

Ref: MHL/Sec&Legal/2021-22/29

Date: July 18, 2021

To,
Head, Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001.

Head, Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1. G Block,
Bandra -Kurla Complex, Bandra (East),
Mumbai- 400051.

Scrip Code: 542650

Scrip Symbol: METROPOLIS

Sub: Copy of Annual Report of the Company for the Financial Year 2020-2021 along with the Notice convening the 21st Annual General Meeting

Ref: Our earlier letter dated July 05, 2021 having reference no. MHL/Sec&Legal/2021-22/23

Dear Sir/Madam,

With reference to the captioned subject, our earlier letter dated July 05, 2021 having reference no. MHL/Sec&Legal/2021-22/23 wherein we had informed the Exchange about the 21st Annual General Meeting ('AGM') of the Company. In continuation to the same and as required under Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2020-2021 along with the Notice convening the 21st AGM of the Company scheduled to be held on Wednesday, August 11, 2021 at 9.30 A.M. (IST) through Video Conferencing / Other Audio Visual Means ('VC / OAVM') in compliance with the General Circular No. May 05, 2020 read with Circulars dated April 08, 2020, April 13, 2020 and January 13, 2021 issued by the Ministry Corporate Affairs and Circular dated May 12, 2020 and January 15, 2021 issued by the Securities and Exchange Board of India.

The Annual Report of the Company for the Financial Year 2020-21 and the Notice convening the 21st AGM of the Company are available on the website of the Company at www.metropolisindia.com and are also being dispatched to all the eligible shareholders whose email ID's are registered with the Company / Depository(ies).

You are requested to take above information on record.

Thanking You,

Yours Faithfully,
For **Metropolis Healthcare Limited**

Danish Allana
Interim Compliance Officer
Membership No. A61517

BLOOD TESTS • DIAGNOSTICS • WELLNESS

METROPOLIS
The Pathology Specialist

Metropolis Healthcare Limited

Registered & Corporate Office: 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai - 400 030.

CIN: L73100MH2000PLC192798 Tel No.: 8422 801 801 Email: support@metropolisindia.com

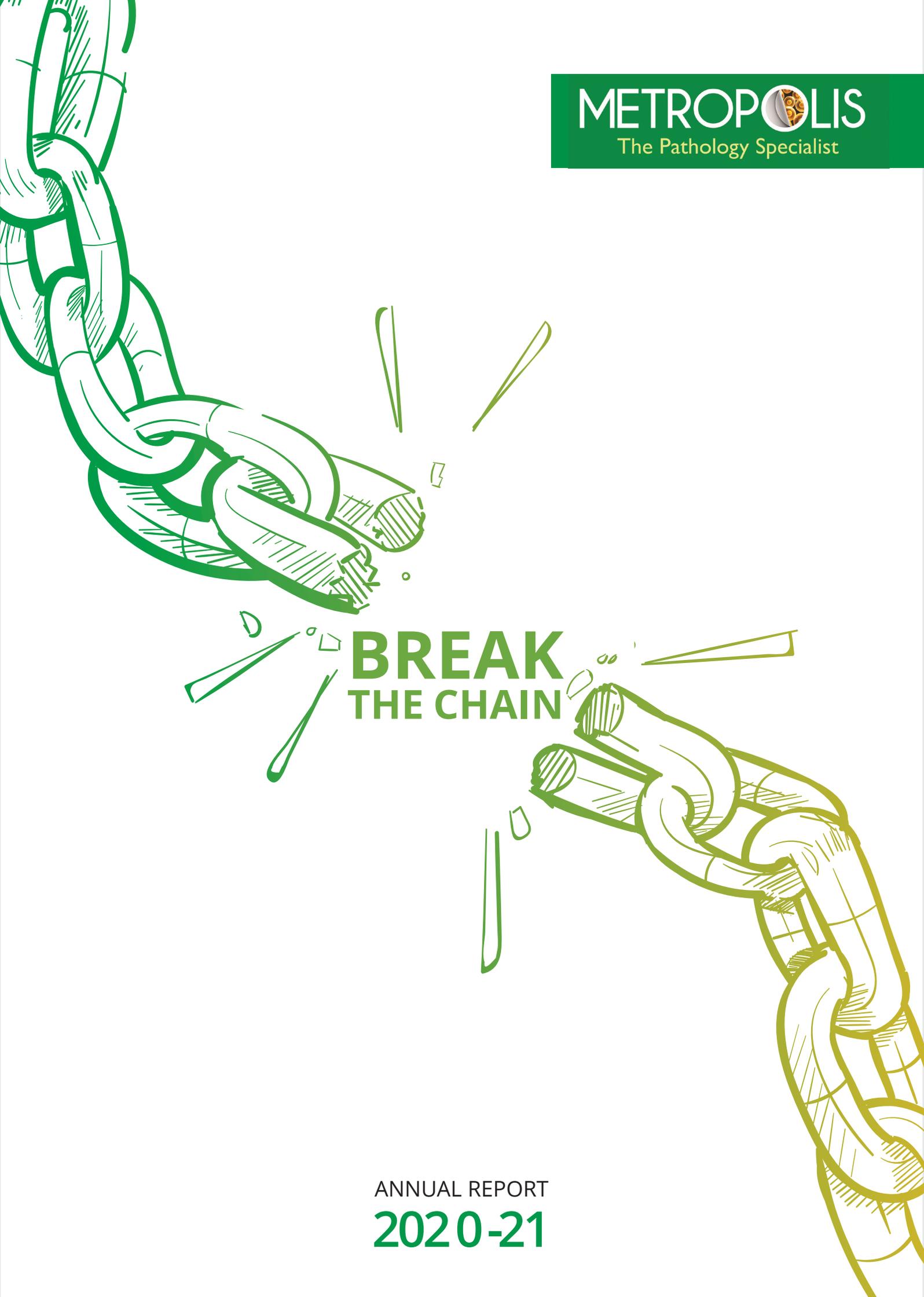
Website: www.metropolisindia.com

Global Reference Laboratory: 4th Floor, Commercial Building-1A, Kohinoor Mall, Vidyavihar (W), Mumbai - 400 070.



METROPOLIS

The Pathology Specialist



**BREAK
THE CHAIN**

ANNUAL REPORT
2020-21



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Find our online version at
[https://www.metropolisindia.com/
about-metropolis/investors/](https://www.metropolisindia.com/about-metropolis/investors/)

Scan to download

Investor Information

BSE Code:	542650
NSE Symbol:	METROPOLIS
Bloomberg Code:	METROHL:IN
AGM Date:	August 11, 2021
AGM Mode:	Video Conferencing

Disclaimer: This document contains statements about expected future events and financials of Metropolis Healthcare Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Our Approach to Reporting

ABOUT THIS REPORT

This Report is aligned with the International Integrated Reporting Council's (IIRC) globally accepted framework. Through this document, Metropolis Healthcare Limited ('Metropolis' or 'the Company') aims to strengthen its communication with the stakeholders with respect to material activities, value creation process, business highlights and future prospects. This Report follows and adopts guidelines, as laid out by SEBI with respect to Annual Report.

SCOPE AND BOUNDARY

This Annual Report comprises all the relevant aspects of operations of Metropolis. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended 31 March 2021. All the subsidiaries are included in the consolidated financial information.

FRAMEWORKS

The content and structure of this Annual Report is guided by the framework endorsed by the Integrated Reporting <IR> Council. Besides, the Company fully complies with the NSE and BSE listings as well SEBI Compliances. It is committed to embracing best practices in reporting to ensure transparency and better stakeholder engagement.

ASSURANCE

Metropolis' Board of Directors and its subcommittees have reviewed the Report and satisfied themselves on the materiality, accuracy, and balance of disclosures in this Report. The Board has not sought independent assurance of the Report, other than for the annual financial statements.





BREAK THE CHAIN



2020 was all about the fight between overarching challenges and their possible solutions.

A year that highlighted the power of endurance and prudence was also the year that underlined the importance of precautions, promptness, and accuracy when it came to containing the spread of the COVID-19 pandemic.

The outbreak of COVID-19 reasserted the essential role of diagnostics in fighting pandemics. At a time when the world is battling a grave health crisis, if frontline warriors are the heroes, diagnostic centers are inarguably the essential support crew.

At Metropolis, we understand that effective diagnostic is vital for timely responding to the outbreak.

We realise the role we play in generating a roadmap for the global good.

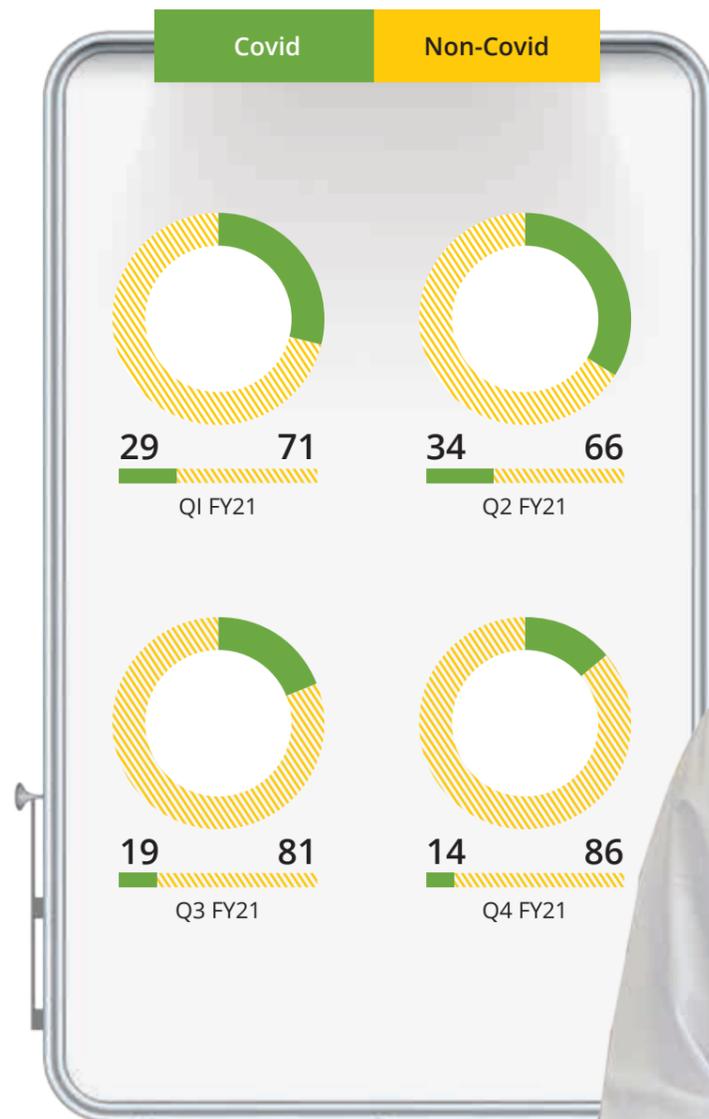
We are aware of the responsibility we must shoulder to take the world towards a safer tomorrow.

WE KNOW WE ARE THE ONES WHERE THE CONCEPT OF 'BREAK THE CHAIN' BEGINS! AND THIS, IS OUR STORY!



HIGHLIGHTS OF THE YEAR

Our revenue contribution from COVID and Non-COVID business (%)



Due to higher test volumes and value per test, COVID-19 Tests contributed a significant portion of our revenue in Q1 and Q2FY21, whereas Non-COVID business continued to rebound in Q3FY21 strongly. Non-COVID business grew significantly year on year in Q4FY21. While the number of COVID-19 tests increased in Q4FY21 but revenue contribution decreased with the Government's decision of lower pricing. Q1FY22 witnessed COVID-19 infections increasing again which was soon followed by lockdown restrictions. In the medium term, as the vaccination campaign gains traction, the Non-COVID industry is expected to thrive. Going ahead, we anticipate increased revenue from COVID-19 allied tests in FY22.

FOR THE FIRST TIME, 8 LAKH NEW CUSTOMERS USED METROPOLIS FOR COVID TESTS. IN H2FY21, WE SAW A HEALTHY CONVERSION RATE OF 10% OF CUSTOMERS WHO TRIED METROPOLIS FOR A NON-COVID TEST. WE ANTICIPATE HIGHER CONVERSION RATES IN THE COMING QUARTERS.

Our Non-COVID business over the last year

FY20 REVENUE

Q1 FY20	203
Q2 FY20	224
Q3 FY20	224
Q4 FY20	206

FY21 NON-COVID REVENUE

Q1 FY21	102
Q2 FY21	189
Q3 FY21	223
Q4 FY21	251

₹ 998 Crores, up 17 %

Revenue in FY21 and Percentage Growth as Compared to FY20

₹ 288 Crores

EBIDTA

₹ 183 Crores, up 44 %

PAT in FY20 and Percentage Growth as Compared to FY20

58 %, up 200 bps

Percentage Revenue Share of B2C in Focus Cities

₹ 9.8 Million

Patient Visits

₹ 19.0 Million

Tests Conducted in FY2020-21

EBIDTA: Earnings Before Interest, Depreciation, Taxes and Amortisation
PAT: Profit after Tax
B2C: Business to Customers

METROPOLIS

One of the leading players in the Indian diagnostic space

Incepted in the year 1980, Metropolis is among the leading diagnostics players in India, with a dominant share in the country's western and southern region. Metropolis offers a comprehensive range of 4,000+ clinical laboratory tests and profiles as one of the market leaders. These tests are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of different diseases. Additionally, the Company also offers analytical and support services to clinical research organisations for their clinical research projects. Growing strength by strength the Company has spread its footprints across 19 Indian states and 210 cities.

35 Years Of Credible Operations	2,555 Patient Service Centres
125 Clinical Laboratories	~4,000 Tests and Profiles
20 Presence Across Indian States	10,000+ Patients Touchpoints
~220 Presence across Indian Cities	~9,000 Pick-up Points
498 Assisted Referral Centres (ARC)	
25 NABL Accredited Labs	



Why Metropolis?

-  **Conclusive diagnosis with extensive test menu backed by highest standards of quality**
-  **Customer-focussed services with convenience and test accuracy at the core of service standard**
-  **Wide and unparalleled service network with pan India presence**
-  **Consistency in operations at every single visit from seamless blood collection, hygienic collection setup to timely report delivery**

Certified

- Mumbai Lab is CAP accredited since 2005
- NABL accreditation
- More than 75% reports are generated by accredited labs
- NABL Accreditation follows ISO-15189 Standard and is recognised by ILAC & APLAC

*CAP: College of American Pathologists

*NABL: National Accreditation Board for Testing and Calibration Laboratories



Vision

To be a respected healthcare brand trusted by clinicians, patients and stakeholders. Positively impact lives of patients in their most anxious times and turn their anxiety in to assurance.



Our Values

INTEGRITY
is in our **VEINS**

EMPATHY
is in our **BLOOD**

ACCURACY
is in our **DNA**



Mission Statement

Helping people stay healthy, by accurately revealing their inner health



CHAIRMAN'S MESSAGE



India was relatively successful in managing the first wave of the pandemic. However, with the second wave, the virus spread at a much more rapid pace across India. This second wave also engulfed the rural areas which were relatively less impacted in the first wave. We are cautious and hopeful that with an all-out effort, we will be able to overcome the challenging situation the country is facing.

I'm very proud of how we responded and are responding to the pandemic. We successfully managed to surf through a challenging environment, while also accelerating the execution of our growth strategy to create an even brighter future for our Company.

We are proud of the resilience Metropolis has shown in this difficult time to ensure personal safety and at the same time, running the operations with limited interruptions, which led to a sustained performance during the year.

LIVING BY OUR VALUES

Of course, our social impact begins at home, right at Metropolis with the kind of environment we create for our colleagues – who represent nearly every race, ethnicity, background, gender and orientation. While there's always more we can do, we've come a long way in building an inclusive culture where our colleagues know their unique backgrounds and perspectives are valued, and they are inspired to bring their best every day. This mindset is what drives continuous improvement for our Company and new solutions for our customers.

Driven by our inner force, we continued our path to success. Our aspirations can be strongly sensed from our vision and long-term strategies. This also showcases our resilience during the year and also during our fight with COVID-19. Our strategies depict our emergence as a stronger player – the prime guiding force behind our success during the year.

In FY21, we continued to build upon our strength in the Indian diagnostics industry. We made significant progress executing our strategies as mentioned below:

- ▶ Continued expanding through inorganic means to reinforce our market position
- ▶ Continued building our digital capabilities to engage with consumers and doctors
- ▶ Continued automating processes and systems to handle future scale
- ▶ Continued getting ready with efficiencies and productivity in system to manage costs better in future

ENVIRONMENT

We recognise that acting responsibly and sustainably includes a duty to be a good steward of our planet. We've taken many steps over the years to reduce our environmental impact, both in our operations and in the services that we deliver to our customers. We are working towards a goal to reduce our impact on environment through energy efficiency and environmental stewardship.

GOVERNANCE

Our corporate governance structure supports accountability and transparency, with a strong, diverse board of directors; best practice internal and external; and leading diversity disclosure practices. All of this is not just right thing to do, but it also makes good business sense. Our culture and our leading social and environmental practices help us recruit top talent and strengthen our industry leadership, while helping to make the world a better place.

Going forward, I believe it is the need of the hour to deliver medical solutions right now, even as we develop innovations for the future. We are passionate about Metropolis philosophy of customer centricity in everything we do. We are courageous in both decision and action. And we believe that good business means a better world. For me, it is a matter of pride to see the commitment and dedication that our employees displayed during this year to serve our clients. I am extremely grateful to them, our clients, the leadership team, our Board members, and all our well-wishers, who have supported us with their trust and guidance through this unusual year.

Warm regards,
Dr. Sushil Shah
Founder & Chairman



WE ARE PROUD OF THE RESILIENCE METROPOLIS HAS SHOWN IN THIS DIFFICULT TIME TO ENSURE PERSONAL SAFETY AND AT THE SAME TIME, RUNNING THE OPERATIONS WITH LIMITED INTERRUPTIONS, WHICH LED TO A SUSTAINED PERFORMANCE DURING THE YEAR.



The year 2020-21 was undoubtedly a year we will never forget. As individuals, as a Company and as a global community, we've had to navigate significant challenges and recalibrate our lives in big and small ways to manage through the COVID-19 pandemic. For Metropolis, the year will also stand out as one of our finest moments – for the way we supported society when it needed us most. I am grateful to the frontline healthcare workers and other support teams who are selflessly and fearlessly serving humanity during these challenging times. The silver lining is the success of large-scale vaccination in controlling the pandemic that is giving hope to humanity today.

LETTER FROM MD'S DESK

MD's Communique



WE WERE THE FIRST PRIVATE LAB IN THE COUNTRY TO START TESTING FOR COVID-19. WITH THE BEST TURN AROUND TIME, CONTINUOUS MEDICAL ENGAGEMENT WITH DOCTORS AND GOVERNMENT AUTHORITIES, STRONG BRANDING AND CUSTOMER EQUITY, WE WERE SUCCESSFUL IN CHURNING OUT COVID-19 RELATED TESTS



Dear Shareholders,

India continues to battle a virulent second wave of the COVID-19 pandemic, the healthcare infrastructure is straining to cope with the load of new cases. Aiding them in this strenuous task, right from the beginning, are medical laboratories which have undertaken the job of responsible testing and diagnosis. We were one of the first few labs to be commissioned for COVID-19 testing, and we are proud to be at the forefront of this health crisis battle.

The COVID-19 pandemic brought along a fight never witnessed by humanity. For Metropolis, we were able to quickly fill with COVID facilities and fill the gap that came with the disruption in the healthcare services. We remained strong and unshaken, we found strategies for doing business and I am sure we have now become more confident and are ready to grow with strong determination in future.

At Metropolis, resilience is in our DNA and the entire Metropolis family is working together with a deep sense of urgency, passion, and commitment to surf through this storm. The only goal for our experienced team of doctors and scientific team is to help patients and doctors get a reliable diagnosis as quickly as possible.

Most of the unorganised diagnostic sectors were negatively affected this year as regular patients resisted going to doctors and therefore diagnostic labs were affected. Since these labs did not qualify to the COVID testing, they were less visible and experienced by patients during this time.

OUR FINANCIAL PERFORMANCE

Besides a being successful year for us in terms of taking care of patients, I'm happy to announce it was also a year of business for us as a Company. We recorded highest ever yearly revenue, EBITDA and PAT in 2021. For FY21 revenue stood at ₹ 998 Crores as compared to ₹ 856 Crores in FY20, up by 17% YoY. Non-COVID revenue contributed 77% of this revenue while COVID contributed the rest 23% of the revenue in FY21. EBITDA before CSR and ESOP in FY21 stood at ₹ 301.1 Crores as compared to ₹ 233.4 Crores in FY20, up by 29% YoY. EBITDA margin before CSR and ESOP for FY21 expanded by 290 basis points YoY to 30.2%. Margin expansion was attributable to operating leverage benefits playing out due to increased scale of business, better text mix and cost optimisation initiative undertaken during FY21.

Our COVID-19 business via the B2C channel in focus and seeding cities contributed 63%, while the revenue share of non-COVID increased from 56% to 58% in FY21. We see a big opportunity going into the next few years. The revenue

contribution of specialty test for non-COVID increased from 37% a year before to 42% in FY21, increasing revenue per test and making us even more relevant to patients' treatment.

During the year, there was an expansion of home care services owing to pandemic related lockdowns. This resulted in revenue from non-COVID home care to increase by 22% YoY to ₹ 80 Crores in FY21. When we include COVID in the equation, our revenue from home testing more than doubles to over ₹ 136 Crores.

When it comes to our customers, we have always believed in servicing with sheer dedication. And to improve customer experience, we revamped our app, website, digital presence optimisation, and marketing efforts. As a result, we saw 15x increase in website traffic, a 10x increase in call volume, and faster growth and revenue from home visits. For FY21, we reported patient visits of 9.8 Million, which was a down growth by 2% on YoY basis. About 8 Lakh new customers experienced the service of Metropolis for the first time to COVID tests. Out of which, about 10% have already come back to Metropolis for non-COVID tests. Our home visit business also helped us move towards our increased B2C KPI and enjoy the better market profile enhancing the overall profitability of the Company.

We were the first private lab in the country to start testing for COVID-19. With the best turn around time, continuous medical engagement with doctors and government authorities, strong branding and customer equity, we were successful in churning out COVID-19 related tests. During the year, our NACO contract was extended, a prestigious PPP contract for us that enforces our confidence in our scientific and on-ground execution capability.

Further, as a part of the inorganic growth strategy, we at Metropolis try to acquire the unorganized players in the market. However, sometimes we face issues with respect to certain areas such as Due diligence, Compliance, etc. of the entity being proposed to be acquired which forces us to abandon such plans.

However, as a Company, we have had maximum experience in inorganic growth and integration of acquisitions and shall continue to make thoughtful decisions of what entity to acquire and at what terms, without any pressure to acquire for the sake of it.

OUR NETWORK EXPANSION STRATEGY

In the event of network expansion, we would do so in two ways, one, in states such as Maharashtra and Gujarat, where we have a strong brand and believe we can expand into tier-2 or tier-3 towns.

Secondly, in states where we have generated some revenue through franchising and now want to expand our presence with our own labs. Madhya Pradesh, Uttar

Pradesh, Odisha, Jharkhand, Telangana, and Andhra Pradesh would be among these states. This expansion strategy is expected to reduce the EBITDA margin by 75 to 100 basis points in the first year. However, as a result, various cost-cutting measures have already been taken and we expect to be neutral on overall consolidated margins as a result of this expansion.

Thirdly, the increase in volume and revenue contributions from a profitable specialised work and lastly reducing overhead costs as a result of digital integration, resulting in increased productivity and efficiency.

GROWTH DRIVERS FOR FY22 AND BEYOND

- ▶ Metropolis is increasing the number of collection centres from 300 in 2016 to 2500 by 2021. In addition, we have announced plans to establish a new research and development centre in with a focus on hygiene and productivity.
- ▶ Over the next three years, we plan to add 90 more stat labs and about 1,800 service collection centres. The expected CAPEX investment would be approximately ₹ 30 Crores to ₹ 35 Crores over a three-year period. We are looking at 100 to 150 more cities in India.

In our view, the way forward for COVID-19 is expected to be as follows:

- ▶ Safety and hygiene will become very important, and so we will use this as an opportunity to use our professional services to gain market share
- ▶ More point of care testing will emerge for testing at home - and we are evaluating how we can participate in this opportunity
- ▶ People may want more home visits rather than walk into centers. We are scaling this up and expect this to be an opportunity for organised and trusted brands to gain more market share. It will also allow rationalisation of front-end network and cost savings.

I would like to conclude by saying that we at Metropolis remain very optimistic about the business and believe that the journey of market share shift to organised players will accelerate in the short to medium term. We continue to look for interesting and organic opportunities that align with our strategic vision. I am grateful to the 4,500-member Metropolis family, our shareholders, and our board of directors, you all have helped to make Metropolis what it is today, thanking you for all your support. We are here to only serve humanity and also strengthen the Metropolis front.

Yours truly,
Ameera Shah
Managing Director

CREATING VALUE

Breaking the chain by going beyond promises



FINANCIAL CAPITAL

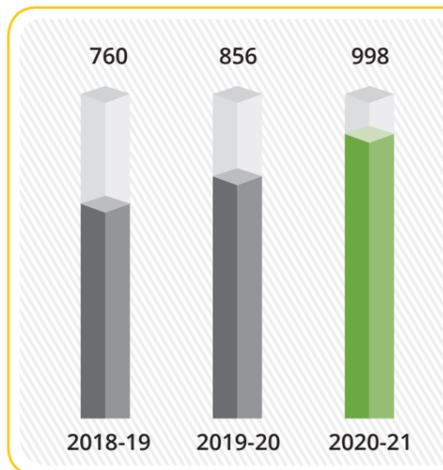
ACHIEVING EXPONENTIAL GROWTH

Breaking the chain by outdoing ourselves

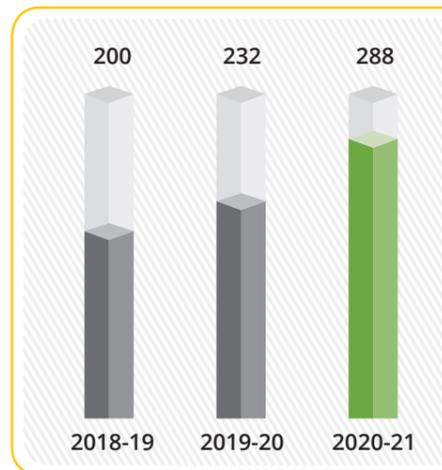
At Metropolis, we drive growth through continuous investment in state-of-the-art technologies, consistent network expansion, and prudent optimisation of surplus funds. We use our financial capital to build excellence and cash reserves. Thus, ensuring value creation for all stakeholders and long-term business sustainability.

Performance Highlights

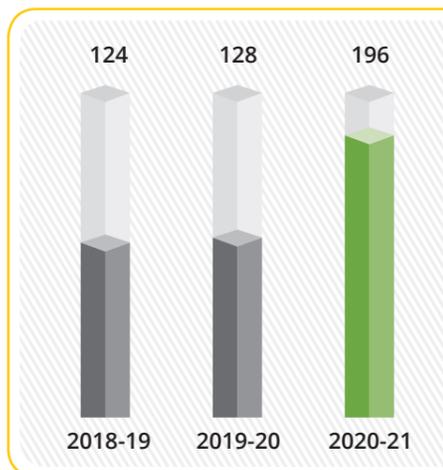
REVENUE ₹ Crores



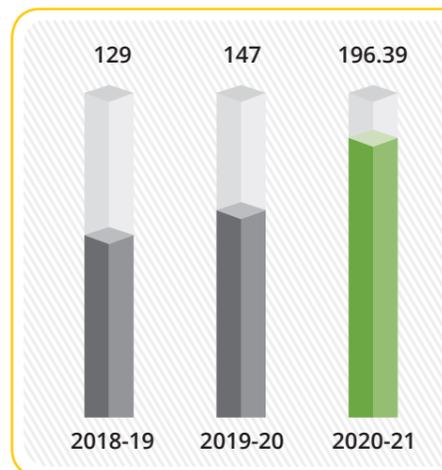
EBIDTA ₹ Crores



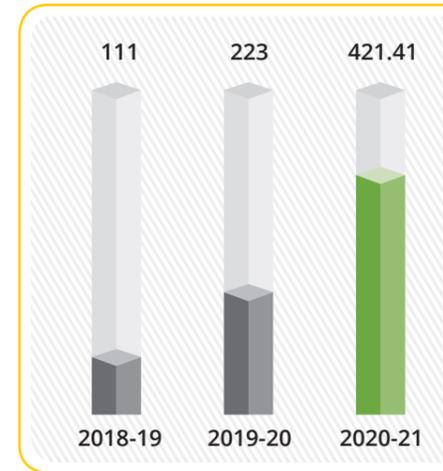
PAT ₹ Crores



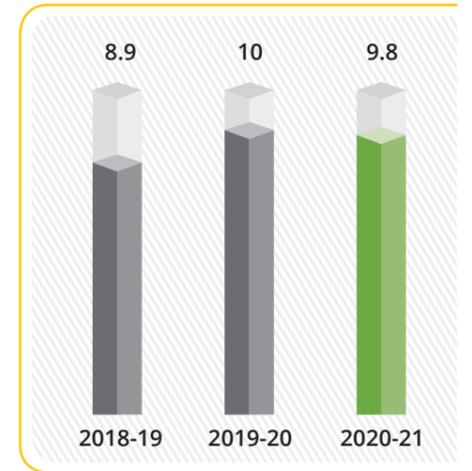
PAT BEFORE CSR, ONE-TIME SHARE-BASED AND OTHER EXPENSES ₹ Crores



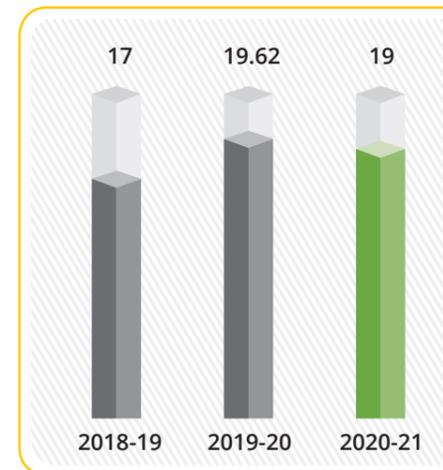
CASH & CASH EQUIVALENTS ₹ Crores



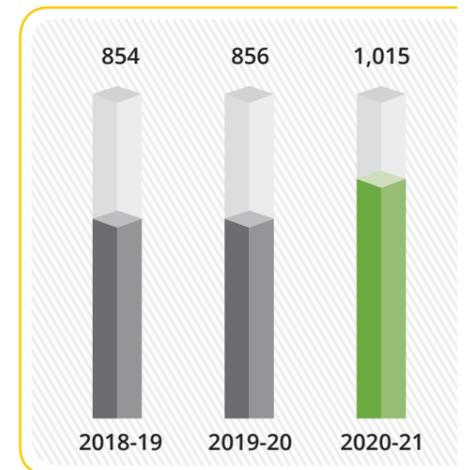
PATIENTS Millions



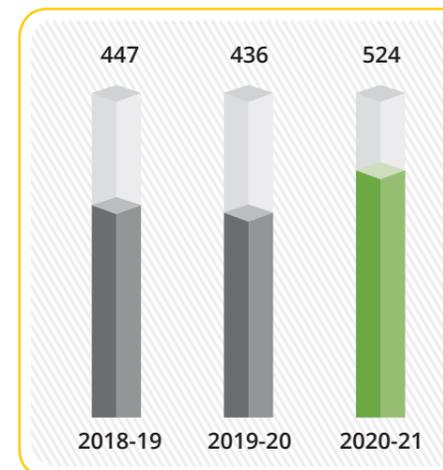
NUMBER OF TESTS Millions



REVENUE PER PATIENT ₹



REVENUE PER TEST ₹



₹ 429 Crores
B2C Sales Contribution

SERVICE CAPITAL

REINFORCING OPERATIONAL EXCELLENCE

Breaking the Chain by growing with technology

We are in a business that involves offering world-class quality services with easy and fast accessibility, conclusive diagnosis, and comprehensive test profiles to our customers. This necessitates using state-of-the-art technology and automated processes to deliver quick and accurate diagnostic results. In our continuous endeavours, we are consistently finding new ways and exploring newer horizons to achieve greater

Our Test Categories

ROUTINE TESTS

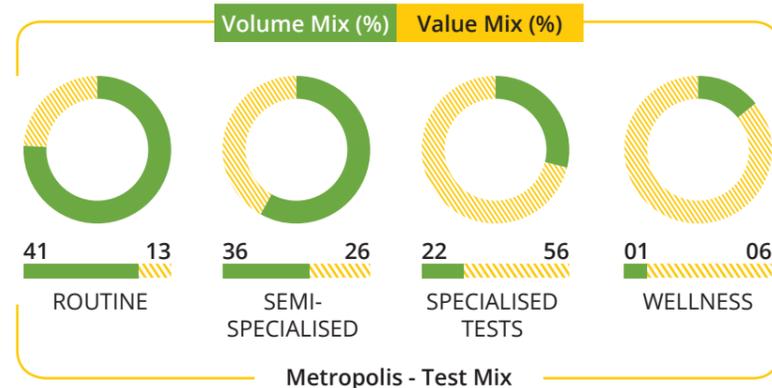
Blood chemistry analyses, Blood cell counts, Urine examination

SEMI-SPECIALISED

Thyroid function tests, Viral and Bacterial cultures, Histology, Cytology, Infectious disease tests

SPECIALISED TESTS

Coagulation studies, Autoimmunity tests, Cytogenetics, Molecular diagnostics



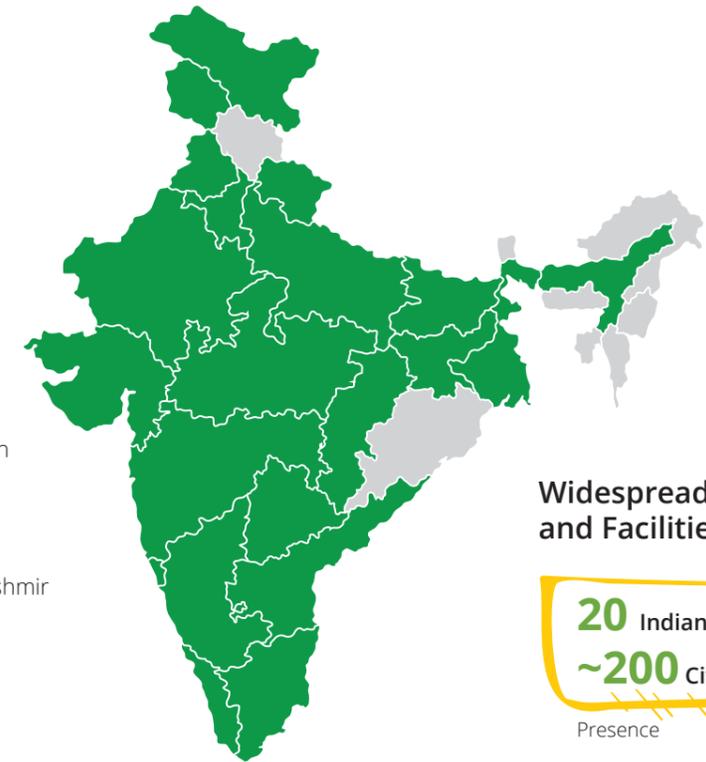
Our widely varied and extensive tests menu enables us to serve and cater to every customer profile for routine to complex to even specialised tests. FY21 witnessed an increase in the volume contribution of Specialised Tests, including COVID-19 as well as excluding COVID-19 tests in FY2020-21.

Network Expansion Strategy

- ▶ Focus on asset light model to achieve geographic expansion with high scalability
- ▶ The A-PSC and D-APSC model allows us to grow our revenues by providing management and branding support while concentrating on increased penetration in our PSCs.
- ▶ Better leverage of our existing infrastructure by establishing a wider geographic reach to enable customer base expansion and improvement in profitability matrix
- ▶ Establish strategic partnerships with 3rd Party Patient Service Centers in India, Africa and Middle East to boost our geographic reach

Geographies

- ▶ Gujarat
- ▶ Rajasthan
- ▶ Uttarakhand
- ▶ Bihar
- ▶ Jharkhand
- ▶ West Bengal
- ▶ Telangana
- ▶ Karnataka
- ▶ Goa
- ▶ Madhya Pradesh
- ▶ Maharashtra
- ▶ Punjab
- ▶ Delhi
- ▶ Uttar Pradesh
- ▶ Assam
- ▶ Chhattisgarh
- ▶ Andhra Pradesh
- ▶ Kerala
- ▶ Tamil Nadu
- ▶ Jammu and Kashmir



Widespread Network and Facilities

20 Indian States & **~200** Cities Presence

4,500+ Highly Skilled and Motivated Member Base

2,555 Service Network

47 Express Laboratories; 5 outside India

64 Satellite Laboratories; 1 outside India

67% Of the Existing Individual Patients Touchpoints Added during the Period 2017-21

How we maintain quality?

- ✔ Strict quality protocols following global standards
- ✔ Best medical talent trained in the 'Metropolis' way
- ✔ Excellent quality of USFDA or CE marked materials used
- ✔ Credible patient experience score of 91% as per NPS
- ✔ Ethical philosophy of putting patient first

4,000+

Test Profiles



INTELLECTUAL CAPITAL

HARNESSING OPPORTUNITIES

Breaking the chain by expanding our network and services

We understand, in our business, how essential it is to constantly enhance our knowledge and skills. We are always looking for opportunities to upgrade towards advanced tests and technologies to improve our service network in turn. This helps us strengthen our intellectual capital. Our persistent focus on in-house R&D and innovation provides us a greater competitive advantage in the global arena. This approach helps us harness prospective opportunities using the digital strategy as we drive growth into the future.

Our team of proficient scientists and doctors are always in pursuit of knowledge and latest key developments in pathology across the world. Our R&D team customises each test before introducing it to the test menu. Thus, helping us stay ahead of the curve while consistently upgrading.

Digital Transformation to Improve Efficiency

MOBILE APPLICATIONS LAUNCHED

- ▶ Customised Check-ups
- ▶ Expert TruHealth Risk Assessment
- ▶ TruHRA
- ▶ Booking Appointments
- ▶ See, Share & Store Reports
- ▶ Fitness Tracker Inner Health Tracking Parameters
- ▶ Medication Tracker Doctor's, Hospital's & Metropolis Nearby

DIGITAL TRANSFORMATIONS

We have extensively invested in information technology to integrate and automate processes ranging from registration, bar-coding, and billing of specimens to analysis and reporting of test results. This helps us:

- ▶ Achieve standardisation across our operations
- ▶ Reduce incidence of errors due to human intervention
- ▶ Monitor technical operations through enhanced IT systems
- ▶ Track our key performance metrics closely
- ▶ Provide convenience to our patients and customers, by allowing them to book appointments, complete registration, and access test reports online

IT SYSTEMS

- ▶ IBM Watson Campaign Automation allows us to improve leads generation, tracking, and conversion. The data analytics model on customer data will improve cross-sell and upsell
- ▶ Payment platform to improve control in cash management process
- ▶ Zero Data Loss helps in 100% data replication in remote location
- ▶ Sample tracking process to improve visibility of customers and turn around time (TAT) of reports
- ▶ Automated HR processes through HRMS for better tracking and possible productivity
- ▶ Learning Management System to train and develop employees
- ▶ Automated Quality System to track quality standards across the group
- ▶ Mobility applications for consumer's ease of access
- ▶ Service CRM implementation to help improve NPS
- ▶ Feedback management for instant feedback and rating

Globally compliant quality standards

Our quality assurance system enables a process-oriented approach to ensure quality testing through use of standard operating procedures, management of documents and records, implementation of quality control, external quality assessment (including proficiency testing) and robust internal audits. Our quality assurance system covers the entire value chain of our laboratory operations. Besides core laboratory operations and front-end services, our quality assurance system extends to physical infrastructure, procedures for purchase and inventory management, equipment maintenance, customer service, human resource management and process improvement.

- ✔ Mumbai Lab is CAP accredited since 2005 *(College of American Pathologists, global gold standard in laboratory accreditations).
- ✔ NABL Accreditation follows ISO-15189 Standard and is recognised by ILAC & APLAC GRL and 11 RRLs have NABL accreditation.
- ✔ More than 75% reports are generated by accredited labs. Many of our doctors are assessors, lead assessors for NABL.
- ✔ Some senior doctors are committee members of NABL, WHO, Government & NGO committees.



HUMAN CAPITAL

BUILDING CAPABILITIES

Breaking the chain by empowering people

Our business demands us to evolve and upgrade constantly, and we have undergone tremendous transformation in our services, processes, and customer practices over time. Last year we experienced an extremely fast-paced up-gradation. We saw an increased number of home visits that required specialised skill sets. To promptly respond to these changes and prepare our people for the same, we focussed on honing their capabilities. The idea was to fortify the backbone of our business and be ready to leap into our growth story. We are continuously aligning our human resource practices with the growing business expectations of a smart workplace and smarter organisation.

Wellbeing and Development

Employee wellbeing is fundamentally vital at Metropolis. We continuously invest in various programmes aimed at improving and strengthening employee engagement across our areas of operations. During FY21, we conducted several training and development programs aimed to empower the employee skill sets. We aim to create a competent workforce to improve customer satisfaction while contributing to overall profitability.

58

No. of training modules for employees

5,510

No. of trainings conducted

31,214

Total man hours of training

Diversity

At Metropolis, our continuous endeavour is to build an inclusive culture. As a Company with a global presence, we strive to encompass people from diverse backgrounds. We consciously monitor our commitments towards diversity inclusion with policies framed to promote equality for all. We aim to have a gender-balanced proportion of the workforce and promote diversity in a true sense.

Skilful and Diverse Workforce

4,500+

Highly Skilled and Motivated Member Base

41:59

Female: Male Ratio

60% +

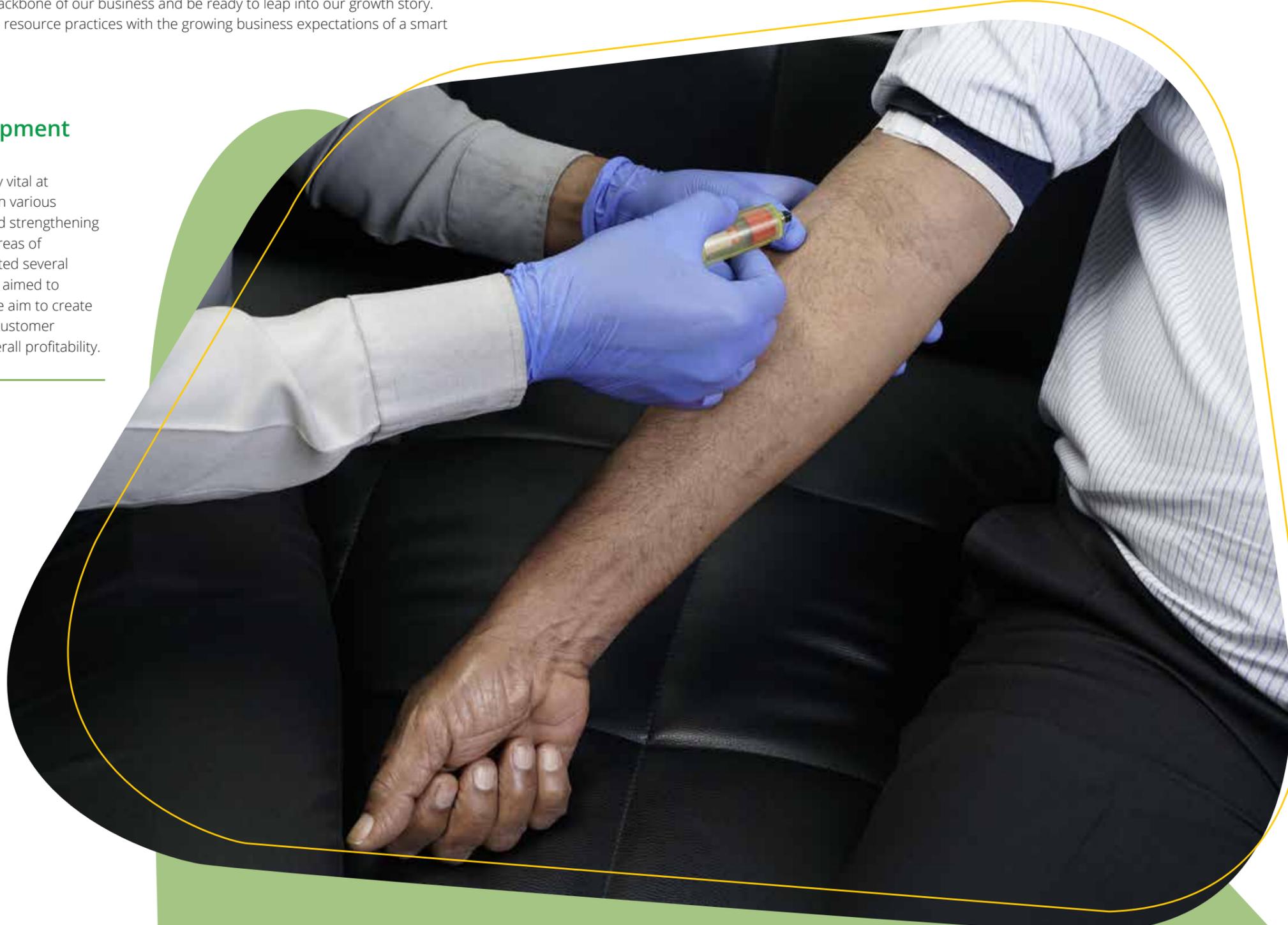
Part of the Workforce is Millennial, Young

216

Doctors

2,600+

Scientific and Technical Team



SOCIAL AND RELATIONSHIP CAPITAL

WORKING FOR THE BETTERMENT OF SOCIETY

Breaking the chain by nurturing communities

As a Company, social capital is of paramount importance for our efficiency and coherent existence. Our promise to serve the nation's cause, states, the local communities, and the surrounding ecosystem drives us as a responsible organisation. In our endeavours to conduct our business mindfully, we consciously take charge of our social accountability and respect the law where we operate and regard human dignity with utmost sincerity.

Our approach to Corporate Social Responsibility is based on a simple principle that awareness leads to empowerment. In its numerous compositions, awareness equips and inspires us to make better decisions. As we provide the highest quality of pathology services to our customers with a sense of integrity and empathy, we also actively seek opportunities to contribute to the wellbeing of the communities we operate within.

For the past 3 decades, Metropolis has been at the forefront conducting impactful camps and driving numerous workshops for different sections of the society. We partner with societies, corporate groups, educational institutions, government bodies, NGOs, wellness foundations and a host of other organisations to make a difference in the lives we touch.

We have identified four different areas to contribute and truly make a difference through our well-designed programs.

Too Shy To Ask

Our app for adolescent and reproductive sexual health education titled 'TOOSHYTOASK' reached over 80,000+ installs. Our regular education column in Mumbai's daily, MidDay, reached over 1,50,000+ every week. In addition, our experts answered over 20,000 queries between the period April 2020 to March 2021.

Methealth

We reached out to over 25000+ women through 'METHEALTH' - our initiative for health awareness and education - and facilitated online doctor consultations during lockdown. We also conducted 25+ live Instagram sessions for PCOS in collaboration with the PCOS Society of India. We helped build online tools for PCOS management to assist women with PCOS amidst the pandemic.

MedEngage

We awarded 90+ scholarships worth ₹50 Lakhs to medical students in FY21 under our flagship initiative 'MEDENGAGE'. Over 1200 students applied for Medengage benefits from 200+ institutes across the country.

Empoweress

Our initiative to empower women business owners 'Empoweress' included fortnightly focus group chats between entrepreneurs. We facilitated 15+ live leadership talks to help women business owners tide over the challenges posed by the pandemic.



COVID-19 Response

Nutrition Box Project

We delivered Nutrition Boxes to doctors and healthcare workers posted in COVID Care Centers, Municipal Corporations and COVID Hospitals with the help of WE Foundation.

COVID Testing Projects

Project Ummeed

We completed 1.25 Lakhs RT-PCR Tests in 22 municipal corporations across Maharashtra in association with Citibank & CIPLA Foundation and the United Way of Mumbai. Additionally, we collaborated with the DBS Bank and ICICI Prudential for the COVID-19 testing of underprivileged citizens and frontline workers. This included bus drivers, sanitation workers and police officers. Millions of tests across 15+ COVID-approved labs were conducted. We also tied up with HUL and MSL driveline for Vaccination.

NATURAL CAPITAL

BUILDING A SUSTAINABLE WORLD

Breaking the chain by being aware and responsible

The need for mitigating climate change has never been greater than now. As an aware organisation, we have aligned ourselves with the UN Sustainability Development Goals to make our operations more sustainable. Our actions contribute to a better world, protecting natural capital. These initiatives also help make our services more resource-efficient and resilient.

We accord the highest priority to energy conservation and are committed to energy conservation measures, including regular review of energy consumption and effective control on utilisation of energy. Our facilities are designed with the objective of minimum energy loss in mind. We have actively undertaken all the required steps to save energy in our workplaces by educating and training the employees for the same.

We have inverter ACs installed in areas where we operate for extended hours. We also have energy-saving LED lights installed at various laboratories and collection centres. Every year, we conduct an energy audit at the Central Laboratory of our Company. This audit is carried out by an independent and professional agency. We use Pollution Control Board-authorized agency for collecting biomedical waste from our labs. We also follow the guidelines issued by the local municipal governing bodies of different cities and states. We maintain power factor (PF) up to .97 (unity). SWP installed at our biggest lab (The Global Reference Lab in Mumbai) and use treated water to flush the toilet and for gardening. Changed from conventional lights to LED as a part of our energy-saving exercise at all our corporate offices and laboratories.



SETTING HIGHER BENCHMARKS

Breaking the chain by leading with experience



Dr. Sushil Kanubhai Shah

Designation: Chairman & Executive Director

Qualification: Bachelor's degree in Medicine and Surgery and Ph.D Medicine in Pathology and Bacteriology from the University of Bombay

Experience: More than three decades of experience in pathology

Sushil Kanubhai Shah was one of the partners of Metropolis Healthcare Services and Metropolis Lab. He was awarded the Maharashtra Gaurav Award by the Government of India and the Lifetime Achievement Award at the Six Sigma Healthcare Excellence Awards. He was also awarded the Rajiv Gandhi Excellence Award by the Indian Solidarity Council and the Rashtriya Chikitsak Ratna Award by the National Education & Human Development Organisation. He has been a Director on our Board since 2005.



Mr. Vivek Gambhir

Designation: Non-Executive Independent Director

Qualification: Bachelor's degree in both Science and Arts from the Lafayette College, Pennsylvania. He also holds a Master's degree in Business Administration from Harvard University.

Experience: More than ten years of experience in operations and strategy

Prior to joining the Company, he has worked with Bain & Company India Private Limited and Godrej Industries Limited & associate Companies. He was a founding member of Bain's consulting operations in India and led the firm's FMCG. He has been a Director on our Board since 2018.



Ms. Ameera Sushil Shah

Designation: Managing Director

Qualification: Bachelor's degree in Business Administration from the University of Texas, Austin, completed the Owner-President Management Programme from Harvard Business School, Harvard University.

Experience: More than two decades of experience in pathology business

Ameera Sushil Shah was one of the partners of Metropolis Healthcare Services and Metropolis Lab. She was featured by the Forbes Asia as one among the Asia's Women to Watch in 2015 and was also recognised by the Fortune India as one of the Most Powerful Women in 2017, 2018 and 2019 and by Business Today in 2018 and 2019. She was also awarded the Women in Leadership Award by Bloomberg and UTV and was recognized as one of the Inspiring Business Leaders of India and 40 under forty-India's Respected Business Leaders by the Economic Times. Additionally, she was also awarded the Corporate Championship Award by the US India Business Council. She has been a Director on our Board since 2008.



Mr. Sanjay Bhatnagar

Designation: Non-Executive Independent Director

Qualification: Master's degree in Engineering from Stanford University. He also holds Master's degree in business administration from Harvard University.

Experience: More than 16 years of experience in project development, marketing, and operations management

Sanjay Bhatnagar has served as the Chairman of the American Chamber of Commerce in India and as a Board member of the US India Strategic Partnership Forum . Prior to joining the Company, he has worked with Enron India Private Limited, WaterHealth International Inc. and the THOT Capital Group LLC. . He has been a Director on our Board since 2018.



Mr. Milind Sarwate

Designation: Non-Executive Independent Director

Qualification: Bachelor's degree in Commerce from the University of Bombay, He is also a qualified Chartered Accountant, Company Secretary and Cost and Works Accountant.

Experience: More than three decades of experience in consumer products and services
Milind Shripad Sarwate is an associate of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Costs and Works Accountants of India. Prior to joining the Company, he has worked with Godrej Soaps Limited and Marico Limited. He was also a participant at the Fulbright - CII fellowship for leadership in the management programme at the Carnegie Mellon Graduate School of Industrial Administration, U.S.A. He was a recipient of the Best Performing CFO award by CNBC TV18 and was also inducted into the CFO India Hall of Fame by the CFO India magazine. He was also awarded the ICAI Award 2011 in CFO – FMCG Sector category. He is also a designated partner of Increate Value Advisors LLP. He has been a Director on our Board since 2018



Ms. Anita Ramachandran

Designation: Additional Non-Executive Independent Director

Qualification: MBA (Finance) from the Jamnalal Bajaj Institute

Experience: More than 35 years of experience as a management consultant
Anita Ramachandran began her career in the Management Consultancy division of AF Ferguson & Co (the KPMG network company in India then) in Mumbai in 1976 as the first woman consultant in the firm and worked in a wide range of areas from finance, industrial market research, strategy, and human resources consulting. She founded M/s. Cerebrus Consultants in the year 1995 to focus on HR advisory services, which has now established itself as a specialist firm in the HR field. She has been involved with companies such as the ICICI group, Bajaj Auto, Bharat Forge, Vodafone. Her wide general management consulting experience and insights on HR has enabled her to be a strategic advisor to many family groups. She supports many organizations in the social sector through pro bono professional work and remains deeply committed to working with women.



Mr. Hemant Sachdev

Designation: Additional Non-Executive Director

Qualification: BA (Political Science) from Delhi. An alumni of Harvard Business School

Experience: More than 20 years of experience

Mr. Hemant Sachdev is a BA in Political Science from Delhi and an alumni of Harvard Business School. He is a first generation entrepreneur and has over 2 decades of experience. He has his business interests in Retail, Distribution and Education.

LEADERSHIP TEAM

Dr. Sushil Kanubhai Shah

Chairman and Executive Director

Ms. Ameera Sushil Shah

Managing Director



Mr. Vijender Singh

Chief Executive Officer



Nilesh Jadavji Shah

Group President & Head of Science & Innovation



Mr. Rakesh Agarwal

Chief Financial Officer



Ms. Ishita Medhekar

Chief Human Resource Officer



Mr. Kannan A

Chief of Service Operations

RAISING THE BAR

Breaking the chain by repeating excellence

MARCH
2021

Ms. Ameera Shah awarded as the **EY Entrepreneur of the Year in Life Science and Healthcare**

MARCH
2021

Mr. Rakesh Agarwal awarded at the 11th Annual CFO Awards for his **Exceptional Contribution to the World of Finance**

FEBRUARY
2021

Metropolis Healthcare won the **Leading Diagnostic Chain of the Year Award** at the Elets Diagnostics Leadership Summit, 2021

JANUARY
2021

Metropolis Healthcare won the **GOLD Award in two categories (COVID Diagnostic Brand Category and Health Awareness Campaign)** at India Health and Wellness Award 2020

DECEMBER
2020

Metropolis Healthcare won the **Outstanding Logistics Unit during Pandemic Award** in the Healthcare Category, organised by Supply Chain And Logistics Excellence (SCALE) Awards

NOVEMBER
2020

Ms. Ameera Shah, MD, Metropolis, listed as the **Most Powerful Woman** in India for the 4th consecutive year by Fortune India

OCTOBER
2020

Metropolis Healthcare Limited won the 2020 Indian **Diagnostic Services Industry Company of the Year Award** organised by Frost & Sullivan

SEPTEMBER
2020

Ms. Ameera Shah listed in **Asia's Power Businesswomen 2020** by Forbes Asia

AUGUST
2020

Metropolis Healthcare Limited awarded for **Health Impact Awareness Campaign** at the 4th CSR Impact Awards for TooShyToAsk

MAY
2020

Metropolis Healthcare Limited won the **Excellence in Corporate Social Responsibility** Award at the 8th India CSR Award for TooShyToAsk

CORPORATE INFORMATION

DETAILS OF BOARD OF DIRECTORS

Dr. Sushil Kanubhai Shah
Chairman & Executive Director

Ms. Ameera Sushil Shah
Managing Director

Mr. Milind Sarwate
Non-Executive Independent Director

Mr. Vivek Gambhir
Non-Executive Independent Director

Mr. Milind Sarwate
Non-Executive Independent Director

Mr. Sanjay Bhatnagar
Non-Executive Independent Director

Ms. Anita Ramachandran
Non-Executive Independent Director

Mr. Hemant Sachdev
Additional Non-Executive Non-Independent Director Appointed w.e.f. May 27, 2021

DETAILS OF COMMITTEES

Audit Committee:

Mr. Milind Sarwate – *Chairman*

Mr. Vivek Gambhir – *Member*

Mr. Sanjay Bhatnagar – *Member*

NOMINATION AND REMUNERATION COMMITTEE

Ms. Anita Ramachandran – *Chairperson*

Mr. Vivek Gambhir – *Member*

Mr. Sanjay Bhatnagar – *Member*

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Vivek Gambhir – *Chairman*

Dr. Sushil Kanubhai Shah – *Member*

Ms. Ameera Sushil Shah – *Member*

RISK MANAGEMENT COMMITTEE

Dr. Sushil Kanubhai Shah - *Chairman**

*Ceased to be a member w.e.f. May 27, 2021

Ms. Ameera Sushil Shah – *Chairperson*

Mr. Milind Sarwate – *Member*

Mr. Vijender Singh – *Member*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Anita Ramachandran – *Chairperson*

Ms. Ameera Sushil Shah – *Member*

Mr. Milind Sarwate – *Member*

KEY MANAGERIAL PERSONNEL

Dr. Sushil Kanubhai Shah – *Chairman and Executive Director*

Ms. Ameera Sushil Shah – *Managing Director*

Mr. Vijender Singh – *Chief Executive Officer*

Mr. Rakesh Agarwal – *Chief Financial Officer*

Ms. Poonam Tanwani – *Company Secretary and Compliance Officer*

AUDITORS

Statutory Auditors

BSR & Co. LLP, Chartered Accountants

Internal Auditors

Suresh Surana & Associates LLP, Chartered Accountants

Secretarial Auditors

M/s. Manish Ghia & Associates, Company Secretaries

Cost Auditors

M/s. Joshi Apte & Associates, Cost Accountants

REGISTERED OFFICE ADDRESS

Metropolis Healthcare Limited

CIN : L73100MH2000PLC192798; 250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400030, Maharashtra, India

Tel. No. : +91-22-6258-2810

Email address : secretarial@metropolisindia.com

Website : www.metropolisindia.com

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd C-101, 1st Floor, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083

Tel. No.: 91 22 4918 6200, Fax No.: 91 22 4918 6195

Website: www.linkintime.co.in

BANKERS

HDFC Bank Limited

ICICI Bank Limited

YES Bank Limited

AXIS Bank Limited

Standard Chartered Bank, India

Citi Bank, N.A.

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The global economic graph saw some of the worst plunges in 2020-21. However, the proactiveness shown by most of the Governments through stimulus and aggressive vaccination drives allowed most nations to tide over the worst and witness rekindled growth going forward.

Prior to COVID-19 unsettling the world, the global economy was already facing turbulent times. Growing instability in economic trends, highly volatile oil prices and geographical tensions between US and China, UK and other European nations were some of the factors that arrested the growth. The sudden outbreak of the COVID-19 pandemic only added misery to the already existing woes.

While the economy was anticipated to revive after a drop in 2019, the worldwide lockdowns, travel bans, trade restrictions, logistics and supply chain disruptions, caused a contraction of 3.3% in 2020. The COVID-19-induced pandemic forced the world economy to witness a major shake up and exposed various flaws in business operations. This led to a global recession, the magnitude of which was surpassed only by the two World Wars. Causing severe loss of life and jobs, the pandemic pushed millions into extreme poverty.

Indian Economy

India has vast economic landscape and socio-economic livelihood. It has been most resilient in the past to external hazards of environment. However, the unexpected COVID-19 outbreak brought in ambiguity. It directly impacted the Gross Domestic Product (GDP) of the nation. Sustaining one of the worst economic contractions in 2020, India's economy is, however, showing decisive signs of a 'V-shaped' recovery in 2021. India is now better prepared for a healthy recovery with positive sentiments across the nation. With rapid changes in Government policies to revive the economy, stimulus packages, vaccination drives and eased lockdowns, the nation is slowly recuperating. This has brought back consumer confidence, robust financial markets, an uptick in manufacturing and exports.

After a tough year, the Index of Industrial Production (IIP) witnessed a growth of 22.4% in March 2021. On the other hand, the retail inflation rate measured by the Consumer Price Index (CPI), eased to 4.29% in April 2021, which was recorded at 5.52% in March 2021. The GDP growth witnessed a positive momentum in the last quarter of 2020-21. The Goods and Services Tax (GST) collection for March 2021 touched an all-time high of ₹ 1.23 lakh crores. Exports witnessed a growth of 56.93% to ₹ 2,50,756.40 crores, as compared to ₹ 1,59,784.62 crores in March last year, according to the data compiled by the Department of Commerce.

The Government in Union Budget 2021-22 promoted Atmanirbhar Bharat (self-reliant India) with duty hikes to support its 'Make in India' campaign while also encouraging overseas investments. Additionally, a slew of announcements

across sectors, such as healthcare and core infrastructure, is further expected to boost the growth prospects.

INDUSTRY OVERVIEW

Indian Healthcare

The Indian healthcare sector was adversely impacted in financial year 2020-21 with the sudden outbreak of the pandemic. An uncertainty engulfed the sector, adding distress to the already existing economic slump. The virus outbreak resulted in a 70-80% drop in footfall, test volumes. Despite the initial blow, the healthcare system in India managed to withstand the pandemic. The robustness of the Indian healthcare system helped it to quickly innovate and adapt to the rapid transformation. With steep fall in hospital footfalls, the healthcare sector shifted to virtual care, remote medicine, tele consultations and remote monitoring.

India's healthcare industry has been recording a Compound Annual Growth Rate (CAGR) of around 22% since 2016, as per Niti Ayog. At this rate, it is expected to reach USD 372 Billion in 2022. Healthcare has become one of the largest sectors of the Indian economy in terms of revenue and employment. In 2017, the Indian healthcare sector was the fourth largest employer in the Indian economy. Moreover, the sector is witnessing a growing emphasis on the emergence of Public-Private Partnership (PPP) model. A relative cost competitiveness and availability of skilled labour are making it an increasingly favoured destination for Medical Value Travel.

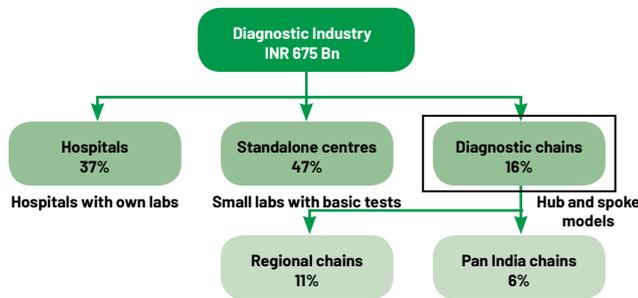
Indian Diagnostics Industry

The Indian diagnostics industry has emerged as an attractive arena in India's growing healthcare sector. It is one of the fastest growing services in the country. The domestic diagnostics industry is estimated at USD 9 Billion (around ₹ 675 Billion). It is expected to register a CAGR of ~10% over the next 5 years. Growth will be primarily driven by change in demographics, increase in lifestyle diseases, and higher income levels across all strata of society, rise in preventive testing, deeper penetration with asset-light expansion, and spread of healthcare services and insurance. The diagnostics segment is a critical component of the healthcare sector. Globally, ~80% of physician diagnoses are a result of laboratory tests.

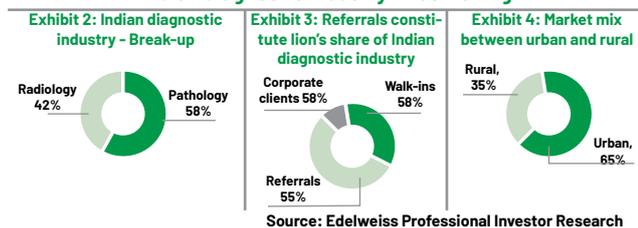
The industry is broadly segregated into pathology testing and imaging diagnostic services. Pathology testing (in-vitro diagnosis) includes sample collection in the form of blood, urine and stool. This is followed by the sample's analysis using laboratory equipment and technology to derive useful clinical information for assisting in patient treatment. The imaging diagnostic segment consists of more complex tests such as computed tomography (CT) scans and magnetic resonance imaging (MRI). It also includes other highly specialised tests such as positron emission tomography (PET)-CT scans. As per estimates, the pathology segment contributes ~58% of the total market revenue.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Exhibit 1: Indian diagnostic industry - market structure



Indian diagnostic industry - Positioning



(Source: <https://www.financialexpress.com/budget/budget-2021-indian-medical-device-manufacturers-keep-their-hopes-high-for-a-level-play-to-contribute-for-affordable-accessible-healthcare/2180561/>)

COVID-19 Impact

Covid-19 made a massive dent in the diagnostics sector with a steep fall in patient volumes since the beginning of 2020. The pandemic developed an eerie sense of fear among people, which eventually impacted hospital/clinic and lab visits. Regular checkups became cumbersome, stressful and time consuming. While the overall diagnostics sector seemed to have suffered a decline, the area of home diagnostics was the silver lining in the new scheme of things.

As the pandemic spread, regional Governments created high awareness among people on the infections, diagnosis, and effective management of the virus. This ultimately accelerated the diagnostic product approvals and testing processes across the nation. Private laboratories increased their focus on home collection services and witnessed a significant growth in home collection for routine samples across all regions. Anywhere, anytime services (home collection services) to offer free round-the-clock lab services at the doorstep, including ECG, were started by certain laboratories. Mobile testing vans and drive-through sites for conducting routine pathological tests and COVID-19 tests also led to a huge surge in demand for testing.

The diagnostic industry on the other hand saw a sharp uptick in growth, benefiting from increased demand for COVID-19 testing. However, towards the end of 2020, the non-COVID services achieved normalcy gradually and the COVID-19 testing started declining with the fall in case load. But with the second wave of COVID-19, more workloads were witnessed, more COVID-19

testing facilities were being created all over India to meet the demand that may arise due to the prolonged pandemic. With non-COVID tests coming back on track, laboratories anticipate a need for more capacity and facilities.

Outlook

A change in mindset, rising awareness, increased income levels, access to insurance and lifestyle related diseases are unitedly giving momentum to rise of healthcare sector in India. The Indian Government aims at increasing the spending to 3% of the GDP by 2022, which stands at ~1.2% of the GDP. The Government has issued new guidelines to make telemedicine a legal practice. To strengthen National Health Mission, the Government has announced an outlay of ₹ 64,180 crores for detection and for cure of new and emerging diseases, the Ministry of AYUSH was allocated ₹ 2,970 crores up from ₹ 2,122 crores.

The Government has also launched the National Digital Health Mission (NDHM) to address the country's health crisis. The major components of this mission encompass telemedicine, health IDs, health records, along with e-pharmacy and digi-doctor services. All these measures and efforts are seen to usher in an era of digital and technological innovations in the Indian healthcare system.

Post COVID-19, testing for well-being is likely to increase as people will be making a conscious effort to stay fit. However, testing for sick care would still dominate the market. It is expected that preventive care well-being testing segment will propel at a CAGR of approximately 20% over the next three financial years.

MAJOR GROWTH DRIVERS

Aging population

The share of older people in the overall Indian population is rising. In many cases, an increase in age means an increase in the number and complexity of illnesses. Thereby, resulting in more demand for diagnostic services and preventive care.

Rising income level

The rise in per capita income has increased the disposable income of people. This leads to high customer expenditure and changes in consumption patterns. This has opened up doors for healthy living and preventive care, which in turn is an opportunity for the diagnostics sector.

Corporate screening

The corporate sector is promoting employees to undergo preventive and wellness tests. This is done majorly to support the well-being of their employees and potentially to reduce absenteeism and health risk level. With employer covering the cost of employees' health screening in the packages, the diagnostic industry is surely going to witness a new source of income from this segment.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Convenience

The convenience provided to customers through online booking, home collection of samples, and online reporting are the driving factors behind diagnostic services. The success of this model lies in the simple fact that it reduces the common man's burden of travelling for any kind of diagnostic service. This convenience has helped in tapping significant opportunities for entities with a strong network and high-tech lab. Thus, increasing the revenue turnaround time by reporting a quick result.

Public-private partnership (PPPs)

There is a lack of manpower, inadequate resources such as diagnostics, pathology and stock-outs in the public healthcare institutions operating in rural areas. To bridge this gap, private players come into play. They help deliver efficient services in the Government-run hospitals through PPP model. Thus, using private players to the advantage can help penetrate this untapped market.

Government policy impact

The Government is making efforts with a proposal to ensure minimum standards in the country's diagnostics and wellness services to regulate the industry. These rules and regulations will help guarantee the delivery of quality diagnostics and wellness services across the country. This will act as a pillar of growth for all the transparent and ethical players of the industry.

THREATS

Problem of ownership

It is often found that doctors and professionals working at hospitals and small labs lack entrepreneurial skills. They lack business knowledge and can thus pose a threat to the diagnostic services companies affiliated with them.

Policy deficiencies

India has definitely improved its standing on the list of ease of doing business. However, the nation is still behind many countries because of its complicated regulatory frameworks and time-consuming administrative work. This can be a potential threat to the overall Indian diagnostic eco-system.

Company Overview

Metropolis Healthcare Ltd is a leading diagnostics company in India with widespread presence in 19 states of the country. It touches millions of lives each year by providing actionable health insights to patients and doctors. Metropolis offers a comprehensive range of 4,000-plus tests and profiles that include advanced tests in diagnosis of cancer, neurological disorders, infectious diseases, and an array of genetic abnormalities. Metropolis's commitment to quality and accuracy in each test is reinforced by its consistent CAP proficiency score of more than 98% over the past decade. This places it among the top 1% laboratories worldwide for quality assurance. Metropolis's philosophy rests on the pillars of technological superiority, a warm patient-centric approach and reliable diagnostic reports.

PERFORMANCE REVIEW

Business performance

	2019-20	2020-21
Revenue per patient	856	1,015
Revenue per test	436	524
Laboratory network	124	125
Service network	2,731	2555

Financial performance (in ₹crores)

	2019-20	2020-21
Revenue from operation	856	998
EBITDA	232	288
Profit after Tax	124	183

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Key ratios of Metropolis

KEY FINANCIAL RATIOS	FY 2019-20	FY 2020-21	Variance
Debtors turnover	3.62	4.53	25.1%
Inventory turnover	33.90	30.7	-9.3%
Interest coverage ratio	NA	NA	NA
Current ratio	2.33	3.0	27.9%
Debt equity ratio	NA	NA	NA
Operating profit margin (%)	27.22%	28.86%	1.64%
Net profit margin (%)	14.95%	18.34%	3.39%

RISK AND CONCERNS

Risks	Impact	Mitigation
Competition	The diagnostics industry in India is highly competitive with several companies present in the market. Therefore, it is challenging to improve market share and profitability. Competitors include diagnostics healthcare service providers in India, hospital based laboratories, independent clinical laboratories, other smaller-scale providers of diagnostics services and international service providers, which may establish and expand their operations in future.	We focus on higher exposure towards specialised test. Thereby helping us to be the frontrunner in the industry. The Company competes on the breadth of test offerings, the geographical reach of its network, ability to accurately process specimens and report data in a timely manner and customer relationships.
Technological advancement	Technological advancement could lead to the development of more cost-effective technologies or non-invasive diagnostic healthcare tests, which are more convenient or less expensive than the tests that offer. The introduction of such technology and its subsequent use by existing and potential patients could lead to a decline in the demand for the Company's services.	Advances in technology may lead to the development of more cost-effective tests that can be performed outside a commercial clinical laboratory. Such tests, however, are restricted in number and also the machines that can conduct such tests come at a cost. Offering a diverse range, the Company's tests are more economical and accurate as opposed to such tests. Also, our detailed analysis helps the patient comprehend its health, which insulates us from such disruptions.
Pricing pressures	Prices that the Company charge for services could become subject to recommended or maximum fees set by the Government or other authorities. For example, the Government introduced 'price list' for COVID-19 test, which were mandatory, this may result in guidance for the prices the Company charge for diagnostic healthcare services.	We are present across the length and breadth of diagnostic industry with presence across nation. Our diverse test offerings help us mitigate any such guidance by Government over such tests. Also, owing to our technological upgradations and unique business model, the impact of such regulations is limited to a smaller impact.
System failure	Information Technology (IT) systems are used extensively in virtually all aspects of our business, including clinical testing, test reporting, billing, customer service, logistics and management of medical data. Our success depends, in part, on the continued and uninterrupted performance of our IT systems. A failure or delay in our IT systems could impede our ability to serve our customers and patients and protect their confidential data. Any disruption or failure of our IT systems could have a material impact on our ability to serve our customers and patients, including negatively affecting our reputation in the marketplace.	Digitisation is one of our focus areas. We have transformed ourselves to ride the wave of digitisation. In this view we have developed and practice an absolute security strategy. Our comprehensive security program assures prevention and detects such events at the early stage of occurrence thereby helping us build response and mitigate it.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Skilled personnel shortages	Our people are a critical resource. The supply of qualified personnel maybe limited and competition for qualified employees is strong. We may lose, or fail to attract and retain, key management personnel, or qualified skilled technical or professional employees. Our ability to attract and retain qualified employees is critical to the success of our business and the failure to do so may materially adversely affect our performance.	It is important that we continue to strengthen our efficiency to promote our competitive position and to enable us to mitigate the impact on our profitability. This goal is fulfilled by a perfect match of skilled personnel. Exploring recruits for the right place is one of the constants at Metropolis. The experienced leadership team underpins our training programmes. This along with work-based remuneration framework has aided us to retain employees and recruit enthusiastic millennials.
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IT AND DIGITAL INFRASTRUCTURE

Our core technology differentiator remains in the manner, which allows us to fully integrate and automate the process ranging from registration, bar-coding, and billing of specimens to analysis and reporting of test results. This has helped us in streamlining and optimising the operations as well as minimising human errors. Our digital app enhances customer experience by allowing them to book appointments, complete registration, and access test reports online. This strong IT and digital infrastructure plays an integral role in helping us stay ahead of the industry benchmark performance and ensure we are the easiest place to do business.

HUMAN RESOURCE MANAGEMENT

Metropolis is made up of more than 4,500 highly skilled, motivated, and solution-driven individuals, who collectively represent our family. Built on the foundation of strong values, we strive to provide a safe, challenging and rewarding environment for our employees. Wherein equal opportunity is provided to everyone, so that each individual regardless of their gender, religion and caste can prosper. During their period at the Company, employees are motivated through various skill-development, engagement, and volunteering programs. As we continue to grow organically, our HR functions are also evolving to provide most effective solutions. For eg., our new HR Management System has automated the processes resulting in improved productivity and ensuring availability of employee data on demand.

INTERNAL CONTROL SYSTEM

The Company has an adequate internal controls system in place. The policies and procedures, covering all financial and operating functions, are also documented. The system controls are designed to provide reasonable assurance for main-

taining proper accounting records. This reinforces reliability of financial reporting, monitoring of operations, protection of assets from unauthorised use or losses and compliance of regulations.

The scope and coverage of audits include:

1. Reviewing and reporting of key process risks
2. Adhering to operating guidelines and statutory compliances
3. Recommending improvements for monitoring and enhancing efficiency of operations
4. Ensuring reliability of financial and operational information. The Audit Committee periodically monitors and reviews the significant internal audit observations. It also reviews compliance with accounting standards, risk management and control systems and profitability.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important

factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 21st Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL PERFORMANCE

The key highlights of the Standalone and Consolidated Audited Financial Statements of your Company for the financial year ended March 31, 2021 and comparison with the previous financial year ended March 31, 2020 are summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	81,610.83	66,530.71	99,798.70	85,640.54
Other income	4,864.76	2,931.79	1,204.52	856.66
Total Revenue	86,475.59	69,462.50	101,003.22	86,497.20
Less: Total expenses	61,870.80	53,010.76	76,570.92	67,119.25
Profit before exceptional items and tax	24,604.79	16,451.74	24,432.30	19,377.95
Exceptional items	-	2,452.66	-	2,452.66
Profit before share of profit for equity accounted investees and tax	24,604.79	13,999.08	24,432.30	16,925.29
Share of loss for equity accounted investees (net of tax)	-	-	-	(51.98)
Profit Before Tax	24,604.79	13,999.08	24,432.30	16,873.31
Less: Tax Expenses	4,849.28	2,793.65	6,097.43	4,118.09
Profit after Tax	19,755.51	11,205.43	18,334.87	12,755.22
Basic Earning per share of face value of ₹ 2/- each	38.81	22.32	35.97	25.36
Diluted Earning per share of face value of ₹ 2/- each	38.61	22.22	35.79	25.25

OPERATIONAL PERFORMANCE & FUTURE OUTLOOK

During the year under review, the Standalone income of the Company increased to ₹ 86,475.59 Lakhs compared to ₹ 69,462.50 Lakhs in the previous year, registering growth of 24.49%. The Standalone profit after tax for the year increased to ₹ 19,755.51 Lakhs as compared to ₹ 11,205.43 Lakhs in the previous year registering growth of 76.30%.

During the year under review, the Consolidated income of the Group increased to ₹ 101,003.22 Lakhs compared to ₹ 86,497.20 Lakhs in the previous year, registering growth of 16.77%. The Consolidated profit after tax for the group increased to ₹ 18,334.87 Lakhs as compared to ₹ 12,755.22 Lakhs in the previous year registering growth of 43.74%.

The operating and financial performance of your Company has been covered in the Management Discussion and Analysis Report which forms a part of the Annual Report.

COVID-19

During the Financial Year 2020-2021, the COVID-19 pandemic developed rapidly into a global crisis, forcing Governments to enforce lock-downs of all economic activities. The COVID-19 pandemic impacted India in its peak during the month of April to September after which the conditions started to improve as there was decline in the cases of COVID-19. Though again the second wave was in force in the mid of March 2021.

The Company had arranged work from home for its employees during the pandemic to ensure the health and well-being of the employees. While most of the economic activities were at halt during the lockdown period, the healthcare sector continued operations under the Essential Services Maintenance Act, 1968.

The Company being in the industry of healthcare services was declared as one of the essential services during the

BOARD'S REPORT (Contd.)

pandemic. Your Company operated by continuing the services of pathology labs for its customers across channels. The Government authorised the Metropolis Labs as one of the authorised pathology labs for carrying out the COVID-19 tests during the pandemic. With the best TAT, continuous medical engagement with doctors and government authorities, strong branding and customer equity that we enjoy, we were successful in churning out COVID-19 tests. Initially the testing lab was set up at our Global Reference Lab in Mumbai however as volumes increased we set up Covid-19 facility at Thane and subsequently at Chennai, Bengaluru, Pune and Delhi.

The Company ensured the safety of employees, who were required to step out for home collection of samples and they have been mandated to take all safety precautions. We have curtailed the number of employees working at all the Offices and currently majority of employees continue to work from home.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of your Company for the Financial Year 2020-2021 are prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investment in Associates and Ind AS 31 - Interests in Joint Ventures, and SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015. The Audited Consolidated Financial Statements form part of the Annual Report.

DIVIDEND

During the year under review, the Board of Directors at its meeting held on February 10, 2021 declared an interim dividend of ₹ 8 per equity share (face value of ₹ 2/- each) on 5,11,16,813 fully-paid up equity shares aggregating to total outflow of ₹ 40,89,34,504/-.

The Interim Dividend was paid to those shareholders whose names appeared in the Register of Members as on the record date i.e., February 19, 2021.

In order to conserve the resources for business requirement, your Board of Directors do not recommend final dividend for FY 2020-2021.

The Dividend Payout is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the website of the Company and can be accessed through the following web link:

<https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL-Dividend-Distribution-Policy.pdf>

RESERVES

Your Directors do not propose to transfer any amount to General Reserves for the financial year 2020-2021.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

ACQUISITIONS

During the year under review, the Board of Directors of your Company have approved the following:

1. Acquisition of balance stake in two of its existing Subsidiary Companies i.e. in Metropolis HistoXpert Digital Services Private Limited ('HistoXpert') and Raj Metropolis Healthcare Private Limited ('Raj Metropolis').

The Company has acquired the balance stake of 49% in Raj Metropolis and with effect from November 5, 2020, Raj Metropolis became a wholly-owned subsidiary of the Company.

The Company had approved to acquire the balance stake of 35% in HistoXpert in August 2020. However, due to the impact of COVID-19 pandemic and resultant lockdown in Netherlands, the head quarter of Koninklijke Philips N. V. ('Philips'), the JV partner of Metropolis HistoXpert Digital Services Private Limited ('HistoXpert'), the Company could not complete the said acquisition till March 31, 2021 and is currently in the process of acquiring the balance stake.

2. Acquisition of 100% stake in Dr. Ganesan's Hitech Diagnostics Centre Private Limited ('Hitech')

The Board of Directors of your Company at their meeting held on January 17, 2021 approved the acquisition of 100% stake in Hitech for a consideration to be discharged partly by way of Cash Consideration and partly by way of issuance of up to 495,000 equity shares of the Company on a Preferential basis to the existing shareholders of Hitech.

Further, the shareholders of the Company accorded their consent to the above by passing a Special Resolution through Postal Ballot on February 18, 2021.

The Company had also obtained the In-principle approval from the Stock Exchanges but due to the bad health of the sellers and the resultant lockdown in Chennai (the residence of the shareholders of Hitech) the Company could not complete the aforementioned acquisition as on the date of approval of this report.

However, the Company is in continuous talks with the Hitech shareholders to ensure closure of the the above acquisition.

BOARD'S REPORT (Contd.)

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of the business or any activity of business of the Company during the year under review.

CHANGES IN CAPITAL STRUCTURE

During the year under review, the paid up equity share capital of the Company has increased to Rs. 10,22,33,626/- (Rupees Ten Crores Twenty Two Lakhs Thirty Three Thousand Six Hundred and Twenty Six Only) consisting of 5,11,16,813 equity shares of Rs. 2 each as on March 31, 2021. The said increase in the paid up equity share capital is pursuant to the allotment of equity shares under the Metropolis Employee Stock Options Scheme -2015 (MESOS 2015), to the eligible employees of the Company / Subsidiaries.

The details of allotment made under MESOS during the year under review is as follows:

Date of Allotment	No. of Equity Shares allotted under MESOS 2015
May 13, 2020	51,096
August 11, 2020	2,47,264
November 11, 2020	1,77,887
February 10, 2021	10,000

During the year under review, the Company has not issued any shares with differential voting rights, has not bought back any shares, it has neither issued sweat equity shares and does not have any scheme to fund its employees to purchase the equity shares of the Company.

DEPOSITS

Your Company has not accepted/invited deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

During the year, the Company has not taken any loan from the promoter directors.

MATERIAL SUBSIDIARY

The Company has formulated a Policy for determining Material Subsidiaries. The Company does not have any Material Subsidiary as per the parameters laid down under the Policy. The Policy is available on the website of the Company and can be accessed through the following weblink:

<https://metropolisindia.com/newdata/Investors/code-of-conduct/9+MHL+Policy+for+determination+of+Material+Subsidiary.pdf>

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Subsidiary Companies of your Company continued to perform in their respective areas as per the plans and thus contributed robustly to the overall growth of the Company in terms of revenue and profits of the Company and overall performance of the Group.

As on March 31, 2021, the Company had 11 domestic subsidiaries and 7 overseas subsidiaries (including five step-down overseas subsidiaries), 1 Foreign branch (which is considered as foreign Company in the respective country) and 1 overseas Associate Company.

Pursuant to Section 129(3) of the Companies Act, 2013 a Statement containing the salient features of the Financial Statements of the Company's Subsidiaries, Joint Ventures, Associate Companies in the specified format i.e. Form AOC - 1 is annexed as "Annexure 1" to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2021, the Board of Directors of your Company comprises of 6 (Six) Directors, of which 4 (Four) are Non-Executive Directors & 2 (Two) are Executive Directors. The constitution of the Board of the Company is in accordance with Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, the Board of Directors of the Company considering the vast knowledge, integrity and varied experience and proficiency, on May 14, 2020 appointed Ms. Anita Ramachandran (DIN: 00118188) as an Additional Non-Executive Independent Director of the Company for a period of five years w.e.f. May 14, 2020. The said appointment was also approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 16, 2020.

During the year, the Board of Directors at their meeting held on May 29, 2020 re-appointed Dr. Sushil Kanubhai Shah (DIN: 00179918) as a Whole-time Director (designated as Chairman and Executive Director) of the Company for a period of five years w.e.f. September 4, 2020. The said re-appointment was also approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 16, 2020.

Further, the Board of Directors at their meeting held on February 10, 2021 re-appointed Ms. Ameera Sushil Shah (DIN: 00208095) as a Managing Director of the Company for a period of five years with effect from March 18, 2021 subject to the approval of the members of the Company at the ensuing Annual General Meeting. Accordingly, the matter for re-

BOARD'S REPORT (Contd.)

appointment of Ms. Ameera Shah as a Managing Director for a period of five years has been placed before the shareholders for their approval and forms a part of the Notice of the Annual General Meeting.

Further, pursuant to the recommendation of the Nomination and Remuneration, the Board of Directors at their meeting held on May 27, 2021 have approved the appointment of Mr. Hemant Sachdev (DIN:01635195) as an Additional Non-Executive Non-Independent Director of the Company liable to retire by rotation, subject to the approval of the members at the ensuing Annual General Meeting of the Company. Accordingly, the matter for appointment of Mr. Hemant Sachdev as a Non-Executive Non-Independent Director of the Company has been placed before the shareholders for their approval and forms a part of the Notice of the Annual General Meeting.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Companies Act, 2013 and are also not debarred by SEBI or any other Statutory authority for holding office of a Director.

KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in the Key Managerial Personnel of the Company.

As per the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2021 were as under:

1. Ms. Ameera Sushil Shah, Managing Director;
2. Mr. Sushil Kanubhai Shah, Whole-time Director;
3. Mr. Rakesh Kumar Agarwal, Chief Financial Officer;
4. Mr. Vijender Singh, Chief Executive Officer; and
5. Ms. Poonam Tanwani, Company Secretary and Compliance Officer.

DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made there under, out of the total Directors, two-third of the Directors shall retire by rotation every year and if eligible, offer themselves for re-appointment at the AGM.

Dr. Sushil Kanubhai Shah, Chairman and Executive Director of the Company is liable to retire by rotation and he being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting of the Company. The Board of Directors recommend his re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General

Meeting of the Company. Pursuant to Regulation 36 of the SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015 read with Secretarial Standards – 2 on General Meetings, brief details of Dr. Sushil Kanubhai Shah, are provided as an Annexure to the Notice convening the 21st Annual General Meeting.

DECLARATION OF INDEPENDENCE

Pursuant to the provisions of Section 149, 152 of the Companies Act, 2013, read with Schedule IV and other applicable provisions, if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are appointed for a term of 5 years and are not liable to retire by rotation.

The Company has received declarations from the Independent Directors confirming that they meet with the criteria of Independence as prescribed under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than receiving the Sitting fees, Commission, if any, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

Pursuant to the SEBI Regulations, the Company has worked out a Familiarisation Programme for the Independent Directors, with a view to familiarise them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc.

Through the Familiarisation Programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. The directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarised with Company's vision, core values, ethics and corporate governance practices.

Details of Familiarisation Programme of Independent Directors with the Company are available on the website of the Company and can be accessed through the following weblink:

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Familiarization-Programme-for-Independent-Directors.pdf

BOARD'S REPORT (Contd.)

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Board of Directors of your Company have carried out Annual Performance evaluation of:

- (i) Their own performance as a whole;
- (ii) Individual Directors Performance; and
- (iii) Performance of all Committees of the Board for the Financial Year 2020-2021.

The performance of the Board as a Whole and of its Committees was evaluated by the Board through structured questionnaire which covered various aspects such as the composition and quality, meetings and procedures, contribution to Board processes, effectiveness of the functions allocated, relationship with management, professional development, adequacy, appropriateness and timeliness of information etc. Taking into consideration the responses received from the Individual Directors to the questionnaire, performance of the Board and its Committees was evaluated. The Directors expressed their satisfaction with the evaluation process.

In terms of requirements of Schedule IV Act, a separate meeting of Independent Directors of the Company was held on March 30, 2021 to review:

- (a) The performance of Non- Independent Directors (including the Chairperson);
- (b) The performance of the Board as a whole and its Committees thereof, taking into views of Executive and Non-Executive Directors; and
- (c) To assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

NOMINATION AND REMUNERATION POLICY

The brief on the policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Annual Report of the Company. The Nomination and Remuneration Policy is also available on the website of the Company and can be accessed through the following weblink:

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Nomination-and-Remuneration-Policy.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In preparation of the Annual accounts for the year ended March 31, 2021; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) They have selected such accounting policies as mentioned in the notes to the Financial Statements and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the Statement of Affairs of the Company as at March 31, 2021 and of the Profit of the Company for the year ended on that date
- (c) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the Annual accounts on a going concern basis;
- (e) They have laid down internal finance controls to be followed by the Company and such internal finance controls are adequate and operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as per clause (f) of sub regulation (2) of Regulation 34 of SEBI (Listing Obligations Disclosures Requirements), Regulations, 2015 is applicable to the Company.

Business Responsibility Report for the Financial year ended 2020-2021 is presented in a separate section and forms part of the Annual Report of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the (Listing Obligations Disclosures Requirements), Regulations, 2015 is presented in a separate section and forms part of the Annual Report of the Company.

BOARD'S REPORT (Contd.)

COMMITTEES OF THE BOARD

The Board of Directors of your Company have formed various Committees, as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as a part of the best corporate governance practices, the terms of reference and the constitution of those Committees is in compliance with the applicable laws.

In order to ensure focused attention on business and for better governance and accountability, the Board has constituted the following committees:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholder Relationship Committee;
- d) Corporate Social Responsibility Committee;
- e) Risk Management Committee.

The details with respect to the Composition, powers, roles, terms of reference, etc. of the aforesaid committees are given in details in the "Corporate Governance Report" of the Company which is presented in a separate section and forms part of the Annual Report of the Company.

MEETINGS OF THE BOARD

During the year under review, the Board met 6 (Six) times, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

ANNUAL RETURN

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and can be accessed through the following weblink: https://metropolisindia.com/newdata/Investors/Annual%20Reports/MGT-7_MHL_2020-21.pdf

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder are given in the note no. 49(a) to the Financial Statements.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE STATUTORY AUDITORS:

During the year under review, the Statutory Auditors have not reported any fraud under Section 143 (12) of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The Board has formulated and adopted a Related Party Transactions Policy ("RPT Policy") for the purpose of identification, monitoring and reporting of related party transactions. The RPT Policy as approved by the Board is available on the Company's website and can be accessed through the following weblink:

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Policy-on-Related-Party-Transaction.pdf

All the Related Party Transactions entered into during the financial year were entered in the Ordinary course of business and at an arm's length basis. There are no materially significant Related Party Transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Further, since the transactions with the related parties were in the ordinary course of business and at arms length pricing and not material in accordance with the Related Party Transactions Policy, the particulars of such transactions with the related parties are not required to be reported by the Company in Form AOC-2.

All the Related Party Transactions are placed before the Audit Committee and the Board on a quarterly basis.

The members may refer to note no. 39 to the financial statements which set out Related Party Disclosures.

AUDITORS AND REPORTS

Statutory Auditors

B S R & Co. LLP, Chartered Accountants (ICAI Firm No. 101248W/W-100022) was appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, at the 17th Annual General Meeting (AGM) held on September 18, 2017.

Further, in terms of Companies (Amendment) Act, 2017 notified w.e.f. May 7, 2018, the requirement for ratification of appointment of the Statutory Auditors at every AGM is not required and therefore, the matter is not placed before the members for their approval.

The Auditors Report for the financial year ended March 31, 2021, does not contain any qualification, reservation or adverse remark. Further, the Auditors have expressed an Unmodified

BOARD'S REPORT (Contd.)

Opinion on the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2021.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013 neither the Statutory Auditors nor the Secretarial Auditor have reported any incident of fraud to the Audit or the Risk Committee during the year under review.

Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 204 read with Section 134(3) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Manish Ghia & Associates, Practising Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the Financial Year ended March 31 2021. The Secretarial Audit Report in the prescribed Form No. MR-3 is attached as **"Annexure 2"** and forms a part of this Report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

The following are the clarifications to the observations given by the Secretarial Auditor in their Audit report:

1. Some properties are yet to be mutated in the name of the company, accordingly to that extent the same are not in compliance with provisions of Section 187 of the Act;

Company Response: The Company is in the process of getting the title deeds registered in the name of the Company, since the said properties were acquired under the scheme of amalgamation, the Company has already filed necessary documents with the adjudication authorities.

2. The requirement relating to having an Independent Woman Director applicable to the company with effect from April 1, 2020 under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was however complied w.e.f. May 14, 2020;

Company Response: The Company had taken steps and made to appoint a Woman Independent Director on its Board within the stipulated time frame but however due to strict lockdown from March 2020 in view of the outbreak of COVID-19 and further Company's active involvement to build infrastructure for COVID-19 testing during this turbulent time, the appointment of a Woman Independent Director got little delayed.

The BSE Limited and the National Stock Exchange of India Limited levied a penalty of Rs. 2,53,700 (to be paid to each Exchange) for non-appointment of a Woman Independent Director for the period April 1, 2020 to May

13, 2020 after seeking for clarification from the Company on the non-compliance of the same.

However, to meet the deadline for depositing the penalty amount, the Company has simultaneously deposited the amount of penalty levied by BSE on September 4, 2020 and by NSE on August 29, 2020 and filed the applications with the exchanges for the waiver of fine. The application for the waiver of fine was considered favourably and the waiver of penalty was allowed by National Stock of India Limited, and the said matter is still pending with BSE Ltd.

3. The Company has not spent in full the mandated percentage of 2% average profits on Corporate Social Responsibility (CSR) activities; however the reasons for not being able to spend has been duly disclosed in the Report made under Section 135 of the Act and further such unspent amount has been transferred to a separate bank account within the stipulated time as the earmarked spending is related to ongoing projects;

Company Response: During the year, the Company collaborated as an Industry partner in pursuance of its CSR initiative with Delhi Skill & Entrepreneurship University ('DSEU') for the purpose of initiating a academic multi-year structured course of 3 (three) years leading to a degree in the field of Medical Laboratory Science and approved it as a multiyear ongoing project as the fresh initiative under the current CSR platform MEDENGAGE known as MEDENGAGE DSEU project.

However till the year ended March 31, 2021, the above project could not be implemented and therefore, no amount was spent on the said ongoing project during the Financial Year 2020-2021.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has transferred the total unspent amount relating to the Ongoing project in a separate bank account within the stipulated time.

Internal Auditor

The Company has robust internal audit system for assessment of audit findings and its mitigation. The Internal Audit function covers all the labs, inventory audit, stock takes, audit for project related accounts, corporate accounts etc.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, and on the recommendation of the Audit Committee, Suresh Surana & Associates LLP, were appointed by the Board of Directors to conduct internal audit reviews of the Company and the Internal Auditor directly reports to the Audit Committee for functional matters.

BOARD'S REPORT (Contd.)

The Audit Committee in its quarterly meetings reviews the internal audit and controls reports. The Company's internal controls are commensurate with the size and operations of the business. Continuous internal monitoring mechanism ensures timely identification and redressal of issues.

RECONCILIATION OF SHARE CAPITAL

A qualified Practicing Company Secretary carried out quarterly audits to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), along with the total issued and listed equity shares capital. These audits confirm that the total issued and paid-up equity share capital tallies with the total number of equity shares in physical form, plus the total number of dematerialised shares held by NSDL and CDSL.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Company has formed a Risk Management Committee which defines the risk management approach of the Company and includes collective identification of risks impacting the Company's business and documents their process of identification, mitigation and optimisation of such risks. The Risk Management Policy is available on the website of the Company and can be accessed through the following weblink:

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Risk-Management-Policy.pdf

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an internal control system. All these controls were operating effectively during the year. The Company has adequate internal financial controls. Further, the members of the Audit Committee interact with the Statutory Auditors, Internal Auditors and management in dealing with matters within its terms of reference. During the year, such controls were assessed to find out any weaknesses in them. Services of professional consultants were obtained to remove such weaknesses wherever required and ensuring that the internal financial controls are robust and are operating effectively.

The Company is complying with all the applicable Indian Accounting Standards (Ind AS). The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

The details of the internal financial control systems and their adequacy are included in a detailed manner in Management

Discussions and Analysis Report, which forms part of the Annual Report.

MAINTENANCE OF COST RECORDS

Provisions of maintenance of Cost records as specified by the Central Government under Section 148 (1) of Companies Act, 2013 are applicable to the Company. Accordingly, such Cost accounts are made and the Cost records are maintained by the Company in the prescribed format.

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 the Company is required to have the audit of its Cost records. The aforementioned audit is required to be conducted by a Cost Accountant. The Board of Directors of the Company have on the recommendation of the Audit Committee, approved the appointment of M/s. Joshi Apte & Associates (Registration No. 00240) as the Cost Auditors of the Company to conduct Cost audit as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year 2021-2022. The Board of Directors on recommendation of the Audit Committee have approved a remuneration of Rs. 1,00,000 plus applicable GST and reimbursement of travelling and out of pocket expenses, subject to the ratification of their remuneration by the Members of the Company at the ensuing AGM.

M/s. Joshi Apte & Associates have, under Section 141 of the Act and the Rules framed thereunder, furnished a certificate confirming their eligibility and consent for appointment as Cost Auditors of the Company.

M/s. Joshi Apte & Associates, have vast experience in the field of Cost audit and have conducted the audit of the Cost records of the Company for the past several years.

DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY:

The Managing Director and Whole Time Director have not received any remuneration from the Company's Subsidiary Companies.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details such as Constitution, Terms of reference, etc. of the Committee and the meetings held during the year are detailed in the Corporate Governance Report, which forms a part of the Annual Report of the Company. The contents of the CSR Policy of the Company

BOARD'S REPORT (Contd.)

as approved by the Board on the recommendation of the CSR Committee are available on the website of the Company and can be accessed through the following web link:

https://metropolisindia.com/newdata/Investors/CSR/MHL-Revised+CSR+policy_wef+May+27-2021.pdf

The complete details on the CSR activities is enclosed as **"Annexure 3"**

CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate by the Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in a separate section and forms part of the Annual Report of the Company.

CREDIT RATING

During the year under review, CRISIL, a Credit Rating agency has reaffirmed its Rating: CRISIL AA-/stable on the Non Convertible Debentures and long term loan facility of the Company.

Further, CRISIL has also reassigned its CRISIL A1+ rating to the short term bank facility of the Company.

The Company has not issued any NCD or availed any bank loan (short-term / long-term) for the year ended on March 31, 2021.

EMPLOYEE STOCK OPTIONS / RSU PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan as well as the Metropolis - Restrictive Stock Unit Plan, 2020, of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). During the year under review, there was no change in the ESOP scheme of the Company.

The Company has an operative Metropolis Employee Stock Option Scheme 2015 (MESOS - 2015) as well as the Metropolis - Restrictive Stock Unit Plan, 2020 (MHL-RSU Plan, 2020) which provides for grant of Stock Options / Units to eligible employees of the Company. The details of Employee Stock Options / Units pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 are provided in **'Annexure-4'** to this Report.

During the year under review, the Company has allotted 51,096 equity shares on May 13, 2020, 2,47,264 equity shares on August 11, 2020, 1,77,887 equity shares on November 11, 2020 and 10,000 equity shares on February 10, 2021, respectively pursuant to the exercise of Options to the eligible employees of the Company under the Metropolis Employee Stock Options Scheme 2015 (MESOS-2015).

Further, during the year under review, the Nomination and Remuneration Committee of the Company has granted 2,06,700 RSU's on May 29, 2020, 7,400 RSU's on August 11, 2020, 22,750 RSU's on November 11, 2020 and 4,550 RSU's on February 10, 2021, respectively pursuant to the Metropolis - Restrictive Stock Unit Plan, 2020 to the eligible employees of the Company / Subsidiaries.

INDUSTRIAL RELATIONS

The Company's relations with all its employees remained cordial and satisfactory during the year under review.

PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **"Annexure 5"**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer of the Company.

DEMATERIALIZATION OF SHARES

All the Shares of your Company are in Dematerialization mode. The ISIN of the Equity Shares of your Company is INE112L01020 except 2 Equity shares held in physical mode.

STATUTORY DISCLOSURES

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of The Companies (Accounts) Rules, 2014 is as follows:

BOARD'S REPORT (Contd.)

A CONSERVATION OF ENERGY		
i)	Steps taken or impact on conservation of energy	Your Company accords highest priority to energy conservation and is committed for energy conservation measures including regular review of energy consumption and effective control on utilisation of energy. The Company has designed its facilities keeping in view the objective of minimum energy loss. The Company has taken all steps to conserve Energy in the work places by educating and training the employees to conserve energy. The Company has installed inverter AC in areas which are operating extended hours. Energy saving LED lights are installed at various laboratories and collection centres. Every year, energy audit is conducted at Central Laboratory of the Company which is carried out by Independent Professional Agency.
ii)	Steps taken by the Company for utilising alternate sources of energy	The Company being in the service industry does not have any power generation units and did not produce/generate any renewable or conventional power
iii)	Capital investment on energy conservation equipment	The Capital investment on energy conservation equipment is insignificant.
B TECHNOLOGY ABSORPTION		
i)	Efforts made towards technology absorption	The Company being in Service Sector has adopted all new technology in terms of new software and hardware and latest machinery with automated processes available in the current Techno-environment and commensurate to the size, scale and complexity of its operations.
ii)	Benefits derived from technology absorption	Technology absorption has helped the Company to provide better and more accurate service to the Customers.
iii)	Details of Imported technology (last three years)	
	-Details of technology imported	Nil
	-Year of Import	N.A.
	-Whether technology being fully absorbed	N.A.
	-If not fully absorbed, areas where absorption has not taken place and reasons thereof	N.A.
iv)	Expenditure incurred on Research and development	Nil
C FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Lakhs)		
i)	Foreign Exchange inflow	1300.32
ii)	Foreign Exchange outflow	99.12

VIGIL MECHANISM/ WHISTLEBLOWER

The Company has in place a vigil mechanism as required under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for Director and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct, the details of which are given in the Corporate Governance Report.

The Policy on Vigil Mechanism and Whistleblower is available on the website of the Company and can be accessed through the following weblink:

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Whistle-Blower-PolicyA.pdf

BOARD'S REPORT (Contd.)

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at the workplace, the details of which are given in the Corporate Governance Report. During the year, 1 (One) complaint was received and the same has been resolved in accordance with the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and the

Company complies with all the applicable provisions of the same during the year under review.

CAUTIONARY STATEMENT

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

APPRECIATIONS

Your Directors acknowledge the valuable contribution of all its employees at all levels in the continuous growth of the Company and making it a dominant player in the market.

The Directors would also like to thank the Company's Joint Venture Partners, Banks and other Stakeholders for their continued co-operation and support in the Company's growth and in its operations.

For and on behalf of the Board of Directors

Sd/-

Dr. Sushil Kanubhai Shah

Chairman & Executive Director

(DIN: 00179918)

Place: Miami

Date: May 27, 2021

ANNEXURE - 1

ANNEXURE 1: FORM AOC-1
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary presented with amounts in Rs. in Lakhs)

Sr. No	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Re-serves & surplus	Total assets	Total Liabilities	Investments	Turn-over/Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share-holding
1	Desai Metropolis Health Services Private Limited	January 08, 2008	March 31, 2021	INR	100	1,862.63	3,754.26	1,791.63	-	3,827.44	980.63	416.34	564.29	-	100.00%
2	Lab One Metropolis Healthcare Services Private Limited	October 31, 2012	March 31, 2021	INR	133.00	406.37	925.82	386.45	-	587.53	20.02	8.61	11.41	-	100.00%
3	Micron Metropolis Healthcare Private Limited	December 15, 2011	March 31, 2021	INR	10.00	551.56	1,122.83	599.77	38.70	1,517.76	219.38	59.84	159.54	-	100.00%
4	Raj Metropolis Healthcare Private Limited	February 06, 2012	March 31, 2021	INR	1.82	103.17	202.60	97.61	-	111.16	2.41	(6.35)	8.76	-	100.00%
5	Amin's Pathology Laboratory Private Limited	October 15, 2012	March 31, 2021	INR	10	847.17	1,200.49	343.32	-	493.84	(46.31)	18.96	(65.27)	-	100.00%
6	Ektopath Metropolis Lab Services Private Limited	February 14, 2013	March 31, 2021	INR	51	287.60	605.74	267.14	-	517.34	87.29	23.89	63.40	-	60.00%
7	Sudharma Metropolis Health Services Private Limited	March 27, 2008	March 31, 2021	INR	67.50	1,626.44	3,157.22	1,887.21	423.93	4,487.89	621.29	165.77	455.51	-	100.00%
8	Bokil Golwilar Metropolis Healthcare Private Limited	August 30, 2013	March 31, 2021	INR	101.00	542.20	836.86	242.21	48.55	1,017.29	212.37	58.34	154.03	-	100.00%
9	Dr. Patel Metropolis Healthcare Private Limited	February 02, 2012	March 31, 2021	INR	5.00	1,545.67	1,613.73	383.62	320.56	2,505.70	652.64	165.31	487.33	-	100.00%
10	R.V. Metropolis Diagnostic & Health Care Center Private Limited	April 03, 2008	March 31, 2021	INR	3.38	1,232.22	2,534.33	1,298.73	-	4,163.48	899.65	230.40	669.25	-	100.00%

ANNEXURE - 1(Contd.)

Sr. No	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turn-over/Op. Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (inclusive tax)	% of share-holding
11	Metropolis Healthcare (Mauritius) Ltd	September 11, 2012	March 31, 2021	1USD=(BS)=73.44 1USD=(P&L)=74.1188	125.69	(551.79)	1,326.82	1,752.92	-	406.33	(159.81)	-	(159.81)	-	100.00%
12	Metropolis Bramser Lab Services (Mtius) Ltd	December 20, 2013	December 31, 2020	1MUR=(BS)=1.8443 1MUR=(PL)=1.8829	0.19	186.64	244.53	57.70	-	46.40	(65.56)	(1.76)	(63.80)	-	100.00%
13	Metropolis Star Lab Kenya Limited	November 21, 2012	December 31, 2020	1KES=(BS)=0.6687 1KES=(P&L)=0.6948	5.44	1,527.38	2,523.25	990.43	-	2,435.03	486.22	108.74	377.48	-	100.00%
14	Metropolis Healthcare Ghana Ltd	May 02, 2014	December 31, 2020	1GHS=(BS)=12.3317 1GHS=(PL)=12.8655	182.40	(354.57)	738.32	910.49	-	557.37	(55.43)	-	(55.43)	-	100.00%
15	Metropolis Healthcare Lanka Pvt. Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited)	May 26, 2005	March 31, 2021	1SLR=(BS)=0.3678 1SLR=(P & L)=0.3940	11.04	27.87	479.48	440.57	-	100.67	(10.42)	0.03	(10.45)	-	100.00%
16	Metropolis Healthcare (Tanzania) Limited	August 19, 2018	December 31, 2020	1TZS=(BS)=0.0318 1TZS=(P & L)=0.0320	139.39	(68.11)	166.29	85.01	-	156.38	(16.91)	-	(16.91)	-	99.99%
17	Metropolis Healthcare Uganda Limited ^a	July 22, 2015	December 31, 2020	1UGS=(BS)=0.0201595	5.04	-	5.04	-	-	-	-	-	-	-	100.00%

^a The Company yet to commence operations

ANNEXURE - 1 (Contd.)

ANNEXURE "B": FORM AOC-I

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

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

PART "B": ASSOCIATES AND JOINT VENTURES

(Information in respect of each Associate/Joint Venture Companies presented with amounts in Rs. for the year ended March 31, 2021)

Sr. No	Name of Associates/Joint Ventures	Star Metropolis Health Services Middle East LLC#	Metropolis Histoexpert Digital Services Private Limited
1	Latest audited Balance Sheet Date	Unaudited	March 31, 2021
2	Shares of Associate/Joint Ventures held by the Company on the year end		
(i)	Number	1020	1,950,000
(ii)	Amount of Investment in Associates/Joint Venture		195
(iii)	Extend of Holding %	34%	65%
3	Description of how there is significant influence	Shareholding	Shareholding
4	Reason why the Associate/Joint Venture is not consolidated	Non availability of financial information	N.A.
5	Networth attributable to Shareholding as per latest Audited Balance Sheet		(17.84)
6	Profit / (Loss) for the year		(11.33)
(i)	Considered in Consolidation		-
(ii)	Not Considered in Consolidation		(11.33)
1	Names of Associates or Joint Ventures which are yet to commence operations.- N.A.		
2	Names of Associates or Joint ventures which have been liquidated or sold during the year.- N.A.		

Entity no longer an Associate (Refer note no 50)

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

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

L73100MH2000PLC192798

Dr. Sushil Shah

Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Ameera Shah

Managing Director
DIN: 00208095
Place : Dubai

Poonam Tanwani

Company Secretary
Membership No: ACS 19182
Place : Ahmedabad

Vijender Singh

Chief Executive Officer
Place : Gurugram

Rakesh Agarwal

Chief Financial Officer
Place : Mumbai

Date : 27 May 2021

ANNEXURE - 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

Metropolis Healthcare Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metropolis Healthcare Limited (L73100MH2000PLC192798) and having its registered office at 250 D, Udyog Bhavan, Worli, Mumbai-400030 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder; Preconception and The Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder; The Atomic Energy Act 1962 and rules made there under; and Bio Medical Waste (Management and Handling) Rules, 1988 framed under Environment (Protection) Act, 1986

ANNEXURE - 2 (Contd.)

being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above subject to the following observations:

- (a) some properties are yet to be mutated in the name of the company, accordingly to that extent the same are not in compliance with provisions of section 187 of the Act;
- (b) the requirement relating to having an Independent Woman Director applicable to the company with effect from April 1, 2020 under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was however complied w.e.f. May 14, 2020;
- (c) the company has not spent in full the mandated percentage of 2% of average profits on Corporate Social Responsibility (CSR) activities; however the reasons for not being able to spend has been duly disclosed in the Report made under Section 135 of the Act and further such unspent amount has been transferred to a separate bank account within the stipulated time as the earmarked spending is related to ongoing projects.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to our remarks mentioned sub para "(b)" of previous paragraph above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for one meeting which was held on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards, guidelines and directions.

We further report that during the audit period:

1. the Board of Directors at their meeting held on February 10, 2021 declared for payment an interim dividend (for the financial year 2020-21) @ Rs.8 per share aggregating to Rs.40,89,34,504 (subject to deduction of tax at source wherever applicable) on the equity share capital of the Company;
2. the Share Purchase and Shareholders Agreement (SPSHA) dated January 16, 2020, entered into by the company for the acquisition of 51% of stake i.e., 5,100 Equity Shares of M/s. Shraddha Diagnostic Centre (I) Private Limited (SDCIPL) from its existing shareholders at a consideration of Rs. 9,36,30,000/- was terminated by the promoters/shareholders of SDCIPL due to their inability to fulfil certain conditions precedent under the SPSHA;
3. the Company has allotted in aggregate 4,86,247 fully paid up Equity Shares of Rs. 2/- each on various dates (51,096 Equity Shares on May 13, 2020; 2,47,264 Equity Shares on August 11, 2020; 1,77,887 on November 11, 2020; and 10,000 Equity Shares on February 10, 2021) to the grantees upon exercise of Stock Options granted pursuant to 'Metropolis Employees Stock Options Scheme - 2015';
4. the company has granted in aggregate 2,41,400 (2,06,700 on May 29, 2020; 7,400 on August 11, 2020; 22,750 on November 11, 2020; and 4,550 on February 10, 2021) Restricted Stock Units under the 'Metropolis Restrictive Stock Unit Plan, 2020' and 10,000 Stock Options under 'Metropolis Employees Stock Options Scheme, 2015' on May 29, 2020 to the eligible employees of the Company and its Subsidiaries;
5. completed the acquisition of balance stake of 49% of its subsidiary Raj Metropolis Healthcare Private Limited on November 5, 2020 and by virtue of the same, Raj

ANNEXURE - 2 (Contd.)

Metropolis Healthcare Private Limited became a wholly owned subsidiary of the Company; and

6. the company has approved the acquisition of entire stake i.e., 100% in Dr. Ganesan's Hitech Diagnostic Centre Private Limited (along with its wholly owned subsidiary Centralab Healthcare Services Private Limited) from its shareholders (selling shareholders) for a total consideration of Rs 617.42 crore to be payable in part by way of cash amounting to Rs.511 crore and partly by issuance of up to 4,95,000 fully paid-up Equity Shares of Rs. 2/- each of the Company at a price of Rs.2,150.85 per

share on preferential basis; the issue of Equity Shares on preferential basis as above has received the approval of the members of the company vide special resolution passed through Postal Ballot on February 18, 2021; the Company is in the process of completing the allotment of aforesaid Equity Shares to the selling shareholders on preferential basis.

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

For **Manish Ghia & Associates**

Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia

Partner

M. No. FCS 6252, C.P. No. 3531

PR 822/2020

Place: Mumbai

Date: May 27, 2021

UDIN: F006252C000363422

'ANNEXURE A'

To,
The Members,
Metropolis Healthcare Limited
Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia

Partner

M. No. FCS 6252, C.P. No. 3531

PR 822/2020

Place: Mumbai

Date: May 27, 2021

UDIN: F006252C000363422

ANNEXURE - 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Giving back to the society is embedded in the value system of Metropolis and we believe and aim to bring about a positive change in the nation. For the past 3 decades, Metropolis has been at the forefront in conducting impactful camps and driving numerous workshops for different sections of the Society. As an integral part of our commitment to Good Corporate Citizenship, we at Metropolis Healthcare Limited, believe in actively assisting in improvement of the quality of life of people in our communities. We believe, we not only exist for doing good business but also, for ensuring the betterment of the society.

We actively contribute to ensure that the people living in local areas around our business operations lead a good quality life. Towards achieving long-term stakeholder value, we shall always continue to respect the interests of and be responsive towards our key stakeholders -

the communities, especially those from socially and economically backward groups, the underprivileged and the marginalized.

The CSR Policy ('the Policy') of the Company as approved by the Board is available on the Company's website. The Company's CSR is in alignment with the initiatives undertaken by it. The foundation set up by the Committee is empowering & developing young girls who are below poverty line and providing reproductive health education to the masses. Also, various skills are being provided for financial independence and imparting knowledge and training to the underprivileged.

For details of the CSR Policy along with projects and programs, kindly refer to the following weblink:

https://metropolisindia.com/newdata/Investors/CSR/MHL-Revised+CSR+policy_wef+May+27-2021.pdf

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Anita Ramachandran (Chairperson)*	Non Executive Independent Director	4	3*
2	Ms. Ameera Shah (Member)	Managing Director	4	4
3	Mr. Milind Sarwate (Member)	Non Executive Independent Director	4	4
4	Mr. Vivek Gambhir* (Chairperson)	Non Executive Independent Director	4	1

* Mr. Vivek Gambhir, erstwhile Chairperson of the CSR Committee stepped down from the Committee w.e.f. July 15, 2020 and Mrs. Anita Ramachandran was appointed as the Chairperson in place of Mr. Vivek Gambhir w.e.f. July 15, 2020.

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

The details of the constitution of the CSR Committee, the CSR Policy and the CSR projects approved by the Board of Directors is disclosed on the Company's website and can be accessed at <https://www.metropolisindia.com/investors>

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT).

The Company is not required to carry out the Impact Assessment as required as per sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

ANNEXURE - 3 (Contd.)

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

There is no amount available with the Company that can be set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) FOR SPENDING DURING THE FINANCIAL YEAR 2020-2021.

The average Net profit of the Company as per Section 135(3) for the Financial Year 2020-2021 was Rs. 1,44,87,03,985

7. (A) TWO PERCENT OF AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) FOR SPENDING DURING THE FINANCIAL YEAR 2020-2021.

Two percent of average net profit of the Company as per Section 135(5) for the Financial Year 2020-2021 is Rs. 2,90,00,000

(B) SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMMES OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS.

Not Applicable

(C) AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY.

Not Applicable

(D) TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR (7A+7B-7C).

The Total CSR Obligation for the Financial Year 2020-2021 was Rs. 2,90,00,000

8. (A) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR 2020-2021:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount (in Rs.) transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,94,02,061	1,00,00,000	April 30, 2021	-	-	-

(B) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

During the year, the company collaborated as an Industry partner in pursuance of its CSR initiative with Delhi Skill & Entrepreneurship University ('DSEU') for the purpose of initiating a academic multi-year structured course of 3 (three) years leading to a degree in the field of Medical Laboratory Science and approved it as a multiyear ongoing project as the fresh initiative under the current CSR platform MEDENGAGE known as MEDENGAGE DSEU project, however till the year ended March 31, 2021, the project could not be implemented and therefore, no amount was spent on the said ongoing project during the Financial Year 2020-2021.

ANNEXURE - 3 (Contd.)

(C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/ No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number.
1	MedEngage	Promoting Education	Yes	Pan India		92,11,710	Direct	-	-
2	MetHealth	Promoting health awareness	Yes	Pan India		17,86,452	Direct	-	-
3	Too Shy to ask	Promoting health awareness	Yes	Pan India		72,67,269	Direct	-	-
4	Empoweress	Promoting Women Empowerment	Yes	Pan India		11,36,630	Direct	-	-
Total						1,94,02,061			

(D) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS - NIL

(E) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE - NOT APPLICABLE

(F) TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR 2020-2021 (8B+8C+8D+8E)

The total amount spent for the Financial Year 2020-2021 was Rs.1,94,02,061

(G) EXCESS AMOUNT FOR SET OFF, IF ANY - NOT APPLICABLE

9. (A) DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2019-2020*	-	76,97,212	-	-	-	-
2.	2018-2019	-	79,45,000	-	-	-	-
3.	2017-2018	-	47,72,909	-	-	-	-
Total		-	2,04,15,121	-	-	-	-

*For financial year 2019-2020, the Company has transferred the unspent amount of Rs. 1,69,11,386 to WE Foundation to specifically spend the funds donated by the Company on activities to combat the COVID-19 pandemic.

(B) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S): NOT APPLICABLE

ANNEXURE - 3 (Contd.)

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR: NOT APPLICABLE

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5).

During the year, the company collaborated as an Industry partner in pursuance of its CSR initiative with Delhi Skill & Entrepreneurship University ('DSEU') for the purpose of initiating a academic multi-year structured course of 3 (three) years leading to a degree in the field of Medical Laboratory Science and approved it as a multiyear ongoing project as the fresh initiative under the current CSR platform MEDENGAGE known as MEDENGAGE DSEU project. However, due to the challenges imposed by the COVID-19 pandemic, the project could not be implemented till the year ended March 31, 2021, and therefore, no amount was spent on the said ongoing project during the Financial Year 2020-2021.

On April 30, 2021, the Company has transferred an amount of Rs. 1,00,00,000 to a separate bank account within the stipulated time which remained unspent towards the Ongoing project as approved by the CSR Committee and the Board of Directors as per the provisions of section 135(6) of the Companies Act, 2013.

Sd/-

Ameera Sushil Shah

Member of CSR Committee

DIN: 00208095

Place: Dubai

Date: May 27, 2021

Sd/-

Anita Ramachandran

Chairperson of CSR Committee

DIN: 00118188

Place: Mumbai

Date: May 27, 2021

ANNEXURE - 4

DETAILS OF EMPLOYEE STOCK OPTION SCHEME

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2021

DESCRIPTION OF ESOP SCHEMES:

The Company views Employee Stock Options as instruments that would enable the Employees to share the value they would create and contribute to the Company in the years to come.

The Company has framed and implemented the Metropolis Employee Stock Option Scheme 2015 ("MESOS 2015") as well as Metropolis - Restricted Stock Unit Plan - 2020 ("RSU 2020") for eligible employees. In terms of the said schemes, options to the employees have vest and shall continue to vest as given in the below table under point no. C.

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Note No. 46(c) to the Financial Statements of the Company for the year ended March 31, 2021.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with 'Indian Accounting Standard 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

₹ 38.61

C. Details related to ESOP / RSU:

Sr. No.	Particulars	MESOS 2015	RSU 2020
(i)	Description of each ESOP /RSU that existed during the year, including the general terms and conditions:		
1	Date of Shareholders' approval	<ul style="list-style-type: none"> • March 28, 2015 • September 18, 2017 • February 28, 2018 • September 10, 2018 • September 14, 2018 	<ul style="list-style-type: none"> • April 6, 2020
2	Total number of options / units approved under ESOP / RSU	12,21,324# options convertible into equivalent no. of equity shares.	2,70,000 Units convertible into equivalent no. of equity shares.
3	Vesting requirement	i) Options granted to Existing employees (person who is in continuous employment with the Company since January 1, 2016 or prior thereto) shall vest as below: <ul style="list-style-type: none"> a) 50% - on January 1, 2018; b) 25% -on January 1, 2019 and ; c) 25% on January 1, 2020. ii) Options granted to New employees (person who is in continuous employment with the Company after January 1, 2016) shall vest as below : <ul style="list-style-type: none"> a) 50% of grant on completion of 2 years from date of joining; b) 25% of grant on completion of 3 years from date of joining ; and c) 25% of grant on completion of 4 years from date of joining. 	i) 15% at the end of Year 1 of the grant ii) 20% at the end of Year 2 of the grant iii) 25% at the end of Year 3 of the grant iv) 40% at the end of Year 4 of the grant However, the above is subject to the attainment of the performance of the individual as well as the Company as defined in the MHL RSU Plan 2020.

ANNEXURE - 4 (Contd.)

Sr. No.	Particulars	MESOS 2015	RSU 2020
4	Exercise price or pricing formula	₹ 705.77 per option#	As the Nomination and Remuneration Committee may decide at the time of each grant.
5	Maximum term of options / units granted (Years)	The exercising period will commence from the date of vesting to the Grantee. Accordingly, the maximum term of Options will be 4 (four) years from the date of vesting.	The exercising period will commence from the date of vesting to the Grantee. Accordingly, the maximum term of Units will be 4 (four) years from the date of vesting.
6	Source of shares	Primary	Primary
7	Variation in terms of options / units	There was no variation in terms of Options outstanding during FY 2020-2021.	There was no variation in terms of Units outstanding during FY 2020-2021.
(ii)	Method used to account for ESOP / RSU:	Fair value	Fair value
(iii)	Has the company has opted for expensing of the options using the Fair Value of the Options: Yes		
1	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value	N.A.	N.A.
2	The impact of this difference on profits and on EPS of the Company	N.A.	N.A.
(iv)	Movement during the year:		
1	No. of options / units outstanding at the beginning of the period	5,60,315	2,70,000
2	No. of options / units granted during the year	10,000	2,41,400
3	No. of options / units forfeited/ lapsed during the year	51,168	4,400
4	No. of options / units vested during the year	22,100	-
5	No. of options / units exercised during the year	4,86,247	-
6	No. of shares arising as a result of exercise of options / untis	4,86,247	-
7	Money realized by exercise of options / untis (₹). If scheme is implemented directly by the Company	₹ 34,31,78,545/-	-
8	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
9	No. of options / units outstanding at the end of the year	32,900	2,70,000
10	No. of options / units exercisable at the end of the year	21,600	2,70,000
(v)	Weighted-average exercise prices ("WAEP") and weighted-average fair values ("WAFV") of Options / Units		

ANNEXURE - 4 (Contd.)

Sr. No.	Particulars	MESOS 2015	RSU 2020
1	Where the exercise price is less than the market price of the stock	Weighted Average exercise price is Rs. 705.77 & Weighted Average fair value is Rs. 1,174.34	Weighted Average exercise price is Rs. 2 & Weighted Average fair value is Rs. 1,261.26
2	Where the exercise price equals the market price of the stock	N.A.	N.A.
3	Where the exercise price is more than the market price of the stock	N.A.	N.A.
(vi)	Employee wise details (name of employee, designation, number of Options / Units granted during the year, exercise price) of Options / Units		
1	Senior Managerial Personnel	N.A.	Refer table below
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year		Refer table below
3	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.		N.A.
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
1	Weighted-average Values of share price		
	Exercise price		
	Expected volatility		
	Expected option life		
	Expected dividends		
	The risk-free interest rate		
	Any other inputs to the model		
2	The method used and the assumptions made to incorporate the effects of expected early exercise;	N.A.	As provided in notes to accounts no. 46(c)
3	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;		As provided in notes to accounts no. 46(c)
4	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.		

#Post bonus and split during the Financial year 2018-2019.

Details of RSUs granted to Senior Management Employees and during the year:

ANNEXURE - 4 (Contd.)

S r . No.	Name	Designation	No. of RSUs granted
1.	Mr. Vijender Singh	Chief Executive Officer	91200
2.	Mr. Rakesh Agarwal	Chief Financial Officer	19500
3.	Ms. Poonam Tanwani	Company Secretary and Compliance Officer	1000
4.	Mr. Avadhut Joshi	Senior Vice President - BD and Operations (SBU Africa)	16000
5.	Dr. Nilesh Shah	President and Head of Science & Innovation	8900
6.	Mr. Ajit Vetha	Chief Operating Officer - SBU South	12000
7.	Ms. Ishita Medhekar	Chief Human Resource Officer	8000
8.	Dr. Kirti Chadha	Senior Vice President - GRL Operations	6000
9.	Mr. Kannan Alangadan	Chief of Services and Operations	10000
10.	Mr. Abdur Razzaque	Group IT Head	6000

Details of RSUs granted to employees amounting to 5% or more of RSUs granted during the year:

S r . No.	Name	Designation	No. of RSUs granted
1.	Mr. Vijender Singh	Chief Executive Officer	91200
2.	Mr. Rakesh Agarwal	Chief Financial Officer	19500
3.	Mr. Avadhut Joshi	Senior Vice President - BD and Operations (SBU Africa)	16000

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

Sd/-

Sushil Kanubhai Shah

Chairman & Executive Director

DIN: 00179918

Place: Miami
Date: May 27, 2021

ANNEXURE – 5

Disclosures required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES DURING THE FINANCIAL YEAR:

Median remuneration of employees of the Company as at the end of the year under review was Rs. 2,31,188 which increased by 9.19% over the previous year's median remuneration of Rs. 2,11,730.

2. THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF EMPLOYEES FOR THE FINANCIAL YEAR 2020-2021; AND

3. THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, DURING THE FINANCIAL YEAR 2020-2021:

(₹ in Lakhs)

Sr. No	Name	Designation	Remuneration for the financial year 2020-2021	Percentage increase/ (decrease) in remuneration in the financial year 2020-2021 (%)	Ratio to median remuneration (in times)
Non-Executive Directors*					
1	Mr. Milind Sarwate	Independent Director	19	1.23%	8.23
2	Mr. Vivek Gambhir	Independent Director	13	-25.8%	5.63
3	Mr. Sanjay Bhatnagar	Independent Director	12.50	10.91%	5.41
4	Ms. Anita Ramachandran [§]	Independent Director &	7.25 [§]	N.A. [§]	3.14 [§]
Executive Directors					
5	Dr. Sushil Kanubhai Shah [~]	Chairman and Executive Director	182.10 [~]	2.19% [~]	78.77 [~]
6	Ms. Ameera Shah [®]	Managing Director	249.54 [®]	-48.86% [®]	107.94 [®]
Key Managerial Personnel					
7	Mr. Vijender Singh [*]	Chief Executive Officer	3,174.42 [*]	618.23% [*]	1,373.09 [*]
8	Mr. Rakesh Agarwal [^]	Chief Financial Officer	65.75	114.35% [^]	28.44
9	Mr. Poonam Tanwani [§]	Company Secretary & Compliance Officer	25.56	612% [§]	11.06 [§]

[§]Ms. Anita Ramachandran was appointed as an Additional Director with effect from May 14, 2020

[~]Includes Ex-gratia payment of Rs. 4.5 lakhs for the period October 2019 to March 2020 paid during the year

[®]Ms. Ameera Sushil Shah waived part of her remuneration for the financial year 2020-2021

[~]Includes perquisites for exercise of ESOPs during the year

^{*}Mr. Rakesh Agarwal was employed for part of the Financial Year 2019-2020

[§]Ms. Poonam Tanwani was employed for part of the Financial Year 2019-2020

The remuneration paid to Non Executive Directors comprises of Sitting Fees paid for attending the Meetings of the Board and/or its Committees.

ANNEXURE - 5 (Contd.)

- 4. THE NUMBER OF PERMANENT EMPLOYEES ON ROLLS OF THE COMPANY: 3751**
- 5. AVERAGE PERCENTILE INCREASE ALREADY MADE IN SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION.**

The percentage increase in the gross salaries paid to employees other than the managerial personnel in the last financial year is 9.67 % as against an increase of -2.13 % in the salary of Managerial Personnel. The increment given to each individual employee is based on the employee's potential, experience and also their performance and contribution to the Company's progress during the year and is benchmarked against similar companies in India.

- 6. AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY.**

The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Dr. Sushil Kanubhai Shah

Chairman & Executive Director

(DIN: 00179918)

Place: Miami

Date: May 27, 2021

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy on Corporate Governance is based on holistic approach not only towards its own growth but also towards maximization of benefits to the shareholders, employees, customers, Government and also the general public at large.

Your Company considers good Corporate Governance as a pre-requisite for meeting the needs and aspirations of all of its stakeholders. Transparency and accountability are the fundamental principles of sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing stakeholder's value.

Your Company is committed to good Corporate Governance and its adherence best practice at all times and its philosophy is based on five basic elements namely, Board's accountability, value creation, strategic-guidance, transparency and equitable treatment to all stakeholders.

2. BOARD OF DIRECTORS:

As on March 31, 2021, the Board of Directors of your Company comprised of Six Directors with Four Non-Executive Independent Directors & Two Executive Directors.

Further, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Hemant Sachdev as an Additional Non-Executive Non-Independent Director with effect from May 27, 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Board of your Company consists of a balanced combination of Executive Directors and Non-Executive Directors in accordance with the requirements of the Companies Act, 2013 ("Act"), and Regulation 17 of the Listing Regulations.

The Board composition represents an optimal mix of professionalism, knowledge, expertise and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business.

Brief profile of the Directors is available on the Company's website at <https://www.metropolisindia.com/about-metropolis/board-of-directors> and also forms part of this Annual Report.

Composition and category of the Board of Directors, Other directorships and Committee memberships, relationship between directors inter se, shareholding of Directors in the Company as on March 31, 2021 are as mentioned below:

Name of Director	DIN	Category	Designation	Shareholding in the Company	No. of Directorships in Other Public Companies*	No. of Committee positions in Other Public Companies		Directorships in Other listed entities	
						^s Chairman	^s Member	Name of the Listed entity	Category
Dr. Sushil Kanubhai Shah	00179918	Promoter	Chairman & Executive Director	24,47,325	-	-	-	-	-
Ms. Ameera Sushil Shah	00208095	Promoter	Managing Director	1,81,845	3	-	4	Kaya Limited^	Independent Director
								Torrent Pharmaceuticals Limited	Independent Director
								Shoppers Stop Limited	Independent Director
Mr. Milind Shripad Sarwate	00109854	Non-Executive Independent	Director	-	6	4	3	Matrimony.com Limited	Independent Director
								SeQuent Scientific Limited	Independent Director
								Mahindra & Mahindra Financial Services Limited	Independent Director

CORPORATE GOVERNANCE REPORT (Contd.)

Name of Director	DIN	Category	Designation	Shareholding in the Company	No. of Directorships in Other Public Companies*	No. of Committee positions in Other Public Companies		Directorships in Other listed entities	
						[§] Chairman	[§] Member	Name of the Listed entity	Category
Mr. Vivek Gambhir	06527810	Non-Executive Independent	Director	-	-	-	-	-	-
Mr. Sanjay Bhatnagar	00867848	Non-Executive Independent	Director	-	1	-	1	EIH Limited	Independent Director
Ms. Anita Ramachandran	00118188	Non-Executive Independent	Director	-	9	1	6	Grasim Industries Limited	Independent Director
								Rane (Madras) Limited	Independent Director
								Happiest Minds Technologies Limited	Independent Director
Mr. Hemant Sachdev [%]	01635195	Non-Executive Non-Independent	Additional Director	-	-	-	-	-	-

[^]Ms. Ameera Sushil Shah resigned as a Director from Kaya Limited with effect from May 19, 2021

[%]Mr. Hemant Sachdev was appointed as an Additional Non-Executive Non-Independent Director of the Company with effect from May 27, 2021.

Notes:

* The above list of other directorships includes Public Companies (listed and unlisted) but does not include Private Limited Companies, Foreign Companies, directorship in Metropolis Healthcare Limited, Companies under Section 8 of the Companies Act, 2013 and any alternate directorships.

[§] Membership includes memberships by Directors only in Audit Committee and Stakeholders Relationship Committee of public and listed Companies.

Membership and Chairmanship in a Committee are counted only once i.e. if a Director is a Chairman in a Committee, he/she is not counted as Member separately.

As detailed in the table, none of the Directors hold directorships in more than 20 Companies (including limit of maximum directorship in 10 Public Companies) pursuant to the provisions of Section 165 of the Companies Act, 2013 ('Act').

None of the Directors are members of more than ten Committees of the prescribed nature or hold Chairmanship of more than five such committees across all listed or unlisted public limited Companies in which they are Directors, thereby complying with the provisions of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, no Director holds directorship in more than Eight (8) Listed Companies. None of the Independent Directors served as Independent Directors in more than seven (7) Listed Companies. The necessary disclosures regarding Committee positions have been made by the Directors. Further, none of the Directors who serves as Whole-time Director / Managing Director in any listed entity serves as an Independent Director in more than three listed entities. The necessary disclosures regarding their Directorships and Committee memberships have duly been made by them.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they met the criteria as mentioned under Regulation 16(1)(b) and 25(8) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT (Contd.)

Board Meetings & Attendance of Directors

The Board Meeting is conducted at least once in every quarter to discuss the performance of the Company and its Quarterly Financial Results, along with other Company matters. The Board also meets to consider other business(es), whenever required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on matters affecting the working of the Company including the information as inter-alia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

Six meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates of the meetings were as follows:

Sr. No.	Date of Meeting
1	May 29, 2020
2	August 11, 2020
3	November 11, 2020
4	January 17, 2021
5	February 10, 2021
6	February 24, 2021

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting is given below:

Name of the Directors	Particulars of attendance for the Board Meetings		Attendance at the last AGM held on September 16, 2020
	Meetings held during the Director's tenure	Board Meetings attended	
Dr. Sushil Kanubhai Shah	6	6	Yes
Ms. Ameera Sushil Shah	6	6	Yes
Ms. Anita Ramachandran	6	5	Yes
Mr. Milind Shripad Sarwate	6	6	Yes

Name of the Directors	Particulars of attendance for the Board Meetings		Attendance at the last AGM held on September 16, 2020
	Meetings held during the Director's tenure	Board Meetings attended	
Mr. Vivek Gambhir	6	6	Yes
Mr. Sanjay Bhatnagar	6	6	No*

*Mr. Sanjay Bhatnagar could not attend the 20th AGM of the Company held on September 16, 2020 due to his pre-occupation.

Since Mr. Hemant Sachdev was appointed as an Additional Non-Executive Non-Independent Director of the Company with effect from May 27, 2021, the details of his attendance at the Board meetings / previous AGM are not applicable for the Financial Year 2020-2021.

Independent Director and Familiarisation Programme

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarization programs as these are scheduled to coincide with the Board meeting calendar.

The familiarization policy is hosted on the website of the Company and can be accessed through the following weblink: https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Familiarization-Programme-for-Independent-Directors.pdf

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, separate meeting of Independent Directors of the Company was held on Tuesday, March 30, 2021. All the Independent Directors attended the meeting. The agenda was to review the performance of Non-Independent Directors (including the Chairperson), the entire Board and Committees thereof, quality, quantity and timeliness of the flow of information between the management and the Board.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in Companies Act, 2013 and SEBI Listing Regulations and are independent of the Management.

No Independent Director resigned before the expiry of his tenure during the financial year.

CORPORATE GOVERNANCE REPORT (Contd.)

Matrix of Skills / Expertise/ Competencies of the Board of Directors

The Board of the Company comprises qualified members with the required skills, competence and expertise for effective contribution to the Board and its Committee. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance. The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/ competence:

Core skills/ expertise/ Competencies	Name of Directors possessing the requisite skill / expertise / competency
Healthcare – Understanding the complexities of the healthcare sector and expertise in the field of diagnostics.	1. Dr. Sushil Kanubhai Shah 2. Ms. Ameera Sushil Shah
Finance, Accountancy & Audit – In-depth knowledge in the field of accounts and ability to read, understand and analyse the financial statements, financial controls, risk management and other business projections.	1. Ms Ameera Sushil Shah 2. Mr. Milind Sarwate 3. Mr. Vivek Gambhir 4. Mr. Sanjay Bhatnagar
Law – Experience in understanding the dynamics of the legal and regulatory aspect at a global level.	1. Ms. Ameera Sushil Shah 2. Mr. Milind Sarwate 3. Mr. Vivek Gambhir 4. Mr. Sanjay Bhatnagar 5. Ms. Anita Ramachandran 6. Mr. Hemant Sachdev
Information Technology – Providing support and guidance in relation to information technology up gradation of the organisation as a whole.	1. Ms. Ameera Sushil Shah 2. Mr. Sanjay Bhatnagar 3. Mr. Vivek Gambhir 4. Mr. Hemant Sachdev
Risk Management – Experience in mitigation of risk by actively getting involved in the risk management of the organisation.	1. Ms. Ameera Sushil Shah 2. Mr. Milind Sarwate 3. Mr. Vivek Gambhir 4. Mr. Sanjay Bhatnagar

Core skills/ expertise/ Competencies	Name of Directors possessing the requisite skill / expertise / competency
Strategy & Marketing – Exposure in managing the sales and marketing needs of the sector adequately.	1. Ms. Ameera Sushil Shah 2. Mr. Vivek Gambhir 3. Mr. Sanjay Bhatnagar 4. Mr. Milind Sarwate 5. Ms. Anita Ramachandran

3. COMMITTEES OF THE BOARD OF DIRECTORS

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has constituted various Committees. These Committees are entrusted with such powers and functions as detailed in its respective terms of reference. Besides, the Committees help focus attention on specific matters of the organisation. There are total 5 Committees as on March 31, 2021.

Committees as mandated under the Companies Act, 2013 and the Listing Regulations

1. Audit Committee;
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee.

A. AUDIT COMMITTEE:

The Audit Committee of the Company is duly constituted as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

Mr. Milind Shripad Sarwate is the Chairman of the Audit Committee. The Statutory Auditors are invited to Audit Committee Meetings. The Committee members invite the Internal Auditor or any other concerned officer of the Company in the meetings, whenever required on case-to-case basis. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process. The Company Secretary acts as the Secretary of the Audit Committee.

CORPORATE GOVERNANCE REPORT (Contd.)

Terms of Reference of Audit Committee are as follows:

The terms of reference of the Audit Committee, inter alia, includes the following functions:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly half-yearly and annual financial statements before submission to the Board of Director for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with the internal auditors on any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the whistle blower mechanism;
20. Approving the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

CORPORATE GOVERNANCE REPORT (Contd.)

21. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
22. Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters/letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
23. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision."

Composition and Attendance of the members of the Audit Committee

In the Financial Year 2020-2021, Six Audit Committee meetings were held. The meetings were held on May 29, 2020, August 11, 2020, November 11, 2020, January 17, 2021, February 10, 2021 and February 24, 2021. The Chairman of the Audit Committee attended the AGM held during the FY 2020-2021 i.e. on September 16, 2020. The Board accepted all recommendations made by the audit committee. The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Milind Shripad Sarwate	Chairman	6	6
Mr. Vivek Gambhir	Member	6	6
Mr. Sanjay Bhatnagar	Member	6	6

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors and carries out evaluation of performance of individual Directors. Besides, it recommends remuneration policy for Directors, Key Managerial Personnel and the Senior Management of the Company.

Terms of Reference of the Nomination and Remuneration Committee are as follows:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulating of criteria for evaluation of the performance of the independent directors and the board of directors;
- c) Devising a policy on diversity of board of directors;
- d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the board of directors their appointment and removal, and carrying out

CORPORATE GOVERNANCE REPORT (Contd.)

evaluations of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;

- e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f) Analysing, monitoring and reviewing various human resource and compensation matters;
- g) Determining the Company's policy on remuneration and any compensation payment, for the chief executive officer, the executive directors, key managerial personnel including pension rights and determination of remuneration packages of such personnel;
- h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and in accordance with the remuneration policy approved by the board of directors;
- i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- k) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003
- l) Performing such other activities as may be delegated by the board of directors and/or specified/provided under the Companies Act, 2013 together with the rules framed thereunder, as amended and to the extent notified, or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

m) recommend to the board, all remuneration, in whatever form, payable to senior management."

Nomination and Remuneration Committee Meetings

During the financial year under review, four meetings of the Nomination and Remuneration Committee were held i.e., on May 29, 2020, August 11, 2020, November 11, 2020 and February 10, 2021.

Mr. Vivek Gambhir, was the Chairman of the Nomination and Remuneration Committee. He stepped down as the Chairman with effect from February 10, 2021 and Ms. Anita Ramachandran was appointed as the Chairperson of the Nomination and Remuneration Committee with effect from February 10, 2021.

Mr. Vivek Gambhir and Ms. Anita Ramachandran attended the AGM held during the FY 2020-2021 i.e. on September 16, 2020.

The Board accepted all recommendations made by the Nomination and Remuneration committee.

The details of Composition of Nomination and Remuneration Committee and attendance of meetings by each of the Committee Member is as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mrs. Anita Ramachandran*	Chairperson	3	3
Mr. Vivek Gambhir*	Member	4	4
Mr. Milind Shripad Sarwate#	Member	1	1
Mr. Sanjay Bhatnagar	Member	4	4

Mr. Milind Shripad Sarwate stepped down as a member of the Committee w.e.f. July 15, 2020 and Ms. Anita Ramachandran was appointed as the member of the Committee with effect from July 15, 2020.

* Mr. Vivek Gambhir stepped down as the Chairman of the Committee w.e.f. February 10, 2021 and Mrs. Anita Ramachandran was appointed as the Chairperson of the Committee w.e.f. February 10, 2021.

The Company Secretary of the Company acts as a Secretary to the Committee.

CORPORATE GOVERNANCE REPORT (Contd.)

Performance Evaluation Criteria for Independent Directors

The Board of Directors of the Company carried out an annual evaluation of its own performance, of committees, of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc. The Individual Directors response to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analysed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

In compliance with Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgment in major decisions of the Company.

REMUNERATION TO DIRECTORS

Remuneration to Non-Executive/Independent Directors

Sitting Fees

The Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid to non-executive Directors are within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

Commission

The shareholders of the Company at their annual general meeting held on 10th September, 2018 approved payment to Independent Directors of the Company on annual basis, by way of commission, the aggregate of which shall not exceed one percent of the net profits of the Company per annum computed in the manner prescribed under section 198 of the Companies Act, 2013, in such amount and proportion and in such manner as may be determined by the Board of Directors from time to time, in addition to the sitting fees as determined by the Board of Directors from time to time.

Reimbursement of expenses

The non-executive directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013.

The details of sitting fees and commission paid during the year are as under:

Amount in ₹

Names of Non-Executive Directors	Sitting Fees	Commission
Mr. Vivek Gambhir	13,00,000	-
Mr. Milind Sarawate	12,00,000	7,00,000
Mr. Sanjay Bhatnagar	12,50,000	-
Mrs. Anita Ramachandran	7,25,000	-

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Directors.

Remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

The Company has paid remuneration to its Managing Director and Whole-time Director, by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company

Details of the remuneration paid to the Executive Directors and KMP of the Company during the financial year 2020-2021 are as follows:

(Amount in Lakhs)

Name	Designation	Remuneration for Financial Year 2020-2021
Dr. Sushil Kanubhai Shah	Whole-time Director	182.10 [^]
Ms. Ameera Sushil Shah	Managing Director	249.54 [§]
Mr. Vijender Singh	Chief Executive Officer	3,174.42 [*]
Mr. Rakesh Kumar Agarwal	Chief Financial Officer	65.75
Ms. Poonam Tanwani	Company Secretary and Compliance Officer	25.56

[^]Remuneration includes an ex-gratia amount of Rs. 4.5 lakh pertaining to the period October 2019 to March 2020 paid during the year.

CORPORATE GOVERNANCE REPORT (Contd.)

[§]Ms. Ameera Sushil Shah waived off part of her remuneration for the Financial Year 2020-2021

*Remuneration includes Perquisites on exercise of equity shares allotted pursuant to the existing ESOP Scheme of the Company

The performance criteria of the above-mentioned Directors and KMP are laid down by the Nomination and Remuneration Committee in accordance with the Nomination and Remuneration Policy of the Company.

The Company has a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. There is no change in the Policy in FY 2020-21.

The objective of the Remuneration Policy is as follows:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To devise a policy on Board diversity.

The term of the executive directors & independent directors is for a period of 5 years from the respective dates of appointment.

The Company does not have any service contract with any of the directors.

Service Contracts, Severance Fees and Notice Period

The appointment and remuneration of the Executive Chairman and Whole-time Director, Managing Director is subject to the provisions of the Act and the Resolution passed by the Board of Directors and Members of the Company which cover the terms and conditions of such appointment. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Chairman and Whole-time Director, and Managing Director.

Employee Stock Options

The Company has implemented Metropolis Employee Stock Option Scheme 2015 (MESOS - 2015). The details of "Metropolis Employee Stock Option Scheme 2015 (MESOS- 2015)" including the number of outstanding options are given in the Annexure to the Board's Report.

Metropolis-Restrictive Stock Unit Plan, 2020

The members of the Company have approved the Metropolis-Restrictive Stock Unit Plan, 2020 ("Metropolis RSU Plan") for the employees of the Company and its subsidiaries (if any) on April 6, 2020 through a Postal Ballot. The details of Metropolis RSU Plan including the number of options granted are given in the Annexure to the Board's Report.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference

The terms of reference of Stakeholders' Relationship Committee, inter alia, includes the following:

1. Considering and resolving grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of Annual Report and non-receipt of declared dividends;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. To review the measures taken for effective exercise of voting rights by shareholders.
4. To review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
5. Issuing duplicate certificates and new certificates on split/consolidation/renewal; and
6. Carrying out any other function as may be decided by the board of directors or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.
7. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company."

CORPORATE GOVERNANCE REPORT (Contd.)

Stakeholders Relationship Committee meetings

During the year ended March 31, 2021, one meeting of Stakeholders Relationship Committee was held on May 29, 2020. The Chairman of the Stakeholders' Relationship committee attended the AGM held during the FY 2020-21 i.e. on September 16, 2020

The Company Secretary of the Company acts as a Secretary to the Committee.

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Vivek Gambhir	Chairman	1	1
Ms. Ameera Sushil Shah	Member	1	1
Dr. Sushil Kanubhai Shah	Member	1	1

The composition and attendance of each Member is as follows:

The details of investor complaints received / redressed during the financial year 2020-21 is as under:

Complaints as on 01.04.2020	Received during the year	Resolved during the year	Pending as on 31.03.2021
Nil	1	Nil	1

Name, Designation and address of Compliance Officer

Ms. Poonam Tanwani

Company Secretary & Compliance Officer

250-D, Udyog Bhavan,

Hind Cycle Marg, Worli,

Mumbai- 400030

Tel. No.: 91 22 6258 2810

Fax No.: NA

Email:secretarial@metropolisindia.com/

investor.relations@metropolisindia.com

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee of the Board was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The Company is focused on stakeholder value creation, especially for the shareholders and local communities by contributing to the social and environmental needs. The Board accepted all recommendations made by the

Corporate Social Responsibility Committee during the year.

Terms of Reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To formulate and recommend to the Board an Annual Action Plan ('AAP') in line with the CSR Policy of the Company
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The detailed CSR Policy is available on the website of the Company and can be accessed through the following weblink:

https://metropolisindia.com/newdata/Investors/CSR/MHL-Revised+CSR+policy_wef+May+27-2021.pdf

Corporate Social Responsibility Committee meetings

During the financial year under review, four meetings of the Corporate Social Responsibility Committee were held on May 29, 2020, August 11, 2020, November 11, 2020 and February 10, 2021.

The Composition of the Corporate Social Responsibility Committee as at March 31, 2021 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mrs. Anita Ramachandran*	Chairperson	3	3
Mr. Vivek Gambhir*	Chairman	1	1
Ms. Ameera Sushil Shah	Member	4	4
Mr. Milind Shripad Sarwate	Member	4	4

CORPORATE GOVERNANCE REPORT (Contd.)

* Mr. Vivek Gambhir stepped down as member and Chairperson w.e.f. July 15, 2020 and Mrs. Anita Ramachandran was appointed as member and Chairperson in his place w.e.f. July 15, 2020

E. RISK MANAGEMENT COMMITTEE (RMC) COMMITTEE:

The Risk Management Committee of the Board was constituted in compliance with the provision of Regulation 21 of the Listing Regulations.

Terms of Reference

The terms of reference of the Risk Management Committee, inter alia, includes the following:

- oversee and guide in developing a structured/ defined framework for identifying and assessing and reporting of both existing and new risks associated with the Company so as to facilitate timely and effective management of risks and opportunities for achieving the Company's objectives;
- periodic review of Risk Management Framework (the Framework) comprising of policies, procedures and practices of the Company and to assess the effectiveness of the same and initiate corrective actions wherever required including any change that may be required to the framework in the light of various external and internal factors (whether political, sociological or technical or other) which will have impact on the business of the company;
- adopt and review periodically best business practices and policies;
- review and monitor compliance with the regulatory framework and the statutory requirements;
- set/define standardised approach for minimization and mitigation of identified risks;
- review and guide the senior management from time to time in setting up a work culture which would encourage staff/team of the Company at all levels to identify risks and opportunities and respond them effectively;

- review reports on any material breaches of risk limits/ parameters and the adequacy of the proposed action;
- before a decision to proceed is taken by the board, advise the board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available;

Composition and Attendance of the members of the Risk Management Committee

The Risk Management Committee is constituted in compliance with the applicable provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

SEBI had granted relaxation vide its Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/48 to convene Risk Management Committee meeting for the Financial year 2019-20. The Company held 1st Risk Management Committee meeting on June 30, 2020 for the Financial year 2019-20. Further, the Company held 2nd Risk Management Committee meeting on March 29, 2021 for the Financial Year 2020-2021.

The Composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Ms. Ameera Sushil Shah	Chairman	2	2
Dr. Sushil Kanubhai Shah	Member	2	1
Mr. Vijender Singh	Member	2	2

CORPORATE GOVERNANCE REPORT (Contd.)

GENERAL BODY MEETINGS

The details of Annual General Meetings convened during the last three years are as follows:

Particulars	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2020-21
Date	September 10, 2018	August 6, 2019	September 16, 2020
Time	4:00 p.m.	9.00 a.m.	9:00 a.m.
Venue	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai-400030	Hall of culture, Nehru Centre, Worli, Mumbai - 400 018 Maharashtra, India	Video Conferencing /Other Audio Visual Means
Special Resolutions	<ul style="list-style-type: none"> a) Change in Designation of Mr. Mihir Jagdish Doshi from Independent Director to Non-Executive Director b) Offer and Issue of Equity Shares for consideration other than cash on Preferential / Private Placement Basis c) Revision in terms of appointment of Ms. Ameera Sushil Shah, Managing Director of the Company d) Revision in terms of appointment of Dr. Sushil Kanubhai Shah, Chairman and Executive Director of the Company e) Approval for fixing commission on profits to Non-Executive Directors and Independent Directors f) Approval for fixing commission on profits to Non-Executive Directors and Independent Directors g) Amendment to the terms of issue of convertible warrants 	No Special Resolution was passed	a) Approval for re-appointment of Dr. Sushil Kanubhai Shah (DIN: 00179918), as Whole Time Director of the Company

Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year under review.

Postal Ballot

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, two resolutions were passed by members of the Company through Postal Ballot process.

CORPORATE GOVERNANCE REPORT (Contd.)

The details of Postal Ballot Process during the financial year 2020-2021 is as under:

Resolutions for which approval was sought from the members through the Postal Ballot:

1. Approval for increase in limit to provide loan, guarantee or security in respect of loan to any person or Body Corporate or to make investment in any other Body Corporate.
2. To issue, offer and allot equity shares on a Preferential Basis.

Date of Dispatch of Postal Ballot Notice:	January 19, 2021
Voting period:	From January 20, 2021, (9:00 a.m.) to February 18, 2021 (5:00 p.m.)
Date of declaration of result:	February 20, 2021

M/s. Manish Ghia & Associates, Practising Company Secretaries were appointed as the Scrutinizers for conducting the E-voting process in a smooth and transparent manner. The scrutinizers submitted their report to the Company on February 19, 2021 and the results were declared by the Company on February 20, 2021.

Currently, there are no foreseen businesses that may be transacted through Postal Ballot. Special resolutions, if any, required to be passed in future through Postal ballot would be decided at the relevant time and would be accordingly communicated to the stakeholders.

4. DISCLOSURES

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company

All related Party Transactions as defined under the Companies Act, 2013 were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website viz.

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Policy-on-Related-Party-Transaction.pdf

B. Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The BSE Limited and the National Stock Exchange of India Limited levied a penalty of Rs. 2,53,700 (to be paid to each Exchange) for non-appointment of a Woman Independent Director for the period April 1, 2020 to May 13, 2020 after seeking the clarification from the Company on the non-compliance of the same.

The Company had suitably replied to the clarification sought by BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') respectively and has informed them on the steps taken and efforts made by the Company to appoint a Woman Independent Director on its Board within the stipulated time frame, however due to strict lockdown from March 2020 in view of the outbreak of COVID-19 and further Company's active involvement to build infrastructure for CoVID-19 testing during this turbulent time, the appointment of a Woman Independent Director got little delayed.

However, to meet the deadline for depositing the penalty amount, the Company has simultaneously deposited the amount of penalty levied by BSE on September 4, 2020 and by NSE on August 29, 2020 and filed the applications with the exchanges for the waiver of fine. The application for the waiver of fine was considered favourably and the waiver of penalty was allowed by National Stock of India Limited and the said matter is still pending with BSE Ltd.

Other than as mentioned above, no other penalties / fines were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets.

C. Policy for determining material subsidiaries

The Company does not have any material un-listed Indian Subsidiary as defined under Regulation 24 of the SEBI Regulations.

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the web link:

https://metropolisindia.com/newdata/Investors/code-of-conduct/9+MHL_Policy+for+determination+of+Material+Subsidiary.pdf

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings of the subsidiaries are placed at the meeting of the Board of Directors of the Company. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary, if any.

CORPORATE GOVERNANCE REPORT (Contd.)

D. Disclosure of vigil mechanism/ whistle blower policy and access to the chairman of the audit committee

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Regulations to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics. The said policy has been put up on the Company's website viz.

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Whistle-Blower-PolicyA.pdf

Details of concerns and grievances raised in fiscal 2021 are as follows:

Nature	Complaints Received	Complaint Resolved
Whistle Blower Policy	5	4
Sexual Harassment at Work place	1	1
Code of Conduct	5	5
Total	11	10

E. Code of Fair Disclosure of Unpublished Price Sensitive Information

In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The said Code is available on the website of the Company at the Web link:

<https://metropolisindia.com/newdata/Investors/code-of-conduct/Code-of-Fair-Disclosure-for-UPSI-Revised-May-13-2019.pdf>

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

F. Code of Business Conduct & Ethics

The Company's Code of Business Conduct & Ethics requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in a professional, courteous and respectful manner. The Code is displayed on the Company's website at the Web link:

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Code-of-Conduct-for-Directors-and-Senior-Management.pdf

G. Conflict of Interest

On an annual basis, each Director informs the Company about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. Members of the Board, while discharging their duties, avoid conflict of interest in the decision-making process. The members of the Board restrict themselves from any decision and voting in a transaction that they have concern or interest.

H. Policy on materiality and dealing with related party transactions

The Company has adopted a Policy for Determining Materiality of Events / Information in line with the requirements of Section 177(4)(iv) and 188 of the Act, read with Rules framed thereunder and as defined under Regulation 30 of the SEBI Regulations. This Policy has been posted on the website of the Company viz.

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Policy-for-determination-of-materiality-of-events.pdf

I. Policy on dividend distribution

The Company has adopted Dividend Distribution Policy for distributing the profits of the Company to the shareholders as defined under Regulation 43A of the SEBI Regulations. The said policy is available on the Company's website viz.

<https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL-Dividend-Distribution-Policy.pdf>

J. Policy on Preservation of Documents and Archival Policy

The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents as defined under Regulation 9 of the SEBI Regulations. The said policy has been put on the Company's website viz.

https://metropolisindia.com/newdata/Investors/code-of-conduct/MHL_Policy-on-Preservation-of-Documents-and-Archival.pdf

K. Non-compliance of any requirement of Corporate Governance report

One instance of non-compliance of Regulation 17 of the

CORPORATE GOVERNANCE REPORT (Contd.)

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Non-appointment of a Woman Independent Director with effect from April 1, 2020.

The Company has complied with the above with effect from May 14, 2020.

L. Proceeds of public, rights and preferential issues

The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the SEBI Regulations, during the financial year ended 31 March 2021 other than as mentioned in the Board Report in "Change in share capital".

M. Total fees paid by the company and its subsidiaries, on a consolidated basis to B S R & Co. LLP, Statutory Auditor and all entities in its network firm/network entity, during the financial year 2020-2021

Particulars	Amount (in Rs. including GST)
Audit Fees	11,564,000
Other Services/ certifications	972,320
Reimbursement of expenses	577,720
Total	13,114,040

N. Certificate from a Company Secretary in Practice

A certificate from M/s. Manish Ghia & Associates, Company Secretaries in Practice have been obtained certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority and the same forms part of this Report.

O. Disclosure in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2020-21 are as under: -

- number of complaints filed during the financial year : One
- number of complaints disposed of during the financial year : One
- number of complaints pending as on end of the financial year : Nil

P. Disclosure on Compliance with Corporate Governance Requirements

There was one instance of non-compliance of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Non-appointment of a Woman Independent Director with effect from April 1, 2020.

The Company has complied with the above with effect from May 14, 2020.

Q. Compliance with mandatory requirements:

The Company has complied with all applicable mandatory requirements of the SEBI Listing Regulations as on March 31, 2021. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the Compliance Officer is submitted with the Stock Exchanges where the shares of the Company are listed.

R. Accounting treatment

The Financial Statement of the company for FY 2020-2021 has been prepared according to the applicable accounting principles in India and the Indian accounting standards (Ind As) prescribed under section 133 of the Companies Act, 2013 read with the rules made thereunder.

S. Adaption and Compliance of Non-mandatory Requirements:

a. Audit Qualifications:

There were no qualifications in the Standalone and the Consolidated Financial Statements of the Company for the Financial year ended March 31, 2021.

b. Internal Auditors:

The Internal Auditors directly report to the Audit Committee of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

5. MEANS OF COMMUNICATION

Financial Results	The Company communicates to the Stock Exchanges about the annual, half yearly and quarterly financial results immediately from the conclusion of the Board Meeting in which the same is approved. The results are usually published in (Financial Express/Free Press Journal) English newspaper having country-wide circulation and in (Loksatta/Navshakti) Marathi newspaper where the registered office of the Company is situated. These results were also placed on the Company's website at www.metropolisindia.com
Annual Report	- Annual Report containing inter alia Audited Financial Statement, Consolidated Financial Statements, Board's Report, Auditor's Report, and other important information is sent to the shareholders is circulated to shareholders and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Board's Report in the Annual Report. The Annual Report is displayed on the Company's website at www.metropolisindia.com .
Communication to shareholders on Email	- As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website: www.metropolisindia.com . The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company www.metropolisindia.com
Designated E-mail address for investor services	The Company has organised investor conference calls to discuss its financial results, where investor queries were answered by the Executive Management of the Company. The transcript of the conference call is posted on the website of the Company viz. www.metropolisindia.com . To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints is investor_relations@metropolisindia.com
SEBI Complaints Redress System (SCORES):	- The investor complaints are processed in a Centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

6. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L73100MH2000PLC192798.

Annual General Meeting for FY 2020-2021

AGM date, time and venue	August 11, 2021 at 9:30 a.m. (IST) Through Video Conferencing
Financial Year	April 1, 2020 to March 31, 2021
Book Closure Date	-
Interim Dividend	Declared on February 10, 2021
Registered Office	250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai -400030 Tel.: 022 6258 2810 Email Id: secretarial@metropolisindia.com / investor_relations@metropolisindia.com Website: www.metropolisindia.com

CORPORATE GOVERNANCE REPORT (Contd.)

Name and Address of Stock Exchanges where Company's securities are listed	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Trading Symbol - METROPOLIS BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 542650
Listing fees	The Annual Listing fees for the financial year 2020-2021 have been paid to the respective Stock Exchanges.
Share Registrar and Transfer Agents	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: rnt.helpdesk@linkintime.co.in
Company Secretary & Compliance officer	Ms. Poonam Tanwani

7. MARKET INFORMATION:

Share Capital Structure as on May 27, 2021

Authorised Share Capital	₹
295754015 Equity Shares of Rs. 2/- each	59,15,08,030
Paid up Capital	
51128913 Equity Shares of Rs. 2/- each	10,22,57,826

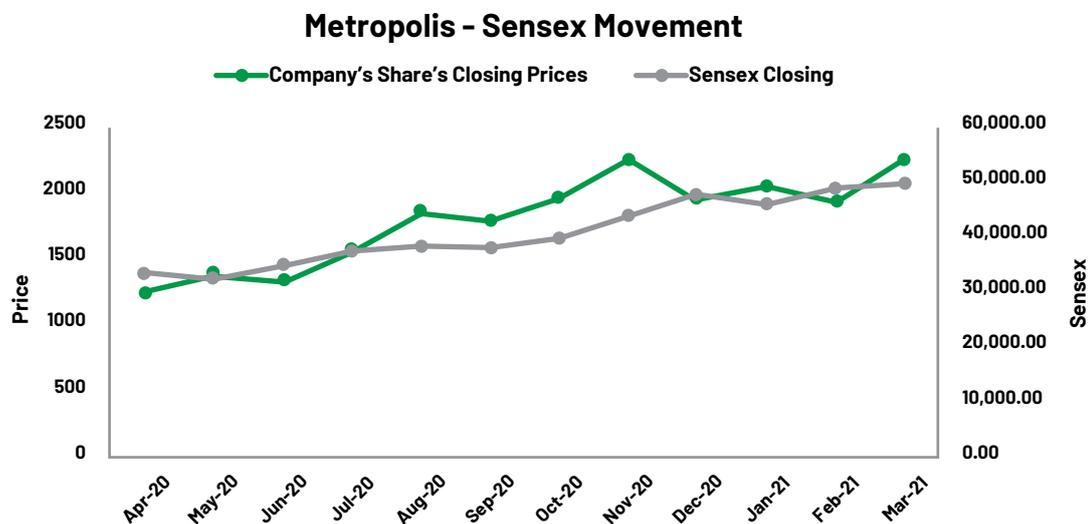
Comparison of Company's share price on BSE with SENSEX

The high and low prices and volumes of your Company's shares at BSE for the financial year 2020-2021 are as under:

Month (2020-21)	BSE		Sensex		No. of Shares Transacted
	High	Low	High	Low	
April, 2020	1387.00	1152.50	33887.25	27500.79	84,07,214
May, 2020	1396.25	1150.00	32845.48	29968.45	37,771
June, 2020	1499.00	1338.65	35706.55	32348.10	39,06,883
July, 2020	1644.00	1340.00	38617.03	34927.20	7,72,032
August, 2020	1915.00	1519.20	40010.17	36911.23	1,26,021
September, 2020	2039.00	1687.25	39359.51	36495.98	3,22,782
October, 2020	2146.50	1770.00	41048.05	38410.20	1,45,240
November, 2020	2321.00	1810.25	44825.37	39334.92	90,371
December, 2020	2268.00	1820.70	47896.97	44118.10	1,21,415
January, 2021	2319.60	1960.05	50184.01	46160.46	1,01,931
February, 2021	2296.90	1917.65	52516.76	46433.65	1,11,674
March, 2021	2344.95	1846.50	51821.84	48236.35	1,31,990

CORPORATE GOVERNANCE REPORT (Contd.)

Metropolis Healthcare Price Movement Chart–BSE



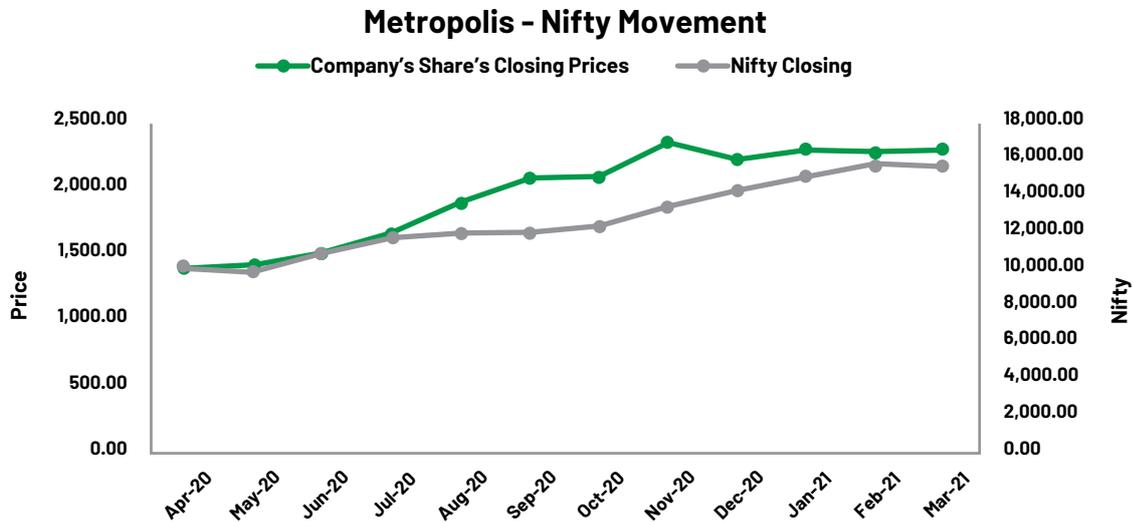
Comparison of Company's share price on NSE with NIFTY

The high and low prices and volumes of your Company's shares at NSE for the financial year 2020-2021 are as under:

Month (2020-21)	NSE		Nifty		No. of Shares Transacted
	High	Low	High	Low	
April, 2020	1,383.00	1,151.00	9,889.05	8,055.80	8373666
May, 2020	1,399.00	1,176.00	9,598.85	8,806.75	1795667
June, 2020	1,547.90	1,338.90	10,553.15	9,544.35	3443993
July, 2020	1,646.00	1,339.00	11,341.40	10,299.60	2453294
August, 2020	1,918.00	1,515.20	11,794.25	10,882.25	2865158
September, 2020	2,040.00	1,675.00	11,618.10	10,790.20	2944168
October, 2020	2,144.90	1,770.00	12,025.45	11,347.05	2535873
November, 2020	2,323.00	1,821.50	13,145.85	11,557.40	2232711
December, 2020	2,264.95	1,822.00	14,024.85	12,962.80	2653342
January, 2021	2,320.00	1,961.45	14,753.55	13,596.75	2085487
February, 2021	2,298.00	1,915.00	15,431.75	13,661.75	1929817
March, 2021	2,348.00	1,848.00	15,336.30	14,264.40	2808806

CORPORATE GOVERNANCE REPORT (Contd.)

***Metropolis Healthcare Price Movement Chart–NSE**



*Price movement is based upon Monthly higher closing price vs. Nifty Monthly Higher Closing

8. SHARE TRANSFER SYSTEM

Nomination Facility for Shares held in physical form

Shareholders who hold shares in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit request to Registrar and Transfer Agent (RTA) the prescribed Forms SH-13/SH-14.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email address, nomination and power of attorney should be given directly to the Depository Participant (DP).

Number of Shares held in Physical Form

As on 31st March 2021, 2 (Two) shares were held in physical form.

Distribution of shareholding as on 31st March 2021

Range	Holders	% to Total Holders	Holding	Amount (Rs.)	% to Capital
1 to 500	30508	98.0082	975872	1951744	1.9091
501 to 1000	199	0.6393	148414	296828	0.2903
1001 to 2000	124	0.3984	184282	368564	0.3605
2001 to 3000	44	0.1414	108448	216896	0.2122
3001 to 4000	24	0.0771	85668	171336	0.1676
4001 to 5000	18	0.0578	81036	162072	0.1585
5001 to 10000	55	0.1767	400411	800822	0.7833
10001 & Above	156	0.5012	49132682	98265364	96.1184
Total	31128	100	51116813	102233626	100

CORPORATE GOVERNANCE REPORT (Contd.)

Shareholding pattern as on 31st March 2021

Sr. No	Category of Shareholders	No. of Shares	% to Total Holding
A.	PROMOTERS	25752991	50.38
B.	PUBLIC SHAREHOLDING		
1.	Alternate Investment Funds	201539	0.39
2.	Clearing Members	146760	0.29
3.	Financial Institutions	159	0.00
4.	Foreign Company	0	0.00
5.	Foreign Portfolio Investors and Foreign Institutional Investors	13922811	27.24
6.	Hindu Undivided Family	60139	0.12
7.	Insurance Companies	936405	1.83
8.	Mutual Funds	6904300	13.51
9.	Non Resident (Non Repatriable)	26349	0.05
10.	Non Resident Indians	67067	0.13
11.	Other Bodies Corporate	1078396	2.11
12.	Public	2019832	3.95
13.	Trust (Employees)	65	0.00
Total		51,116,813	100.00

Top ten equity shareholders of the Company (other than promoters) as on 31st March 2021:

Sr. No.	Name of the Shareholder	Number of equity shares held of ₹ 2/- each	Percentage of holding
1	Smallcap World Fund, Inc.	38,72,946	7.58
2	Uti Flexi Cap Fund	11,86,624	2.32
3	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Flexi Cap Fund	9,20,890	1.80
4	Bright Star Investments Pvt Ltd	8,91,274	1.74
5	Grandeur Peak International Stalwarts Fund	6,83,405	1.34
6	Fundsmith Emerging Equities Trust Plc	6,24,462	1.22
7	Wasatch International Opportunities Fund	5,99,587	1.17
8	Bajaj Allianz Life Insurance Company Ltd.	5,12,166	1.00
9	Destinations International Equity Fund, A Series of Brinker Capital Destinations Trust	4,62,886	0.91
10	Franklin India Prima Fund	4,52,925	0.89

9. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares and the same are available in electronic segment under ISIN: INE112L01020 Equity Shares representing 100% of the Company's Share Capital are dematerialised as on March 31, 2021 except as shown below

CORPORATE GOVERNANCE REPORT (Contd.)

The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensures the necessary liquidity to shareholders.

Physical and Dematerialised Shares as on March 31, 2021	Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	18,33,462	3.59
No. of Shares held in dematerialised form in NSDL	49,283,349	96.41
No. of Physical Shares	2	0.00
Total	51,116,813	100.00

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

As on March 31, 2021, there are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments likely to impact the equity share capital of the Company.

11. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s). The Company does not enter into hedging activities.

As such, the Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular, dated 15th November, 2018, is not required to be made.

12. EQUITY SHARES IN THE SUSPENSE ACCOUNT

The Company does not have any equity shares in the suspense account.

13. TRANSFER OF UNCLAIMED/UNPAID AMOUNT TO THE INVESTOR EDUCATION AND PROVIDENT FUND

The Company had not declared dividends during the FY 2013-2014, hence no unpaid/unclaimed dividend for FY2013-2014 is required to be transferred to the Investor Education and Provident Fund.

14. PLANT LOCATION

Since the Company provides services, the Company does not have any manufacturing plant. It operates from Registered & Corporate Office and branches located at different places throughout India.

Our laboratory network consists of 125 labs (including Global Reference Lab in Mumbai and 13 Regional Reference Labs) and 2,555 Patient Service Centres.

15. CREDIT RATING

During the year under review, CRISIL, a Credit Rating agency has reaffirmed its Rating: CRISIL AA-/stable on the Non Convertible Debentures and long term loan facility of the Company.

Further, CRISIL has also reassigned its CRISIL A1+ rating to the short term bank facility of the Company.

The Company has not issued any NCD or availed any bank loan (short-term / long-term) for the year ended on March 31, 2021.

16. CEO/CFO CERTIFICATION

The Chief Executive Officer & Chief Financial Officer (CEO & CFO) of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) read with Part B of Schedule II of SEBI Listing Regulations and the said certificate forms part of this Report.

17. DECLARATION PURSUANT TO REGULATION 26(3) READ WITH SCHEDULE V OF SEBI LISTING REGULATIONS

In accordance with Regulation 26(3) read with Schedule V of SEBI Listing Regulations, the CEO has declared that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year March 31, 2021 which forms part of this Report.

18. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors, M/s Manish Ghia & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations, and the said certificate forms part of this Report.

19. ADDRESS FOR CORRESPONDENCE:

A. Registered Office Address:

Metropolis Healthcare Limited
250-D, Udyog Bhavan,
Hind Cycle Marg,
Worli, Mumbai -400030
Tel.: +91 6258 2810
Fax: NA
Email Id: secretarial@metropolisindia.com / investor.relations@metropolisindia.com
Website: www.metropolisindia.com

B. Company's Registrar and Share Transfer Agent Address:

Link Intime India Private Limited
C 101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra, India
Tel No.: +91-22-4918 6270
Fax No.: +91-22-4918 6060
Investor query registration:
rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Sd/-

Dr. Sushil Kanubhai Shah

Chairman & Executive Director

(DIN: 00179918)

Place: Miami

Date: May 27, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

Metropolis Healthcare Limited

250 D, Udyog Bhavan, Worli, Mumbai - 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Metropolis Healthcare Limited** having CIN: L73100MH2000PLC192798 and having registered office at 250 D, Udyog Bhavan, Worli, Mumbai-400030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director DIN	DIN	Date of Appointment in Company
1	Mr. Sushil Kanubhai Shah	00179918	August 17, 2005
2	Ms. Ameera Sushil Shah	00208095	May 6, 2008
3	Mr. Milind Shripad Sarwate	00109854	September 7, 2018
4	Mr. Sanjay Bhatnagar	00867848	September 7, 2018
5	Mr. Vivek Gambhir	06527810	September 7, 2018
6	Ms. Anita Ramachandran	00118188	May 14, 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**

Company Secretaries

(Unique ID: P2006MH007100)

CS Mannish L. Ghia

Partner

M. No. FCS 6252, C.P. No. 3531

PR 822/2020

Place: Mumbai

Date: May 27, 2021

UDIN: F006252C000363521

CEO AND CFO CERTIFICATION

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors,
Metropolis Healthcare Limited

We, the undersigned to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the Financial Year 2020-2021 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. significant changes, if any, in the internal control over financial reporting during this year;
 2. significant changes, if any, in the accounting policies this year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Sd/-
Vijender Singh
Chief Executive Officer

Sd/-
Rakesh Agarwal
Chief Financial Officer

COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Vijender Singh, Chief Executive Officer of the Company hereby declare that the Board members and the Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct of the Company for the financial year ended March 31, 2021.

Date: May 27, 2021

Place: Gurugram

Sd/-

Vijender Singh

Chief Executive Officer

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

To
The Members
Metropolis Healthcare Limited
Mumbai - 400030.

We have examined the compliance of conditions of Corporate Governance by **Metropolis Healthcare Limited**, for the year ended on 31st March 2021 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner

M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: May 27, 2021
UDIN: F006252C000363510

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors presents the Business Responsibility Report of the Company for the Financial Year ended on March 31, 2021.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L73100MH2000PLC192798
Name of the Company	Metropolis Healthcare Limited
Registered address	250 D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai – 400 030, Maharashtra, India
Website	www.metropolisindia.com
E-mail id	secretarial@metropolisindia.com
Financial Year reported	April 01, 2020 to March 31, 2021
Sector(s) that the Company is engaged in (industrial activity code-wise)	Section: Human health and social work activities Description: Activities of independent diagnostic/pathological laboratories Industrial activity code: 86905*
List three key products/services that the Company manufactures/ provides (as mentioned in balance sheet)	The Company provides Diagnostic Services in the area of Pathology.
Total number of locations where business activity is undertaken by the Company:	
Number of International Locations	The Company has its business operations in 6 International locations.
Number of National Locations	The Company has presence in around 220 Locations across India.
Markets served by the Company - Local/State/National/ International	International Locations: Kenya, Ghana, Mauritius, Zambia, Tanzania and Sri Lanka. National Locations: PAN India

* As per National Industrial Classification made by Ministry of Statistics & Programme Implementation

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Amount in Lakhs)

Paid up Capital	1022.33
Total Income	86,475.59
Total profit after taxes	19,755.51
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.84%
List of activities in which expenditure as stated above has been incurred	Please refer to the "Report on CSR Activities" attached as annexure to the Board's Report forming part of the Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2021, the Company has 18 subsidiary companies (including foreign step down subsidiaries), the details of the same have been provided in another section of the Annual Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?

All the subsidiary companies as mentioned above participate in the BR initiatives of the Company i.e. Metropolis Healthcare Limited.

Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No, there is no such participation by any other entity/entities

BUSINESS RESPONSIBILITY REPORT (CONTD.)

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the Business Responsibility policy/policies:

Sr. No.	Name	DIN	Designation
1	AMEERA SUSHIL SHAH	00208095	Managing Director

b) Details of the Business Responsibility Head

DIN	00208095
Name	AMEERA SUSHIL SHAH
Designation	Managing Director
Telephone Number	022 62582810
E-mail ID	md.office@metropolisindia.com

2. Principle-wise (as per National Voluntary Guidelines [NVGs]) BR Policy/policies

The NVGs on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These principles (P1-P9) are as follows:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Business should respect, protect and make efforts to restore the environment.

P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?*(50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India'.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	MHL_Business-Responsibility-policy.pdf (metropolisindia.com)								

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policy has been communicated to the relevant internal and external stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes. The grievances can be reported in respect to violation of the policy to the Compliance Officer of the Company.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

*The policies formulated by the Company are materially in compliance with all mandatory/applicable laws, rules, regulations, guidelines and standards.

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Management on quarterly basis monitors the BR initiatives and BR performance of the Company to be compiled in the BR report, which shall form part of Annual Report every year and shall be placed before the Board for their approval, every year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company shall publish its Business Responsibility Report on an annual basis in the Annual Report of the Company and its website at www.metropolisindia.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

The policy relating to ethics, bribery and corruption is primarily applicable to the Company and its Subsidiaries. However, the Company encourages the contractors, suppliers and others to comply with the same, wherever possible.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

The Company has not received any complaint from any stakeholders relating to ethics, bribery and Corruption.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Principle 2: Product Life Cycle Sustainability

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Our company provides pathology services (single segment) and does not have environmental risks or concerns. We recognise that our operations indirectly impact the environment. Our safety protocol affirms our commitment of reducing impact on the environment. We do this through responsible environmental management, conservation, and protection across all our operations.

- Metropolis utilises services of Agencies authorised by the Pollution Control Board for collecting Bio-medical waste from our labs and we follow the guidelines issued by the local municipal governing bodies of different cities and states.
- Metropolis maintains power factor (PF) up to 0.97 (unity).
- Sewage Water Processing (SWP) installed at our biggest lab (The Global Reference Lab in Mumbai) and treated water is used for toilet flush and Gardening.
- LED lights are being used instead of conventional lights for energy saving exercise at all our corporate offices and labs.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company is engaged into providing pathology

services and it does not undertake any activity of manufacturing of a product.

- Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has built a healthy and strong relationship with its vendors and suppliers. We make sure that our vendors are selected carefully by evaluating multiple aspects including quality, ethics and their capabilities.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. At our lab and network centres across the country, we procure goods and services from local vendors and mid-size businesses which meets our criteria of quality and cost.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

The Company does not have any mechanism for recycling Bio-medical waste. However, Bio Medical Waste is disposed-off with the help of agencies authorised by the Pollution Control Board.

Principle 3: Business should promote the well-being of all employees

All employees are covered under Group Personal Accidental Insurance Coverage and Group Hospitalization Policy. Additionally, employees can avail free of cost testing as well as testing at a subsidized level. We urge employees to keep a regular check on their wellness.

Total number of employees	4146
Total number of employees hired on temporary/ contractual/casual basis	435
Number of permanent women employees	1661
Number of permanent employees with disabilities	Nil
Do you have an employee association that is recognized by management	Yes
What percentage of your permanent employees is members of this recognized employee association?	3.54%

Details of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, are as follows:

No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	1	Nil
3.	Discriminatory Employment	Nil	Nil

BUSINESS RESPONSIBILITY REPORT (CONTD.)

What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Category	Percentage (%)
a) Permanent Employees	13%
b) Permanent Women Employees	18%
c) Casual/Temporary/Contractual Employees	14%
d) Employees with Disabilities	Nil

Principle 4: Stakeholder Engagement

- Has the company mapped its internal and external stakeholders?

Yes

- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so?

As a socially responsible organization, the Company fully realizes the need to integrate its business and operations to benefit the community in which the Company operates. The CSR Programs of the Company are focused on women's health and well-being, education and skill development, and women empowerment.

Principle 5: Human Rights

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Commitment to human rights is covered in the Code of Conduct adopted by the Company.

- How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

Type of Complaints	Received	Resolved	Pending
Shareholder Related	1	Nil	1
Employee Related	11	10	1
Customer Related	15215	15215	Nil
Total	15,227	15,225	2

Principle 6: Environment

- Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Company's policy on Environment, Health and Safety and Standard Operating Procedures are applicable to the Company and its subsidiaries.

- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc?

The company does not have any specific initiative to reduce environmental issues such as climate change or global warming. However, the Company undertakes the environmentally responsible actions that includes utilisation of LED lighting system at corporate offices and labs, recycling water at the biggest laboratory of the Company i.e., the global reference laboratory in Mumbai and reducing the usage of paper across all offices and centres of the Company.

- Does the company identify and assess potential environmental risks?

As a responsible Company in the Healthcare industry, the Company takes utmost care for safe disposal of biomedical waste. The Company uses services of authorized agencies for safe disposal of bio-waste. These agencies are authorized by the Pollution Control Board.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

- Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink for web page etc.

No.

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Yes. All emissions/waste generated are within permissible limits.

- Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has not received any Show Cause Notice or Legal Notices from CPC / SPCB during the financial year under review.

Principle 7: Policy Advocacy

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of NATHEALTH - Healthcare Federation of India and CII - Confederation of Indian Industries.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has partnered with NATHEALTH – The Healthcare Federation of India to represent the Healthcare industry and the multiple challenges the industry is facing during the COVID-19 pandemic. This helped the industry navigate challenges and to serve the public more efficiently.

Principle 8: Equitable Development

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company's CSR Policy is aimed at inducing growth and equitable development of all stakeholders. The Company has also implemented Employee Stock Option Scheme 2015 and Metropolis-Restrictive Stock Unit Plan, 2020 and accordingly, issued ESOPs and RSUs to its employees, resulting in value creation for the employees.

The company has taken various initiatives for Equitable Development in the areas mentioned below:

- **Quality Education:** Our MEDENGAGE program is focused on nurturing the medical and scientific talent in the country. Through Medengage, we identify and provide scholarship, observership, skills training and facilitate research for medical and para medical students across the country.
- **Gender Equality:** Our app Too Shy to Ask is India's only gender education, adolescent and reproductive sexual health education app in the country that is targeted towards adolescents, teachers and parents. Through the app, users can also post anonymous queries and get their queries resolved in a safe manner. The content has been written by a highly qualified medical team.
- Our initiative EMPOWERESS helps women micro-entrepreneurs scale their businesses through focused mentoring and networking sessions.
- **Good Health and well-being:** Our initiative METHEALTH is committed to create wide spread education amongst high risk groups to prevent life threatening disorders.
- **Food Box Project 2020:** The Company, in association with WE foundation, launched and executed the Food Box Project for COVID Warriors (doctors and healthcare workers). This initiative is focused towards providing nutrition to the medical taskforce working tirelessly in COVID hospitals.

We distributed nutrition boxes among 6000+ doctors and other health workers across 100+ hospitals and municipal corporations in Mumbai and Pune. We distributed over 6000 boxes in Maharashtra and 9000 boxes in Surat, Delhi, Bengaluru, and Chennai.

- **Healthcare Heroes Awards 2021:** The Company in association with WE Foundation launched Healthcare Heroes Awards 2021, a CSR Initiative that recognizes and honours doctors, institutions, healthcare workers and municipal officers who have made a difference during the COVID-19 pandemic and brought hope to humanity.

The award focusses on recognition of efforts by healthcare heroes and COVID warriors in the country.

The Company received 200+ application for the first edition and we awarded 19 frontline warriors across 9 different categories.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company's CSR Activities are executed by the in-house team

3. Have you done any impact assessment of your initiative?

Assessment Process: The Internal Team of the Company continuously monitors and assesses the impact of all its CSR projects. During the Financial Year 2020-21, through the company's multiple online and offline awareness programs, we reached out to over 70,000 plus women from 115 cities. We have conducted 82 offline workshops and 36 online webinars and counselling sessions where young girls can directly speak to our experts regarding their health concerns. We have had 100+ experts who have participated in these sessions to provide timely guidance. In addition to that, we secured a weekly editorial column for our initiative Too Shy To Ask in one of India's leading newspaper. We also secured an opportunity with a radio channel for Too Shy To Ask. So far, the app has over 1,00,000 downloads.

We have updated the TSTA application and have added self- training modules for teenagers. TSTA has won over 2 (two) National Awards during the FY 2020-21. We have secured a weekly Q&A Column with Mid-Day – Popular questions along with answer appeared in the health page of the newspaper. We have also secured an opportunity for Dr. Duru Shah, Gynaecologist and Founder and President of the PCOS Society India, with Radio Mirchi for the application during the year.

4. What is your company's direct contribution to community development projects–Amount in ` and the details of the projects undertaken.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Details of Company's contribution are mentioned below:

(In ₹)

Sr. No.	CSR Project or activity Identify	Expenditure up to the reporting period
1.	Promoting education including continuing medical Education and promoting Health Awareness	1,82,65,431
2.	Women Empowerment and Employment Enhancement and vocational skills among children.	11,36,630
	Total	1,94,02,061

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the Company ensures that its initiatives are successfully adopted by the final beneficiaries.

For eg: The Company's app, Too Shy To Ask (TSTA), the Company has enlisted the help of research agency to gauge the level of understanding amongst its users and further enhance the app to ensure that the initiative has maximum impact for its users. In addition, our team answered over 20,000+ queries on the app from adolescents on various sexual, gender and reproductive health topics. The Too Shy To Ask application is an effort by the Company to speak to the young adolescents about sexual and reproductive health which otherwise may not be taught in the school curriculum.

We have updated the TSTA application and have added self- training modules for teenagers. We have secured a weekly Q&A Column with Mid-Day – Popular questions along with answer appeared in the health page of the newspaper.

Empoweress is an initiative by the Company, where we regularly provide mentoring session, networking opportunities and access to bigger networks and industry leaders to women entrepreneurs. In the past we have had mentoring sessions with EFG Store, Repos Energy, StyleDotMe, Kriya Med, Niramai, Lean Agri and so on.

We conducted closed door focus group meetings for Empoweress community members through Video Conferencing. Further, we conducted the closed-door meeting with 10-12 business owners on Fortnight basis. We scheduled the Leadership and entrepreneur talks for the benefit of community members where we conducted sessions with known leaders namely Revathi Roy, Vishal Gondal, Ayushi Gudwani and Sasha Mirchandani, etc.

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Principle 9: Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?

There are no customer complaints/consumer cases pending as on the end of the Financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)

The Company is engaged into providing pathology services. Hence, the above requirements are not applicable to the Company.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of Financial Year?

There are no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company adopts the Net Performance Score to gauge customer satisfaction levels. The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a tool to gauge the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

A feedback link is sent to each customer availing our service. The link requests the customer's likeliness to promote services of Metropolis to their friends and family. Basis the customer's feedback, customers are differentiated as Promoters, Passives and Detractors.

Passives are those neutral to the score and detractors are the once who have had an unpleasant experience. Our customer experience team reaches out to them to understand their concern and take feedback. The feedback is used continually to tweak our processes and systems in our relentless pursuit of Customer Satisfaction.

INDEPENDENT AUDITORS' REPORT

To the Members of

Metropolis Healthcare Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Metropolis Healthcare Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

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

IMPAIRMENT ASSESSMENT OF LONG-TERM INVESTMENTS IN SUBSIDIARIES AND A JOINT VENTURE

See note 5 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has long-term investments in subsidiaries and a joint venture (collectively "the investments") aggregating Rs. 12,884.69 lakhs as at 31 March 2021. The Company records the investments at cost less any provision for impairment loss.</p> <p>Changes in business environment could have a significant impact on the valuation of these investments. As such, the investments are tested for any triggers for impairment. If triggers are identified, the recoverable amounts of the investments are determined and if the amount is lower than the carrying value of the investments, impairment loss is recognised in the statement of profit and loss.</p> <p>The recoverable amount 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 and resultant provisions, if any, in respect of investment in subsidiaries and a joint venture as a key audit matter considering:</p> <ul style="list-style-type: none"> The significance of the value of these investments in the Standalone Balance Sheet. 	<p>Our audit procedures included:</p> <p>Understanding the process followed by the Company in respect of the annual impairment analysis.</p> <p>Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Company's process relating to review of the annual impairment analysis, including controls over determination of discount rate and terminal growth rate.</p> <p>Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and related costs based on our knowledge of the Company and market. Assessing historical accuracy by comparing past forecasts to actual results achieved.</p> <p>Involving the 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 Company by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities).</p>

INDEPENDENT AUDITORS' REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • Performance and net worth of these entities and • The degree of judgement involved in determining the recoverable amount of these investments including: <ul style="list-style-type: none"> - Valuation assumptions such as discount rate and terminal growth rate. - Business assumptions such as revenue growth rate, related costs and the resultant cash flows projected to be generated from these investments. 	<p>Testing data used to develop the estimate for completeness and accuracy.</p> <p>Performing a sensitivity analysis to evaluate the impact of change in key assumption individually or collectively to the recoverable value.</p> <p>Assessing the adequacy of disclosures in the standalone financial statements.</p>

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

INDEPENDENT AUDITORS' REPORT (Contd.)

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 standalone 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 in the standalone financial statements 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

INDEPENDENT AUDITORS' REPORT (Contd.)

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

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director 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) which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Date: 27 May 2021

Membership No: 105003

ICAI UDIN: 21105003AAAACM5469

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets (Property, plant and equipment) by which all fixed assets (Property, plant and equipment) are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the previous year, the Company had physically verified all its fixed assets (Property, plant and equipment) and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as disclosed in Note 3 to the standalone financial statements, except for the following:

Description	Total number of cases	Whether leasehold/freehold	Gross block as on 31 March 2021 (₹ Lakhs)	Net block as on 31 March 2021 (₹ Lakhs)	Remarks
Land	1	Freehold	1,035.40	1,035.40	Title deeds are in the names of the entities which got merged with the Company in the past.
Building	4	Freehold	1,092.87	844.08	

- (ii) Inventory has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to investments made by the Company. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Service tax and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Value added tax, Duty of excise and Cess.
- According to the information and explanations given to us, there are no undisputed amount payable, in respect of Provident fund, Employees State Insurance, Income-tax, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

- (b) According to the information and explanations given to us, except as stated below, there are no dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax as at 31 March 2021 which have not been deposited with the appropriate authorities on account of any dispute:

Name of the statute	Nature of dues	Amount (₹ Lakhs)	Amount paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	113.93	-	AY 2014-15	ITAT

- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Membership No: 105003

Date: 27 May 2021

ICAI UDIN: 21105003AAAACM5469

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2021

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(REFERRED TO IN PARAGRAPH 2 (A) (F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Metropolis Healthcare Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The 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 standalone financial statements criteria established by the Company 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

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 standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Membership No: 105003

Date: 27 May 2021

ICAI UDIN: 21105003AAAACM5469

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,331.82	9,747.43
Right-of-use assets	43(3)	7,821.68	4,868.29
Goodwill	4	4,880.90	4,880.90
Other intangible assets	4	3,094.96	2,081.13
Intangible assets under development	4	-	298.89
Financial assets			
i) Investments			
a) Investments in subsidiaries, associates and joint venture	5	12,884.69	12,802.36
b) Other investments	5	175.28	175.28
ii) Loans	6	923.63	450.66
iii) Derivatives	7	-	27.77
iv) Other non current financial assets	8	159.88	1,105.28
Other non-current assets	9	33.62	519.88
Deferred tax assets (net)	36(d)	895.25	475.43
Non-current tax assets (net)	10	1,505.37	1,189.39
Total Non-current assets		41,707.08	38,622.69
Current assets			
Inventories	11	3,346.36	1,745.84
Financial Assets			
i) Investments	12	1.35	-
ii) Trade receivables	13	12,265.55	12,439.86
iii) Cash and cash equivalents	14(a)	31,713.28	6,743.18
iv) Bank balances other than cash and cash equivalents	14(b)	1,829.05	6,457.74
v) Loans	15	1,176.27	2,037.77
vi) Other current financial assets	16	350.11	168.28
Other current assets	17	954.86	614.39
Total Current assets		51,636.83	30,207.06
TOTAL ASSETS		93,343.91	68,829.75
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,022.33	1,012.61
Other equity	19	69,870.20	50,225.85
Total Equity		70,892.53	51,238.46
Liabilities			
Non current liabilities			
Financial liabilities			
i) Lease liabilities	43(4)	5,933.29	3,660.22
ii) Other non-current financial liabilities	20	17.11	106.55
Provisions	21	701.31	458.69
Total Non current liabilities		6,651.71	4,225.46
Current liabilities			
Financial liabilities			
i) Lease liabilities	43(4)	2,563.23	1,693.59
ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	196.42	670.81
Total outstanding dues of creditors other than micro and small enterprises	22	8,811.94	6,418.89
iii) Other current financial liabilities	23	1,632.07	2,328.22
Other current liabilities	24	1,160.21	1,714.01
Provisions	25	488.69	411.28
Current tax liabilities (net)	26	947.11	129.03
Total Current liabilities		15,799.67	13,365.83
TOTAL EQUITY AND LIABILITIES		93,343.91	68,829.75
Significant Accounting Policies	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

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

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

Tarun Kinger
Partner
Membership No: 105003

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad

Place : Mumbai
Date: 27 May 2021

Vijender Singh
Chief Executive Officer
Place : Gurugram

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

Date : 27 May 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2021	For the year Ended 31 March 2020
I. INCOME			
Revenue from Operations	27	81,610.83	66,530.71
Other income	28	4,864.76	2,931.79
Total Income		86,475.59	69,462.50
II. EXPENSES			
Cost of materials consumed	29	21,251.24	16,724.71
Laboratory testing charges	30	674.00	649.76
Employee benefits expense	31	15,684.44	14,766.62
Finance costs	32	577.56	656.01
Depreciation and amortisation expense	33	3,619.74	3,084.51
Other expenses	34	20,063.82	17,129.15
Total Expenses		61,870.80	53,010.76
III. Profit before tax and exceptional items (I- II)		24,604.79	16,451.74
IV. Exceptional Items	35	-	2,452.66
V. Profit before tax (III-IV)		24,604.79	13,999.08
Income tax expense:	36		
1. Current Tax		5,306.00	3,933.00
2. Deferred Tax (income)/ expenses		(344.94)	(909.62)
3. Tax adjustments for earlier years		(111.78)	(229.73)
VI. Total Income tax expenses		4,849.28	2,793.65
VII. Profit for the year (V-VI)		19,755.51	11,205.43
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	46(a)	(297.49)	(201.67)
Income tax on above.	36	74.88	50.76
		(222.61)	(150.91)
Other comprehensive income for the year, net of income tax		(222.61)	(150.91)
IX. Total comprehensive income for the year (VII-VIII)		19,532.90	11,054.52
Earnings per equity share	37		
Equity shares of face value of ₹ 2 each			
Basic earnings per share		38.81	22.32
Diluted earnings per share		38.61	22.22
Significant Accounting Policies	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

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

Tarun Kinger
Partner
Membership No: 105003

Place : Mumbai
Date: 27 May 2021

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

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Vijender Singh
Chief Executive Officer
Place : Gurugram

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad

Date : 27 May 2021

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	24,604.79	13,999.08
Adjustments for :		
Depreciation and amortisation expense	3,619.74	3,084.51
Interest on lease Liabilities	562.46	581.81
Provision for impairment of non-current investments	-	195.00
Provision for impairment of current investments	-	336.48
Write-off of Property, Plant and Equipment	-	37.91
Loss on derivative assets	27.77	55.48
Provision for bad and doubtful debts (net)	1,762.88	3,144.53
Provision for doubtful advances (net)	100.00	241.04
Share based payment expenses (Refer Note 31)	778.73	72.38
Interest on deferred purchase consideration	15.10	24.13
Foreign exchange loss/(gain)(net)	28.84	(307.36)
Interest Expenses paid on borrowings	-	50.07
Sundry balances written back (net)	(12.75)	(43.90)
Interest & other income	(713.93)	(326.22)
Interest income on income tax refund	(1.35)	-
Dividend income from related parties and mutual funds	(4,000.00)	(2,205.00)
Operating profit before working capital changes	26,772.28	18,939.94
Working capital adjustments:		
(Increase) / Decrease in inventories	(1,600.52)	224.79
Decrease in loans (current and non-current)	422.55	283.32
(Increase) in other current assets (Current and non current)	(406.62)	(146.31)
(Increase) in trade receivables	(1,588.57)	(3,757.83)
(Increase) / Decrease in other current financial assets	(1.81)	779.28
Increase in provisions	22.54	80.01
Increase in trade payables	1,902.56	3,067.09
(Decrease) in other current financial liabilities	(26.82)	(141.83)
(Decrease) / Increase in other current liabilities	(553.80)	1,045.67
Cash generated from operating activities	24,941.79	20,374.13
Income tax paid (net)	(4,692.12)	(4,761.15)
Net cash generated from operating activities (A)	20,249.67	15,612.98
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment & Intangible assets (Including capital advances and capital creditors)	(2,496.48)	(2,274.01)
Purchase consideration paid towards acquisition of business	(142.00)	(335.26)
Purchase of investments	(83.67)	-
Loans Given to Related Parties (net)	-	(95.71)
Interest Income received	501.24	242.25
Dividend Income received	4,000.00	2,205.00
Investment in term deposits (having original maturity of more than 3 months)	5,574.09	(4,854.86)
Net cash generated from/(used in) investing activities (B)	7,353.18	(5,112.59)

**STANDALONE STATEMENT OF CASH FLOWS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (net)	-	(1,734.47)
Principal payment of lease liabilities	(1,412.73)	(1,073.77)
Proceeds from issue of shares to ESOP holders (refer note 46(c))	3,431.78	3,189.28
Payment of Dividend	(4,089.34)	(4,014.29)
Payment of Dividend Distribution Tax	-	(371.91)
Interest on lease Liabilities	(562.46)	(581.81)
Interest expense paid on borrowings	-	(50.07)
Net cash used in financing activities (C)	(2,632.75)	(4,637.04)
Net increase in cash and cash equivalents (A+B+C)	24,970.10	5,863.35
Cash and Cash Equivalents at the beginning of the year	6,743.18	879.83
Cash and Cash Equivalents at the end of the year (Refer note 14(a))	31,713.28	6,743.18

- The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows"
- The figures in the brackets indicate outflow of cash and cash equivalents.
- The movement of borrowing as per Ind AS 7 is as follows:
- The above Standalone Statements of Cash Flows include ₹ 363.13 lakhs (31 March 2020 76.97 lakhs) towards Corporate Social Responsibility (CSR) activities, refer note 48(a)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	-	1,734.47
Cashflows	-	(1,734.47)
Balance as at the end of year	-	-

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

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

Tarun Kinger
Partner
Membership No: 105003

Place : Mumbai
Date: 27 May 2021

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

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Vijender Singh
Chief Executive Officer
Place : Gurugram

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad

Date : 27 May 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY ('SOCIE')

AS AT 31 MARCH 2021

(A) EQUITY SHARE CAPITAL (REFER NOTE 18)

Particulars	Number of shares	Amount (₹ in Lakhs)
Balance as at 1 April 2019	5,01,78,680	1,003.57
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 46(c))	4,51,886	9.04
Balance as at 31 March 2020	5,06,30,566	1,012.61
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 46(c))	4,86,247	9.72
Balance as at 31 March 2021	5,11,16,813	1,022.33

(A) OTHER EQUITY (REFER NOTE 19)

	Fully convert-ible share warrants	Reserves & Surplus					Other comprehensive income (OCI)	Total other equity
		Securities premium	General reserve	Capital redemption reserve	Employee stock options reserve	Retained earnings		
Balance as at 1 April 2019	-	8,700.73	1,684.07	-	258.78	29,868.60	24.65	40,536.83
Profit for the year	-	-	-	-	-	11,205.43	-	11,205.43
Profit on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	-	(150.91)	(150.91)
Total comprehensive income	-	-	-	-	-	11,205.43	(150.91)	11,054.52
Interim Dividend	-	-	-	-	-	(4,014.29)	-	(4,014.29)
Tax on Interim dividend	-	-	-	-	-	(371.91)	-	(371.91)
Share options exercised under MESOS 2015 (Refer Note 46(c))	-	3,180.24	124.10	-	-	-	-	3,304.34
Share based payments (Refer Note 46(c))	-	-	-	-	(51.72)	-	-	(51.72)
Impact of IND AS 116 for Opening balance	-	-	-	-	-	(231.91)	-	(231.91)
Balance as at 31 March 2020	-	11,880.97	1,808.17	-	207.06	36,455.91	(126.26)	50,225.85
Profit for the year	-	-	-	-	-	19,755.51	-	19,755.51
Transfer to retained earnings	-	-	-	-	-	(126.26)	126.26	-
Profit on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	(222.61)	-	(222.61)
Total comprehensive income	-	-	-	-	-	19,406.64	-	19,406.64
Interim Dividend	-	-	-	-	-	(4,089.34)	-	(4,089.34)
Tax on Interim dividend	-	-	-	-	-	-	-	-

**STANDALONE STATEMENT OF CHANGES IN EQUITY ('SOCIE') (CONTD.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

	Fully convert-ible share warrants	Reserves & Surplus					Other comprehensive income (OCI)	Total other equity
		Securities premium	General reserve	Capital redemption reserve	Employee stock options reserve	Retained earnings	Remeasurements of the defined benefit plans	
Share options exercised under MESOS 2015 (Refer Note 46(c))	-	3,422.06	133.53	-	-	-	-	3,555.59
Share based payments (Refer Note 19 & 31)	-	-	-	-	645.20	-	-	645.20
Balance as at 31 March 2021	-	15,303.03	1,941.70	-	852.26	51,773.21	-	69,870.20

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

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

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

Tarun Kinger
 Partner
 Membership No: 105003

Dr. Sushil Shah
 Chairman & Executive Director
 DIN: 00179918
 Place : Miami (USA)

Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Dubai

Poonam Tanwani
 Company Secretary
 Membership No: ACS 19182
 Place : Ahmedabad

Place : Mumbai
 Date: 27 May 2021

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Rakesh Agarwal
 Chief Financial Officer
 Place : Mumbai

Date : 27 May 2021

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Amount (₹ in Lakhs)

1 BACKGROUND OF THE COMPANY AND NATURE OF OPERATION

Metropolis Healthcare Limited (the '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 Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai. The 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 standalone Balance Sheet of the Company as at 31 March 2021 and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the standalone Statement of Cash flows for the year ended 31 March 2021 and summary of significant accounting policies and other financial information (together referred as 'standalone Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements of the Company for year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 27th May 2021.

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:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- 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:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company 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 company 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 Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

d Basis of measurement

These 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:

- 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.

e 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

The areas involving critical estimates or judgements are :

- i. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(b))
- ii. Impairment of non-financial assets (Note 2.2(d))
- iii. Recognition of deferred tax assets; (Note 2.2(n))
- iv. Recognition and measurement of provisions and contingencies; (Note 2.2(i))
- v. Fair value of financial instruments (Note 2.2(e))
- vi. Impairment of financial assets (Note 2.2(e))
- vii. Measurement of defined benefit obligations; (Note 2.2(l))
- viii. Fair valuation of employee share options; (Note 2.2(l))
- ix. Fair value measurement of consideration and net assets acquired as part of business combination (Note 2.2(a)).
- x. Leases - Critical judgements in determining the discount rate

f Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values (including Level 3 fair values). The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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 Company 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 38)
- Share-based payment arrangements (Note 46(c))
- Business combination

2.2 Significant accounting policies

a) Business combinations

Business combinations arising from transfers or interests in entities that are under the control of the shareholders that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the net assets acquired and cancellation of share capital of the acquired entity is transferred to other equity.

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve. 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 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 derecognized.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized 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:

Particulars	Management's estimate of useful life	Useful life as per Schedule II
Laboratory Equipment's (Plant & Equipment's): (Electrical Machinery, X-ray & diagnostic equipment's namely Cat-scan, 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.

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 amortisation 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 recognized in statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

Amortisation 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 Company'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 Company 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.

Subsequent measurement

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

- Amortized 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.

Amortized cost :

A financial instrument is measured at the amortized 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 amortized 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 recognized in the standalone 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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 recognized in the Statement of Profit and Loss. Other net gains and losses are recognized 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 derecognized (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or The Company 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 Company has transferred substantially all the risks and rewards of the asset, or

- (b) the Company 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 recognized 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 Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized 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 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 recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in the Statement of Profit and Loss.

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

Amortized cost is calculated by taking into account any discount or premium 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 derecognized when the obligation under the liability is discharged or cancelled or expires. 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 recognized 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 profit or loss account. 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 instrument

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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

f) Investments in subsidiaries, associates and joint ventures:

Investments representing equity interest in subsidiaries, associates and joint ventures carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Inventories

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

h) 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.

i) 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 Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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.

j) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company 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, returns and discounts;

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 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.

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

k) Other income

Interest income

For all financial instruments measured at amortized 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 Company 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

Dividends are recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.

l) Employee Benefits

(i) Short-term Employee benefits

Liabilities for wages and salaries, 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 recognized as an expense in the Statement of Profit and Loss as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company 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) Compensated absences

The Company provides for compensated absences. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the standalone statement of profit and loss in the period in which they occur. The Company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

(iii) 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 recognized as an employee expense, with a corresponding increase in equity under "Employee Stock Options

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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 Company 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.

(iv) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company 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 recognized as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:

The Company'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).

m) Leases

Ind-As 116:

As a lessee

Leases are recognised 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 company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

To determine the incremental borrowing rate, the Company:

- 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 recognised in 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 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 Company 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 revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised 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 revised 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 revised lease payments using a revised 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 recognized 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 Company 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.

n) **Income-tax**

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

Current Tax

Current tax comprises the 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 Company has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognized 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 recognized 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. Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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 Company 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:

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

o) Foreign currency transactions

Functional and Presentation currency

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

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 recognized 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.

p) Dividend

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

q) 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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.

r) 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.

s) Recent Indian Accounting Standards (Ind AS) Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency, specified under the head 'additional information' in the notes forming part of Standalone Financial Statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

t) Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per the requirement of schedule III, under otherwise stated;

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 AS AT 31 MARCH 2021**

3. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2021

(₹ in Lakhs)

Particulars	Freehold land	Building	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Total
Cost as at 1 April 2020	1,035.40	4,983.19	4,191.31	1,271.74	223.33	1,007.89	626.82	320.28	13,659.96
Additions during the year	-	46.03	514.65	84.22	-	117.80	104.36	66.04	933.10
Disposals during the year	-	-	-	(2.14)	-	-	-	-	(2.14)
Cost as at 31 March 2021 (A)	1,035.40	5,029.22	4,705.96	1,353.82	223.33	1,125.69	731.18	386.32	14,590.92
Accumulated depreciation as at 1 April 2020	-	907.18	1,328.44	548.40	116.08	545.99	322.51	143.93	3,912.53
Depreciation charged during the year	-	205.66	607.72	109.48	27.09	194.09	110.08	94.59	1,348.71
Disposals during the year	-	-	-	(2.14)	-	-	-	-	(2.14)
Accumulated depreciation as at 31 March 2021 (B)	-	1,112.84	1,936.16	655.74	143.17	740.08	432.59	238.52	5,259.10
Net carrying amount as at 31 March 2021 (A) - (B)	1,035.40	3,916.38	2,769.80	698.08	80.16	385.61	298.59	147.80	9,331.82

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Freehold land	Building	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Total
Cost as at 1 April 2019	1,035.40	4,983.19	3,865.64	1,183.96	223.33	896.37	799.07	157.02	13,143.98
Additions during the year	-	-	841.14	119.48	-	281.35	93.63	190.45	1,526.05
Disposals during the year	-	-	(515.47)	(31.70)	-	(169.83)	(265.88)	(27.19)	(1,010.07)
Cost as at 31 March 2020 (A)	1,035.40	4,983.19	4,191.31	1,271.74	223.33	1,007.89	626.82	320.28	13,659.96
Accumulated depreciation as at 1 April 2019	-	691.80	1,232.41	463.13	80.82	510.66	449.72	89.73	3,518.27
Depreciation charged during the year	-	215.38	580.57	113.73	35.26	196.84	131.85	80.40	1,354.03
Disposals during the year	-	-	(484.54)	(28.46)	-	(161.51)	(259.06)	(26.20)	(959.77)
Accumulated depreciation as at 31 March 2020 (B)	-	907.18	1,328.44	548.40	116.08	545.99	322.51	143.93	3,912.53
Net carrying amount as at 31 March 2020 (A) - (B)	1,035.40	4,076.01	2,862.87	723.34	107.25	461.90	304.31	176.35	9,747.43

Note : The title deeds of freehold land gross block aggregating to ₹ 1,035.40 lakhs (Net block : 1035.40 lakhs) (2019-20 : Gross block 1,035.40 lakhs, Net block : 1,035.40 lakhs) and Freehold buildings gross block aggregating to ₹ 1,092.87 (Net block : 844.08 lakhs) lakhs (2019-20 : Gross block : 1,092.87 lakhs, Net block : 888.50 lakhs) are in the process or perfection of title

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

4. OTHER INTANGIBLE ASSETS

Changes in the carrying value of intangibles for the year ended 31 March 2021:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand	Customer Relationships	Total
Cost as at 1 April 2020	4,880.90	4,880.90	1,632.37	1,170.00	311.00	3,113.37
Additions during the period	-	-	1,682.97	-	-	1,682.97
Disposals during the period	-	-	-	-	-	-
Cost as at 31 March 2021 (A)	4,880.90	4,880.90	3,315.34	1,170.00	311.00	4,796.34
Accumulated amortisation	-	-	464.78	370.50	196.96	1,032.24
Amortisation recognised during the period	-	-	489.95	117.00	62.19	669.14
Disposals during the period	-	-	-	-	-	-
Accumulated amortisation as at 31 March 2021 (B)	-	-	954.73	487.50	259.15	1,701.38
Net carrying amount as at 31 March 2021 (A) - (B)	4,880.90	4,880.90	2,360.61	682.50	51.85	3,094.96

Changes in the carrying value of intangibles for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand	Customer Relationships	Total
Cost as at 1 April 2019	4,880.90	4,880.90	932.02	1,170.00	311.00	2,413.02
Additions during the year	-	-	700.35	-	-	700.35
Disposals during the year	-	-	-	-	-	-
Cost as at 31 March 2020 (A)	4,880.90	4,880.90	1,632.37	1,170.00	311.00	3,113.37
Accumulated amortisation as at 1 April 2019	-	-	240.87	253.50	134.77	629.14
Amortisation recognised during the year	-	-	223.91	117.00	62.19	403.10
Accumulated amortisation as at 31 March 2020 (B)	-	-	464.78	370.50	196.96	1,032.24
Net carrying amount as at 31 March 2020(A) - (B)	4,880.90	4,880.90	1,167.59	799.50	114.04	2,081.13

Intangible assets under development

(₹ in Lakhs)

Particulars	31 March 2019
Opening as at 1 April 2019	577.30
Addition	421.94
Capitalised during the year	700.35
Closing amount as at 31 March 2020	298.89
Addition	1,384.08
Capitalised during the year	1,682.97
Closing amount as at 31 March 2021	-

Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2021 is ₹ 4,880.90 lakhs. This goodwill is acquired on account of business acquisition of Sanjeevani Pathology Laboratory and on account of merger of Golwilkar Metropolis Health Services(India)Private Limited (erstwhile subsidiary company) i.e. goodwill as appearing in consolidated financial statement of the Company on account of merger.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

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

Cash Generating Unit

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Sanjeevani Pathology Laboratory	4,593.90	4,593.90
Golwilkar Metropolis Health Services (India) Private Limited	287.00	287.00
	4,880.90	4,880.90

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 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
Tax risk adjusted discount rate	The discount rate applied to the cash flows of company'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 company.

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Post tax discount rate	11.50%	12.00%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	5%-15%	5% - 15%

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 31 March 2021 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

The Company 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

5. NON CURRENT INVESTMENT

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Investment in subsidiaries		
Unquoted equity shares at cost		
Desai Metropolis Health Services Private Limited 100,000 (31 March 2020: 100,000) Equity shares of Face value of Indian Rupees 100 each (Fully paid up)	4,210.30	4,210.30
Sudharma Metropolis Health Services Private Limited 1,350 (31 March 2020: 1,350) Equity shares of Face value of Indian Rupees 5,000 each (Fully paid up)	1,678.03	1,678.03
R.V.Metropolis Diagnostics & Health Care Center Private Limited 3,375 (31 March 2020: 3,375) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	2,461.24	2,461.24
Dr. Patel Metropolis Healthcare Private Limited 50,000 (31 March 2020: 50,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	1,512.57	1,512.57
Micron Metropolis Healthcare Private Limited 100,000 (31 March 2020: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	799.52	799.52
Ekopath Metropolis Lab Services Private Limited 306,000 (31 March 2020: 306,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	30.60	30.60
Metropolis Healthcare Mauritius Limited 225,100 (31 March 2020: 225,100) Equity shares of Face value of USD 1 each (Fully Paid up)	127.49	127.49
Amins Pathology Laboratory Private Limited 100,000 (31 March 2020: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	10.00	10.00
Raj Metropolis Healthcare Services Private Limited 18,150 (31 March 2020: 9,256) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up) (Refer Note 49(a))	118.03	35.70
Bokil Golwilkar Metropolis Healthcare Private Limited 10,10,000 (31 March 2020: 10,10,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)	483.73	483.73
Lab One Metropolis Healthcare Services Private Limited 133,000 (31 March 2020: 133,000) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	1,442.14	1,442.14
Metropolis Healthcare Lanka Pvt. Ltd, Sri Lanka 250,000 (31 March 2020: 250,000) Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up)	11.04	11.04
Total Investment in subsidiaries (A)	12,884.69	12,802.36
Investment in joint ventures		
Unquoted equity shares at cost	195.00	195.00
Metropolis Histoxpert Digital Services Private Limited 1,950,000 (31 March 2020: 1,950,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)		

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Less : Provision for impairment	(195.00)	(195.00)
Total Investment in joint ventures (B)		
Investments in subsidiaries and joint ventures (A+B)	12,884.69	12,802.36
Investment in Others		
Unquoted equity shares at Fair Value through other comprehensive income		
Textiles Traders Co-op Bank Ltd 1,100 (31 March 2020: 1,100) equity shares of Face value Indian Rupees 25 each (fully paid up)	0.28	0.28
Centre for Digestive and Kidney Disease (India) Private Limited 1,750,000 (31 March 2020: 1,750,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	175.00	175.00
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2020 1,020) Equity shares of Face value of AED of 1,000 each (Fully Paid up)(Refer Note 50)	129.85	129.85
Total Other Investment	305.13	305.13
Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai	(129.85)	(129.85)
Total Investment in Others (C)	175.28	175.28
Total value of investments	13,059.97	12,977.64
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	13,059.97	12,977.64
Aggregate amount of impairment in value of investments	324.85	324.85

6. NON CURRENT LOANS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Security deposits	847.07	373.82
Loans to related parties (Refer Note 39)	76.56	76.84
	923.63	450.66
(Unsecured, considered doubtful)		
Security deposits		
- credit impaired	86.28	86.28
	86.28	86.28
Less : Provision for deposits which are credit impaired	(86.28)	(86.28)
	923.63	450.66

There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

7. DERIVATIVES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Call options on shares of subsidiary*	-	27.77
	-	27.77

* During the previous year the Company has call option on shares held by minority shareholders of its subsidiaries which gives the company right to buy such shares in future from the minority shareholders as per the agreed terms. The above values reflect the fair value of these options as on balance sheet date.

8. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Fixed Deposits with banks^	159.88	1,105.28
	159.88	1,105.28

^ Includes ₹ 159.88 lakhs (31 March 2020 1,105.28 lakhs) of fixed deposits pledged against bank guarantee

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
(Unsecured, considered Good)		
Capital advance	33.26	485.67
Prepaid expenses	0.36	34.21
	33.62	519.88
(Unsecured, considered doubtful)		
Capital advance		
- credit impaired	34.86	34.86
	34.86	34.86
Less : Provision for capital advances which are credit impaired	(34.86)	(34.86)
	33.62	519.88

10. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Advance taxes (net of provision for taxes ₹ 947.11 lakhs (31 March 2020 Rs 12,880.00 lakhs))	1,505.37	1,189.39
	1,505.37	1,189.39

11. INVENTORIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
(valued at lower of cost and net realisable value)		
Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables)	3,346.36	1,745.84
	3,346.36	1,745.84

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

12. CURRENT INVESTMENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Non-trade, Unquoted, at Fair Value Through Profit and Loss)		
Investments in mutual funds		
HDFC Cash Management Fund (Liquid Fund Inv)	1.35	-
Unquoted at Fair Value through Other Comprehensive Income		
Investments in Commercial Papers		
Infrastructure Leasing & Financial Services Limited 100 (31 March 2020 - 100) Units of Face Value ₹ 5,00,000 each	480.68	480.68
	482.03	480.68
Less : Provision for impairment	(480.68)	(480.68)
	1.35	-
The aggregate amount and market value of quoted and unquoted investments are as follows:		
Aggregate amount of quoted investments	1.35	-
Aggregate market value of quoted investments	1.35	-
Aggregate amount of unquoted investments	482.03	480.68
Aggregate amount of impairment in value of investments	480.68	480.68

13. TRADE RECEIVABLES

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Trade receivables considered good- Unsecured*	12,265.55	12,439.86
Trade receivables considered good - Unsecured	4,401.33	5,013.91
	16,666.88	17,453.77
Less: Provision for debts which are credit impaired	(4,401.33)	(5,013.91)
	12,265.55	12,439.86

* Includes amount receivable from related parties - Refer Note 39

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

14. (A) CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Balances with banks		
- in current accounts	3,450.37	6,632.62
- in EEFC account	32.90	56.03
- in fixed deposits accounts with maturity within 3 months	28,124.56	-
Cash on hand	105.45	54.53
	31,713.28	6,743.18

14. (B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Investment in Term deposit with original maturity of more than 3 months but less than 12 months of reporting date *^	1,829.05	6,457.74
	1,829.05	6,457.74

* Includes ₹ 0.38 lakhs (31 March 2020 ₹ 943.13 lakhs) fixed deposits pledged against bank guarantee

^ Includes ₹ 759.38 lakhs (31 March 2020 ₹ 759.38 lakhs) fixed deposits under lien

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

15. CURRENT LOANS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Security deposits	210.33	905.51
Loans to related parties (Refer Note 39)	905.70	1,069.55
Advances to related parties (Refer Note 39)	60.24	62.71
	1,176.27	2,037.77
(Unsecured, considered doubtful)		
Credit impaired		
Advances to related parties (Refer Note 39)	44.02	44.02
Other advances	42.33	42.33
	86.35	86.35
Less : Provision for advances which are credit impaired	(86.35)	(86.35)
	1,176.27	2,037.77

There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

16. OTHER CURRENT FINANCIAL ASSETS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Other receivables *	1.81	-
Interest accrued but not due		
- From related parties	347.55	157.03
- From bank deposits	0.75	11.25
	350.11	168.28

* Other receivables includes amount receivable from related party

17. OTHER CURRENT ASSETS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Prepaid Expenses	161.88	147.72
Advance to employees	99.72	97.72
Advance to Suppliers	308.30	76.13
Other advances (Retainership fees, etc)	384.96	292.82
	954.86	614.39
(Unsecured, considered doubtful)		
Advance to employees	43.80	43.80
Advance to Suppliers	49.75	49.75
Other advances	238.43	148.83
	331.98	242.39
Less : Provision for doubtful advances	(331.98)	(242.39)
	954.86	614.39

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 AS AT 31 MARCH 2021**

18. EQUITY SHARE CAPITAL

(a) Details of authorised, issued and subscribed share capital

(₹ in Lakhs)

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of the par value of ₹ 2 each (31 March 2020 par value of Rs 2 each)	29,57,54,015	5,915.08	29,57,54,015	5,915.08
Issued, Subscribed and fully Paid up				
Equity Shares of the par value Rs 2/- each (31 March 2020 par value of Rs 2 each)	5,11,16,813	1,022.33	5,06,30,566	1,012.61
	5,11,16,813	1,022.33	5,06,30,566	1,012.61

(b) Reconciliation of number of shares at the beginning and at the end of the year

(₹ in Lakhs)

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning	5,06,30,566	1,012.61	5,01,78,680	1,003.57
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 46(c))	4,86,247	9.72	4,51,886	9.04
Outstanding before sub-division of shares	5,11,16,813	1,022.33	5,06,30,566	1,012.61
Shares outstanding at the end of the year	5,11,16,813	1,022.33	5,06,30,566	1,012.61

(c) Particulars of shareholders holding more than 5% of shares held

Name of Shareholder	31 March 2021		31 March 2020	
	Number*	Percentage	Number	Percentage
Dr. Sushil Kanubhai Shah #	37,25,245	7.29%	37,25,245	7.36%
CA Lotus Investments	71,79,579	14.05%	71,79,579	14.18%
Smallcap World Fund, Inc	27,80,746	5.44%	27,80,746	5.49%
Metz Advisory LLP ##	1,56,91,216	30.70%	1,56,91,216	30.99%
Dr. Duru Sushil Shah	92,09,230	18.02%	92,09,230	18.19%

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

(d) Terms/rights attached to equity shares

The Company has only one class of Equity shares having a par value of ₹ 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.

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

- Issue of 3,85,990 (before split with face value of Rs. 10 each) bonus shares during the year ended 31 March 2019

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

- During the year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation.
- During the year ended 31 March, 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake (Refer Note 49(a))
- Buy-back of 320,484 shares (before split with face value of ₹ 10 each) which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended 31 March 2016.

(f) Dividends

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Declared during the year		
Interim dividend for 2020-21: Rs 8 per equity share (FY 2019-20: Rs 8.74 per equity share (including dividend distribution tax of Rs 0.74 per equity share))	4,089.34	4,386.20
	4,089.34	4,386.20

* dividend distribution tax of ₹ Nil (31 March 2020: 371.91 lakhs)

19. OTHER EQUITY

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Securities Premium	15,303.03	11,880.97
General Reserve	1,941.70	1,808.17
Employee stock options reserve	852.26	207.06
Retained Earnings	51,773.21	36,329.65
	69,870.20	50,225.85
Securities Premium		
Balance at the beginning of the year	11,880.97	8,700.73
Share options exercised under MESOS 2007/2015 (Refer Note 46(c))	3,422.06	3,180.24
Balance at the end of the year	15,303.03	11,880.97
General Reserve		
Balance at the beginning and end of the year	1,808.17	1,684.07
Transfer from ESOP exercised during the year (Refer Note 46c)	133.53	124.10
Balance at the end of the year	1,941.70	1,808.17
Employee stock options reserve		
Balance at the beginning of the year	207.06	258.78
Transfer to General Reserve on account of ESOP exercised during the year (Refer Note 46c)	(133.53)	(124.10)
Share based payments (Refer Note 31)	778.73	72.38
Balance at the end of the year	852.26	207.06
Retained Earnings		
Balance at the beginning of the year	36,329.65	29,893.25
Less: Impact of IND AS 116 net of Deferred Tax (Refer Note 43)	-	(231.91)
Add: Transferred from the statement of profit and loss	19,755.51	11,205.43
Less: Interim Dividend	(4,089.34)	(4,014.29)
Less: Tax on Interim dividend	-	(371.91)
Remeasurement of defined benefit plan (net of tax)	(222.61)	(150.91)
Balance at the end of the year	51,773.21	36,329.65

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Other comprehensive income /(loss)		
Re-measurement gain/ (loss) on defined benefit plans (net of taxes)		
At the beginning of the year	(126.26)	24.65
Movement during the year	(222.61)	(150.91)
At the end of the year	(348.87)	(126.26)

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.

General Reserve

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

Employee stock options reserve

The Company has established equity settled share based payment plan for certain categories of employees. Refer Note 46(C).

Retained Earnings

Retained earnings are the profits that the Company 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 Company.

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Deferred purchase consideration payable (Refer Note 49(b))	17.11	106.55
	17.11	106.55

21. NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for employee benefits:		
- Gratuity (Refer Note 46(a))	684.28	458.69
- Compensated Absences (Refer Note 46(d))	17.03	-
	701.31	458.69

22. TRADE PAYABLES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Total outstanding due of micro and small enterprises (Refer Note 45)	196.42	670.81
Total outstanding due of creditors other than micro and small enterprises*#	8,812.00	6,418.89
	9,008.42	7,089.70

* Includes amount payable to related parties - Refer Note 39

Includes Creditors for expenses amounting ₹ 3,474.98 lakhs (31 March 2020 ₹ 1,441.24 lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

23. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Employee related dues	837.70	966.84
Payable towards purchase of property, plant and equipment	236.85	868.73
Payable towards acquisition of business (Refer Note 49(b))	378.80	416.25
Security deposits	70.86	76.40
Others (unspent CSR liability, etc)	107.86	-
	1,632.07	2,328.22

24. OTHER CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Statutory dues*	255.25	1,346.21
Advance from customers	775.39	310.04
Deferred Revenue	70.00	-
Other Payable**	59.57	57.76
	1,160.21	1,714.01

(* 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)

25. CURRENT PROVISIONS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Provision for employee benefits:		
- Gratuity (Refer Note 46(a))	481.32	365.65
- Compensated Absences (Refer Note 46(d))	7.37	45.63
	488.69	411.28

26. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Provision for taxation (net of advance tax - ₹ 1,505.36 lakhs (31 March 2020 Rs 2,000.97 Lakhs)	947.11	129.03
	947.11	129.03

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

27. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Service Income (Refer Note 44(b))	81,598.08	66,486.81
<u>Other Operating revenue</u>		
Sundry balances written back (net)	12.75	43.90
	81,610.83	66,530.71

28. OTHER INCOME

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
<u>Interest Income</u>		
- from banks	617.66	230.00
- from related parties (Refer Note 39)	62.25	60.24
- on income tax refund	1.35	-
- others (Interest income on Deposits)	34.02	35.98
<u>Dividend Income</u>		-
- from related parties (Refer Note 39)	4,000.00	2,205.00
<u>Other Non-Operating Income</u>		
- 'Fair value gain on mutual funds measured at FVTPL	0.01	-
- 'Foreign exchange gain (net)	-	307.36
- 'Miscellaneous income	149.47	93.21
	4,864.76	2,931.79

29. COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Opening stock (Refer Note 11)	1,745.84	1,964.80
Add: Purchases	22,851.76	16,505.75
	24,597.60	18,470.55
Less: Closing stock (Refer Note 11)	3,346.36	1,745.84
	21,251.24	16,724.71

30. LABORATORY TESTING CHARGES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Laboratory testing charges	674.00	649.76
	674.00	649.76

31. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Salaries and wages, bonus etc	13,699.70	13,343.74
Gratuity expenses (Refer Note 46(a))	146.64	119.36
Contribution to provident and other funds (Refer Note 46(b))	679.34	635.86
Share based payment to employees (Refer Note 46(c))*	778.73	72.38
Staff welfare expenses	380.03	595.28
	15,684.44	14,766.62

*During the year ended 31 March 2021, total expense of Rs 778.73 Lakhs (31 March 2020 72.38 lakhs) includes reversal due to lapsed option amounting to ₹ 25.44 lakhs (31 March 2020 16.05 lakhs) arising under MESOS 2015 scheme is recognised through employee stock option reserve.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

32. FINANCE COSTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Interest on short term borrowing	-	50.07
"Interest on deferred purchase consideration measured at amortized cost (Refer Note 49(b))"	15.10	24.13
Interest on lease liabilities (Refer Note 43)	562.46	581.81
	577.56	656.01

33. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (Refer Note 3)	1,348.71	1,354.03
Amortisation on intangible assets (Refer Note 4)	668.98	403.10
Depreciation on right-of-use asset (Refer Note 43)	1,602.05	1,327.38
	3,619.74	3,084.51

34. OTHER EXPENSES

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Accreditation expenses	110.53	116.35
Laboratory expenses	125.13	96.94
Electricity and water	888.30	915.62
Rent (Refer Note 43(9))	4,830.36	4,179.56
Repairs and maintenance		
- Buildings	73.99	70.53
- Plant and equipment	1,408.28	861.91
- Others	146.48	170.60
Insurance	160.00	109.78
Rates and taxes	110.02	719.36
Payments to auditors (Refer Note 42)	109.22	91.02
Foreign exchange Loss (net)	28.84	-
Legal and professional	2,602.96	2,189.23
Travelling and conveyance	782.25	837.89
Printing and stationery	456.63	335.67
Provision for bad and doubtful debts (net)	1,762.88	1,028.35
Provision for impairment of non-current investments	-	195.00
Provision for doubtful advances (net)	100.00	241.04
Postage and courier	3,329.60	2,482.49
Communication	350.29	314.05
Advertisement and sales promotion expenses	1,062.39	875.04
Facility maintenance charges	574.71	354.75
Corporate social responsibility expenses (Refer Note 48(a))	463.13	76.97
Directors' sitting fee & commission (Refer Note 39)	60.25	56.06
Fair value loss on derivate assets measured at FVTPL	27.77	55.48
Bank charges	297.51	344.99
Write-off of Property, Plant and Equipment	-	37.91
Miscellaneous expenses	202.30	372.56
	20,063.82	17,129.15

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

35. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for impairment of current investments (Refer below Note 1)	-	336.47
Provision for bad and doubtful debts (net) (Refer below Note 2)	-	2,116.18
	-	2,452.65

Notes:

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items included within the statement of profit and loss are detailed below:

- 1 During previous year provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to ₹ 336.47 Lakhs
- 2 During previous year there has been a prolonged dispute in relation to trade receivables from a party towards lab management services rendered by the Company and the matter has been under arbitration. In view of the delay, the Company, on a prudent basis, has made provision aggregating INR 1,766.18 Lakhs against the above mentioned disputed trade receivables and this has been disclosed as an exceptional item.
- 3 During previous year provision for ₹ 350.00 Lakhs on account of certain old unreconciled balances.

36. INCOME TAXES

Tax expense

(a) Amounts recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current tax expense		
Current year	5,306.00	3,933.00
Tax adjustments for earlier year	(111.78)	(229.73)
	5,194.22	3,703.27
Deferred tax expense		
Relating to addition and (reversal) of temporary differences	(344.94)	(742.05)
Relating to change in tax rate*	-	(167.57)
	(344.94)	(909.62)
Tax expense for the year	4,849.28	2,793.65

*Effective Income tax rate applicable to the Company for FY 2019-20 has changed on account of decrease in tax rate to 22% w.e.f. 1 April 2019. Accordingly the deferred tax rate applicable for FY 2019-20 has been changed.;

On 20 September 2019, the Government has brought in the Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in Income-tax Act 1961 (the Act) and the Finance (No.2) Act 2019.

A New section 115BAA has been introduced with effect from Financial Year (FY) 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22% in the case of domestic Company.

The Company have elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

(b) Tax charge recognised directly to Other Comprehensive Income

(₹ in Lakhs)

Particulars	31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(297.49)	74.88	(222.61)
	(297.49)	74.88	(222.61)

(₹ in Lakhs)

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(201.67)	50.76	(150.91)
	(201.67)	50.76	(150.91)

(c) Reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Profit before tax (after Exceptional items)	24,604.79	13,999.08
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	6,192.53	3,523.29
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Expenses not allowed under Income tax	123.20	94.29
Dividend Income (Exempt Income)	(1,006.80)	(554.95)
Not considered in DTA	48.53	(167.57)
Allowances under Income Tax not debited to P&L	(80.97)	
Tax adjustments of earlier years	(111.78)	(229.73)
Others	(315.42)	128.32
Total income tax expense	4,849.29	2,793.65
Effective Tax Rate	19.71%	19.96%
Total tax expense as per statement of profit and loss	4,849.28	2,793.65

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 FOR THE YEAR ENDED 31 MARCH 2021**

(d) Movement in deferred tax balances

As at 31 March 2021

(₹ in Lakhs)

Particulars	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Recognised in Retained earning	Net deferred tax asset/ (liabilities)	Deferred tax asset	Deferred tax (liabilities)
Deferred tax liabilities							
Property, plant and equipment, Other intangible assets and Goodwill	(1,064.82)	(118.48)	-	-	(1,183.30)	-	(1,183.30)
Deferred tax asset							
Current investments	120.98	-	-	-	120.98	120.98	-
ROU asset and Lease Liabilities	122.14	47.71	-	-	169.84	169.84	-
Provision for bad and doubtful debts	1,375.13	(131.63)	-	-	1,243.50	1,243.50	-
Employee Share based payments	52.12	162.40	-	-	214.51	214.51	-
Provision for employee benefits	218.95	5.67	74.88	-	299.50	299.50	-
Others	(349.06)	379.27	-	-	30.21	30.21	-
Tax assets (liabilities)	475.43	344.94	74.88	-	895.25	2,078.55	(1,183.30)
Net Tax Assets (Liabilities)	475.43	344.94	74.88	-	895.25	2,078.55	(1,183.30)

As at 31 March 2020

(₹ in Lakhs)

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognised in Retained earning	Net deferred tax asset / (liability)	Deferred tax asset	Deferred tax (liabilities)
Deferred tax liabilities							
Property, plant, equipment and intangibles	(1,293.61)	228.79	-	-	(1,064.82)	-	(1,064.82)
Others	(370.42)	21.36	-	-	(349.06)	-	(349.06)
Deferred tax asset							
Current investments	50.39	70.59	-	-	120.98	120.98	-
ROU asset and Lease Liabilities	-	7.93	-	114.21	122.14	122.14	-
Provision for bad and doubtful debts	726.21	648.92	-	-	1,375.13	1,375.13	-
Employee Share based payments	82.72	(30.60)	-	-	52.12	52.12	-
Provision for employee benefits	205.56	(37.37)	(17.96)	-	218.95	218.95	-
Tax assets (liabilities)	(599.15)	909.62	(17.96)	114.21	475.43	1,889.31	(1,413.88)
Net Tax Assets (Liabilities)	(599.15)	909.62	(17.96)	114.21	475.43	1,889.31	(1,413.88)

The company 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

37. EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are 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.

Particulars	31 March 2021	31 March 2020
i. Profit attributable to equity holders (₹ in lakhs)		
Profit attributable to equity holders for basic and diluted EPS	19,755.51	11,205.43
	19,755.51	11,205.43
ii. Weighted average number of shares for calculating basic EPS	50,903,685	50,210,869
iii. Effect of dilution		
Share options	257,546	221,425
Weighted average number of shares for calculating diluted EPS	51,161,231	50,432,294
iv. Basic earnings per share (Rs)	38.81	22.32
v. Diluted earnings per share (Rs)	38.61	22.22

Note:

Ind AS 33 'Earnings per share', requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of share sub-division and bonus. The weighted average numbers of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the financial statements..

38. FINANCIAL INSTRUMENTS – FAIR VALUES

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.

(₹ in Lakhs)

Particulars	As at 31 March 2021							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current loans	-	-	923.63	923.63	-	-	-	-
Other non current financial assets	-	-	159.88	159.88	-	-	-	-
Current Financial assets								
Investment in mutual funds	1.35	-	-	1.35	1.35	-	-	1.35

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

Particulars	As at 31 March 2021							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Trade receivables	-	-	12,265.55	12,265.55	-	-	-	-
Cash and cash equivalents	-	-	31,713.28	31,713.28	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	1,829.05	1,829.05	-	-	-	-
Current loans	-	-	1,176.27	1,176.27	-	-	-	-
Other current financial assets	-	-	350.11	350.11	-	-	-	-
	1.35	-	48,417.77	48,419.12	1.35	-	-	1.35
Non Current Financial liabilities								
Other non-current financial liabilities	-	-	701.31	701.31	-	-	-	-
Lease Liabilities	-	-	5,933.29	5,933.29	-	-	-	-
Current Financial liabilities								
Trade payables	-	-	9,008.36	9,008.36	-	-	-	-
Other current financial liabilities	-	-	1,632.07	1,632.07	-	-	-	-
Lease Liabilities	-	-	2,563.23	2,563.23	-	-	-	-
	-	-	19,838.26	19,838.26	-	-	-	-

(₹ in Lakhs)

Particulars	As at 31 March 2020							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current loans	-	-	450.66	450.66	-	-	-	-
Other non current financial assets	-	-	1,105.28	1,105.28	-	-	-	-
Derivative instruments	27.77	-	-	27.77	-	27.77	-	27.77
Current Financial assets								
Trade receivables	-	-	12,439.86	12,439.86	-	-	-	-
Cash and cash equivalents	-	-	6,743.18	6,743.18	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	6,457.74	6,457.74	-	-	-	-
Current loans	-	-	2,037.77	2,037.77	-	-	-	-
Other current financial assets	-	-	168.28	168.28	-	-	-	-
	27.77	-	29,402.77	29,430.54	-	27.77	-	27.77

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

Particulars	As at 31 March 2020							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non Current Financial liabilities								
Other non-current financial liabilities	-	-	106.55	106.55	-	-	-	-
Lease Liabilities	-	-	3,660.22	3,660.22	-	-	-	-
Current Financial liabilities								
Trade payables	-	-	7,089.70	7,089.70	-	-	-	-
Other current financial liabilities	-	-	2,328.22	2,328.22	-	-	-	-
Lease Liabilities	-	-	1,693.59	1,693.59	-	-	-	-
	-	-	14,878.28	14,878.28				

**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. ₹ 175.28 lakhs (March 31, 2020 ₹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 Company 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.

The call options are fair valued at each reporting date through statement of profit and loss.

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. 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 the reporting date.	Not applicable	Not applicable

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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
Investment in Non-Convertible Debentures	The fair value of Non-Convertible Debentures 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
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: Under discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.	Not applicable	Not applicable
Desai Metropolis Health Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021 ₹ NA March 2020 ₹ Nil	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Dr Patel Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021 ₹ NA March 2020 ₹ Nil	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Micron Metropolis Healthcare Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Lab One Metropolis Healthcare Services Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
R.V Metropolis Diagnostic & Healthcare Centre Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Bokil Golwilkar Metropolis Health Services Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Ekopath Metropolis Lab Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021 ₹ NA March 2020 ₹ Nil	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Raj Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021: NA March 2020 * Equity value of unlisted company - ₹ 230.74 lakhs * Volatility in share price of comparable companies - 22%	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

Transfers between Levels

There have been no transfers between levels during the reporting periods

Sensitivity analysis

	31 March 2021		31 March 2020	
	Impact in P&L (Net of tax)		Impact in P&L (Net of tax)	
	Increase	Decrease	Increase	Decrease
Movement in equity value of unlisted company by 10%	NA	NA	1.86	-3.53
Volatility in share price of comparable companies by 10%	NA	NA	-0.45	0.46
Lease Liabilities				
Movement in Interest on lease liability - Discount rate (9.67%)+ / - 100 basis points	NA	NA	-53.54	53.54

C Financial risk management

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

The Company 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

a. Trade receivables and other receivables

The Company'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 Company grants credit terms in the normal course of business. The Company 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 Company does not have any significant concentration of credit risk. Further, company has one customer (31 March 2020 one customer) which accounts for 10% or more of the total trade receivables at each reporting date.

The Company 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 bad and doubtful debts for the year ended 31 March 2021

Particulars	Amount ₹ Lakhs
Balance as at 31 March 2019	1,869.38
Movement during the year	3,144.53
Balance as at 31 March 2020	5,013.91
Deduction on account of w/off	(2,375.46)
Expected Credit Loss allowance	1,762.88
Balance as at 31 March 2021	4,401.33

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank deposits as at 31 March 2021 ₹ 33,596.76 lakhs (31 March 2020 ₹ 14,251.67 lakhs). The cash and cash equivalents and other bank balances are held with bank with good credit ratings.

c. Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company 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. Other 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 as at 31 March 2021 Rs 1,143.69 lakhs (31 March 2020 Rs 1,365.61 lakhs). The Company does not expect any losses from non-performance by these counter-parties; The parties which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

The loans and advances majorly pertains to loans to subsidiaries and joint venture. These loans and advances which are outstanding as at 31 March 2021 ₹ 1,042.50 Lakhs (31 March 2020 ₹ 1,209.10 Lakhs), have been generally regular in making payments and hence it 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.

Particulars	Amount ₹ Lakhs
Balance as at 1 April 2019	208.84
Movement during the year	241.04
Balance as at 31 March 2020	449.88
Movement during the year	89.59
Advances w/off during the year	10.40
Balance as at 31 March 2021	539.47

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

Liquidity risk:

Liquidity risk is the risk that the Company 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 Company'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.

Maturities of financial liabilities

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

(₹ in Lakhs)

As at 31 March, 2021	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	395.91	402.00	382.00	20.00	-	-
Lease Liabilities	8,496.52	10,626.61	2,563.23	5,685.66	1,595.26	782.46
Trade payables	9,008.42	9,008.42	9,008.42	-	-	-
Other current financial liabilities	1,253.27	1,253.27	1,253.27	-	-	-
Total	19,154.12	21,290.30	13,206.92	5,705.66	1,595.26	782.46

(₹ in Lakhs)

As at March 31, 2020	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	522.80	544.00	424.00	120.00	-	-
Lease Liabilities	5,353.81	6,865.51	1,693.49	2,650.76	1,317.72	1,203.54
Trade payables	7,089.70	7,089.70	7,089.70	-	-	-
Other current financial liabilities	1,911.97	1,911.97	1,911.97	-	-	-
Total	14,878.28	16,411.18	11,119.16	2,770.76	1,317.72	1,203.54

The outflows disclosed in the above table represent the total contractual undiscounted cash flows and total interest payable on borrowings

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 Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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 31 March 2021 are as below (currency in lakhs):

(₹ in Lakhs)					
31-March-2021	USD	OMR	EUR	GBP	SGD
Financial assets (A)					
Trade and other receivables	2,028.19	33.87	-	-	-
Loans	918.18	-	-	-	-
Interest receivable	345.20	-	-	-	-
Advance given	23.49	-	0.31	0.45	29.73
Financial liabilities (B)					
Trade and other payables	3.30	-	-	0.39	-
Net exposure (A - B)	3,311.76	33.87	0.31	0.06	29.73

(₹ in Lakhs)					
31-March-2020	USD	OMR	EUR	GBP	SGD
Financial assets (A)					
Trade and other receivables	2,320.99	40.85	-	-	-
Loans	1,128.66	-	-	-	-
Interest receivable	103.23	-	-	-	-
Advance given	28.90	-	0.28	0.42	13.25
Financial liabilities (B)					
Trade and other payables	3.16	-	-	0.32	-
Net exposure (A - B)	3,578.62	40.85	0.28	0.10	13.25

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2021 and 31 March 2020 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.

Effect in INR	31 March 2021		31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
USD	(99.35)	99.35	(107.36)	107.36
OMR	(1.02)	1.02	(1.23)	1.23
LKR			0.01	(0.01)
EUR	(0.01)	0.01	(0.01)	0.01
GBP	(0.00)	0.00	(0.00)	0.00
SGD	(0.89)	0.89	(0.40)	0.40
	(101.27)	101.27	(108.98)	108.98

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 because of fluctuations in the interest rates. 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 Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 FOR THE YEAR ENDED 31 MARCH 2021**

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

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Fixed-rate instruments		
Financial assets	4,029.94	9,988.74
Financial liabilities	(395.91)	(522.80)
	3,634.03	9,465.94
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Total	3,634.03	9,465.94

D Capital management

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

39. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

A. Relationships -

Category I: Subsidiaries:

- Desai Metropolis Health Services Private Limited
- Sudharma Metropolis Health Services Private Limited
- R.V. Metropolis Diagnostics & Health Care Center Private Limited
- Dr. Patel Metropolis Healthcare Private Limited
- Micron Metropolis Healthcare Private Limited
- Ekopath Metropolis Lab Services Private Limited
- Metropolis Healthcare (Mauritius) Limited
- Amin's Pathology Laboratory Private Limited (Formerly known as Metropolis Wellness Products Private Limited)
- Lab One Metropolis Healthcare Services Private Limited
- Metropolis Healthcare Lanka (Pvt) Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited, Sri Lanka)
- Bokil Golwilkar Metropolis Healthcare Private Limited
- Raj Metropolis Healthcare Private Limited

Step down Subsidiary companies

- Metropolis Bramser Lab Services (Mtius) Limited
- Metropolis Healthcare Ghana Limited
- Metropolis Star Lab Kenya Limited
- Metropolis Healthcare (Tanzania) Limited

Category II: Joint Venture:

- Metropolis Histoexpert Digital Services Private Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

Category III: Key Management Personnel (KMP)

Dr. Sushil Kanubhai Shah, Chairman and Executive Director
 Ms. Ameera Sushil Shah, Managing Director
 Mr Vijender Singh, Chief Executive Officer
 Mr Rakesh Agarwal, Chief Financial Officer (w.e.f 11 November 2019)
 Ms. Poonam Tanwani, Company Secretary (w.e.f 10 February 2020)
 Mr. Mihir Jagdish Doshi, Independent Director (upto 30 April 2020)
 Mr. Milind Shripad Sarwate, Independent Director
 Mr. Vivek Gambhir, Independent Director
 Mr. Sanjay Bhatnagar, Independent Director
 Ms. Anita Ramachandran, Independent Director (w.e.f 14 May 2020)

Category IV: Relatives of KMP

Dr. Duru Sushil Shah
 Mr. Hemant Sachdev
 Ms. Aparna Shah (Rajadhyaksha)

Category V: 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

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

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
1) Services rendered		
Subsidiaries		
Micron Metropolis Healthcare Private Limited	597.02	229.12
Dr. Patel Metropolis Healthcare Private Limited	1,199.52	283.26
Desai Metropolis Health Services Private Limited	250.96	346.72
Sudharma Metropolis Health Services Private Limited	410.00	501.26
R.V. Metropolis Diagnostics & Health Care Center Private Limited	574.68	715.44
Metropolis Star Lab Kenya Limited	316.42	485.07
Metropolis Healthcare Ghana Limited	163.06	198.51
Metropolis Bramser Lab Services (Mtius) Limited	15.33	57.31
Lab One Metropolis Healthcare Services Private Limited	132.15	130.73
Amin's Pathology Laboratory Private Limited	14.06	23.34
Ekopath Metropolis Lab Services Private Limited	90.66	83.74
Metropolis Healthcare (Mauritius) Limited	128.36	163.45
Bokil Golwilkar Metropolis Healthcare Private Limited	229.48	58.65
Raj Metropolis Healthcare Private Limited	1.50	4.15

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Metropolis Healthcare Lanka (Pvt) Limited	81.81	101.59
Metropolis Healthcare (Tanzania) Limited	21.45	28.28
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	12.98	17.89
Relatives of KMP		
Dr. Duru Sushil Shah	12.15	13.19
Other related parties		
Centre for Digestive and Kidney Disease (India) Private Limited #	-	300.12
2) Services received		
Subsidiaries		
R.V. Metropolis Diagnostics & Health Care Center Private Limited	297.49	221.93
Ekopath Metropolis Lab Services private Limited	42.97	-
3) Purchase of Goods		
Amin's Pathology Laboratory Private Limited	187.58	146.32
4) Rent paid		
Key Management Personnel		
Dr. Sushil Kanubhai Shah	80.87	99.48
5) Compensation paid to Key Management Personnel		
Short-term employee benefits [^]	805.97	962.84
Post employment benefit	19.57	21.52
Share-based payments expense	337.84	5.09
(^As gratuity expense is based on actuarial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.)		
6) Dividend income		
Subsidiaries		
Dr. Patel Metropolis Healthcare Private Limited	-	250.00
Lab One Metropolis Healthcare Services Private Limited	-	85.00
R.V. Metropolis Diagnostics & Health Care Center Private Limited	1,500.00	450.00
Micron Metropolis Healthcare Private Limited	-	100.00
Desai Metropolis Health Services Private Limited	1,000.00	600.00
Sudharma Metropolis Health Services Private Limited	1,500.00	635.00
Bokil Golwilkar Metropolis Healthcare Private Limited	-	85.00
7) Dividend paid		
Key Management Personnel		
Dr Sushil Kanubhai Shah	298.02	298.02
Ameera Sushil Shah	14.55	14.55
Other related parties		
Metz Advisory LLP	1,255.30	1,255.30
Relatives of KMP		
Dr Duru Sushil Shah	492.37	736.74

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
8) Director sitting fees and Commission		
Mr. Mihir Jagdish Doshi	-	8.50
Mr. Milind Shripad Sarwate	27.25	18.77
Mr. Vivek Gambhir	12.50	17.52
Ms. Anita Ramachandran	8.00	-
Mr. Sanjay Bhatnagar	12.50	11.27
9) Professional Fees		
Relatives of KMP		
Ms. Aparna Shah (Rajadhyaksha)	22.5	-
10) Interest income		
Subsidiaries		
Ekopath Metropolis Lab Services Private Limited	6.00	6.00
Raj Metropolis Healthcare Private Limited	0.32	0.32
Metropolis Healthcare (Mauritius) Limited	54.83	52.82
Metropolis Healthcare Lanka (Pvt) Limited	1.10	1.10
11) Provision for Diminution of investment		
Metropolis Histoexpert Digital Services Private Limited	-	194.35
12) Investments made / (sold)		
Subsidiaries		
Raj Metropolis Healthcare Private Limited	82.33	-

Excluded from related party after resignation of Dr Sushil Shah from Directorship of the Company dated 6 August, 2019

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

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
1) (a) Trade payables		
Subsidiaries		
Amin's Pathology Laboratory Private Limited	220.47	241.45
R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	51.11
Dr. Patel Metropolis Healthcare Private Limited	782.13	-
Other related parties		
Metropolis Health Products Retail Private Limited	1.87	1.87
(b) Other Payable		
Dr. Sushil Kanubhai Shah *	19.86	19.86
Aparna Rajadhyaksha	22.50	-
(c) Director Commission fees		
Mr. Vivek Gambhir	-	1.00
2) Trade receivables		
Subsidiaries		
Metropolis Star Lab Kenya Limited	165.57	679.77
Metropolis Bramser Lab Services (Mtius) Limited	14.34	88.28
Metropolis Healthcare Ghana Limited	708.61	560.00
Metropolis Healthcare (Mauritius) Limited	442.08	326.91

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
FOR THE YEAR ENDED 31 MARCH 2021**

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Micron Metropolis Healthcare Private Limited	46.65	67.29
Dr. Patel Metropolis Healthcare Private Limited	-	71.95
Desai Metropolis Health Services Private Limited	187.84	89.64
Sudharma Metropolis Health Services Private Limited	206.06	172.05
R.V. Metropolis Diagnostics & Health Care Center Private Limited	41.71	-
Lab One Metropolis Healthcare Services Private Limited	93.08	49.74
Ekopath Metropolis Lab Services Private Limited	66.12	9.15
Raj Metropolis Healthcare Private Limited	8.84	6.80
Bokil Golwilkar Metropolis Healthcare Private Limited	29.09	20.51
Metropolis Healthcare Lanka (Pvt) Limited	274.03	299.11
Amin's Pathology Laboratory Private Limited	-	5.92
Metropolis Healthcare (Tanzania) Limited	50.72	30.06
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	22.02	10.03
Relatives of KMP		
Dr. Duru Sushil Shah	4.14	2.45
Other Related Parties		
Metropolis Health Products Retail Private Limited	-	41.05
3) Loans and advances including interest accrued		
Subsidiaries		
Ekopath Metropolis Lab Services Private Limited	60.93	60.00
Metropolis Healthcare (Mauritius) Limited	1,246.48	1,221.55
Metropolis Star Lab Kenya Limited	-	0.22
Metropolis Healthcare Ghana Limited	-	0.07
Metropolis Healthcare (Zambia)	-	0.10
Raj Metropolis Healthcare Private Limited	18.81	19.33
Centre for Digestive and Kidney Disease (India) Private Limited #	-	-
Metropolis Healthcare Lanka (Pvt) Limited	63.88	63.78
Associates		
Star Metropolis Health Services Middle East LLC, Dubai**	-	-
Other related parties		
Metropolis Health Products Retail Private Limited	44.02	44.02
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	195.00	195.00
4) Provision for doubtful trade receivables		
Other related parties		
Metropolis Health Products Retail Private Limited	-	41.05
5) Provision for doubtful advances		
Other related parties		
Metropolis Health Products Retail Private Limited	44.02	44.02

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

The details of Loans and advances as required by Schedule V of SEBI (LODR, 2015) are given in the table below:

Name of the Company	31 March 2021		31 March 2020	
	Outstanding Balance	Max. amount outstanding during the year	Outstanding Balance	Max. amount outstanding during the year
Subsidiaries & Others:				
Metropolis Healthcare (Mauritius) Limited	905.70	1,069.55	1,069.55	1,069.67
Micron Metropolis Healthcare Private Limited			-	-
Raj Metropolis Healthcare Private Limited	4.08	4.08	4.08	4.08
Ekopath Metropolis Lab Services Private Limited	60.00	60.00	60.00	60.00
Metropolis Healthcare Lanka (Pvt) Limited	12.48	12.76	12.76	12.76

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

Excluded from related party after resignation of Dr Sushil Shah from Directorship of the Company dated 6 August, 2019

40. COMMITMENTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for	865.42	1,273.16

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 ₹ 35,617.90 Lakhs (31 March 2020 ₹ 48,140.09 Lakhs) of which annual commitment for next year is ₹ 7,297.45 Lakhs (31 March 2020 ₹ 13,165.08 Lakhs) as per the terms of these arrangements.

41. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Income tax liability disputed in appeals	113.93	113.93
Due to others	394.33	394.33
Claims against the Company not acknowledged as debt		
- Claims by suppliers/contractors /others	4.25	138.60
- Claims pending in Consumer Dispute Redressal Forum	32.21	31.79
Contingent consideration on acquisition of remaining stake of subsidiary*	759.38	759.38
Total	1,304.10	1,438.03

*Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be Rs 3,037.51 Lakhs. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated 14 October 2005, the Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. Rs 759.38 Lakhs as damages. This matter is currently pending before the arbitrator.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 FOR THE YEAR ENDED 31 MARCH 2021**

42. AUDITORS' REMUNERATION

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Statutory audit fees	57.17	57.17
Limited Review Fees	28.00	28.00
Certification Fees	9.72	3.00
Others (including reimbursement of out of pocket expenses)	14.33	2.85
Total	109.22	91.02

43. DISCLOSURE ON IND-AS 116 LEASES

1 The 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 ₹ 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 Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 33 and 34
 - 2 The incremental borrowing rate applied to lease liabilities for FY 20-21 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 31 March, 2021:

(₹ in Lakhs)

Particulars	Category of ROU					Total
	Office Space	Patient Service Center	Lab	HUB	Re-agent	
Balance as of 1 April, 2019	1,836.42	1,171.32	1,111.62	0.97	-	4,120.33
Additions	484.56	275.64	970.53	344.60	-	2,075.33
Depreciation	(642.41)	(310.68)	(328.18)	(46.10)	-	(1,327.37)
Balance as of 1 April, 2020	1,678.57	1,136.28	1753.97	299.47		4,868.29
Additions	-	-	394.61	-	4,160.79	4,555.40
Depreciation	(624.37)	(309.10)	(348.82)	(111.69)	(208.03)	(1,602.01)
Balance as of 31 March, 2021	1,054.20	827.18	1,799.76	187.78	3,952.76	7,821.68

4 The following is the break-up of current and non-current lease liabilities as of 31 March, 2021:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current Lease liabilities	2,563.23	1,693.59
Non-current lease liabilities	5,933.29	3,660.22
Total	8,496.52	5,353.81

- 5 The following is the movement in lease liabilities for the year ended 31 March, 2021

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Amount
Balance as of 1 April, 2019	4,264.57
Additions	2,075.33
Finance cost accrued during the year	581.81
Payment of lease liabilities	(1,567.89)
Balance as of 1 April, 2020	5,353.82
Additions	4,544.95
Finance cost accrued during the period	562.46
Payment of lease liabilities	(1,964.69)
Balance as of 31 March, 2021	8,496.54

- 6 The table below provides details regarding the contractual maturities of lease liabilities as of 31 March, 2021 on an undiscounted basis:

(₹ in Lakhs)

Particulars	Year ended Mar 21	Year ended Mar 20
Less than one year	2,563.23	1,693.59
One to five years	7,280.92	4,407.89
More than 5 years	782.46	764.13
Total	10,626.61	6,865.61

- 7 Impact of adoption of Ind AS 116 for the year ended 31 March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Year ended Mar 21	Year ended Mar 20
Decrease in Other expenses by	1,964.69	(1,567.89)
Increase in Finance cost by	562.46	581.81
Increase in Depreciation by (excludes depreciation on reclassified assets)	1,602.01	1,287.33
Net Impact on Profit/Loss	4,129.17	301.25

- 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 4,830.36 Lakhs (31 March 2020 Rs 4,179.56 Lakhs) for the year ended 31 March, 2021.
- 10 The total cash outflow for leases for year ended 31 March, 2021 is Rs 1,964.69 Lakhs (31 March 2020 Rs 1,567.89 Lakhs)

44. (A) DISCLOSURE AS PER IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Contract asset- unbilled revenue	-	-
Contract liabilities (Advance from Customer)		
Opening balance	310.04	355.11
Movement during the Year	465.35	(45.07)
Closing balance	775.39	310.04

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

44. (B) RECONCILIATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Revenue from contract with customers as per contract price	82,371.48	67,207.79
Adjustments made to contract price on account of Discount/ Rebates	773.40	720.98
Revenue from contract with customers	81,598.08	66,486.81
Other Operating Revenue	12.75	43.90
Revenue from Operations	81,610.83	66,530.71

45. MICRO AND SMALL ENTERPRISES

There are some micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2021. 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 Company.

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
a. Principal amount remaining unpaid to any supplier as at the year end	196.42	670.81
Interest due thereon:		
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)	-	18.17
e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.	15.00	29.63
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	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

46. EMPLOYEE BENEFITS

a) Defined benefits plan

The Company has gratuity as defined benefit retirement plan for its employees. Details of the same as at year end are as follows:

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
A. Amount recognised in the balance sheet		
Present value of the obligation as at the end of the year	1,189.70	843.08
Fair value of plan assets as at the end of the year	(24.10)	(18.74)
Net liability recognised in the balance sheet	1,165.60	824.34
Out of which,		
Non-current portion	684.28	458.69
Current portion	481.32	365.65
B. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	843.08	580.93
Current service cost	103.70	77.43
Interest cost	43.93	43.45
Actuarial loss	301.87	201.48
Benefits paid	(104.05)	(60.21)
Liability Transferred In/ Acquisitions	2.08	-
Liability Transferred Out/ Divestments	(0.91)	-
Projected benefit obligation at the end of the year	1,189.70	843.08
C. Change in plan assets		
Fair value of plan assets at the beginning of the year	18.74	20.32
Interest income	0.98	1.52
Return on Plan Assets, Excluding Interest Income	4.38	(0.19)
Benefits paid	-	(2.91)
Fair value of plan assets at the end of the year	24.10	18.74
D. Amount recognised in the statement of profit and loss		
Current service cost	103.70	77.43
Interest cost	42.95	41.93
Expenses recognised in the statement of profit and loss	146.65	119.36
E. Amount recognised in other comprehensive income		
Actuarial (gain)/loss on Defined benefit obligation	301.87	201.48
"Due to Change in Demographic Assumptions"	(11.31)	62.99
"Due to Change in Financial Assumptions"	20.21	26.89
Due to Experience	292.97	111.60
Actuarial gain/loss on Plan assets	(4.38)	0.19
Total	297.49	201.67
F. Plan Assets include the following:		
1. Insurance funds		

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 FOR THE YEAR ENDED 31 MARCH 2021**

G. Assumptions used

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Discount rate	4.25%	5.21%
Long-term rate of compensation increase	6.00% p.a.	"5.5% p.a. for the next 3 years, 7% p.a. thereafter, starting from the 4th year"
Rate of return on plan assets	4.25%	5.21%
Attrition rate	31.00% p.a. for all service groups	29% p.a. for all service group
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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.

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(27.02)	28.75	(20.48)	21.86
Future salary growth (1% movement)	26.93	(25.90)	20.60	(19.74)
Employee Turnover (1% movement)	(5.84)	6.04	(4.76)	4.92

I. Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2021					
Defined benefit obligations (Gratuity)	323.76	249.10	471.71	281.40	1,325.98
Total	323.76	249.10	471.71	281.40	1,325.98

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2020					
Defined benefit obligations (Gratuity)	222.51	167.36	336.08	249.75	975.71
Total	222.51	167.36	336.08	249.75	975.71

(b) Defined contribution plan

The Company 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. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year is ₹ 679.34 lakhs (31 March 2020 ₹ 635.86 lakhs)..

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at 31 March 2021 and 31 March 2020 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 6, 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 19 September 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 1 January, 2016 or prior thereto) shall vest at the rate of 50% of Grant on 1 January 2018, 25% of Grant on 1 January 2019 and 25% of Grant on 1 January 2020.

- New employees (person who is in continuous employment with the Company after 01 January, 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 24 September 2018, passed by the Nomination & Remuneration Committee

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
RSU - Option granted to eligible employees on May 2020"	2,70,000	For the Options to vest, the Grantee has to met 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 25 April 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)
 FOR THE YEAR ENDED 31 MARCH 2021**

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
MESOS 2015 - Option granted to eligible employees on 16 October 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 share option plans are as follows:

RSU 2020

	31 March 2021	
	Weighted average exercise price	Number of RSU
Outstanding at the beginning	2	-
Granted during the year	2	2,41,400
Exercised during the year	2	-
Lapsed/ forfeited /surrender/buyback	2	(4,400)
Outstanding at the end	2	2,37,000
Exercisable at the end	2	-

MESOS 2015

	31 March 2021		31 March 2020	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning	705.77	5,60,315	705.77	10,80,400
Granted during the year	-	10,000	-	-
Granted due to bonus issue	-	-	-	-
Granted due to split of shares	-	-	-	-
Exercised during the period #	705.77	4,86,247	705.77	4,51,886
Lapsed/ forfeited /surrendered	705.77	51,168	705.77	68,199
Outstanding at the end	705.77	32,900	705.77	5,60,315

* On account of split and bonus with conversion factor of 5:2

The options outstanding at 31 March 2021 have an exercise price of ₹ 705.77 (31 March 2020 have an exercise price of ₹ 705.77) and a weighted average remaining contractual life of 6 months to 2 years (31 March 2020: 6 months to 2 years)

The expense arising from MESOS 2015 scheme during the year is ₹ 80.96 Lakhs (31 March 2020 ₹ 72.38 Lakhs);

The expense arising from RSU 2020 scheme during the year is ₹ 697.77 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))	486,247	3,422.06
General Reserve (Fair Value - 142.8 per Option)	93,509	113.54
Equity Shares (Face value ₹ 2 per share)	486,247	9.72

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the standalone statement of Profit and Loss. 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:

(₹ in Lakhs)

Particulars	MESOS 2015		RSU 2020
	16 October 2017	25 April 2016	29 May 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	1,321.00
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.

(d) Compensatory absences:

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 76.90 lakhs (31 March 2020 ₹ 165.06 lakhs) has been recognised in the Standalone Statement of profit and loss on account of provision for compensated absences.

47 SEGMENT REPORTING

The Company has presented segment information in the consolidated Financial statements which are presented in the same Financial statements. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone Ind AS Financial statements

48. (A) CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has spent INR 363.13 lakhs* (Previous year: INR 76.97 lakhs) and created provision for unspent amount of INR 100 lakhs during the year as per the provisions of Section 135 of Companies Act, 2013 towards Corporate Social responsibility activities grouped under 'Other Expenses'.

- a) Gross amount required to be spent by the Company during the year INR 290 lakhs (Previous year: INR 246 lakhs)
- b) Amount spent during the period on;

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Amount spent in Cash	Amount yet to be paid in Cash	Total
Year ended 31 March 2021			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	363.13	100.00	463.13
Year ended 31 March 2020			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	76.97	-	76.97

Details of ongoing CSR projects under Section 135(6) of the Act.

Balance as at April 01, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In separate CSR Unspent Account		From the Company's Bank account	From separate CSR Unspent account	With the Company	In separate CSR Unspent Account
	-	290.00	363.13*	-	100**	-

* Includes INR 169.11 lakhs related to previous year.

** Transferred to separate Unspent CSR account as per the requirements of CSR Rules

48. (B)

As at balance sheet date, the Company is awaiting response from the relevant regulatory authorities for the application filed under section 441 of the Companies Act, 2013, for compounding of the non-compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the Boards' Report for the year ended on 31 March 2015.

However, the management has provided the amount of potential penalty in the books of accounts and believes that the additional penalty, if any, that may arise due to the default would not be material.

49. (A) 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.

Investments :

Details of investments made during the year are as under:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Raj Metropolis Healthcare Private Limited	82.33	-
Total	82.33	-

49. (B) DEFERRED PAYMENT CONSIDERATION

During the earlier years, 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

The deferred consideration of ₹ 2,300.00 lakhs has been measured at fair value (₹ 2,100.96 lakhs) on initial recognition and the difference of ₹199.04 lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 Rs 7.76 lakhs (31 March 2020 Rs 16.44 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 31 March 2019, out of total consideration of Rs 868.92 Lakhs, an amount of ₹ 100 Lakhs is to be paid by Company in 2 tranches (₹ 80 Lakhs to be paid on 14 September 2021 and remaining ₹ 20 Lakhs to be paid on 14 September 2023).

The deferred consideration of ₹ 100 Lakhs has been measured at fair value (₹ 80.40 Lakhs) on initial recognition and the difference of ₹ 19.60 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 Rs 6.11 lakhs (31 March 2020 Rs 5.54 lakhs) charged to statement of profit and loss (refer note 32).

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

The deferred consideration of ₹ 60 Lakhs has been measured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 Rs 1.21 lakhs (31 March 2020 Rs 2.15 lakhs) charged to statement of profit and loss (refer note 32).

Summarised Details of Deferred Purchase Consideration

Particular	31 March 2021		31 March 2020	
	Finance Cost	Closing Fair value	Finance Cost	Closing Fair value
Sanjeevani Pathology Laboratory	7.76	242.00	16.44	376.24
Dr. Patel Metropolis Healthcare Private	6.11	94.96	5.54	88.85
Bokil Golwilkar Metropolis Healthcare Private	1.21	58.93	2.15	57.71
Total	15.08	395.89	24.13	522.80

50 INVESTMENT AND RECEIVABLE FROM STAR METROPOLIS HEALTH SERVICES MIDDLE EAST LLC, DUBAI

As at 31 March 2021, the Company has an investment of ₹ 129.85 lakhs (31 March 2020 ₹ 129.85 lakhs) and receivable of ₹ 445.05 lakhs (31 March 2020 ₹ 640.88 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 discontinued 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.

51. TRANSFER PRICING

The Company management is of the opinion that its international and domestic transactions are at arm's length as per the independent firms report for the year ended 31 March 2021. Management continues to believe that its international transactions post 31 March 2021 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.

52.

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 31 March 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 31 March 2021, 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

53. IMPACT OF THE COVID-19 PANDEMIC, SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS AND STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS:

The Company operated at sub optimal levels following Government directives on lockdown in Q1'2020-21 . While most of the economic activities were at halt during the lockdown period, the healthcare sector continued its operations under the Essentials Commodities Act. Accordingly, the Company's operations continued to service customers across channels. The Company was the first Private lab in the country to start testing for Covid-19. With the best Test turn Around Time(TAT), continuous medical engagement with doctors and government authorities coupled with strong branding and customer equity, the Company was successful in churning out Covid-19 tests and resumed full operations from Q2'2020-21 onwards. The Company is well equipped to adapt to the evolving business environment and has scaled up its operations to fulfill the needs of its customers. The Company does not foresee any significant risk on receivables.

54. SUBSEQUENT EVENT

On 17 January 2021, the Board of Directors of the Company approved acquisition of 100% stake in Dr. Ganesan's Hitech Diagnostic Center Private Limited and its subsidiary from its existing promoters / shareholders for a cash consideration of an amount of Rs 51,100 Lakhs and issuance of upto 4,95,000 equity share of the Company at a price which shall be determined on the relevant date pursuant to the provisions of the Regulation 164 of SEBI. Due to some unforeseen circumstances the transaction is pending to be executed.

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No: 105003

Place : Mumbai

Date: 27 May 2021

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

L73100MH2000PLC192798

Dr. Sushil Shah

Chairman & Executive Director

DIN: 00179918

Place : Miami (USA)

Vijender Singh

Chief Executive Officer

Place : Gurugram

Ameera Shah

Managing Director

DIN: 00208095

Place : Dubai

Rakesh Agarwal

Chief Financial Officer

Place : Mumbai

Poonam Tanwani

Company Secretary

Membership No: ACS 19182

Place : Ahmedabad

Date : 27 May 2021

INDEPENDENT AUDITORS' 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"), its joint venture, which comprise the consolidated balance sheet as at 31 March 2021, 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 then ended, 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 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, and its joint

venture as at 31 March 2021, of its consolidated profit and other comprehensive income, 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, and its joint venture 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 audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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

See note 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in note 5 of the consolidated financial statements the Group has goodwill aggregating ₹ 9,034.79 lakhs at 31 March 2021.</p> <p>Group tests goodwill for impairment annually, or more frequently when there is an indication, the cash generating unit to which goodwill 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 as a key audit matter considering:</p> <ul style="list-style-type: none"> The significance of the value of goodwill in the Consolidated Balance Sheet. The degree of judgement involved in determining the recoverable amount of goodwill including: <ul style="list-style-type: none"> Valuation assumptions such as discount rate and terminal growth rate. Business assumptions such as revenue growth rate, related costs and the resultant cash flows projected to be generated from these investments. 	<p>Our audit procedures included:</p> <p>Understanding the process followed by the Group in respect of the annual impairment analysis.</p> <p>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.</p> <p>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.</p> <p>Involving the 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).</p> <p>Testing data used to develop the estimate for completeness and accuracy.</p> <p>Performing a sensitivity analysis to evaluate the impact of change in key assumption individually or collectively to the recoverable value.</p> <p>Assessing the adequacy of disclosures in the consolidated financial statements.</p>

INDEPENDENT AUDITORS' REPORT (Contd.)

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 our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, 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 work done/ 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 including its joint venture 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 and of its joint venture 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 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 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 and its joint venture 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 and of its joint venture is 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.

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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial

INDEPENDENT AUDITORS' REPORT (Contd.)

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 and its joint venture 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 information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' 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 six (6) subsidiaries whose financial statements reflect total assets of ₹ 5,478.71 lakhs as at 31 March 2021, total revenues of ₹ 3,695.17 lakhs and net cash flows amounting to ₹ 673.05 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information 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 audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

INDEPENDENT AUDITORS' REPORT (Contd.)

respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1.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.
- 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 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 Auditor's) 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 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and joint venture. Refer Note 47 to the consolidated financial statements.
 - ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2021.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- C) With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint venture 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, its subsidiary companies, and joint venture 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) which are required to be commented upon by us

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Membership No: 105003

Date: 27 May 2021

ICAI UDIN: 21105003AAAAC09208

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Section 143(3)(i) of the Companies Act, 2013

(REFERRED TO IN PARAGRAPH 1 (A)(F) 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 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its joint venture company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated 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 RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company 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 Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Date: 27 May 2021

Membership No: 105003

ICAI UDIN: 21105003AAAAC09208

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,513.49	12,119.62
Right of use assets	37	10,313.17	5,965.92
Goodwill	4	9,025.05	9,034.79
Other intangible assets	4	3,459.31	2,516.83
Intangible assets under development		-	298.73
Financial Assets			
i) Investments	5	175.28	175.28
ii) Loans	6	1,039.53	546.70
iii) Other non-current financial assets	7	228.38	1,239.34
Non-current tax assets (Net)	8	2,066.39	1,593.19
Deferred tax assets (Net)	35 (iv)	1,708.48	1,390.11
Other non-current assets	9	66.72	636.72
Total non-current assets		39,595.80	35,517.23
Current assets			
Inventories	10	4,054.83	2,440.07
Financial Assets			
i. Investments	11	833.09	1,256.61
ii. Trade receivables	12	12,297.71	12,824.78
iii. Cash and cash equivalents	13	38,659.34	10,717.42
iv. Bank balances other than cash and cash equivalents mentioned above	14	3,310.22	10,329.70
v. Loans	15	413.95	1,118.07
vi. Other current financial assets	16	59.22	217.10
Other current assets	17	1,217.34	802.19
Total current assets		60,845.70	39,705.94
Total assets		100,441.50	75,223.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,022.33	1,012.61
Other equity	19	69,637.71	51,337.00
Equity attributable to owners of the Company		70,660.04	52,349.61
Non-controlling interests		146.47	165.76
Total equity		70,806.51	52,515.37
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities	37	7,893.01	4,577.81
ii. Other non-current financial liabilities	20	122.08	467.81
Provisions	21	808.18	541.40
Deferred tax liabilities (net)	35 (iv)	416.17	172.82
Total non-current liabilities		9,239.44	5,759.84
Current liabilities			
Financial liabilities			
i. Lease Liabilities	37	3,333.98	2,088.89
ii. Trade payables			
- Total outstanding dues of micro and small enterprises	22	246.44	724.72
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22	10,809.12	7,778.68
iii. Other current financial liabilities	23	2,525.81	3,441.44
Current tax liabilities (net)	24	1,252.96	373.17
Provisions	21	764.96	659.91
Other current liabilities	25	1,462.28	1,881.15
Total current liabilities		20,395.55	16,947.96
Total liabilities		29,634.99	22,707.80
Total Equity and Liabilities		100,441.50	75,223.17

Note: The accompanying notes 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 Registration No: 101248W/W-100022

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

Tarun Kinger
Partner
Membership No: 105003

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad
Date : 27 May 2021

Place : Mumbai
Date: 27 May 2021

Vijender Singh
Chief Executive Officer
Place : Gurugram

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Notes	(₹ in Lakhs)	
		31 March 2021	31 March 2020
INCOME			
Revenue from operations	26	99,798.70	85,640.54
Other income	27	1,204.52	856.66
Total Income		101,003.22	86,497.20
EXPENSES			
Cost of materials consumed	28	25,216.27	20,413.50
Laboratory testing charges	29	544.56	688.99
Employee benefits expense	30	19,864.03	19,015.62
Finance costs	31	778.15	834.47
Depreciation and amortisation expense	32	4,594.45	3,926.72
Other expenses	33	25,573.46	22,239.95
Total Expenses		76,570.92	67,119.25
Profit before exceptional items, share of profit for equity accounted investees and income tax		24,432.30	19,377.95
Exceptional items	34	-	2,452.66
Profit before share of profit for equity accounted investees and income tax		24,432.30	16,925.29
Share of (loss) for equity accounted investees (net of tax)	43	-	(51.98)
Profit before tax		24,432.30	16,873.31
Income tax expense:	35		
1. Current tax		6,225.35	5,326.98
2. Deferred tax (income)		10.27	(919.33)
3. Tax adjustments for earlier years		(138.19)	(289.56)
Total Income Tax expenses		6,097.43	4,118.09
Profit for the year		18,334.87	12,755.22
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	48(a)	(328.66)	(278.02)
Income tax on above	35	82.69	69.98
(ii) Items that will be subsequently reclassified to profit and loss			
Exchange differences in translating financial statements of foreign operations		137.96	(92.11)
Other comprehensive income for the year, net of tax		(108.01)	(300.15)
Total comprehensive income for the year		18,226.86	12,455.07
Profit attributable to:			
Owners of the Company		18,309.51	12,732.56
Non-controlling interest		25.36	22.66
Other comprehensive income attributable to:			
Owners of the Company		(108.81)	(300.18)
Non-controlling interest		0.80	0.03
Total comprehensive income attributable to:			
Owners of the Company		18,200.70	12,432.38
Non-controlling interest		26.16	22.69
Earnings per equity share			
Equity shares of face value of ₹ 2 each			
Basic earnings per share (₹)	36	35.97	25.36
Diluted earnings per share (₹)	36	35.79	25.25

Note : The accompanying notes 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 Registration No: 101248W/W-100022

Tarun Kinger
 Partner
 Membership No: 105003

Place : Mumbai
 Date: 27 May 2021

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

Dr. Sushil Shah
 Chairman & Executive Director
 DIN: 00179918
 Place : Miami (USA)

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Dubai

Rakesh Agarwal
 Chief Financial Officer
 Place : Mumbai

Poonam Tanwani
 Company Secretary
 Membership No: ACS 19182
 Place : Ahmedabad
 Date : 27 May 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	24,432.30	16,873.31
Adjustments for :		
Depreciation and amortisation expense	4,594.45	3,926.72
Loss on sale of property plant and equipments (net)	1.12	60.01
Sundry balances written back	(19.75)	-
Provision for bad and doubtful debts (net)	2,173.50	3,500.00
Provision for bad and doubtful advances (net)	101.84	246.81
Gain on redemption of Mutual fund	(28.89)	-
Foreign exchange loss / (gain)(net)	227.73	(55.09)
Share based payments expenses (Refer note 30)	778.79	72.38
Loss on derivative assets	27.77	-
Interest income	(928.70)	(589.96)
Interest income on income tax refund	(1.41)	-
Changes in fair value of current investments	(20.23)	(90.07)
Provision for impairment of current investments	-	336.48
Dividend income from mutual fund	-	(21.46)
Share of Loss of equity accounted investment	-	51.98
Interest on short term loan	0.06	52.64
Interest on deferred purchase consideration	47.32	59.50
Interest on lease liabilities	730.77	722.33
Operating profit before working capital changes	32,116.67	25,145.58
Working capital adjustments:		
Decrease in loans	256.96	238.28
(Increase) / Decrease in inventories	(1,614.76)	170.16
(Increase) in trade receivables	(1,646.43)	(2,658.44)
(Increase) in other current assets (Current and non current)	(465.98)	(188.99)
(Increase) / Decrease in other current financial assets	(2.42)	775.07
Increase in provisions	43.16	119.12
Increase in trade payables	2,344.18	3,163.25
(Decrease) in other financial liabilities	(26.49)	(151.55)
(Decrease)/Increase in other liabilities	(418.87)	1,330.41
Cash generated from operating activities	30,586.02	27,942.89
INCOME TAXES (PAID)	(5,683.17)	(6,442.81)
Net cash generated from operating activities (A)	24,902.85	21,500.08
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment & Intangible assets (including capital advances and capital creditors)	(2,827.26)	(3,620.68)
Proceeds from sale of property, plant and equipment	8.61	26.31
Purchase consideration paid towards acquisition of business	(539.49)	(1,237.93)
Proceeds from sale of current investments	472.64	2,465.47
Purchase of investments	-	(866.87)
Interest income	1,043.03	391.44
Dividend income	-	21.46
Investments in term deposits (having original maturity of more than three months)	8,012.59	(7,662.32)
Net cash generated from/(used) in investing activities (B)	6,170.12	(10,483.12)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
C CASH FLOW FROM FINANCING ACTIVITIES	3,431.78	3,189.27
Proceeds from Issue of Share to ESOP holders (Refer note 48 (c))	-	(16.56)
Repayment of non current borrowings	(3.51)	(1,757.86)
Repayment of current borrowings	(1,794.78)	(1,332.64)
Principal payment of lease liabilities	(730.77)	(722.33)
Interest on lease liabilities	(4,089.34)	(4,014.29)
Payment of dividend	-	(825.15)
Payment of dividend tax	(82.33)	-
Acquisition of non-controlling interests	(0.06)	(52.76)
Interest on short term loan	(3,269.01)	(5,532.32)
Net cash (used) in Financing activities (C)		
Net Increase in cash and cash equivalents (A) + (B) + (C)	27,803.96	5,484.64
Effect of exchange rate changes on cash and cash equivalents	137.96	95.68
Net Increase in cash and cash equivalents	27,941.92	5,580.32
Cash and Cash Equivalents at the beginning of the year (Refer note 13)	10,717.42	5,137.10
Cash and Cash Equivalents at the end of the year (Refer note 13)	38,659.34	10,717.42

Notes:

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

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	3.51	1,777.92
Cashflows	(3.51)	(1,774.41)
Balance as at the end of the year	-	3.51

Note:

The accompanying notes 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 Registration No: 101248W/W-100022

Tarun Kinger
 Partner
 Membership No: 105003

Place : Mumbai
 Date: 27 May 2021

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

Dr. Sushil Shah
 Chairman & Executive Director
 DIN: 00179918
 Place : Miami (USA)

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Dubai

Rakesh Agarwal
 Chief Financial Officer
 Place : Mumbai

Poonam Tanwani
 Company Secretary
 Membership No: ACS 19182
 Place : Ahmedabad
 Date : 27 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE')

FOR THE YEAR ENDED 31 MARCH 2021

A. CHANGES IN EQUITY SHARE CAPITAL (REFER NOTE 18)

Particulars	Number of shares	Amount (in Lakhs)
Equity Share Capital		
Balance as at 31 March 2019	50,178,680	1,003.57
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 48 (c))	451,886	9.04
Balance as at 31 March 2020	50,630,566	1,012.61
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 48 (c))	486,247	9.72
Balance as at 31 March 2021	51,116,813	1,022.33

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE') (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

B. OTHER EQUITY (REFER NOTE 19)

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	Gain/Loss on re-measurement of defined benefit plan through OCI			
Balance as at 1 April 2019	8,705.93	0.33	1,750.98	69.13	258.78	29,819.96	232.69	12.47	40,850.27	143.07	40,993.34
Profit for the year	-	-	-	-	-	12,732.56	-	-	12,732.56	22.66	12,755.22
Other comprehensive income	-	-	-	-	-	-	-	(208.07)	(208.07)	0.03	(208.04)
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	(92.11)	-	(92.11)	-	(92.11)
Total comprehensive income	-	-	-	-	-	12,732.56	(92.11)	(208.07)	12,432.38	22.69	12,455.07
Interim dividend	-	-	-	-	-	(4,014.29)	-	-	(4,014.29)	-	(4,014.29)
Tax on Interim dividend	-	-	-	-	-	(825.15)	-	-	(825.15)	-	(825.15)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 48(c))	3,180.23	-	124.10	-	(124.10)	-	-	-	3,180.23	-	3,180.23
Transition impact of Ind AS 116, net of tax (Refer note 37)	-	-	-	-	-	(358.82)	-	-	(358.82)	-	(358.82)
Share based payments (Refer note 30)	-	-	-	-	72.38	-	-	-	72.38	-	72.38
Balance as at 31 March 2020	11,886.16	0.33	1,875.08	69.13	207.06	37,354.26	140.58	(195.60)	51,337.00	165.76	51,502.76

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE') (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

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	Gain/Loss on re-measurement of defined benefit plan through OCI			
Balance as at 31 March 2020	11,886.16	0.33	1,875.08	69.13	207.06	37,354.26	140.58	(195.60)	51,337.00	165.76	51,502.76
Profit for the year	-	-	-	-	-	18,309.51	-	-	18,309.51	25.36	18,334.87
Transfer to retained earnings	-	-	-	-	-	(195.60)	-	195.60	-	-	-
Other comprehensive income	-	-	-	-	-	(248.26)	-	-	(248.26)	0.80	(247.46)
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	137.96	-	137.96	-	137.96
Total comprehensive income	-	-	-	-	-	17,865.65	137.96	195.60	18,199.21	26.16	18,225.37
Interim dividend	-	-	-	-	-	(4,089.34)	-	-	(4,089.34)	-	(4,089.34)
Tax on Interim dividend	-	-	-	-	-	-	-	-	-	-	-
Acquisition of stake from NCI (refer note 41)	-	-	-	-	-	(36.88)	-	-	(36.88)	(45.45)	(82.33)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 48 (c))	3,422.06	-	133.53	-	(133.53)	-	-	-	3,422.06	-	3,422.06
Written put options over NCI	-	-	-	-	-	26.93	-	-	26.93	-	26.93
Share based payments (Refer note 30)	-	-	-	-	778.73	-	-	-	778.73	-	778.73
Balance as at 31 March 2021	15,308.22	0.33	2,008.61	69.13	852.26	51,120.62	278.54	-	69,637.71	146.47	69,784.18

^ Amount is below ₹ 10

The accompanying notes form 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 Registration No: 101248W/W-100022

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

L73100MH2000PLC192798

Tarun Kinger

Partner

Membership No: 105003

Place : Mumbai

Date: 27 May 2021

Dr. Sushil Shah

Chairman & Executive Director

DIN: 00179918

Place : Miami (USA)

Ameera Shah

Managing Director

DIN: 00208095

Place : Dubai

Poonam Tanwani

Company Secretary

Membership No: ACS 19182

Place : Ahmedabad

Date : 27 May 2021

Vijender Singh

Chief Executive Officer

Place : Gurugram

Rakesh Agarwal

Chief Financial Officer

Place : Mumbai

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 BACKGROUND OF COMPANY AND NATURE OF THE OPERATION

Metropolis Healthcare Limited (the 'Company' or the 'Holding Company'), was incorporated as Pathnet India Private Limited in the year 2000. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and its joint venture. The Group and its joint venture is primarily involved in providing pathology and related healthcare services.

The registered office of the Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai. The 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

(i) The Consolidated Balance Sheet of the Group as at 31 March, 2021 and 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 for the year ended 31 March, 2021, summary of significant accounting policies and other financial information (together referred as 'Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated Ind AS financial Information were authorized for issue by the Company's Board of Directors on 27 May 2021.

The financial statements of all subsidiaries considered in the consolidated financial statements, are drawn upto 31 March 2021 except for Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Kenya Limited which are drawn upto 31 December 2020. The financial statements of Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Kenya Limited are not adjusted for the period between 31 December 2020 and the date of the Holding Company's financial

statements being 31 March 2021 since there were no significant transactions and events that occurred in this period.

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:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- 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:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- 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's 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

c Functional and presentation currency

The functional currency of the Company and its Indian subsidiaries is Indian Rupees (INR), whereas the functional currency of foreign subsidiaries are as follows:

- Metropolis Star Labs Kenya Ltd- Kenya Shillings (Kshs)
- Metropolis Healthcare (Mauritius) Ltd - United States Dollar (USD)
- Metropolis Bramser Lab Services (MTUIS) Ltd - Mauritian Rupees (MUR)
- Metropolis Healthcare Ghana Limited - Ghanaian cedi (GHC)
- Metropolis Healthcare Lanka Private Limited - (LKR)
- Metropolis Healthcare Tanzania Limited - Tanzanian Shilling (TZS)

The presentation currency of the Group is Indian Rupees (INR). All figures appearing in the consolidated financial statements are rounded to the nearest lakhs, unless otherwise indicated.

d Basis of measurement

These 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:

- Certain financial assets and liabilities 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

e Use of estimates and judgements

In preparing these consolidated 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the Consolidated Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

- i. Assessment of functional currency (Note 2.2(n))
- ii. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(b))
- iii. Impairment test of non-financial assets (Note 2.2(d))
- iv. Recognition of deferred tax assets; (Note 2.2(m))
- v. Recognition and measurement of provisions and contingencies; (Note 2.2(h))
- vi. Fair value of financial instruments (Note 2.2(e))
- vii. Impairment of financial assets (Note 2.2(e))
- viii. Measurement of defined benefit obligations; (Note 2.2(k))
- ix. Fair valuation of employee share options; (Note 2.2(k))
- x. Fair value measurement of consideration and net assets acquired as part of business combination (Note 2.2(a))

f 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period 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 38)
- Share-based payment arrangements (Note 48(c))
- Business combination (Note 41)

2.2 Significant Accounting Policies

a) Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise. Refer note 40 (a) for subsidiaries considered for consolidation.

Non-controlling interests (NCI):

NCI are measured at their proportionate share of

the acquiree's net identifiable assets at the date of acquisition.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parents of the Group and to the non-controlling interest, even if this results in the non-controlling interests have a deficit balances.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of the parties sharing control.

The Group's investments in its joint ventures are accounted for using the equity method.

Under the equity method, the investment in joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognized changes in the Group's share of net assets of the joint ventures since the acquisition date. Goodwill relating to a joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Refer note 40 (b) & (c) for joint ventures considered for consolidation.

Business combinations

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment or when events or circumstances

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indicate that the implied fair value of goodwill is less than its carrying amount.

Transaction costs are expensed as incurred, except to the extent related to the issue of equity securities

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

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 or is adjusted against general reserve.

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 profit or loss when the item is derecognized.

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized 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 derecognized when replaced. All other repair and maintenance are charged to the 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:

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

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Leasehold improvement are depreciated over the tenure of lease term.

In case of foreign subsidiaries depreciation is provided by written down value method, based on useful life of the respective block of assets as prescribed by the management. The useful life of property, plant and equipment are as below:

Laboratory equipment's - 6 years

Furniture and fixtures - 6 years

Office equipment's - 6 years

Computers - 3 years

Vehicles - 3 years

Leasehold improvements - 5 years

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

c) Intangible assets

Goodwill

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

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 amortisation and any accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Amortization

Goodwill is not amortised and is tested for impairment annually.

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 recognized in profit or loss.

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

Amortisation 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.

Financial assets

Initial recognition and measurement

Financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than

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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.

Subsequent measurement

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

- Amortized 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

Amortized cost :

A financial instrument is measured at the amortized 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 recognized in the Consolidated Statement of Profit and Loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

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 recognized in the consolidated statement of Profit and Loss. Other net gains and losses are recognized 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 derecognized (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 debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Consolidated 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 Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash

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flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Impairment of financial instruments (other than at fair value)

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Initial recognition and measurement

Financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs 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 consolidated statement of Profit and Loss.

Financial Liabilities at amortized cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium 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 Consolidated Statement of Profit and Loss

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 recognized in the consolidated statement of profit or loss.

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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

f) Inventories

Inventories comprise of reagents, chemicals, diagnostic kits, medicines and consumables. Inventories are valued at lower of cost and net realizable value. Cost is determined by weighted average cost method. Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present condition and location. The comparison of cost and net realisable value is made on an item-by-item basis.

g) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet and cash flow statement includes cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

h) 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

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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 consolidated financial statements where an inflow of economic benefit is probable.

i) Revenue Recognition

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, returns and discounts;

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 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.

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.

j) Other income

Interest income

For all debt instruments measured at amortized 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

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

k) Employee Benefits

(i) Short-term Employee benefits

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

A liability is recognized 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 recognized 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

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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 recognized 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. Certain subsidiaries of the Group, have their gratuity plan funded and makes annual contribution to the fund based on the expected requirement.

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).

In case of the foreign entities retirement benefits wherever required have been provided by the respective foreign companies as per local laws/practice. In case of Metropolis Healthcare Lanka Private Limited, the defined benefit/obligation are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

I) Leases

Ind-As 116:

As a lessee

Leases are recognised 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

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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 recognised in 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 ng 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 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 revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised 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 revised 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 revised lease payments using a revised 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 recognized 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.

m) **Income-tax**

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

Current Tax

Current tax comprises the 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 (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 recognized amounts; and

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

Deferred Tax

Deferred tax is recognized 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 recognized 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.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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 year.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

n) Foreign currency

Foreign currency transactions:

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 recognized in 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.

Foreign operations:

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

o) Dividend

The Group recognizes a liability for any dividend declared but not distributed at the end of the

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reporting year, when the distribution is authorized and the distribution is no longer at the discretion of the Group on or before the end of the reporting year.

p) 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.

q) 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. The Group operates in one reportable business segment i.e. "Pathology services". Further the geographic segments are disclosed as required.

Refer note 49 in the financial statements for additional disclosures on segment reporting.

r) Recent Indian Accounting Standards (Ind AS)

Recent Pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency, specified under the head 'additional information' in the notes forming part of Standalone Financial Statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

s) Rounding of amounts

All amounts in the financial statement and accompanying notes are presented in lakhs and have been rounded-off to two decimal place unless stated otherwise.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

3. PROPERTY, PLANT AND EQUIPMENT

CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31 MARCH 2021:

(₹ in Lakhs)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at 1 April 2020	1,035.40	5,266.06	751.72	1,847.31	6,121.03	1,429.34	917.50	375.90	17,744.26
Additions during the year	-	46.03	150.72	127.19	661.15	164.60	114.97	0.71	1,265.37
Disposals during the year	-	-	(0.47)	(4.56)	(11.53)	(2.18)	(5.12)	(4.35)	(28.21)
Exchange differences on translation of foreign operations	-	(4.31)	(0.42)	(6.91)	(17.41)	(0.78)	(2.40)	(1.13)	(33.36)
Cost as at 31 March 2021 (A)	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
Accumulated depreciation as at 1 April 2020	-	959.06	424.52	771.23	2,034.03	719.88	510.46	205.46	5,624.64
Depreciation charged during the year	-	216.84	152.00	158.21	876.46	250.44	146.25	43.23	1,843.43
Disposals during the year	-	-	(0.05)	(3.78)	(5.86)	(0.79)	(4.29)	(3.71)	(18.48)
Exchange differences on translation of foreign operations	-	(0.97)	(0.09)	(3.76)	(7.20)	(0.35)	(2.14)	(0.51)	(15.02)
Accumulated depreciation as at 31 March 2021 (B)	-	1,174.93	576.38	921.90	2,897.43	969.18	650.28	244.47	7,434.57
Net carrying amount as at 31 March 2021 (A) - (B)	1,035.40	4,132.85	325.17	1,041.13	3,855.81	621.80	374.67	126.66	11,513.49

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at 1 April 2019	1,035.40	5,274.98	575.62	1,654.80	5,321.88	1,293.30	1,080.78	369.52	16,606.28
Additions during the year	-	-	201.51	225.93	1,488.30	348.86	131.36	9.31	2,405.27
Disposals during the year	-	(4.92)	(27.19)	(35.53)	(682.30)	(211.98)	(295.16)	(0.96)	(1,258.04)
Exchange differences on translation of foreign operations	-	(4.00)	1.78	2.11	(6.85)	(0.84)	0.52	(1.97)	(9.25)
Cost as at 31 March 2020 (A)	1,035.40	5,266.06	751.72	1,847.31	6,121.03	1,429.34	917.50	375.90	17,744.26
Accumulated depreciation as at 1 April 2019	-	731.94	312.11	632.89	1,830.55	662.27	619.14	150.24	4,939.14
Depreciation charged during the year	-	227.69	138.30	168.78	828.88	258.24	178.07	56.21	1,856.17
Disposals during the year	-	-	(26.20)	(31.28)	(625.89)	(200.54)	(287.27)	(0.53)	(1,171.71)
Exchange differences on translation of foreign operations	-	(0.57)	0.31	0.84	0.49	(0.09)	0.52	(0.46)	1.04
Accumulated depreciation as at 31 March 2020 (B)	-	959.06	424.52	771.23	2,034.03	719.88	510.46	205.46	5,624.64
Net carrying amount as at 31 March 2020 (A) - (B)	1,035.40	4,307.00	327.20	1,076.08	4,087.01	709.46	407.04	170.44	12,119.62

Note : The title deeds of freehold land gross block aggregating to Rs. 1,035.40 lakhs (Net block : 1035.40 lakhs) (2019-20 : Gross block 1,035.40 lakhs, Net block : 1,035.40 lakhs) and Freehold buildings gross block aggregating to Rs. 1,092.87 (Net block : 844.08 lakhs) lakhs (2019-20 : Gross block : 1,092.87 lakhs, Net block : 888.50 lakhs) are in the process or perfection of title.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
AS AT 31 MARCH 2021**

4. OTHER INTANGIBLE ASSETS

Changes in the carrying value of intangibles for the year ended 31 March 2021:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand name	Customer Relationships	Total
Cost as at 1 April 2020	9,309.78	9,309.78	1,614.78	1,455.51	521.04	3,591.33
Additions during the year	-	-	1,682.77	-	-	1,682.77
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	(9.74)	(9.74)	(0.12)	-	-	(0.12)
Cost as at 31 March 2021 (A)	9,300.04	9,300.04	3,297.43	1,455.51	521.04	5,273.98
Accumulated amortisation as at 1 April 2020	274.99	274.99	471.76	384.78	217.96	1,074.50
Amortisation recognised for the year	-	-	490.49	145.55	104.20	740.24
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(0.07)	-	-	(0.07)
Accumulated amortisation as at 31 March 2021 (B)	274.99	274.99	962.18	530.33	322.16	1,814.67
Net carrying amount as at 31 March 2021 (A) - (B)	9,025.05	9,025.05	2,335.25	925.18	198.88	3,459.31

^ Amount is below ₹ 500

Changes in the carrying value of intangibles for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand name	Customer Relationships	Total
Cost as at 1 April 2019	8,130.07	8,130.07	912.46	1,170.00	311.00	2,393.46
Additions during the year	1,173.90	1,173.90	702.32	285.51	210.04	1,197.87
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	5.81	5.81	(0.00)^	-	-	-
Cost as at 31 March 2020 (A)	9,309.78	9,309.78	1,614.78	1,455.51	521.04	3,591.33
Accumulated amortisation as at 1 April 2019	274.99	274.99	246.51	253.50	134.77	634.78
Amortisation recognised for the year	-	-	225.48	131.28	83.19	439.95
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(0.23)	-	-	(0.23)
Accumulated amortisation as at 31 March 2020 (B)	274.99	274.99	471.76	384.78	217.96	1,074.50
Net carrying amount as at 31 March 2020(A) - (B)	9,034.79	9,034.79	1,143.03	1,070.73	303.08	2,516.83

^ Amount is below ₹ 500

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

Intangible assets under development

(₹ in Lakhs)	
Particulars	31 March 2019
Opening as at 1 April 2019	577.30
Addition	423.75
Capitalised during the year	702.32
Closing amount as at 31 March 2020	298.73
Addition	1,384.04
Capitalised during the year	1,682.77
Closing amount as at 31 March 2021	-

Impairment

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2021 is ₹ 9025.05 lakhs (31 March 2020 is ₹9,034.79 lakhs). This goodwill is acquired on account of business acquisition and on consolidation of subsidiaries.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

Cash Generating Unit

(₹ in Lakhs)		
Entity	31 March 2021	31 March 2020
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	274.03	283.77
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
	9,025.05	9,034.79

* Note : During the FY 19-20, the Company has acquired Four Laboratories through a business purchase agreement.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

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: <ul style="list-style-type: none"> Revenue in the diagnostic service is expected to grow on account of changing lifestyle and food habit. Revenue and EBITDA 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.

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Post tax risk adjusted discount rate	11.00%	12.00%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	5% - 15%	5% - 15%

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 31 March 2021, 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 INVESTMENT

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Unquoted equity shares at Fair Value through Other comprehensive income		
Centre for Digestive and Kidney Disease Private Limited 1,750,000 (31 March 2020: 1,750,000) Equity shares (Face value of ₹ 10 each fully paid up)	175.00	175.00
Unquoted equity shares at Fair Value through Other comprehensive income		
Textiles Traders Co-operative Bank Limited 1,100 (31 March 2020: 1,100) Equity shares (Face value of ₹ 25 each fully paid up)	0.28	0.28
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2020: 1,020) Equity shares of AED of 1,000 each (Fully Paid up) (Refer note 53)	129.85	129.85
Total	305.12	305.12

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai	(129.85)	(129.85)
Total	175.28	175.28
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of unquoted investments	305.12	305.12
Aggregate amount of impairment in value of investments	129.85	129.85
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of unquoted investments	175.28	175.28
Aggregate amount of impairment in value of investments	-	-

6. NON CURRENT LOANS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Security deposits	1,033.12	540.72
Other advances	6.41	5.97
	1,039.53	546.70
(Unsecured, considered doubtful)		
Security deposits		
- credit impaired	87.98	86.28
	87.98	86.28
Less : Provision for deposits which are credit impaired	(87.98)	(86.28)
Total	1,039.53	546.70

7. OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Fixed Deposits with banks [^]	172.23	1,165.34
Other advances	56.15	74.00
Total	228.38	1,239.34

[^] Includes ₹ 161.38 lakhs (31 March 2020: ₹ 1,009.40 lakhs) of fixed deposits pledged against bank guarantee.

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Advance taxes (net of provision for taxes - 31 March 2021: ₹ 3562.25 Lakhs, 31 March 2020: ₹15,092.93 Lakhs)	2,066.39	1,593.19
Total	2,066.39	1,593.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

9. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Capital advances	66.36	602.51
Prepaid expenses	0.36	34.21
	66.72	636.72
(Unsecured, considered doubtful)		
Capital advances		
- credit impaired	34.86	34.86
	34.86	34.86
Less : Provision for advances which are credit impaired	(34.86)	(34.86)
Total	66.72	636.72

10. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables)	4,035.55	2,428.23
Traded Goods	19.28	11.84
Total	4,054.83	2,440.07

11. CURRENT INVESTMENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Non-trade, Unquoted at Fair Value through Profit or Loss)		
Investments in mutual funds		
Birla Sun Life Cash Plus Growth - 7,473.38 (31 March 2020 - 7,473.38) Units of Face Value ₹100 each	24.61	23.74
Birla Sunlife Life Income Plus (Growth) - 192,079 (31 March 2020: 192,079) Units of ₹ 100 each	187.45	173.04
DSP BlackRock liquidity Fund- 9817.25 (31 March 2020: 9817.25) Units of ₹ 100 each	369.11	356.78
HDFC Overnight Fund- Direct growth option- 44.431(31 March 2020: Nil) Units	1.35	-
HDFC Cash Management Fund - Saving plan 318.96 (31 March 2020: 318.96) Units of ₹ 1000 each	14.09	13.31
ICICI Prudential Flexible Income Plan G- Nil (31 March 2020 - 92,546) Units of Face Value ₹ 100 each	-	119.67
ICICI Prudential Flexible Income - Daily Dividend - Nil (31 March 2020 - 3,17,096) Units of Face Value ₹ 100 each	-	204.59
ICICI P Saving Fund G - Nil (31 March 2020: 37,239) Units of ₹ 100 each	-	144.25
IDFC Super Saver Income Fund - Investment Plan - Growth 247,116 (31 March 2020: 247,116) Units of ₹ 100 each	90.32	84.38
Kotak Bond Plan A (Growth) - 242,270 (31 March 2020: 242,270) Units of ₹ 100 each	146.16	136.85
	833.09	1,256.61

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(Non-trade, Unquoted at Fair Value through Other Comprehensive Income)		
ii) Investments in Commercial Papers		
Infrastructure Leasing & Financial Services Limited 100 (31 March 2020 - 100) Units of Face Value ₹ 5,00,000 each	480.68	480.68
	480.68	480.68
Less : Provision for impairment	(480.68)	(480.68)
	-	-
Total	833.09	1,256.61
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	1,313.77	1,737.29
Aggregate amount of impairment in value of investments	480.68	480.68

12. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Trade receivables considered good- Unsecured*	12,297.71	12,824.78
Trade receivables considered good - Unsecured	5,075.51	6,170.73
	17,373.22	18,995.51
Less: Provision for debts which are credit impaired	(5,075.51)	(6,170.73)
Total	12,297.71	12,824.78

*It includes amount receivable from related parties [Refer note 39]

13. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Balances with banks		
- in current accounts	9,870.06	10,000.57
- in EEFC account	32.90	56.03
- in deposit accounts (with original maturity of less than 3 months)	28,583.96	571.06
Cash on hand	172.42	89.76
Total	38,659.34	10,717.42

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Investments in term deposits (with original maturity of more than three months but less than twelve months) ^*	3,310.22	10,329.70
Total	3,310.22	10,329.70

* Includes 31 March 2021: ₹ 0.38 lakhs, (31 March 2020: ₹ 943.13) lakhs pledged against bank guarantee.

^ Includes 31 March 2021: ₹ 759.38 lakhs, (31 March 2020: ₹ 759.38) lakhs fixed deposits under lien.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

15. CURRENT LOANS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Security deposits	406.29	1,099.40
Other advances	7.66	18.67
	413.95	1,118.07
(Unsecured, considered doubtful)		
Security deposits	16.56	16.56
Advances to related parties (Refer note 39)	44.02	44.02
Other advances	46.16	46.16
	106.74	106.74
Less : Provision for advances which are credit impaired	(106.74)	(106.74)
Total	413.95	1,118.07

16. OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Interest accrued but not due		
- From bank deposits	50.37	210.67
Other receivables *	8.85	6.43
Total	59.22	217.10

* It includes amount due from related parties (Refer 39)

17. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Prepaid expenses	252.71	246.52
Advance to employees	118.69	113.26
Advance to suppliers	364.62	98.56
Other advances (Retainership fees, etc)	481.32	343.85
	1,217.34	802.19
(Unsecured, considered doubtful)		
Advance to employees	45.96	43.80
Advance to suppliers	50.81	52.96
Other advances	239.67	150.07
	290.48	203.03
Less : Provision for doubtful advances	(290.48)	(203.03)
Total	1,217.34	802.19

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

18. EQUITY SHARE CAPITAL

(a) Authorised share capital

	31 March 2021		31 March 2020	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity shares of the par value of ₹ 2 each (31 March 2020 par value of ₹ 2 each)	295,754,015	5,915.08	295,754,015	5,915.08
	295,754,015	5,915.08	295,754,015	5,915.08

(b) Issued, subscribed and paid up

	31 March 2021		31 March 2020	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity shares of the par value of ₹ 2 each (31 March 2020 par value of ₹ 2 each)	51,106,813	1,022.33	50,630,566	1,012.61
	51,106,813	1,022.33	50,630,566	1,012.61

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

Name of Shareholder	31 March 2021		31 March 2020	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity :				
Outstanding at the beginning	50,630,566	1,012.61	50,178,680	1,003.57
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 48 (c))	476,247	9.72	451,886	9.04
Outstanding before sub-division of shares	51,106,813	1,022.33	50,630,566	1,012.61
Adjustment for Sub-Division of Equity Shares (Refer below note (g) below)	-	-		-
Outstanding at the end	51,106,813	1,022.33	50,630,566	1,012.61

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

Name of the shareholders	31 March 2021		31 March 2020	
	Number	Percentage	Number*	Percentage
Dr. Sushil Kanubhai Shah	3,725,245	7.29%	3,725,245	7.36%
CA Lotus Investments	7,179,579	14.05%	7,179,579	14.18%
Smallcap World Fund, Inc	2,780,746	5.44%	2,780,746	5.49%
Metz Advisory LLP	15,691,216	30.70%	15,691,216	30.99%
Dr. Duru Sushil Shah	9,209,230	18.02%	9,209,230	18.19%

(e) Terms/rights attached to equity shares :

The Company has only one class of Equity shares having a par value of ₹ 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

(f) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

- Issue of 3,85,990 (before split with face value of ₹ 10 each) bonus shares during the year ended 31 March 2019
- During the year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer note 57 b))
- During the year ended 31 March, 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake
- Buy-back of 320,484 shares (before split with face value of ₹ 10 each) which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended 31 March 2016.

(g) Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) held on 14 September 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 1:25 i.e. one bonus equity shares for twenty five existing equity shares.

Further in the same meeting, the equity share capital (Authorized, Issued and Paid-up) of the Company was subdivided from ₹ 10/- (Rupees ten) each to equity shares of ₹ 2/- (Rupees two) each. The capital clause of the Memorandum of Association was substituted to reflect the sub-division of Equity Shares of the Company from ₹ 5,915.08 lakhs comprising of 59,150,803 Equity Shares of ₹ 10 each to ₹ 5,915.08 lakhs comprising of 295,754,015 Equity Shares of ₹ 2 each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of ₹ 2/- each.

19. OTHER EQUITY

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Securities premium	15,308.22	11,886.16
Capital redemption reserve	0.33	0.33
General reserve	2,008.61	1,875.08
Capital reserve	69.13	69.13
Employee stock options reserve	852.26	207.06
Retained earnings	51,120.62	37,158.66
Foreign currency translation reserve	278.54	140.58
Total	69,637.71	51,337.00
Movement in balances of Other equity:		
Securities Premium		
Balance as at the beginning of the year	11,886.16	8,705.93
Share options exercised under Metropolis Employee Stock Option Scheme 2007/2015 (Refer note 48(c))	3,422.06	3,180.23
Balance as at the end of the year	15,308.22	11,886.16
Capital redemption reserve		
Balance as at the beginning of the year	0.33	0.33
Utilised on issue of bonus shares	-	-
Balance as at the end of the year	0.33	0.33
General reserve		
Balance as at the beginning and at the end of the year	1,875.08	1,750.98
Transfer from ESOP exercised during the year (Refer note 48(c))	133.53	124.10
Balance as at the end of the year	2,008.61	1,875.08
Capital reserve		
Balance as at the beginning and at the end of the year	69.13	69.13
Employee stock options reserve		
Balance as at the beginning of the year	207.06	258.78
Transfer to General Reserve on account of ESOP exercised during the year (Refer note 48(c))	(133.53)	(124.10)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Share based payments (Refer note 30)	778.73	72.38
Balance as at the end of the year	852.26	207.06
Retained earnings		
Balance as at the beginning of the year	37,158.66	29,832.43
Transferred from statement of profit and loss	18,299.56	12,732.56
Transition impact of Ind AS 116, net of tax (Refer note 37)	-	(358.82)
Interim dividend paid	(4,089.34)	(4,014.29)
Tax on dividend distributed	-	(825.15)
Other comprehensive income	(248.26)	(208.07)
Balance as at the end of the year	51,120.62	37,158.66
Other comprehensive income		
Re-measurement gain/ (loss) on defined benefit plans (net of taxes)		
At the beginning of the year	(195.60)	12.47
Movement during the year	(248.26)	(208.07)
Balance as at the end of the year	(443.86)	(195.60)
Other comprehensive Income-		
(i) Foreign currency translation reserve		
Balance as at the beginning of the year	140.58	232.69
Exchange differences in translating financial statements of foreign operations	137.96	(92.11)
Balance as at the end of the year	278.54	140.58

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.

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 48(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

20. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Payable towards acquisition of business (Refer note 4(i)(ii)(iii)(iv)(v))	122.08	467.81
Total	122.08	467.81

21. NON-CURRENT PROVISIONS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Non-Current		
Provision for employee benefits		
Gratuity (Refer note 48 (a))	785.23	541.40
Compensated absences	22.95	-
(A)	808.18	541.40
Current		
Provision for employee benefits		
Gratuity (Refer note 48 (a))	753.75	600.62
Compensated absences	11.21	59.29
(B)	764.96	659.91
Total (A)+(B)	1,573.14	1,201.32

22. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Trade payables		
Total outstanding due to micro and small enterprises (Refer note 22.1)	246.44	724.72
Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,809.12	7,778.68
Total	11,055.56	8,503.40

* Trade payables include amount payable to companies where Director of the Company is a director (Refer note 39).

22.1 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 31 March 2021. 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.

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
a. Principal amount remaining unpaid to any supplier as at the year end	246.44	724.72
Interest due thereon:		
b. Amount of Interest paid during the year	-	-
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
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)	-	18.85
e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.	15.08	32.49
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 MSME Act 2006	-	-

23. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current maturities of long-term borrowings		
- Vehicle loans	-	3.51
Employee related dues	1,237.27	1,351.72
Payable towards purchase of property, plant and equipment	269.99	1,009.18
Payable towards acquisition of business (Refer note 4(i)(ii)(iii)(iv)(v))	731.65	878.09
Security deposits	93.49	105.57
Others (unspent CSR liability, etc)	193.41	93.37
Total	2,525.81	3,441.44

24. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for taxation (net of advance tax - 31 March 2021: ₹ 3,621.83 Lakhs, {31 March 2020: ₹ 4,071.82 Lakhs})	1,252.96	373.17
Total	1,252.96	373.17

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Statutory dues#	365.92	1,457.17
Advances from Customers	966.79	366.22
Deferred Revenue	70.00	-
Other Payable**	59.57	57.76
Total	1,462.28	1,881.15

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Revenue from Healthcare Services		
Service income (Refer note 47)	99,778.95	85,584.83
Other Operating revenue		
Sundry balances written back	19.75	55.71
Total	99,798.70	85,640.54

27. OTHER INCOME

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Interest Income		
- from banks	869.73	527.65
- on income tax refund	1.41	0.58
- on term loans	11.59	12.65
- others (Interest income on Deposits)	47.38	49.08
Dividend Income		
- from mutual fund	-	21.46
Other Non-Operating Income		
- Fair value gain on mutual funds measured at FVTPL	20.23	90.07
- Gain on redemption of mutual fund investments (net)	28.89	-
- Profit on Sales on Mutual fund	24.16	-
- Profit on sale of property, plant and equipment (net)	0.18	-
- Foreign exchange gain (net)	-	55.09
- Miscellaneous income	200.95	100.08
Total	1,204.52	856.66

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Opening stock (Refer note 10)	2,440.07	2,610.23
Add: Purchase of traded goods	45.84	49.56
Add: Purchases of raw materials during the year	26,785.19	20,193.78
	29,271.10	22,853.57
Less: Closing stock (Refer note 10)	(4,054.83)	(2,440.07)
Total	25,216.27	20,413.50

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

29. LABORATORY TESTING CHARGES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Laboratory testing charges	544.56	688.99
Total	544.56	688.99

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Salaries, wages and bonus	17,513.63	17,256.01
Gratuity expenses (Refer note 48 (a))	211.03	166.98
Contribution to provident and other funds (Refer note 48 (b))	911.32	849.38
Share based payment expenses (Refer note 48 (c))*	778.79	72.38
Staff welfare expenses	449.26	670.87
Total	19,864.03	19,015.62

*During the year ended 31 March 2021, total expense of ₹ 781.93 Lakhs including reversal due to lapsed option amounting to ₹ 19.04 lakhs arising under MESOS 2015 scheme is recognised through employee stock option reserve.

During the Previous year 31 March 2020, total expense of ₹ 72.38 Lakhs including reversal due to lapsed option amounting to ₹ 16.05 lakhs arising under MESOS 2015 scheme is recognised through employee stock option reserve.

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Interest on short term loan	0.06	52.64
Interest on deferred purchase consideration measured at amortized cost (Refer note 41(i)(ii)(iii)(iv)(v))	47.32	59.50
Interest on lease liabilities (Refer note 37)	730.77	722.33
Total	778.15	834.47

32. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Depreciation on Property, Plant and Equipment (Refer note 3)	1,846.39	1,856.17
Amortisation on intangible assets (Refer note 4)	740.24	439.95
Depreciation on ROU (Refer note 37)	2,007.82	1,630.60
Total	4,594.45	3,926.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

33. OTHER EXPENSES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Accreditation expenses	121.74	127.32
Laboratory expenses	138.52	120.25
Power and fuel	1,200.40	1,248.56
Rent (Refer note 37)	6,288.08	5,529.48
Repairs and maintenance		
Buildings	85.78	75.74
Plant and equipment	1,466.02	946.71
Others	252.35	291.99
Insurance	208.29	158.59
Rates and taxes	160.68	772.67
Bank charges	377.95	430.84
Sample Collection Charges	84.23	184.26
Legal and professional	3,841.61	3,445.25
Travelling and conveyance	952.73	1,124.23
Printing and stationery	615.36	529.62
Provision for bad and doubtful debts (net)	2,173.50	1,383.82
Provision for doubtful advances (net)	101.84	246.81
Postage and courier	3,724.21	2,773.81
Communication	480.30	471.69
Advertisement and sales promotion expenses	1,312.51	1,126.28
Facility maintenance charges	729.79	454.72
Loss on sale of property, plant and equipment	1.30	60.01
Donation	-	1.22
Payments to auditors (Refer note 46)	147.81	133.37
Fair value loss on derivative assets measured at FVTPL	27.77	-
Corporate social responsibility expenses (Refer note 50)	524.35	76.97
Directors' sitting fee & commission (Refer note 39)	60.25	56.06
Office Expenses	6.31	1.56
Foreign exchange loss (net)	227.73	-
Miscellaneous expenses	262.05	468.12
Total	25,573.46	22,239.95

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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34. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for impairment of current investments (Refer Note 1)	-	336.48
Provision for bad and doubtful debts (net) (Refer Note 2 & 3)	-	2,116.18
	-	2,452.66

Notes:

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items included within the statement of profit and loss are detailed below:

1. Provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to ₹ 336.48 Lakhs.
2. There has been a prolonged dispute in relation to trade receivables from a party towards lab management services rendered by the Company and the matter has been under arbitration. In view of the delay, the Company, on a prudent basis, has made provision aggregating ₹ 1,766 Lakhs against the above mentioned disputed trade receivables and this has been disclosed as an exceptional item.
3. Provision for ₹ 350.00 Lakhs on account of certain old unreconciled balances.

35. INCOME TAXES

i) Amounts recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current tax expense		
Current year	6,225.35	5,326.98
Tax adjustments for earlier years	(138.19)	(289.56)
Total current tax expense	6,087.16	5,037.42
Deferred tax expense		
Relating to addition & reversal of temporary differences	10.27	(765.12)
Relating to change in tax rate*	-	(154.21)
Total deferred tax expense	10.27	(919.33)
Tax expense for the year	6,097.43	4,118.09

* Effective Income tax rate applicable to the Group for FY 2019-20 has changed on account of decrease in tax rate to 22% w.e.f. 1 April 2019. Accordingly the deferred tax rate applicable for FY 2018-19 has been changed.;

On 20 September 2019, the Government has brought in the Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in Income-tax Act 1961 (the Act) and the Finance (No.2) Act 2019.

A New section 115BAA has been introduced with effect from Financial Year (FY) 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22% in the case of domestic Company.

The Company have elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

ii. Tax charge recognised directly to Other Comprehensive Income

(₹ in Lakhs)

Particulars	31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(328.66)	82.69	(245.97)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	137.96	-	137.96
Total tax charge recognized directly to Other Comprehensive Income	(190.70)	82.69	(108.01)

(₹ in Lakhs)

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(278.02)	69.98	(208.04)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	(92.11)	-	(92.11)
Total tax charge recognized directly to Other Comprehensive Income	(370.13)	69.98	(300.15)

iii. Reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Profit before tax	24,432.30	16,873.31
Income tax expense at tax rates applicable to individual entities	7,207.97	4,887.75
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Expenses not allowed under Income tax	123.21	34.61
Income not subject to tax	(1,006.79)	(565.53)
Income taxable at a different rate	172.82	(26.72)
Deferred tax not created on losses		
Tax adjustment of earlier years	(138.19)	(289.56)
Others	(261.57)	77.52
Total tax expense	6,097.43	4,118.09

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

iv. Movement in deferred tax balances

As at 31 March 2021

(₹ in Lakhs)

Particulars	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Recognized in Retained Earnings	Business Combination*	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(1,197.10)	(362.18)	-	-	-	(1,559.28)	(1,158.11)	(401.17)
Current investments	88.41	3.05	-	-	-	91.46	122.29	(30.83)
Provision for bad and doubtful debts	1,687.21	(257.67)	-	-	-	1,429.54	1,423.70	5.84
Provision for bad and doubtful advances / deposits	1.50	0.88	-	-	-	2.38	-	2.38
Provision for employee benefits	361.53	(3.11)	82.69	-	-	441.11	433.50	7.61
Impact of Ind AS -116	186.19	27.35	-	-	-	213.54	213.54	-
Share based payments	52.12	162.39	-	-	-	214.51	214.51	-
Others	37.43	409.02	-	-	-	459.05	459.05	-
Tax Assets (Liabilities) (net)	1,217.29	(10.27)	82.69	-	-	1,292.31	1,708.48	(416.17)

The company 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.

As at 31 March 2020

(₹ in Lakhs)

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognized in Retained Earnings	Business Combination*	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(1,368.52)	198.92	-	-	(27.50)	(1,197.10)	(960.71)	(236.39)
Current investments	1.03	87.38	-	-	-	88.41	91.45	(3.04)
Provision for bad and doubtful debts	994.92	692.29	-	-	-	1,687.21	1,660.94	26.27
Provision for bad and doubtful advances / deposits	1.34	0.16	-	-	-	1.50	1.50	-
Provision for employee benefits	350.20	(58.65)	69.98	-	-	361.53	329.17	32.36
Impact of Ind AS -116	-	6.40	-	179.79	-	186.19	178.21	7.98
Share based payments	82.72	(30.60)	-	-	-	52.12	52.12	-
Others	14.00	23.43	-	-	-	37.43	37.43	-
Tax Assets (Liabilities) net	75.69	919.33	69.98	179.79	(27.50)	1,217.29	1,390.11	(172.82)

* During the year, the Company through its direct subsidiary Desai Metropolis Health Services Pvt Ltd acquired laboratories through a business purchase agreement and hence deferred tax impact has been recognized (Refer note 41 (iv))

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

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.

36. EARNINGS PER SHARE

Basic EPS 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 amounts are 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.

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
i. Profit attributable to equity holders (₹ in lakhs)		
Profit attributable to equity holders for basic and diluted EPS	18,309.51	12,732.56
ii. Weighted average number of shares for calculating basic	50,903,685	50,210,869
iii. Effect of dilution		
Share options and warrants	257,546	221,425
Weighted average number of shares for calculating diluted EPS	51,161,232	50,432,294
iv. Basic earnings per share (₹)	35.97	25.36
v. Diluted earnings per share (₹)	35.79	25.25

37. DISCLOSURE ON IND-AS 116 LEASES

- i. The following is the summary of practical expedients elected on initial application:
 - a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
 - b. 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 ₹ 5 lakhs in entire tenure of arrangement
 - c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - d. 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.
- ii. 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 Amortisation Expense" and "Finance costs" respectively under Note No 32 and 31.
- iii. The weighted average incremental borrowing rate applied to lease liabilities for FY 20-21 is 9.20% - 10.10%.
- iv. Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

Particulars	Category of ROU		Re-agent	Total
	Office Space	Pateint Service Center/Lab or Both		
Balance as of 1 April 2019	1,836.42	3,394.46	-	5,230.88
Additions	600.73	1,764.91	-	2,365.65
Depreciation	(655.32)	(975.28)	-	(1,630.60)
Balance as of 31 March 2020	1,781.83	4,184.09	-	5,965.92

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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(₹ in Lakhs)

Particulars	Category of ROU		Re-agent	Total
	Office Space	Pateint Service Center/Lab or Both		
Balance as of 1 April 2020	1,781.83	4,184.09	-	5,965.92
Reclassified on account of adoption of Ind AS 116	-	21.32	-	21.32
Additions	887.18	888.92	4,573.23	6,349.33
Deletion	-	(15.58)		(15.58)
Depreciation	(681.64)	(1,097.52)	(228.66)	(2,007.82)
Balance as of 31 March 2021	1,987.37	3,981.23	4,344.57	10,313.17

- v. The following is the break-up of current and non-current lease liabilities as of 31 March 2021:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current Lease liabilities	3,333.98	2,088.89
Non-current lease liabilities	7,893.01	4,577.81
Total	11,226.99	6,666.70

- vi. The following is the movement in lease liabilities for the year ended 31 March 2021:

(₹ in Lakhs)

Particulars	Amount
Balance as of 1 April 2019	5,633.69
Additions	2,365.65
Finance cost accrued during the year	722.33
Payment of lease liabilities	(2,054.97)
Balance as of 31 March 2020	6,666.70
Balance as of 1 April 2020	6,666.70
Additions	6,349.33
Finance cost accrued during the year	730.77
Deletions	(19.02)
Payment of lease liabilities	(2,500.79)
Balance as of 31 March 2021	11,226.99

- vii. The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Less than one year	3,334.55	2,094.93
One to five years	9,567.38	5,437.96
More than 5 years	1,166.96	1,032.55
Total	14,068.89	8,565.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

viii. Impact of adoption of Ind AS 116 for the year ended 31 March 2021 is as follows:

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Decrease in Other expenses by	2,500.78	2,054.97
Increase in Finance cost by	730.77	722.33
Increase in Depreciation by (excludes depreciation on reclassified assets)	1,997.82	1,577.79
Net Impact on (Profit)/Loss	227.80	245.15

- ix. The Group 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.
- x. Rental expense recorded for short-term leases / Variable lease/ low value leases was ₹ 6,288.08 lakhs (31 March 2020: ₹ 5,529.48 lakhs).
- xi. The total cash outflow for leases is ₹ 2,525.55 lakhs (31 March 2020: ₹ 2,054.97 lakhs).

38. 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.

Particulars	(₹ in Lakhs)						
	As at 31 March 2021						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets							
Non-current investments							
- Unquoted equity instruments in others**							
Non-current Loans- Security Deposits	-	1,033.12	1,033.12	-	-	-	-
Other non current Loans	-	6.41	6.41	-	-	-	-
Other non current financial assets	-	228.38	228.38	-	-	-	-
Current Financial assets							
Investment in mutual funds	833.09	-	833.09	833.09	-	-	833.09
Trade receivables	-	12,297.71	12,297.71	-	-	-	-
Cash and cash equivalents	-	38,659.34	38,659.34	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	3,310.22	3,310.22	-	-	-	-
Current loans	-	413.95	413.95	-	-	-	-
Other current financial assets	-	59.22	59.22	-	-	-	-
	833.09	56,008.35	56,841.44	833.09	-	-	833.09
Non-current Financial liabilities							
Other non-current financial liabilities	-	122.08	122.08	-	-	-	-
Lease Liabilities	-	7,893.01	7,893.01	-	-	-	-
Current Financial liabilities							
Trade payables	-	11,055.56	11,055.56	-	-	-	-
Other current financial liabilities	-	2,525.81	2,525.81	-	-	-	-
Lease Liabilities	-	3,333.98	3,333.98	-	-	-	-
	-	24,930.44	24,930.44	-	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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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.

(₹ in Lakhs)

Particulars	As at 31 March 2020						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets							
Non-current investments	-	-	-	-	-	-	-
- Unquoted equity instruments in others**							
Non-current Loans- Security Deposits	-	540.72	540.72	-	-	-	-
Other Non-current Loans	-	5.98	5.98	-	-	-	-
Other non current financial assets	-	1,239.34	1,239.34	-	-	-	-
Current Financial assets							
Investment in mutual funds	1,256.61	-	1,256.61	1,256.61	-	-	1,256.61
Trade receivables	-	12,824.78	12,824.78	-	-	-	-
Cash and cash equivalents	-	10,717.42	10,717.42	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	10,329.70	10,329.70	-	-	-	-
Current loans	-	1,118.07	1,118.07	-	-	-	-
Other current financial assets	-	217.10	217.10	-	-	-	-
	1,256.61	36,993.11	38,249.72	-	1,256.61	-	1,256.61
Non-current Financial liabilities							
Other non-current financial liabilities	-	467.81	467.81	-	-	-	-
Lease Liabilities	-	4,577.81	4,577.81	-	-	-	-
Current Financial liabilities							
Trade payables	-	8,503.40	8,503.40	-	-	-	-
Other current financial liabilities	-	3,441.44	3,441.44	-	-	-	-
Lease Liabilities	-	2,088.89	2,088.89	-	-	-	-
	-	19,079.35	19,079.35	-	-	-	-

**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. ₹ 175.28 lakhs (March 31, 2020 ₹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.

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. This is the case for unlisted equity securities included in level 3.

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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

(ii) 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.

Maturities of financial liabilities

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

(₹ in Lakhs)

As at 31 March, 2021	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business*	853.73	901.50	751.00	150.50	-	-
Lease Liabilities	11,226.99	14,068.89	3,334.55	7,813.20	1,754.18	1,166.96
Trade payables	11,055.56	11,055.56	11,055.56	-	-	-
Other current financial liabilities	1,794.16	1,794.16	1,794.16	-	-	-
Total	24,930.44	27,820.11	16,935.27	7,963.70	1,754.18	1,166.96

(₹ in Lakhs)

As at March 31, 2020	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business*	1,345.90	1,441.00	874.00	567.00	-	-
Borrowings	3.51	3.51	3.51	-	-	-
Interest payable on borrowings	-	0.06	0.06	-	-	-
Trade payables	8,503.40	8,503.40	8,503.40	-	-	-
Other current financial liabilities	2,559.84	2,559.84	2,559.84	-	-	-
Total	12,412.65	12,507.81	11,940.81	567.00	-	-

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

Financial risk management

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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The Group has exposure to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk

i) 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 Company does not have any significant concentration of credit risk. Further, group has one customer (31 March 2020: one Customers) which accounts for 10% or more of the total trade receivables at each reporting date.

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 31 March 2021 and years ended 31 March 2020 is as follows:

Particulars	Amount ₹ Lakhs
Balance as at 31 March 2019	2,707.38
Movement during the year	3,463.35
Balance as at 31 March 2020	6,170.73
Deduction on account of write off and collections	(3,268.72)
Expected Credit Loss allowance	2,173.50
Balance as at 31 March 2021	5,075.51

b. Cash and cash equivalents and Other bank balances

The Group held cash and cash equivalents and other bank balances of ₹ 41,969.37 lakhs at 31 March 2021 (31 March 2020: ₹ 22,122.70 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 lessor. 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 31 March 2021:

Particulars	Amount ₹ Lakhs
Balance as at 31 March 2019	165.26
Movement during the year	309.45
Balance as at 31 March 2020	474.71
Deduction on account of write off	(56.49)
Movement during the year	101.84
Balance as at 31 March 2021	520.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(iii) 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 31 March 2021 and 31 March 2020 are as below:

(₹ in Lakhs)					
As at 31 March, 2021	SGD	EUR	GBP	USD	OMR
Financial assets (A)					
Trade and other receivables	-	-	-	401.48	40.08
Advance given	29.73	0.31	0.45	23.49	-
Financial liabilities (B)					
Trade and other payables	-	-	0.39	3.30	-
Advance taken	-	-	-	28.65	6.20
Net exposure (A - B)	29.73	0.31	0.06	393.02	33.88

(₹ in Lakhs)					
As at 31 March, 2020	SGD	EUR	GBP	USD	OMR
Financial assets (A)					
Trade and other receivables	-	-	-	361.97	40.85
Advance given	13.25	0.28	0.42	28.90	-
Financial liabilities (B)					
Trade and other payables	-	-	0.32	3.16	-
Advance taken	-	-	-	13.55	6.32
Net exposure (A - B)	13.25	0.28	0.10	374.17	34.52

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2021 and 31 March 2020 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.

Effect in INR	31 March 2021		31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
USD	(11.79)	11.79	(11.22)	11.22
SGD	(0.89)	0.89	(0.40)	0.40
GBP	(0.00)	0.00	(0.00)	(0.00)
OMR	(1.02)	1.02	(1.04)	1.04
EUR	(0.01)	0.01	(0.00)	0.00
	(13.71)	13.71	(12.66)	12.66

"0" denotes amount below ₹ 500

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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(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.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed-rate instruments		
Financial assets	32,589.07	12,588.76
Financial liabilities	(853.73)	(1,345.90)
	31,735.34	11,242.86
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(11,226.99)	(6,670.21)
	(11,226.99)	(6,670.21)
Total	20,508.35	4,572.65

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 analysis 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.

(₹ in Lakhs)

INR	Profit or loss	
	100 bp increase	100 bp decrease
For the year ended 31 March 2021		
Variable-rate instruments	(112.27)	112.27
Cash flow sensitivity (net)	(112.27)	112.27
For the year ended 31 March 2020		
Variable-rate instruments	(66.70)	66.70
Cash flow sensitivity (net)	(66.70)	66.70

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

38(iv) 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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39. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

A. Relationships –

Category I: Joint Venture:

Metropolis HistoXpert Digital Services Private Limited

Category II: Key Management Personnel (KMP)

Dr. Sushil Kanubhai Shah, Chairman and Executive Director

Ms. Ameera Sushil Shah, Managing Director

Mr Vijender Singh, Chief Executive Officer

Mr Rakesh Agarwal, Chief Financial Officer (w.e.f. 11 November 2019)

Ms. Poonam Tanwani, Company Secretary (w.e.f. 10 February 2020)

Mr. Mihir Jagdish Doshi, Non-Executive Director (upto 30 April 2020)

Mr. Milind Shripad Sarwate, Independent Director

Mr. Vivek Gambhir, Independent Director

Mr. Sanjay Bhatnagar, Independent Director

Ms. Anita Ramachandran, Independent Director (w.e.f 14 May 2020)

Category III: Relatives of KMP

Dr. Duru Sushil Shah

Mr. Hemant Sachdev

Ms. Aparna Shah (Rajadhyaksha)

Category IV: 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

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

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
1) Services rendered		
Joint Ventures		
Metropolis HistoXpert Digital Services Private Limited	12.98	17.89
Relatives of KMP		
Dr. Duru Sushil Shah	12.15	13.19
Other related parties		
Centre for Digestive and Kidney Disease (India) Private Limited #	-	300.12
2) Rent paid		
Key Management Personnel		
Dr. Sushil Kanubhai Shah	80.87	99.48
3) Compensation paid to Key Management Personnel		
Short-term employee benefits [^]	805.97	962.84
Post employment benefit	19.57	21.52
Share-based payments expense	337.84	5.09
(^As gratuity expense is based on actuarial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.)		

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(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
4) Dividend paid		
Key Management Personnel		
Dr Sushil Kanubhai Shah	298.02	298.02
Ameera Sushil Shah	14.55	14.55
Other related parties		
Metz Advisory LLP	1,255.30	1,255.30
Relatives of KMP		
Dr Duru Sushil Shah	492.37	736.74
5) Director sitting fees and Commission		
Mr. Mihir Jagdish Doshi	-	8.50
Mr. Milind Shripad Sarwate	27.25	18.77
Mr. Vivek Gambhir	12.50	17.52
Ms. Anita Ramachandran	8.00	-
Mr. Sanjay Bhatnagar	12.50	11.27
6) Professional Fees		
Relatives of KMP		
Ms. Aparna Shah (Rajadhyaksha)	22.5	-

Excluded from related party after resignation Dr. Sushil Shah from directorship of the Company dated 6 August, 2019.

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
1) (a) Trade payables		
Other related parties		
Metropolis Health Products Retail Private Limited	1.87	1.87
(b) Other Payable		
Dr. Sushil Kanubhai Shah*	19.86	19.86
Aparna Rajadhyaksha	22.50	-
(c) Director Sitting Fees		
Mr. Vivek Gambhir	-	1.00
2) Trade receivables		
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	22.02	10.03
Relatives of KMP		
Dr. Duru Sushil Shah	4.14	2.45
Other related parties		
Metropolis Health Products Retail Private Limited	-	41.05
3) Loans and advances including interest accrued		
Other related parties		
Metropolis Health Products Retail Private Limited	44.02	44.02
4) Provision for diminution in value of investments		
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	195.00	195.00
5) Provision for doubtful trade receivables		
Other related parties		
Metropolis Health Products Retail Private Limited	-	41.05
6) Provision for doubtful advances		
Other related parties		
Metropolis Health Products Retail Private Limited	44.02	44.02

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

40. 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 31 March 2021	As at 31 March 2020
Sudharma Metropolis Health Services Private Limited	India	100.00%	100.00%
Bokil Golwilkar Metropolis Healthcare Private Limited	India	100.00%	100.00%
Raj Metropolis Healthcare Private Limited	India	100.00%	51.00%
Desai Metropolis Health Services Private Limited	India	100.00%	100.00%
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	India	100.00%	100.00%
Micron Metropolis Healthcare Private Limited	India	100.00%	100.00%
Dr. Patel Metropolis Healthcare Private Limited	India	100.00%	100.00%
Lab One Metropolis Healthcare Services Private Limited	India	100.00%	100.00%
Amins Pathology Laboratory Private Limited	India	100.00%	100.00%
Ekopath Metropolis Lab Services Private Limited	India	60.00%	60.00%
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 Bramser Lab Services (Mtius) Limited	Mauritius	100.00%	100.00%

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

Name of Joint ventures	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2021	As at 31 March 2020
Metropolis Histoxpert Digital Services Private Limited	India	65.00%	65.00%

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

Name of Associates	Country of incorporation	Proportion of ownership interest	
		31 March 2021	31 March 2020
Star Metropolis Health Services Middle East LLC [^]	United Arab Emirates	34.00%	34.00%

[^] Associate is not accounted in the consolidated financial statements- Refer Note 51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

41. BUSINESS COMBINATIONS

Acquisition of Non controlling interest

(i) Dr. Patel Metropolis Healthcare Private Limited

On 6 September 2018, Group acquired additional 30 percent in Dr. Patel Metropolis Healthcare Private Limited for ₹ 849.30 lakhs in cash, increasing its ownership from 70 percent to 100 percent.

As per share purchase agreement, upon payment of initial consideration of ₹ 768.90 lakhs, an amount of ₹ 100 lakhs is to be paid by Metropolis Healthcare Limited in 2 tranches (₹ 80 lakhs to be paid on 14 September 2021 and remaining ₹ 20 lakhs to be paid on 14 September 2023).

The deferred consideration of ₹ 100 lakhs has been measured at fair value (₹ 80.40 lakhs) on initial recognition and the difference of ₹ 19.60 lakhs will be recognised as finance cost on EIR basis over the payment tenure. During year ended 31 March 2020 ₹ 6.11 lakhs (31 March 2020 ₹ 5.54 lakhs) charged to statement of profit and loss (Refer note 31).

The carrying amount of Dr. Patel Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 684.70 lakhs. The group consequently recognised a decrease in NCI of ₹ 205.40 lakhs. The decrease of ₹ 643.9 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount ₹ in Lakhs
Carrying value of NCI acquired	205.40
Fair value consideration paid / payable to NCI	849.30
Decrease in equity attributable to owners of the Company	(643.90)

(ii) Bokil Golwilkar Metropolis Healthcare Private Limited

On 11 February 2019, Group acquired additional 24 percent in Bokil Golwilkar Metropolis Healthcare Private Limited for ₹ 192 lakhs in cash, increasing its ownership from 76 percent to 100 percent.

As per share purchase agreement, upon payment of initial consideration of ₹ 132 lakhs, an amount of ₹ 60 lakhs is to be paid by Metropolis Healthcare Limited in 2 tranches (₹ 40 lakhs to be paid on August 10, 2019 on fulfilment of agreed upon conditions and remaining ₹ 20 lakhs to be paid on February 10, 2022).

The deferred consideration of ₹ 60 Lakhs has been measured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 ₹ 1.21 lakhs (31 March 2020 ₹ 2.15 lakhs) charged to statement of profit and loss (refer note 30).

The carrying amount of Bokil Golwilkar Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 505.19 lakhs. The group consequently recognised a decrease in NCI of ₹ 121.24 lakhs. The decrease of ₹ 65.98 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount ₹ in Lakhs
Carrying value of NCI acquired	121.24
Fair value consideration paid / payable to NCI	187.22
Decrease in equity attributable to owners of the Company	(65.98)

(iii) Acquisition of Sanjeevani Pathology Laboratory

During the F.Y.18-19, the Company has entered into a business purchase agreement to acquire Sanjeevani Pathology Laboratory located at Rajkot for an initial purchase consideration of ₹ 4,104.00 lakhs, an amount of ₹ 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 ₹ 2,300.00 lakhs has been measured at fair value (₹ 2,100.96 lakhs) on initial recognition and the difference of ₹ 199.04 lakhs (31 March 2019 : ₹ 199.04 lakhs) will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 7.77 lakhs (31 March 2019 ₹ 16.44 lakhs) charged to statement of profit and loss (refer note 34).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(iv) Acquisition of four laboratories by Desai Metropolis health Services Private Limited

During the FY 19-20, 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 ₹ 1,800.00 lakhs. The amount of ₹ 1,800.00 lakhs is to be paid by the Desai Metropolis health Services Private Limited to the owners of these laboratories in 3 tranches starting from September 2019 to September 2021.

Particulars	Amount ₹ in Lakhs
Property, Plant and Equipments	48.50
Cash and Bank	0.27
Goodwill	1,173.90
Brand	285.51
Customer Rights	210.04
Total	1,718.22

The deferred consideration of ₹ 1,800.00 lakhs has been measured at fair value (₹ 1,690.72 lakhs) on initial recognition and the difference of ₹ 109.28 lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended, 31 March 2021; ₹ 32.23 Lakhs (31 March 2020 ₹ 35.38 lakhs) charged to statement of profit and loss.

(v) Raj Metropolis Healthcare Private Limited

On 09 October 2020, Group acquired additional 49 percent in Raj Metropolis Healthcare Private Limited for ₹ 82.33 lakhs in cash, increasing its ownership from 49 percent to 100 percent. The carrying amount of Raj Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 92.76 lakhs. The group consequently recognised a decrease in NCI of ₹ 45.45 lakhs. The decrease of ₹ 36.88 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount ₹ in Lakhs
Carrying value of NCI acquired	45.45
Fair value consideration paid / payable to NCI	82.33
Decrease in equity attributable to owners of the Company	(36.88)

42. NON CONTROLLING INTERESTS

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

Name	Country of Incorporation	(₹ in Lakhs)	
		As at 31 March 2021	As at 31 March 2020
Raj Metropolis Healthcare Private Limited	India	0.00%	49.00%
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.

None of the above 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 (CONTD.)
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43. EQUITY ACCOUNTED INVESTEEES

(₹ in Lakhs)

Name	Country of incorporation	Carrying value of investment	
		As at 31 March 2021	As at 31 March 2020
Metropolis HistoXpert Digital Services Private Limited*	India	-	-
1,950,000 (31 March 2020:1,950,000) Equity shares of Face value of ₹ 10 each (Fully paid up)			
Investment in Associates			
Star Metropolis Health Services Middle East LLC ^	United Arab Emirates	-	-
1,020 (31 March 2020: 1,020) Equity shares of AED of 1,000 each (Fully Paid up)			
		-	-

^ The value of investment in associate Star Metropolis Health Services Middle East LLC is ₹ 129.85 lakhs (31 March 2020: ₹ 129.85 lakhs). The same has been fully provided. Please refer note 51.

* The value of investment in Joint venture Metropolis HistoXpert Digital Services Private Limited adjusted with profit or Loss to the extent of investment value.

Investment in Joint Ventures

a) Metropolis HistoXpert Digital Services Private Limited

During the year ended 31 March 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 is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Percentage ownership interests	65%	65%
Non-current assets	3.80	4.79
Current assets (including cash and cash equivalents)	32.74	29.92
Current liabilities	54.39	41.22
Net Assets	(17.85)	(6.51)
Group's share of net assets (65%)	(11.60)	(4.23)
Carrying value of interest in Joint Ventures	-	-

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Percentage ownership interests	65%	65%
Revenue	32.13	41.63
Depreciation and amortisation	0.70	0.94
Interest expense	0.45	-
Income tax expense	(1.39)	-
Profit/(Loss)	(11.33)	(86.48)
Other comprehensive income	-	-
Total comprehensive income	(11.33)	(86.48)
Group share of profits (65%)	(7.36)	(56.21)
Group share of OCI (65%)	-	-
Group share of total comprehensive income/ (loss) (65%)	(7.36)	(56.21)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

44. CONTINGENT LIABILITIES NOT PROVIDED FOR

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Income tax liability disputed in appeals	134.89	139.90
Due to others	460.57	394.33
Claims against the Group not acknowledged as debt :		
- Claims by suppliers/contractors /others	131.35	265.70
- Claims pending in Consumer Dispute Redressal Forum	183.06	171.81
Contingent consideration on acquisition of remaining stake of subsidiary*	759.38	759.38
	1669.25	1,731.11

*The Holding Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be ₹ 3037.51 lakhs. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated October 14, 2005, the Holding Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. ₹ 759.38 lakhs as damages. The matter is currently pending before the arbitrator.

45. COMMITMENTS

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for	1009.94	1,362.68

Other commitments:

- (i) The Holding Company has entered into reagent purchase 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.
- (ii) The value of purchase commitments for the remaining number of years are ₹ 35,617.90 Lakhs (31 March 2020 ₹ 48,140.09 Lakhs) of which annual commitment for next year is ₹ 7,297.45 Lakhs (31 March 2020 ₹ 13,165.08 Lakhs) as per the terms of these arrangements.

46. AUDITORS' REMUNERATION*

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Audit fees	95.04	99.52
Limited Review Fees	28.00	28.00
Certification Fees	9.72	3.00
Others (including reimbursement of out of pocket expenses)	15.05	2.85
Total	147.81	133.37

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

47.

(a) Disclosure As Per Ind AS 115 - Revenue From Contracts With Customers

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Contract asset- unbilled revenue	-	-
Contract liabilities - Advance from Customers		
Opening Balance	366.22	379.52
Movement during the year	670.57	(13.30)
Closing Balance	1,036.79	366.22

(b) Reconciliation of revenue from contracts with customers

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Revenue from contract with customer as per the contract price	1,00,792.07	84,443.17
Adjustments made to contract price on account of :-		
Discount / Rebates	(1,013.12)	1,141.66
Revenue from contract with customer	99,778.95	85,584.83
Other operating revenue	19.75	55.71
Revenue from operations	99,798.70	85,640.54

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

48. 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:

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
A. Amount recognised in the balance sheet		
Present value of the obligation as at the end of the year	1,655.72	1,247.88
Fair value of plan assets as at the end of the year	(116.73)	(105.85)
Net liability recognised in the balance sheet	1,538.99	1,142.03
Out of which,		
Non-current portion (Refer note 21(A))	785.23	541.40
Current portion (Refer note 21(B))	753.75	600.63
B. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	1,247.85	882.56
On Acquisition of Subsidiary	7.44	-
Current service cost	144.68	109.23
Interest cost	72.85	66.09
Actuarial loss/(gain)	337.98	74.75
Benefits paid	(153.22)	177.63
Liability transferred out	(1.86)	(62.38)
Projected benefit obligation at the end of the year	1,655.72	1,247.88
C. Change in plan assets		
Fair value of plan assets at the beginning of the year	105.84	111.49
Interest income	6.50	8.34
Return on plan assets (excluding Interest income)	6.17	(1.79)
Benefits paid	(1.78)	(12.19)
Fair value of plan assets at the end of the year	116.73	105.85
D. Amount recognised in the statement of profit and loss		
Current service cost	144.68	109.23
Interest cost	66.36	57.75
Expenses recognised in the statement of profit and loss (Refer note 30)	211.04	166.98
E. Amount recognised in other comprehensive income		
Actuarial loss/(gain) on Defined benefit obligation	334.82	276.23
Return on plan assets (excluding Interest income)	(6.17)	1.79
	328.65	278.02

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
F. Plan Assets include the following:		
(i) Insurance funds		
G. Assumptions used		
Discount rate	3.86% -6.26%	5.21%-6.59%
Long-term rate of compensation increase	6.00% p.a	4.50%-5.50% p.a. for the next 3 years, 7.00%-7.50% p.a. thereafter, starting from the 4th year
Rate of return on plan assets	5.21%-6.43%	5.21%-6.43%
Attrition rate	13%-40%	11%-36%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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.

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(41.75)	44.88	(35.22)	38.09
Future salary growth (1% movement)	42.87	(40.74)	36.69	(34.17)
Employee Turnover (1% movement)	(6.99)	7.23	(6.01)	6.24

I. Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	444.96	317.10	624.71	523.63	1,910.40
Total	444.96	317.10	624.71	523.63	1,910.40

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	332.04	232.59	471.14	502.43	1,538.19
Total	332.04	232.59	471.14	502.43	1,538.19

(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 31 March 2021: ₹ 911.32 lakhs (31 March 2020 : ₹ 849.38 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at 31 March 2021 and 31 March 2020 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 6, 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 19 September 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 1 January, 2016 or prior thereto) shall vest at the rate of 50% of Grant on 1 January 2018, 25% of Grant on 1 January 2019 and 25% of Grant on 1 January 2020.
- New employees (person who is in continuous employment with the Company after 01 January, 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 24 September 2018, passed by the Nomination & Remuneration Committee.

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
RSU - Option granted to eligible employees on May 2020	270,000	For the Options to vest, the Grantee has to met 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 25 April 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 16 October 2017	185,550	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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
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Reconciliation of Outstanding share options

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

RSU 2020

	31 March 2021	
	Weighted average exercise price	Number of Options
Outstanding at the beginning of the year	2	-
Granted during the year	2	2,41,400
Exercised during the year	2	-
Lapsed/ forfeited /surrender/buyback	2	(4,400)
Outstanding at the end of the year	2	2,37,000
Exercisable at the end of the year	2	-

MESOS 2015

	31 March 2021		31 March 2020	
	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	705.77	5,60,315	705.77	10,80,400
Granted during the year	-	10,000	-	-
Granted due to bonus issue	-	-	-	-
Granted due to split of shares	-	-	-	-
Exercised during the year	705.77	4,86,247	705.77	4,51,886
Lapsed/ forfeited /surrendered	705.77	51,168	705.77	68,199
Outstanding at the end of the year	705.77	32,900	705.77	5,60,315

* on account of split & bonus with conversion factor of 5.2

The options outstanding at 31 March 2021 have an exercise price of ₹ 705.77 (31 March 2020 have an exercise price of ₹ 705.77) and a weighted average remaining contractual life of 6 months to 2 years (31 March 2020: 6 months to 2 years)

The expense arising from MESOS 2015 scheme during the year is ₹ 80.96 Lakhs (31 March 2020 ₹ 72.38 Lakhs);

The expense arising from RSU 2020 scheme during the year is ₹ 697.77 Lakhs

Summary of Shares/Option exercised during the period

Particular	Number of shares / Options	Amount
Securities Premium (Exercise price (705.77) less Face value per share (2))	4,86,247	3,422.06
General Reserve (Fair Value - 142.8 per Option)	93,509	133.54
Equity Shares (Face value ₹ 2 per share)	4,86,247	9.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to Consolidated Statement of Profit and Loss. 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
	16 October 2017	25 April 2016	29 May 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.

(d) Compensatory absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 88.17 lakhs (31 March 2020 ₹ 187.91 lakhs) has been recognised in the Consolidated Statement of profit and loss on account of provision for compensated absences.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

49. 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.

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Revenue from external customers		
India	95,889.71	80,696.12
Outside India	3,889.24	4,856.65

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Non-current assets (other than financial instruments and deferred tax assets)		
India	35,639.36	31,331.28
Outside India	804.76	834.54

c. Major customers

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

50. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group has spent during the year ended 31 March 2021: ₹ 363.13 lakhs* (year ended 31 March 2020: ₹ 76.97 lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 towards Corporate Social responsibility activities grouped under 'Other Expenses'.

- a) Gross amount required to be spent by the Group during the year ended 31 March 2021: ₹ 351.22 lakhs (31 March 2020: ₹ 298.86 lakhs)
- b) Amount spent during the year on;

Particulars	(₹ in Lakhs)		
	31 March 2021		
	Amount spent in Cash	Amount yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	363.13	161.22	524.35

Particulars	(₹ in Lakhs)		
	31 March 2020		
	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	76.97	-	76.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

Details of ongoing CSR projects under Section 135(6) of the Act.

Balance as at April 01,2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31,2021	
With the Group	In separate CSR Unspent Account		From the Group's Bank account	From separate CSR Unspent account	With the Group	In separate CSR Unspent Account
-	-	351.22	363.13*	-	161.22**	-

* Includes INR 169.11 lakhs related to previous year.

** Transferred to separate Unspent CSR account as per the requirements of CSR Rules

- c) During the year ended 31 March 2019, the Company has filed necessary application under section 441 with the relevant regulatory authorities for compounding the non - compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the report of Board of Directors for the year ended on 31 March, 2015.

As at balance sheet date, the Company is awaiting response from the relevant regulatory authorities for the application filed under section 441 of the Companies Act, 2013, for compounding of the non - compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the Boards' Report for the year ended on March 13, 2015.

However, the management has provided the amount of potential penalty in the books of accounts and believes that the additional penalty, if any, that may arise due to the default would not be material.

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

As at 31 March 2021, the Company has an investment of ₹ 129.85 lakhs (31 March 2020 ₹ 129.85 lakhs) and receivable of ₹ 445.05 lakhs (31 March 2020 ₹ 640.88 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 discontinued 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.

52. 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 31 March 2020. Management continues to believe that its international transactions post 31 March 2020 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.

53. 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 31 March 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 31 March 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.

54. IMPACT OF THE COVID-19 PANDEMIC, SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS AND STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS

The Group operated at sub optimal levels following Government directives on lockdown in Q1'2020-21 . While most of the economic activities were at halt during the lockdown period, the healthcare sector continued its operations under the Essentials Commodities Act. Accordingly, the group's operations continued to service customers across channels. The Company was the first Private lab in the country to start testing for Covid-19. With the best Test turn Around Time(TAT), continuous medical engagement with doctors and government authorities coupled with strong branding and customer equity, the Company was successful in churning out Covid-19 tests and resumed full operations from Q2'2020-21 onwards. The Group is well equipped to adapt to the evolving business environment and has scaled up its operations to fulfil the needs of its customers. The group does not foresee any significant risk on receivables.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

55. 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	As at 31 March 2021		As at 31 March 2020	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets
Holding Company				
Metropolis Healthcare Limited	100.60%	71,087.52	98.25%	51,433.46
Indian Subsidiaries				
Direct Subsidiaries				
Sudharma Metropolis Health Services Private Limited	2.40%	1,693.95	5.23%	2,737.48
Desai Metropolis Health Services Private Limited	2.78%	1,962.62	4.61%	2,413.45
R.V. Metropolis Diagnostic & Health Care Center Private Limited	1.75%	1,235.57	3.96%	2,071.60
Micron Metropolis Healthcare Private Limited	0.79%	561.59	0.77%	405.30
Dr. Patel Metropolis Healthcare Private Limited	2.19%	1,550.66	2.04%	1,067.30
Amin's Pathology Laboratory Private Limited	1.21%	857.18	1.76%	921.73
Ekopath Metropolis Lab Services Private Limited	0.48%	338.61	0.52%	273.19
Lab One Metropolis Healthcare Services Private Limited	0.76%	539.37	1.01%	529.12
Indirect Subsidiaries				
Bokil Golwilkar Metropolis Healthcare Private Limited	0.91%	643.21	0.93%	489.07
Raj Metropolis Healthcare Private Limited	0.15%	105.00	0.18%	96.25
Foreign Subsidiaries				
Metropolis Bramser Lab Services (Mtius) Limited	0.26%	187.11	0.51%	266.91
Metropolis Healthcare Ghana Limited	-0.24%	(172.23)	-0.25%	(130.27)
Metropolis Healthcare (Mauritius) Limited	-0.60%	(426.10)	-0.88%	(462.43)
Metropolis Star Lab Kenya Limited	2.17%	1,532.81	2.37%	1,240.39
Metropolis Healthcare Lanka Private Limited	0.05%	38.46	0.05%	25.67
Metropolis Healthcare Tanzania Limited	0.12%	81.31	0.19%	98.32
Joint Venture to the extent of shareholding				
Indian Joint Venture				
Metropolis Histoexpert Digital Services Private Limited	0.00%	-	0.00%	-
Add/(Less): Adjustments	-15.79%	(11,156.58)	-21.26%	(11,126.93)
Total	100.00%	70,660.04	100.00%	52,349.61

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

Share in Profit or Loss	31 March 2021						31 March 2020						
	Name of the Company	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI
	Holding Company												
	Metropolis Healthcare Limited	107.90%	19,755.50	204.59%	(222.61)	107.32%	19,532.89	89.54%	11,400.43	50.27%	(150.91)	90.49%	11,249.52
	Indian Subsidiaries												
	Direct Subsidiaries												
	Sudharma Metropolis Health Services Private Limited	2.49%	455.53	-0.86%	0.94	2.51%	456.47	7.08%	901.59	11.98%	(35.97)	6.96%	865.62
	Desai Metropolis Health Services Private Limited	3.08%	564.28	13.89%	(15.12)	3.02%	549.15	7.48%	951.87	3.22%	(9.68)	7.58%	942.19
	R. V. Metropolis Diagnostic & Health Care Center Private Limited	3.66%	669.23	4.79%	(5.21)	3.65%	664.02	4.57%	581.92	1.10%	(3.30)	4.65%	578.62
	Micron Metropolis Healthcare Private Limited	0.87%	159.56	2.99%	(3.25)	0.86%	156.31	1.40%	178.01	0.58%	(1.75)	1.42%	176.26
	Dr. Patel Metropolis Healthcare Private Limited	2.66%	487.31	3.64%	(3.96)	2.66%	483.35	3.51%	447.32	0.71%	(2.13)	3.58%	445.19
	Amin's Pathology Laboratory Private Limited	-0.36%	(65.26)	0.00%	-	-0.36%	(65.26)	1.05%	134.08	0.00%	-	1.08%	134.08
	Ekopath Metropolis Lab Services Private Limited	0.21%	38.04	-1.10%	1.20	0.22%	39.24	0.26%	32.76	-0.02%	0.07	0.26%	32.83
	Lab One Metropolis Healthcare Services Private Limited	0.06%	11.42	-1.05%	1.15	0.07%	12.57	1.30%	165.13	0.53%	(1.58)	1.32%	163.55
	Indirect Subsidiaries												
	Bokil Golwilkar Metropolis Healthcare Private Limited	0.84%	154.04	-0.09%	0.10	0.85%	154.14	1.08%	136.88	0.93%	(2.79)	1.08%	134.09
	Raj Metropolis Healthcare Private Limited	0.05%	8.77	0.00%	-	0.05%	8.77	0.01%	0.89	0.00%	-	0.01%	0.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021

Name of the Company	31 March 2021						31 March 2020					
	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI
Foreign Indirect Subsidiaries												
Metropolis Bramser Lab Services (Mtius) Limited	-0.35%	(63.79)	14.73%	(16.02)	-0.44%	(79.81)	-0.30%	(38.06)	2.99%	(8.99)	-0.38%	(47.05)
Metropolis Healthcare Ghana Limited	-0.30%	(55.44)	-12.39%	13.48	-0.23%	(41.96)	-0.56%	(71.53)	-4.70%	14.12	-0.46%	(57.41)
Metropolis Healthcare (Mauritius) Limited	-0.87%	(159.83)	-180.27%	196.15	0.20%	36.32	-2.01%	(256.16)	31.16%	(93.54)	-2.81%	(349.72)
Metropolis Star Lab Kenya Limited	2.06%	377.47	78.17%	(85.06)	1.61%	292.41	3.80%	483.48	-11.89%	35.70	4.18%	519.18
Metropolis Healthcare Lanka Private Limited	-0.06%	(10.45)	-21.38%	23.26	0.07%	12.81	-0.56%	(71.02)	-8.52%	25.58	-0.37%	(45.44)
Metropolis Healthcare Tanzania Limited	-0.09%	(16.91)	-2.29%	2.49	-0.08%	(14.42)	-0.34%	(43.56)	-0.83%	2.49	-0.33%	(41.08)
Non-controlling interest in all non-wholly owned subsidiaries	-0.12%	(22.61)	-0.30%	0.33	-0.12%	(22.28)	-0.18%	(22.61)	-0.11%	0.33	-0.18%	(22.28)
Joint Venture to the extent of shareholding												
Indian Joint Venture												
Metropolis Histoxpert Digital Services Private Limited	0.00%	-	0.00%	-	0.00%	-	-0.41%	(51.98)	0.00%	-	-0.42%	(51.98)
Add/(Less): Adjustments	-21.72%	(3,977.32)	-3.06%	3.32	-21.82%	(3,974.02)	-16.70%	(2,126.87)	22.60%	(67.83)	-17.65%	(2,194.72)
Total	100.00%	18,309.51	100.00%	(108.81)	100.00%	18,200.69	100.00%	12,732.56	100.00%	(300.18)	100.00%	12,432.37

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

56. SUBSEQUENT EVENTS:

On 17 January 2021, the Board of Directors of the Company approved acquisition of 100% stake in Dr Ganeshan's Hitech Diagnostic Center Private Limited and its subsidiary from its existing promoters / shareholders for a cash consideration of an amount of ₹ 51,100 Lakhs and issuance of upto 4,95,000 equity share of the Company at a price which shall be determined on the relevant date pursuant to the provisions of the Regulation 164 of SEBI. The transactions is pending to be executed.

As per our report of even date attached

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

Tarun Kinger
Partner
Membership No: 105003

Place : Mumbai
Date: 27 May 2021

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

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Vijender Singh
Chief Executive Officer
Place : Gurugram

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad
Date : 27 May 2021

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF **METROPOLIS HEALTHCARE LIMITED** will be held on Wednesday, August 11, 2021 at 9:30 a.m. IST through Video conferencing ("VC") / Other Audio Visual means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend of Rs. 8 per equity share for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Dr. Sushil Kanubhai Shah (DIN: 00179918), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To ratify the remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for the Financial Year 2021-2022.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors at their respective meetings held on May 27, 2021, the remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 00240), appointed by the Board of Directors of the Company to conduct the audit of the Cost records of the Company for the Financial Year 2021-2022 amounting to Rs. 1,00,000/- (Rupees One Lakh Only) plus applicable GST and reimbursement of travelling and out of pocket expenses be and is hereby ratified and approved;

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered

necessary, desirable or expedient to give effect to this resolution."

5. **To approve the re-appointment of Ms. Ameera Sushil Shah (DIN:00208095) as Managing Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made there under, including statutory amendment(s), modification(s), enactment(s), re-enactment(s) thereof for the time being in force and pursuant to Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company at their respective meetings held on February 10, 2021, and subject to approvals / permissions, if any, as may be required, consent of members be and is hereby accorded to re-appoint Ms. Ameera Sushil Shah, (DIN: 00208095) as the Managing Director of the Company for a further period of 5 (five) years with effect from March 18, 2021, up to March 17, 2026, on the below terms and conditions inter alia including the remuneration payable to Ms. Ameera Sushil Shah for the period from March 18, 2021, till March 17, 2026 with the liberty to the Board to alter and / or vary the terms and conditions of her appointment, including remuneration thereof and / or make any amendment(s) to the existing agreement as may be mutually agreed between the Board of Directors (which term shall include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, including the powers conferred by this resolution) and Ms. Ameera Sushil Shah within the limits as permissible under law and subject to the requisite approval(s), as required under applicable law(s);

Terms and Conditions:

- (i) **Term of Appointment:** For a period of 5 (five) years with effect from March 18, 2021.

NOTICE (CONTD.)

- (ii) **Designation:** Managing Director
- (iii) **Total Remuneration:** ₹ 5,00,00,000 (Rupees Five Crore Only) per annum including the components of allowances, ex-gratia, incentives, reimbursement of expenses and other entitlements and benefits such as medical insurance, personal accident insurance etc. and perquisites, if any, as per the Company policy with the authority to the Board (which term includes any Committee constituted by the Board in this behalf) to revise / increase the same from time to time.

RESOLVED FURTHER THAT, the annual remuneration payable to Ms. Ameera Sushil Shah, shall be within the overall ceiling of the total managerial remuneration as provided under Section 197 and Schedule V of the Companies Act, 2013, and the limits as prescribed under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

RESOLVED FURTHER THAT, the Board of Directors be and are hereby severally authorized to sign and execute such agreements, letters, papers, documents etc. as may be required and file the relevant forms, documents and returns with the office of the Registrar of Companies as per the applicable provisions of the Companies Act, 2013 and to do all acts, deeds and things as may be deemed necessary, proper or desirable to give effect to the above resolution."

6. Approval to appoint Mr. Hemant Sachdev (DIN: 01635195) as a Non-Executive Non-Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with applicable rules made there under, (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and pursuant to the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors vide their resolution dated May 27, 2021, Mr. Hemant Sachdev (DIN: 01635195), who holds office upto the date of this Annual General Meeting ('AGM') and who is eligible for appointment, and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company with effect from May 27, 2021, liable to retire by rotation;

RESOLVED FURTHER THAT, the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Place: Dubai

Date: May 27, 2021

Registered Office:

Metropolis Healthcare Limited

(CIN :L73100MH2000PLC192798)

250 D Udyog Bhavan, Hind Cycle Marg,

Worli, Mumbai - 400030

Tel: +91 22 33993939

www.metropolisindia.com

By Order of the Board of Directors

Sd/-

Ameera Sushil Shah

Managing Director

DIN: 00208095

NOTICE (CONTD.)

NOTES:

1. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of the people, the Ministry of Corporate Affairs ("MCA") has vide its Circulars dated January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated January 15, 2021 and May 12, 2020, have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ('VC') / Other Audio Visual means ('OAVM'), without the physical presence of the Members at a common venue.

Thus, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars issued by MCA and SEBI, the 21st Annual General Meeting ('AGM') of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of Section 105 of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since the 21st AGM is being held through VC / OAVM, the requirement of physical attendance of members has been dispensed with.

Accordingly, in terms of the MCA and the SEBI Circulars, the facility for appointment of proxies by the members will not be available for the 21st AGM and hence the proxy form, attendance slip and the route map are not annexed to this notice.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Institutional / Corporate Shareholders (i.e. other than Individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on

its behalf and to vote on its behalf. The said Resolution/ Authorization pursuant to Sections 112 or 113 of the Companies Act, 2013 shall be sent to the Company by email through its registered email address to secretarial@metropolisindia.com with a copy marked to evoting@nsdl.co.in and rnt.helpdesk@linkintime.co.in

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the Quorum under Section 103 of the Act.
6. A Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the special business in the Notice of the 21st AGM is annexed hereto and forms a part of this Notice.
7. A Statement giving details of the Directors seeking appointment / re-appointment is also annexed with the Notice pursuant to the requirements of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting ("SS-2").
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the Certificate from the Statutory Auditors of the Company certifying that the ESOP Scheme(s) of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, shall be available for inspection electronically during the AGM upon login at NSDL E-voting system at www.evoting.nsdl.com
9. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 11, 2021. Members seeking to inspect such documents can send an email to secretarial@metropolisindia.com
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 1, 2021 through email on secretarial@metropolisindia.com. The same will be replied by the Company suitably.
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., directly to the Company's Registrar & Transfer Agents.

NOTICE (CONTD.)

- Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Link Intime India. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent, Link Intime (India) Private Limited at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083 quoting their folio number.
12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
 13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent, Link Intime (India) Private Limited
 14. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote provided the votes are not already cast by remote e-voting by the first holder.
 15. In compliance with the MCA and the SEBI Circulars the Notice of the AGM along with the Annual Report for the Financial Year 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM and the Annual Report for the Financial Year 2020-2021 will also be available on the Company's website www.metropolisindia.com, websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com
 16. **Attendance at the AGM:**
 - a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
 - b. Members are encouraged to join the Meeting through Laptops for better experience.
 - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - e. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@metropolisindia.com by August 1, 2021 5:00 p.m. Please note, no shareholder would be allowed to register himself / herself as a speaker after the said date and time.
 - f. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@metropolisindia.com by August 1, 2021 5:00 p.m. The same will be replied by the Company suitably.
 - g. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. However, the Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
17. **Remote e-voting:**
 1. In compliance with the provisions of Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company is pleased to provide a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National

NOTICE (CONTD.)

Securities Depository Limited ('NSDL'). NSDL would provide its facility for casting votes by the members during the e-voting period as well as during the AGM. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for E-voting section which forms part of this Notice.

2. The remote e-voting period commences on Sunday, August 8, 2021 (9:00 a.m. IST) and ends on Tuesday, August 10, 2021 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Wednesday, August 4, 2021 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on Wednesday, August 4, 2021
3. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, August 4, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

4. However if the member is already registered with NSDL for remote e-voting then they can use their existing User ID and password for casting their vote.
5. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
6. Instructions and other information relating to remote e-voting:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

NOTICE (CONTD.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="775 1115 1157 1346" style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note:

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Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

The members may note that there is a Helpdesk allocated for individual shareholders holding securities in demat mode for resolving any technical issues that may arise upon their log-ins through the Depositories i.e. log-in through NSDL or CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please

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follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

The members will be provided with a facility to attend the AGM through VC/OAVM through the **NSDL e-Voting system**. Members may access the same by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, the members would be able to see the link of "VC/OAVM link" placed under **"Join General meeting"** menu against the Company's name. Members are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and

Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN 116205" of the Company to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
18. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 19. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 / 1800-224-430 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in. Alternatively, you can connect with her on 022-24994545.
 20. Process for those shareholders whose email ids are not

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registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@metropolisindia.com

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@metropolisindia.com

If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1(A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- b. Alternatively members may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
- c. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are therefore required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

21. Voting at AGM:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting

will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

- d. In case of any grievances connected with the facility for e-Voting on the day of the AGM please send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in. Alternatively, you can connect with her on 022-24994545.

22. Other instructions:

1. The Board of Directors have appointed M/s. Manish Ghia & Associates (Membership No. FCS 3531), Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting through e-voting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
3. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.metropolisindia.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Company shall simultaneously forward the results to National Stock Exchange Limited of India and BSE Limited, where the shares of the Company are listed.
4. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.metropolisindia.com>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Link Intime Private Limited, in case the shares are held in physical form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice convening the 21st AGM to be held on Wednesday, August 11, 2021:

Item No. 4

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on May 27, 2021, approved the appointment of M/s. Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 00240), as Cost Auditors of the Company to conduct the audit of the Cost records of the Company for the Financial year 2021-2022 at a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) plus applicable GST and reimbursement of travelling and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

Accordingly, the Board of Directors recommend passing of an Ordinary Resolution as set out in Item No. 4 of the accompanying Notice relating to the ratification of the remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for the Financial Year 2021-2022 for the approval of the members.

Item No. 5:

Members are informed that Ms. Ameera Sushil Shah was appointed as the Managing Director of the Company for a period of 5 (five) years with effect from March 18, 2016, after obtaining the approval of members of the Company. The tenure of Ms. Ameera Sushil Shah as the Managing Director of the Company ended on March 17, 2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, re-appointed Ms. Ameera Sushil Shah (DIN: 00208095) as the Managing Director of the Company for a period of 5 (five) years with effect from March 18, 2021, subject to approval of the members of the Company.

The Company has received from Ms. Ameera Sushil Shah:

- (i) the consent in writing to act as Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and
- (ii) an intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors)

Rules, 2014, that she is not disqualified to act as a Director under Section 164(2) of the Companies Act, 2013;

- (iii) A confirmation on the fulfilment of criteria as laid down under Schedule V of the Companies Act, 2013;
- (iv) a declaration to the effect that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A notice under Section 160 of the Act has been received from a member proposing the candidature of Ms. Ameera Sushil Shah for the office of a Director of the Company.

The members are informed that Ms. Ameera Sushil Shah has evolved Metropolis from its single pathology laboratory status to a fully integrated multinational chain of a number of diagnostic and collection centers across India and the globe. Ms. Ameera Shah has a Bachelor's degree in Business Administration from The University of Texas at Austin and has also completed the prestigious Owner-President Management Program at Harvard Business School. She has an experience of more than two decades in the pathology business.

For the last two decades, Ms. Ameera Sushil Shah has focused on delivering sustained growth, built, and led corporate functions, including finance, strategy, business process optimization, innovation, investor relations etc. Under her leadership, the Company raised the bar of diagnostic accuracy, technological equipment, customer experience, and research-driven, empathetic service.

Named amongst 'Fifty Most Powerful Women in Business' by Fortune India (2017, 2018 and 2019) and Business Today (2018, 2019), Ms. Ameera Sushil Shah is recognized as a global thought leader in the healthcare industry. She has also played an instrumental role in changing the pathology industry landscape in the country; from being a doctor-led practice to a professional corporate group in an extremely unregulated, competitive, and fragmented market. Ms. Ameera Sushil Shah is an Independent Director on the Board of reputed Indian Companies such as Torrent Pharma, Shoppers Stop and is also an advisor to Baylor College of Medicine, Texas. She is also on the global advisory board of AXA, a Paris headquartered Company with 700 Billion \$ under asset management.

Under her leadership, the Company's equity shares were listed successfully at the Stock Exchanges viz. BSE Limited and The National Stock Exchange of India Limited in April 2019. She has been a Director on our Board since 2008.

A brief profile of Ms. Ameera Shah including the nature of her expertise and other details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CONTD.)

Standard-2 is annexed to the Notice convening the AGM.

The copy of the agreement setting out the terms and conditions of appointment and remuneration of Ms. Ameera Sushil Shah, shall be open for inspection by the members during the AGM.

Except Ms. Ameera Sushil Shah, Dr. Sushil Shah and Mr. Hemant Sachdev, none of the other Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

The Board of Directors recommend passing of a Special Resolution as set out in Item No. 5 of the accompanying notice relating to the re-appointment of Ms. Ameera Sushil Shah as the Managing Director of the Company for the approval of the members.

Item No. 6:

In pursuance to the provisions of Section 152, 161, and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made there under, and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, vide their resolution dated May 27, 2021, appointed Mr. Hemant Sachdev (DIN: 01635195), as an Additional Non-Executive Non-Independent Director of the Company with effect from May 27, 2021 to hold office up to the date of the ensuing Annual General Meeting.

In terms of Section 161 of the Act, Mr. Hemant Sachdev (DIN: 01635195), holds office up to the date of the Annual General Meeting and is eligible for appointment as a Non-Executive Non-Independent Director whose office shall be liable to retire by rotation.

A notice under Section 160 of the Act has been received from a member proposing the candidature of Mr. Hemant Sachdev for the office of a Director of the Company.

The Company has also received:-

- (i) the consent in writing to act as Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and
- (ii) an intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, that he is not disqualified to act as a Director under Section 164(2) of the Companies Act, 2013;
- (iii) a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Hemant Sachdev's vast knowledge and varied experience will be of great value to the Company and would be beneficial to the overall functioning of the Company.

As on date of this notice, Mr. Hemant Sachdev does not hold any shares in the Company.

A brief profile of Mr. Hemant Sachdev including the nature of his expertise and other details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 is annexed to the Notice convening the AGM.

Except Mr. Hemant Sachdev, Ms. Ameera Shah and Dr. Sushil Shah, none of the Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

The Board of Directors recommend the passing of Ordinary Resolution as set out in Item No. 6 of the accompanying notice relating to the appointment of Mr. Hemant Sachdev as a Non-Executive Non-Independent Director of the Company for the approval of the members.

Place: Dubai

Date: May 27, 2021

Registered Office:

Metropolis Healthcare Limited

(CIN :L73100MH2000PLC192798)

250 D Udyog Bhavan, Hind Cycle Marg,

Worli, Mumbai - 400030

Tel: +91 22 33993939

www.metropolisindia.com

By Order of the Board of Directors

Sd/-

Ameera Sushil Shah

Managing Director

DIN: 00208095

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 for appointment / re-appointment of directors is as below:

Name of the Director	Mr. Sushil Kanubhai Shah	Ms. Ameera Sushil Shah	Mr. Hemant Sachdev
DIN	00179918	00208095	01635195
Date of Birth	December 29, 1946	September 24, 1979	November 25, 1975
Date of Appointment	August 17, 2005	May 6, 2008	May 27, 2021
Date of appointment at current designation	September 4, 2020	The Board of Directors have re-appointed Ms. Ameera Shah for a further term with effect from March 18, 2021, subject to the approval of the shareholders.	The Board of Directors have appointed Mr. Hemant Sachdev with effect from May 27, 2021, subject to the approval of the shareholders.
Category	Whole-time Director (Designated as Chairman & Executive Director)	Managing Director	Non-Executive Non-Independent Director
Qualification	M.D(Path & Bact.)	She has obtained a degree in finance from the University of Texas at Austin. She has completed the Owner-President Management Program at Harvard Business School.	Mr. Hemant Sachdev has a BA in Political Science from Delhi. He is also an alumni of Harvard Business School
Nature of expertise in specific functional areas and Experience	Dr. Sushil Shah has over Three decades of experience in the pathology business.	Healthcare – Understanding the complexities of the healthcare sector and expertise in the field of diagnostics. She has over two decades of experience in this business.	Mr. Hemant Sachdev is a first generation entrepreneur. He has business interests in Retail, Distribution and Education. He has a total experience of over two decades.
Terms and conditions of appointment/ reappointment	Re-appointed as a director liable to retire by rotation	As Mentioned in the Notice and the Explanatory Statement	As Mentioned in the Notice and the Explanatory Statement
Number of shares held in the Company	2,447,325	181,845	-
Remuneration to be paid	₹ 18,000,000/- per annum	₹ 50,000,000 per annum	-
Directorship held in other Companies	Refer Annexure A (i)	Refer Annexure A (ii)	Refer Annexure A (iii)
Memberships / Chairmanships of Committees of other Companies	Refer Annexure A (i)	Refer Annexure A (ii)	Refer Annexure A (iii)
Relationships between Directors inter-se	Father of Ms. Ameera Sushil Shah, Managing Director of the Company and Father-in-law of Mr. Hemant Sachdev, Additional Non-Executive Non- Independent Director of the Company	Daughter of Dr. Sushil Kanubhai Shah, Chairman and Executive Director of the Company and wife of Mr. Hemant Sachdev, Additional Non-Executive Non- Independent Director of the Company	Husband of Ms. Ameera Shah, Managing Director of the Company and Son-in-law of Dr. Sushil Shah, Chairman and Executive Director of the Company
Last Drawn Remuneration and No. of Board Meetings attended during the year	Details of remuneration last drawn by Dr. Sushil Kanubhai Shah, and number of Board / Committee meetings attended during financial year 2020-2021 are provided in the Corporate Governance Report which forms a part of the Annual Report.	Details of remuneration last drawn by Ms. Ameera Sushil Shah, and number of Board / Committee meetings attended during financial year 2020-2021 are provided in the Corporate Governance Report which forms a part of the Annual Report.	Not Applicable

ANNEXURE A – DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS HELD BY THE DIRECTORS:

(i) Details of Other Directorships and Committee memberships held by Dr. Sushil Shah:

Sr. No.	Name of the Company in which he is a Director	Details of Committee Membership / Chairmanship in the Company
1	Metropolis Healthcare Limited	- Member of Stakeholders Relationship Committee - Member of Risk Management Committee*
2	Nitrolabs Technology Private Limited	---
3	Sudharma Metropolis Health Services Private Limited	---
4	Metropolis Star Lab Kenya Private Limited	---
5	Metropolis Healthcare Lanka (Private) Limited	---
6	Metropolis Bramser Lab Services (Mauritius) Limited	---
7	Metropolis Healthcare Ghana Limited	---
8	Star Metropolis Health Services Middle East LLC	---
9	Metropolis Healthcare Uganda Limited	---

*Ceased to be a member with effect from May 27, 2021

(ii) Details of Other Directorships and Committee memberships held by Ms. Ameera Shah:

Sr. No.	Name of the Company in which she is a director	Details of Committee Membership / Chairmanship in the Company
1	Metropolis Healthcare Limited	- Member of Stakeholders Relationship Committee - Chairperson of Risk Management Committee - Member of Corporate Social Responsibility Committee
2	Desai Metropolis Health Services Private Limited	- Chairperson of Corporate Social Responsibility Committee
3	Micron Metropolis Healthcare Private Limited	---
4	Sudharma Metropolis Health Services Private Limited	- Chairperson of Corporate Social Responsibility Committee
5	Bokil Golwilar Metropolis Healthcare Limited	---
6	R.V. Metropolis Diagnostic & Health Care Center Private Limited	- Chairperson of Corporate Social Responsibility Committee
7	Metropolis Histoxpert Digital Services Private Limited	- Chairperson of Audit Committee
8	Torrent Pharmaceuticals Limited	- Member of Audit Committee - Member of Stakeholders Relationship Committee - Chairperson of Corporate Social Responsibility Committee
9	Shoppers Stop Limited	- Member of Audit Committee* - Member of Nomination and Remuneration Committee
10	Metropolis Healthcare (Mauritius) Limited	---
11	Metropolis Star Lab Kenya Limited	---
12	Metropolis Healthcare Lanka (Private) Limited	---
13	Metropolis Bramser Lab Services (Mauritius) Limited	---
14	Metropolis Healthcare Ghana Limited	---
15	Metropolis Healthcare Uganda Limited	---

ANNEXURE A – DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS HELD BY THE DIRECTORS: (CONTD.)

Sr. No.	Name of the Company in which she is a director	Details of Committee Membership / Chairmanship in the Company
16	Metropolis Healthcare (Zambia) Limited	---
17	Star Metropolis Health Services Middle East LLC	---

* Member of Audit cum Risk Management Committee of Shoppers Stop Limited

(iii) Details of Other Directorships and Committee memberships held by Mr. Hemant Sachdev:

Sr. No.	Name of Company in which he is a Director	Details of Committee Membership / Chairmanship in the Company
1	Metropolis Healthcare Limited	-
2	Chogori Retail Private Limited	-
3	Chogori India Retail Limited	-
4	Chogori Distribution Private Limited.	-



Registered Office:

250-D, Udyog Bhavan,

Hind Cycle Marg,

Behind Glaxo,

Worli, Mumbai – 400030

Customer Care: 022-33993939