory, security deposits, prepaid rent and other current assets) and current liabilities (trade payables, and other current liabilities) are realizable/ payable in short to medium term. Hence these have been considered at their respective book values in our analysis (i.e. book values considered as a proxy to their Fair Value).
- Other Adjustments include surplus assets, lease liabilities, debt-like items, deferred tax assets as per acquisition date consolidated balance sheet of Dr.Ganesan's Hitech Diagnostic Centre Private Limited ("Hitech").

**B. Liquidation of Dr.Ganesan's Hitech Diagnostic Centre Private Limited**

The Board of Directors of the Company, at their meeting held on February 11, 2022, accorded in-principle approval for the voluntary liquidation of Dr. Ganesan's Hitech Diagnostic Centre Private Limited ('Hitech'), a wholly owned subsidiary of the Company, to be carried out under the provisions of Insolvency and Bankruptcy Code, 2016. The Board of Directors of Hitech in their meeting dated April 01, 2022 and the members of Hitech in their Extra Ordinary General meeting held on April 01, 2022 have accorded their approval for consolidation of the business of Hitech through voluntary liquidation process. Pursuant to the ongoing liquidation process, the liquidator of Hitech has transferred the entire business undertaking to the Company on a going concern basis on and with effect from June 04, 2022.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

**59. SCHEME OF MERGER**

The Board of Directors of the Company at its meeting held on 06 August July 2021 had approved the Composite Scheme of Arrangement (the 'Scheme') for merger of its eight wholly owned subsidiaries of the Company with the Company. Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on September 22, 2021.

On receipt of the certified copy of the order dated June 03, 2022 from NCLT, Mumbai Bench sanctioning the Scheme, with appointed date April 01, 2021, and upon filing the same with Registrar of Companies, Maharashtra on July 11, 2022 the Scheme has become effective.

Accordingly, the Company has given effect to the Scheme in the earlier approved standalone financial statements for the year ended March 31, 2022 from the Appointed date of April 01, 2021 by revising the standalone financial statements for the year ended March 31, 2021 and March 31, 2022. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values.

In line with the above, wherever the term "Consolidated financial statements" is mentioned, it should be referred to as "Consolidated financial statements".

**The details of transferor companies and their merger are as below:**

Name of the transferor company	1. Bokil Golwilkar Metropolis Healthcare Private Limited, 2. Desai Metropolis Health Services Private Limited, 3. Dr. Patel Metropolis Healthcare Private Limited, 4. Lab One Metropolis Healthcare Services Private Limited, 5. Micron Metropolis Healthcare Private Limited, 6. R.V. Metropolis Diagnostic & Health Care Center Private Limited, 7. Raj Metropolis Healthcare Private Limited & 8. Sudharma Metropolis Health Services Private Limited
General nature of business	Healthcare Services
Appointed Date of the Scheme	April 01, 2021
Description and number of shares issued	Nil
% of Company's equity shares exchanged	Nil

Pursuant to the approved Scheme of Merger by Absorption, the Transferee Company has accounted for merger in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards

**a) Accounting treatment**

- i) The Transferee Company has recorded all the assets, liabilities and reserves of the Transferor Company vested in it pursuant to this Scheme, at their book values and in the same form as appearing in the books of the Transferor Company as on the Appointed Date, by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and prescribed under Companies (Indian Accounting Standards) Rules, 2015 issued by the Institute of Chartered Accountants of India.
- ii) The financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- iii) Any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Company and the Transferee Company, if any, ipso facto, stand discharged and come to end and the same is eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- iv) Investments in shares of the Transferor Company held by the Transferee Company have been adjusted against Share Capital of the Transferor Company and the difference, between cost of investment of the Transferor Company in the books of the Transferee Company has been adjusted against balance of reserves and surplus of the Transferee Company post-merger.
- v) The identity of the reserves has been preserved and appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

b) **The book value of assets and liabilities taken over in accordance with the terms of the scheme at the following summarised values:**

<b>Particulars</b>	<b>Amounts in Lakhs</b>
<b>Non-current assets</b>	
Property, plant and equipment	1,480.96
Right of use assets	985.90
Goodwill	1,412.94
Other intangible assets	460.34
Other non current financial assets	277.65
Non-current tax assets (Net)	330.07
Deferred tax assets (Net)	440.67
Other non-current assets	88.50
<b>Total Non-current assets</b>	<b>5,477.03</b>
<b>Current assets</b>	
Inventories	492.83
Financial Assets	
i. Investments	1,112.34
ii. Trade receivables	1,556.54
iii. Cash and cash equivalents	1,587.02
iv. Bank balances other than cash and cash equivalents mentioned above	3,825.63
v. Loans	155.26
vi. Other current financial assets	189.52
Other current assets	108.36
<b>Total Current assets</b>	<b>9,027.50</b>
<b>TOTAL ASSETS (A)</b>	<b>14,504.53</b>
<b>Non-Current Liabilities</b>	
Financial liabilities	
i. Lease Liabilities	917.59
ii. Other non-current financial liabilities	361.26
Provisions	73.17
Deferred tax liabilities (net)	60.99
<b>Total non-current liabilities</b>	<b>1,413.01</b>
<b>Current liabilities</b>	
Financial liabilities	
i. Borrowings	4.08
ii. Lease Liabilities	352.01
iii. Trade payables	
- Total outstanding dues of micro and small enterprises	40.94
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,329.91
iv. Other current financial liabilities	971.23
Current tax liabilities (net)	208.54
Provisions	247.17
Other current liabilities	127.40
<b>Total current liabilities</b>	<b>3,281.28</b>
<b>Total Liabilities (B)</b>	<b>4,694.29</b>
<b>Total Identified assets acquired C= (A)-(B)</b>	<b>9,810.24</b>
<b>Cost of Investment in Merged Undertakings ( D )</b>	<b>12,705.56</b>
<b>Net impact transferred to Retained earnings E= (C)-(D)</b>	<b>(2,895.32)</b>

c) Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the Company Rs. 2,895.32 Lakhs has been debited to the other equity of the Company.

d) The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferor Company which is 6,386 Lakhs divided into 319,304,015 equity shares of Rs. 2 each.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

**60.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**61. Disclosure of additional information pertaining to the Holding Company and Subsidiaries as per Schedule III of Companies Act, 2013**

**Net Assets (Total Assets minus Total Liabilities)**

Name of the Company	March 31, 2023		March 31, 2022	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets
<b>Holding Company</b>				
Metropolis Healthcare Limited	94.91%	93,797.44	107.55%	95,311.46
<b>Indian Subsidiaries</b>				
Amin's Pathology Laboratory Private Limited	1.22%	1,209.15	1.07%	944.58
Ekopath Metropolis Lab Services Private Limited	0.60%	590.72	0.52%	464.06
Dr.Ganesan's Hitech Diagnostic Centre Private Limited	0.00%	-	6.60%	4,663.39
Centralab Healthcare Services Private Limited	0.74%	658.78	1.82%	1,284.37
Metropolis Histoxpert Digital Services Private Limited	(0.03%)	(22.72)	(0.03%)	(17.71)
<b>Foreign Subsidiaries</b>				
Metropolis Bramser Lab Services (Mtius) Limited	0.16%	155.77	0.13%	110.89
Metropolis Healthcare Ghana Limited	(0.41%)	(402.68)	(0.16%)	(142.80)
Metropolis Healthcare (Mauritius) Limited	(0.26%)	(261.38)	(0.36%)	(320.78)
Metropolis Star Lab Kenya Limited	3.69%	3,643.08	2.90%	2,573.16
Metropolis Healthcare Lanka Private Limited	(0.07%)	(69.14)	(0.05%)	(46.83)
Metropolis Healthcare Tanzania Limited	0.14%	142.86	0.15%	135.11
Metropolis Healthcare Uganda Limited	(0.06%)	(54.38)	-	-
<b>Add/(Less): Adjustments</b>	(0.51%)	(564.27)	(18.44%)	(16,339.11)
<b>Total</b>	<b>100.00%</b>	<b>98,823.23</b>	<b>100.00%</b>	<b>88,619.80</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**
**62. Disclosure of additional information pertaining to the Holding Company and Subsidiaries as per Schedule III of Companies Act, 2013**
**Share in Profit or Loss**

Name of the Company	March 31, 2023					March 31, 2022					
	As % of Consol- idated profit or loss	Profit/ (Loss)	As % of Consol- idated OCI	OCI	As % of Consol- idated TCI	As % of Consol- idated profit or loss	Profit/ (Loss)	As % of Consol- idated OCI	OCI	As % of Consol- idated TCI	
<b>Holding Company</b>											
Metropolis Healthcare Limited	97.25%	13,894.66	471.87%	(163.72)	<b>96.33%</b>	108.20%	23,174.13	35.18%	(81.51)	<b>109.00%</b>	<b>23,092.62</b>
<b>Indian Subsidiaries</b>											
Amin's Pathology Laboratory Private Limited	1.85%	264.52	0.00%	-	<b>1.86%</b>	0.41%	87.42	0.00%	-	<b>0.41%</b>	<b>87.42</b>
Ekopath Metropolis Lab Services Private Limited	0.54%	76.50	2.06%	(0.72)	<b>0.53%</b>	0.35%	75.60	0.23%	(0.53)	<b>0.35%</b>	<b>75.07</b>
Dr.Ganesan's Hitech Diagnostic Centre Private Limited	0.00%	-	0.00%	-	<b>0.00%</b>	0.04	849.65	(7.91)	1,832.53	0.13	<b>2,682.18</b>
Centralab Healthcare Services Private Limited	1.22%	174.41	0.00%	-	<b>1.22%</b>	0.01	128.77	-	-	0.01	<b>128.77</b>
Metropolis Histoexpert Digital Services Private Limited	(0.04%)	(5.00)	0.00%	-	<b>(0.04%)</b>	(0.00)	(0.37)	-	-	(0.00)	<b>(0.37)</b>
<b>Foreign Indirect Subsidiaries</b>											
Metropolis Bramser Lab Services (Mtius) Limited	0.22%	32.00	(37.09%)	12.87	<b>0.31%</b>	(0.30%)	(64.35)	5.00%	(11.59)	<b>(0.36%)</b>	<b>(75.94)</b>
Metropolis Healthcare Ghana Limited	(2.60%)	(371.21)	(320.93%)	111.35	<b>(1.82%)</b>	0.18%	38.89	4.11%	(9.52)	<b>0.14%</b>	<b>29.37</b>
Metropolis Healthcare (Mauritius) Limited	0.76%	108.09	140.31%	(48.68)	<b>0.42%</b>	0.94%	200.76	41.20%	(95.44)	<b>0.50%</b>	<b>105.32</b>
Metropolis Star Lab Kenya Limited	7.00%	1,000.54	(199.98%)	69.38	<b>7.51%</b>	5.12%	1,096.77	24.36%	(56.43)	<b>4.91%</b>	<b>1,040.34</b>
Metropolis Healthcare Lanka Private Limited	0.00%	(0.44)	63.03%	(21.87)	<b>(0.16%)</b>	(0.55%)	(118.34)	(14.08%)	32.61	<b>(0.40%)</b>	<b>(85.73)</b>
Metropolis Healthcare Tanzania Limited	(0.01%)	(1.31)	(26.04%)	9.04	<b>0.05%</b>	0.23%	49.81	(1.73%)	4.01	<b>0.25%</b>	<b>53.82</b>
Metropolis Healthcare Uganda Limited	(0.40%)	(57.60)	6.76%	(2.35)	<b>(0.42%)</b>						
<b>Non-controlling interest in all non-wholly owned subsidiaries</b>	(0.36%)	(51.14)	(0.42%)	0.14	<b>(0.36%)</b>	(0.24%)	(50.40)	(0.01%)	0.02	<b>(0.24%)</b>	<b>(50.38)</b>
<b>Add/(Less): Adjustments</b>	(5.43%)	(775.78)	0.42%	(0.14)	<b>(5.43%)</b>	(18.91%)	(4,050.14)	796.75%	(1,845.82)	<b>(27.82%)</b>	<b>(5,895.95)</b>
<b>Total</b>	<b>100.00%</b>	<b>14,288.26</b>	<b>100.00%</b>	<b>(34.70)</b>	<b>100.00%</b>	<b>100.00%</b>	<b>21,418.20</b>	<b>100.00%</b>	<b>(231.67)</b>	<b>100.00%</b>	<b>21,186.53</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**

**63.** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
  - i. Wilful defaulter
  - ii. Utilisation of borrowed funds & share premium
  - iii. Borrowings obtained on the basis of security of current assets
  - iv. Discrepancy in utilisation of borrowings
  - v. Current maturity of long term borrowings

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

**Tarun Kinger**

Partner

Membership No: 105003

Place: Mumbai

Date: May 16, 2023

For and on behalf of the Board of Directors

**Metropolis Healthcare Limited**

L73100MH2000PLC192798

Sd/-

**Dr. Sushil Shah**

Chairman & Executive Director

DIN: 00179918

Place : Mumbai

Sd/-

**Surendran Chemmenkotil**

Chief Executive Officer

Place : Mumbai

Sd/-

**Ameera Shah**

Managing Director

DIN: 00208095

Place : Mumbai

Sd/-

**Rakesh Agarwal**

Chief Financial Officer

Place : Mumbai