

Independent Auditors' Report

To the Members of Ekopath Metropolis Lab Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ekopath Metropolis Lab Services Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 2019, 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 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 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.

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 financial statements and our auditors' report thereon.

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

Independent Auditors' Report (*Continued*)

Ekopath Metropolis Lab Services Private Limited

Other Information (*Continued*)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Responsibility for the 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 financial statements that give a true and fair view of the state of affairs, profit 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

Independent Auditors' Report (*Continued*)

Ekopath Metropolis Lab Services Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

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.
- (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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

Independent Auditors' Report (*Continued*)

Ekopath Metropolis Lab Services Private Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the 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 2019 on its financial position in its financial statements - Refer Note 35 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the 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 financial statements since they do not pertain to the financial year ended 31 March 2019.
- (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, no remuneration has been paid by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

Mumbai
11 May 2019

Akeel Master
Partner
Membership No. 046768

Ekopath Metropolis Lab Services Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2019

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
- (b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all the property, plant and equipment (fixed assets) are verified over a period of two 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. In accordance with this programme, a portion of the property, plant and equipment (fixed assets) has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of land or building). Accordingly, the provision of clause 3(i) (c) of the Order are not applicable.
- (ii) Inventory has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. Discrepancies noticed on such verification between physical stocks and the book records were not material and these 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, the Company has not granted any loans, or provided any guarantees or securities to the parties covered under section 185 of the Act. The Company has not made any investments under provisions of Section 186 of the Act during the year.
- (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.

Ekopath Metropolis Lab Services Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2019 (Continued)

- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (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, Service tax, Duty of customs, 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, Goods and Service tax, Sales tax, Service tax, Duty of customs, Value added tax, Duty of excise, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, 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 2019 which have not been deposited with the appropriate authorities on account of any dispute:
- (viii) In our opinion and according to the information and explanations given to us, during the year, the Company did not have any loans or borrowings from any financial institutions, banks or the government nor any dues to debenture holders. Accordingly, paragraph 3 (viii) of the Order is not applicable
- (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) According to the information and explanations, given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided any managerial remuneration in accordance with provisions of Section 197 of the Act read with Schedule V of the Act.

Ekopath Metropolis Lab Services Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2019 (Continued)

- (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 transactions have been disclosed in the financial statements as required under Ind AS -24.
- (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. 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

Mumbai
11 May 2019

Akeel Master

Partner

Membership No: 046768

Annexure B to the Independent Auditors' report on the financial statements of Ekopath Metropolis Lab Services Private Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (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 financial statements of Ekopath Metropolis Lab Services Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date

In our opinion, the Company, have, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to the 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 the 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 the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the 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 the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the 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 financial statements, whether due to fraud or error.

Ekopath Metropolis Lab Services Private Limited

Annexure B to the Independent Auditors' report on the financial statements of Ekopath Metropolis Lab Services Private Limited for the year ended 31 March 2019 (*Continued*)

Auditors' Responsibility (*Continued*)

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 the financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to the 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 accounting principles. A company's internal financial controls with reference to the financial statements include those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

Mumbai
11 May 2019

Akeel Master

Partner

Membership No: 046768

Ekopath Metropolis Lab Services Private Limited

Balance Sheet

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

		31 March 2019	31 March 2018
ASSETS			
Non-current assets:			
Property, plant and equipment	3	32.11	32.02
Goodwill	4	44.04	44.04
Financial Assets:			
Loans	5	0.02	0.02
Non current tax assets	6	-	11.11
Total Non Current Assets		76.17	87.19
Current assets:			
Inventories	7	5.53	5.97
Financial Assets:			
(i) Investments	8	145.33	88.94
(ii) Trade receivables	9	41.28	21.86
(iii) Cash and cash equivalents	10	56.37	29.97
(v) Loans	11	1.52	2.19
Other current assets	12	0.74	1.28
Total Current Assets		250.77	150.21
Total Assets		326.94	237.40
EQUITY AND LIABILITIES			
Equity:			
(i) Equity share capital	13	51.00	51.00
(ii) Other equity	14	167.52	77.86
Total Equity		218.52	128.86
LIABILITIES			
Non-current liabilities			
Financial Liabilities:			
Borrowings	15	60.00	60.00
Deferred tax Liabilities (net)	16	1.28	1.11
Provisions	17	7.95	6.51
Total Non Current Liabilities		69.23	67.62
Current liabilities			
Financial Liabilities			
(i) Trade payables			
- Total outstanding due of micro and small enterprises	18	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	8.84	5.66
(ii) Other current financial liabilities	19	19.32	31.16
Other current liabilities	20	2.06	2.53
Provisions	21	2.43	1.57
Current tax liabilities (net)	22	6.54	-
Total Current Liabilities		39.19	40.92
Total Equity and Liabilities		326.94	237.40
Significant accounting policies	I-2		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

Chartered Accountants

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

For and on behalf of the Board of Directors

Ekopath Metropolis Lab Services Private Limited

CIN: U93000MH2013PTC240481

Akeel Master

Partner

Membership No: 046768

Place:

Date : 11 May 2019

Dr. Ronica Baruah

Director

DIN: 05231287

Place : Mumbai

Date :
11 May 2019

Dr. Nilesh Shah

Director

DIN: 01130652

Place : Mumbai

Date : 11 May 2019

Ekopath Metropolis Lab Services Private Limited

Statement of profit and loss

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

		31 March 2019	31 March 2018
Income			
Revenue from operations	23	486.75	357.22
Other income	24	6.82	2.85
Total Income		493.57	360.07
Expenses:			
Cost of materials consumed	25	81.93	61.79
Laboratory testing charges	26	65.83	42.78
Employee benefits expense	27	69.66	60.65
Finance costs	28	6.00	6.00
Depreciation expense	29	7.84	8.42
Other expenses	30	136.30	116.93
Total expenses		367.56	296.57
Profit before tax		126.01	63.50
Tax expense:			
(1)Current tax	31	35.00	16.00
(2)Deferred tax	31	0.50	(0.36)
(3)Tax adjustments for earlier years	31	-	0.31
Total Tax Expenses		35.50	15.95
Profit for the year		90.51	47.55
Other Comprehensive Loss			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the defined benefit plans		(1.18)	(0.16)
Income tax on Remeasurements of the defined benefit plans		0.33	0.04
Other comprehensive loss for the year, net of income tax		(0.85)	(0.12)
Total Comprehensive Income for the year		89.66	47.43
Earnings per equity share (Face value of Rs. 100 each)			
(1) Basic earnings per share	32	17.75	9.32
(2) Diluted earnings per share	32	17.75	9.32

Significant accounting policies

1-2

The accompanying notes are an integral part of these financial statement

As per our report of even date attached

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

Chartered Accountants

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

For and on behalf of the Board of Directors

Ekopath Metropolis Lab Services Private Limited

CIN: U93000MH2013PTC240481

Akeel Master

Partner

Membership No: 046768

Place : Mumbai

Date : 11 May 2019

Dr. Ronica Baruah

Director

DIN: 05231287

Place : Mumbai

Date : 11 May 2019

Dr. Nilesh Shah

Director

DIN: 01130652

Place : Mumbai

Date : 11 May 2019

Ekopath Metropolis Lab Services Private Limited

Statement of Cash flows

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

	31 March 2019	31 March 2018
A Cash Flow from Operating Activities		
Profit before tax	126.01	63.50
Adjustments for :		
Dividend income	(4.47)	(2.80)
Changes in fair value of current investments	(1.92)	(0.05)
Interest expense	6.00	6.00
Loss on sale of property, plant and equipment	0.06	-
Depreciation expense	7.84	8.42
Operating profit before working capital changes	133.52	75.07
Adjustments:		
Decrease/(Increase) in loans	0.68	(0.51)
Decrease/(Increase) in Inventories	0.44	(1.27)
Decrease/(Increase) in Trade receivables	(19.42)	(16.05)
Decrease/(Increase) in Other current assets	0.54	(0.49)
(Decrease)/Increase in Provision	1.12	1.07
(Decrease)/Increase in Trade Payable	3.18	(1.74)
(Decrease)/Increase in Other current financial liabilities	(11.84)	19.30
(Decrease)/Increase in Other current liabilities	(0.47)	1.18
Cash generated from operating activities	107.75	76.56
Income tax paid (net)	(17.64)	(22.16)
Net cash generated from operating activities (A)	90.11	54.40
B Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(7.99)	(18.10)
Purchase of current investments	(54.47)	(42.80)
Dividends received	4.47	2.80
Net cash (used in) investing activities (B)	(57.99)	(58.10)
C Cash Flow from Financing Activities		
Interest paid	(6.00)	(6.00)
Net cash (used in) Financing activities (C)	(6.00)	(6.00)
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	26.12	(9.70)
Cash and Cash Equivalents at the beginning of the year	30.25	39.95
Cash and Cash Equivalents at the end of the year	56.37	30.25

Note:

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

Chartered Accountants

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

For and on behalf of the Board of Directors

Ekopath Metropolis Lab Services Private Limited

CIN: U93000MH2013PTC240481

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Dr. Ronica Baruah

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DIN: 01130652

Place : Mumbai

Date : 11 May 2019

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Date : 11 May 2019

Ekopath Metropolis Lab Services Private Limited

Statement of Changes in Equity ('SOCIE')

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

(a) Equity share capital

	Number of shares	Amount (Rs Lakhs)
Balance as at a 1 April 2017	5,10,000	51.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	5,10,000	51.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	5,10,000	51.00

(b) Other equity

Particulars	Reserves & Surplus
	Retained earnings
Balance as at 1 April 2017	30.43
Profit for the year	47.55
Loss on re-measurement of defined benefit plans net of income tax	(0.12)
Total comprehensive income	47.44
Balance as at 31 March 2018	77.86
Balance as at 1 April, 2018	77.86
Profit for the year	90.51
Loss on re-measurement of defined benefit plans net of income tax	(0.85)
Total comprehensive income	89.66
Balance as at 31 March 2019	167.52

As per our report of even date attached

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

Chartered Accountants

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

For and on behalf of the Board of Directors

Ekopath Metropolis Lab Services Private Limited

CIN: U93000MH2013PTC240481

Akeel Master

Partner

Membership No: 046768

Place:

Date : 11 May 2019

Dr. Ronica Baruah

Director

DIN: 05231287

Place : Mumbai

Date : 11 May 2019

Dr. Nilesh Shah

Director

DIN: 01130652

Place : Mumbai

Date : 11 May 2019

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

1 Background of the Company and nature of operation

Ekopath Metropolis Lab Services Private Limited (the 'Company'), was incorporated on 14 February 2013 and is engaged in the business of providing healthcare facilities. The main object of the Company is to provide quality healthcare facilities in and around North Eastern region of India. The principal activities of the Company consists of Pathology services and X-ray services.

2 Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a Statement of compliance:

The Balance Sheet of the Company as at 31 March 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended 31 March 2019 and summary of significant accounting policies and other financial information (together referred as '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 by the Companies (Indian Accounting Standard) amendment Rules, 2018.

The financial statements were authorised for issue by the Company's Board of Directors on 11 May 2019.

b Current vs non-current classification:

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

Assets:

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

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

Liabilities:

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

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the 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's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013 ('Act'). Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, 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.

c Basis of measurement

These financial statements have been prepared on a historical cost basis, 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
- Net defined benefit (asset) / liability - Fair value of plan assets less present value of defined benefit obligations

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.1 Basis of preparation and measurement (continued)

d Key estimates and assumptions

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

The areas involving critical estimates or judgements are :

- i. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(a))
- ii. Impairment test of non-financial assets (Note 2.2(b))
- iii. Recognition of deferred tax assets; (Note 2.2(k))
- iv. Recognition and measurement of provisions and contingencies; (Note 2.2(f))
- v. Fair value of financial instruments (Note 2.2(c))
- vi. Impairment of financial assets (Note 2.2(c))

e 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.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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 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 33)

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies

a) 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 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 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 profit and loss during the reporting period 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

Particulars	Management's estimate of useful life	Useful life as per Schedule II
Laboratory Equipment's (Plant & Equipments) : (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

Intangible assets

Goodwill

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

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

b) 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.

c) 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 foreign exchange forward contracts, futures and currency options.

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)

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 Statement of Profit and Loss.

Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

c) Financial Instruments (Continued)

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or a part of a Company 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), are recognized in the Statement of Profit and Loss.

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 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

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

c) Financial Instruments (Continued)

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.

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.

d) 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.

e) 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.

f) 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 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.

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

g) 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 goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Effective April 1, 2018 the Company has applied Ind AS 115 which replaces Ind AS 18 revenue recognition. Refer Note 2(i) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18.

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 Company 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 Company and revenue can be reliably measured.

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the services to a customer i.e. on rendering of service to the customer. Revenue from rendering of services is net of indirect taxes and discounts, if any.

h) 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, which is generally when the shareholders approve the dividend.

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

i) 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 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) 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, 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).

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

j) Leases:

Lease payments

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

As a lessee

Leases of assets where the company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments /receipts under operating leases are recognized as an expense / income on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

k) 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.

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 using tax rates enacted or substantively enacted by the end of the reporting period.

- 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.

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

k) Income-tax (Continued)

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 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.
- iii) deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognized.

l) Dividend

The Company recognizes 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.

m) 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 period.

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.

n) 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. Refer note 39 for segment reporting.

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

o) Recent IND AS Amendments:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the company has not applied as they are effective from 1 April 2019:

Ind AS 116 - Leases

Ministry of Corporate Affairs ('MCA') has notified Ind AS 116 'Leases' which is effective from 1 April, 2019.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The Company is currently evaluating the effect of this accounting standard.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ekopath Metropolis Lab Services Private Limited

Notes to financial statements

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

2.2 Significant accounting policies (Continued)

o) Recent IND AS Amendments (Continued)

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

3 Property, Plant and Equipment

(a) Changes in the carrying value of property, plant and equipment for the year ended 31 March 2019

Particulars	Plant and equipments	Furniture and fixtures	Computers	Office equipment	Total
Cost as at 1 April 2018	42.93	0.96	0.79	3.14	47.82
Additions during the year	6.92	0.04	0.43	0.60	7.99
Disposals during the year	(0.56)	-	-	-	(0.56)
Cost as at 31 March 2019 (A)	49.29	1.00	1.22	3.74	55.25
Accumulated depreciation as at 1 April 2018	12.40	0.43	0.64	2.33	15.80
Depreciation recognised for the year	6.74	0.14	0.09	0.87	7.84
Deduction on account of disposal	(0.50)	-	-	-	(0.50)
Accumulated depreciation as at 31 March 2019 (B)	18.64	0.57	0.73	3.20	23.14
Net carrying amount as at 31 March 2019 (A) - (B)	30.65	0.43	0.49	0.54	32.11

(b) Changes in the carrying value of property, plant and equipment for the year ended 31 March 2018

Particulars	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Total
Cost as at 1 April 2017	25.40	0.96	0.79	2.57	29.72
Additions during the year	17.53	-	-	0.57	18.10
Disposals during the year	-	-	-	-	-
Cost as at 31 March 2018 (A)	42.93	0.96	0.79	3.14	47.82
Accumulated depreciation as at 1 April 2017	5.64	0.25	0.49	1.00	7.38
Depreciation recognised for the year	6.76	0.18	0.15	1.33	8.42
Deduction on account of disposal	-	-	-	-	-
Accumulated depreciation as at 31 March 2018 (B)	12.40	0.43	0.64	2.33	15.80
Net carrying amount as at 31 March 2018 (A) - (B)	30.53	0.53	0.15	0.81	32.02

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

4 Goodwill

(a) Changes in the carrying value of Goodwill for the year ended 31 March 2019

Particulars	Goodwill*	Total
Cost as at 1 April 2018	44.04	44.04
Additions during the year	-	-
Disposals during the year	-	-
Cost as at 31 March 2019 (A)	44.04	44.04
Accumulated depreciation as at 1 April 2018	-	-
Amortisation recognised for the year	-	-
Deduction on account of disposal	-	-
Accumulated depreciation as at 31 March 2019 (B)	-	-
Net carrying amount as at 31 March 2019 (A) - (B)	44.04	44.04

(a) Changes in the carrying value of Goodwill for the year ended 31 March 2018

Particulars	Goodwill*	Total
Cost as at 1 April 2017	44.04	44.04
Additions during the year	-	-
Disposals during the year	-	-
Cost as at 31 March 2018 (A)	44.04	44.04
Accumulated depreciation as at 1 April 2017	-	-
Amortisation recognised for the year	-	-
Deduction on account of disposal	-	-
Accumulated depreciation as at 31 March 2018 (B)	-	-
Net carrying amount as at 31 March 2018 (A) - (B)	44.04	44.04

* Goodwill of Rs. 44.04 lakhs (net of accumulated amortisation as on 31 March 2016) is on account of acquisition of Ekopath Center (Pathology and Cytology Division), Guwahati during the year ended 31 March 2013.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

4 Goodwill (Continued)

Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2019 is Rs. 44.04 lakhs (31 March 2018: Rs. 44.04 Lakhs). It was acquired on account of business purchase from Ekopath Center (Pathology and Cytology Division).

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	31 March 2019	31 March 2018
Ekopath Metropolis Lab Services Private Limited	44.04	44.04

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.

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 EBITDA are factored by focused approach towards B2C segment, 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
Pre-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 Group.

Particulars	31 March 2019	31 March 2018
Pre tax discount rate	12.50%	12.50%
Terminal value growth rate	6.00%	6.00%
Budgeted EBITDA growth rate	6.04%	6.04%

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.

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately Rs.230.06 Lakhs (31 March 2018 : Rs 230.06 Lakhs). 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.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

31 March 2019 31 March 2018

5 Non current loans

(Unsecured, considered good)

Security deposits	0.02	0.02
	<u>0.02</u>	<u>0.02</u>

There are no non -current loans which has significant increase in credit risk.

6 Non current tax assets

Advance taxes (net of provision for taxes - 31 March 2019: Rs.Nil , 31 March 2018: 27.10 Lakhs)	-	11.11
	<u>-</u>	<u>11.11</u>

7 Inventories

Reagents, chemicals, diagnostic kits, medicines and consumables (valued at lower of cost or net realisable value)	5.53	5.97
	<u>5.53</u>	<u>5.97</u>

8 Current Investment

Investments in mutual funds

Unquoted equity shares at Fair Value through Profit or Loss

ICICI Prudential Flexible Income -Daily Dividend - 88,300.01 (31 March 2018: 84,068.91) Units of Rs.100 each

ICICI P Saving Fund G - 14,475 (31 March 2018: Nil Units) of Rs.100 each	93.40	88.94
	<u>51.93</u>	<u>-</u>
	<u>145.33</u>	<u>88.94</u>

Aggregate amount of quoted investments and market value thereof

Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value investments	145.33	88.94
	<u>-</u>	<u>-</u>

9 Trade receivables

Unsecured, considered good*	41.28	21.86
Unsecured - significant increase in credit risk	-	-
Unsecured - credit impaired	-	-
	<u>41.28</u>	<u>21.86</u>
Less: Provision for debts having significant increase in credit risk	-	-
Less: Provision for debts which are credit impaired	-	-
	<u>41.28</u>	<u>21.86</u>

*Includes amount receivable from related parties (Refer Note 34).

10 Cash and cash equivalents

Balances with banks		
- in current accounts	55.86	28.89
Cash on hand	0.51	1.08
	<u>56.37</u>	<u>29.97</u>

11 Current loans

(Unsecured, considered good)

Security Deposits	1.52	2.19
	<u>1.52</u>	<u>2.19</u>

There are no non -current loans which has significant increase in credit risk.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

12 Other current assets

(Unsecured, considered good)

Prepaid Expenses

31 March 2019 31 March 2018

0.74 1.28

0.74 1.28

13 Equity share capital

Details of authorised, issued and subscribed share capital & reconciliation of number of shares at the beginning and at the end of the year

13.1 Authorised equity share capital

Equity shares of Rs 10/- each

As at 31 March 2018

As at 31 March 2019

No. of shares Amount

5,10,000 51.00

5,10,000 51.00

13.2 Issued equity capital

Equity shares of Rs 10/- each fully paid

As at 1 April 2017

Add: Movement during the year

As at 31 March 2018

Add: Movement during the year

as at 31 March 2019

No. of shares Amount

5,10,000 51.00

- -

5,10,000 51.00

- -

5,10,000 51.00

a Terms and Rights attached to equity shareholders:

The Company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, will be paid in Indian Rupees and 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 the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

b Shares held by holding company/ultimate holding company, subsidiaries/associates of holding company or ultimate holding company:

Shareholding structure	No. of shares	Amount
Metropolis Healthcare Limited		
Equity shares of Rs 10 each		
As at 31 March 2018	3,06,000	30.60
as at 31 March 2019	3,06,000	30.60

c Shareholders holding more than 5% of the equity shares in the Company as at the balance sheet date :

Shareholders	31 March 2019	
	Number	% shareholding
Metropolis Healthcare Limited	3,06,000	60.00%
Dr. Ronica Baruah	2,04,000	40.00%
Total	5,10,000	100.00%

Shareholders	31 March 2018	
	Number	% shareholding
Metropolis Healthcare Limited	3,06,000	60.00%
Dr. Ronica Baruah	2,04,000	40.00%
Total	5,10,000	100.00%

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

31 March 2019 31 March 2018

13 Equity share capital (Continued)

d Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the date 31 March 2019

The Company has neither issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2019.

	31 March 2019	31 March 2018
14 Other Equity		
Retained earnings	167.52	77.86
Closing balance	167.52	77.86
14.1 Retained earnings		
Opening balance	77.86	30.43
Add: Profit for the year	90.51	47.55
Remeasurements of post-employment benefit obligation, net of tax	(0.85)	(0.12)
Closing balance	167.52	77.86

Nature and purpose of Reserves

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

	31 March 2019	31 March 2018
15 Non current borrowings		
Unsecured	60.00	60.00
From holding company		
	60.00	60.00

Terms of borrowings:

i) From Holding Company

Note: - Loan is taken from Metropolis Healthcare Limited (MHL) - Holding Company rate of 10 % pa. The said unsecured loan shall not be repaid till the date MHL has acquired remaining 40% shareholding of Ekopath Metropolis Lab Service Private Limited from Dr. Ronica Baruah.

	31 March 2019	31 March 2018
16 Deferred tax liabilities (Net)		
Deferred tax asset arising on account of :		
Provision for employee benefits	5.42	3.86
Total (A)	5.42	3.86
Deferred tax liability arising on account of :		
Difference between book base and tax base of property, plant and equipment and intangible assets	(6.15)	(4.95)
Difference between book base and tax base of current investments	(0.55)	(0.02)
Total (B)	(6.70)	(4.97)
Net deferred tax liabilities (A+B)	(1.28)	(1.11)

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in lakhs)

31 March 2019 31 March 2018

17 Non current provisions

Provision for employee benefits:
- Gratuity [refer note 38A]

7.95 6.51

7.95 6.51

18 Trade payables

Total outstanding due of micro and small enterprises [refer Note 37]
Total outstanding due of creditors other than micro and small enterprises*

- -
8.84 5.66

8.84 5.66

* It includes amount due to related parties [refer Note 34]

19 Other current financial liabilities

Security deposits
Employee related dues
Accrued expenses
Interest accrued on unsecured loan

2.55 3.00
11.65 12.68
4.22 15.48
0.90 -

19.32 31.16

20 Other current liabilities

Advance from customers
Statutory dues*

0.09 0.09
1.97 2.44

2.06 2.53

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

21 Current provisions

Provision for employee benefits:
- Gratuity [refer Note 38A]

2.43 1.57

2.43 1.57

22 Current tax liabilities (net)

Provision for taxation (net of advance tax - 31 March 2019:7.53 Lakhs, 31 March 2018: Nil)

6.54 -

6.54 -

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

	31 March 2019	31 March 2018
23 Revenue from operations		
Service income	486.75	357.22
	<u>486.75</u>	<u>357.22</u>
24 Other income		
<u>Interest income</u>		
- Income Tax Refund	0.42	-
Dividend income	4.47	2.80
Fair value gain on mutual funds measured at FVTPL	1.92	0.05
Miscellaneous income	0.01	-
	<u>6.82</u>	<u>2.85</u>
25 Cost of materials consumed		
Opening Stock [Refer note 7]	5.97	4.70
Add: Purchases during the year	81.49	63.06
Less: Closing Stock [Refer note 7]	(5.53)	(5.97)
	<u>81.93</u>	<u>61.79</u>
26 Laboratory testing charges		
Laboratory testing charges	65.83	42.78
	<u>65.83</u>	<u>42.78</u>
27 Employee benefits expense		
Salaries, wages and bonus	60.80	52.16
Contribution to provident and other funds [refer Note 38B]	4.62	3.97
Gratuity expenses [refer Note 38A]	1.25	1.08
Staff welfare expenses	2.99	3.44
	<u>69.66</u>	<u>60.65</u>
28 Finance costs		
Interest on term loan	6.00	6.00
	<u>6.00</u>	<u>6.00</u>
29 Depreciation expense		
Depreciation of property plant and equipment (refer note 3)	7.84	8.42
	<u>7.84</u>	<u>8.42</u>

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

30 Other expenses

	31 March 2019	31 March 2018
Accreditation expenses	2.57	1.25
Printing and stationery	6.67	4.64
<u>Repairs and maintenance</u>		
- Plant and equipment	1.94	3.49
- Computer	1.19	0.98
Rent including lease rentals	4.77	5.78
Advertisement expenses	1.23	1.86
Power, fuel and electricity charges	6.00	5.44
Transportation, travelling and conveyance	8.00	5.08
Annual maintenance charges	2.13	2.28
Professional and consultancy fees	86.87	73.53
Postage & courier charges	3.37	1.51
Payments to auditors [refer Note 36]	1.48	1.48
Bank charges	1.50	1.58
Conference expenses	0.35	0.36
Donation	0.38	0.11
Daily allowance	1.61	1.16
General expenses	1.45	0.40
Housekeeping expenses	0.22	1.05
Insurance expenses	0.77	0.71
Internet expense	1.64	1.50
Motor car expenses	0.31	0.65
Rates and taxes	0.85	0.54
Telephone expenses	0.26	0.39
Training expenses	0.05	0.08
Laboratory expenses	0.54	0.48
Credit impaired assets written off	-	0.60
Loss on sale of property, plant and equipment	0.06	-
Miscellaneous expenses	0.09	-
	136.30	116.93

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

31 Income taxes

Tax expense

(a) Amounts recognised in statement of profit and loss

	31 March 2019	31 March 2018
Current tax expense		
Current year	35.00	16.00
Changes in estimates related to prior year	-	0.31
	35.00	16.31
Deferred tax expense		
Origination and reversal of temporary	0.50	(0.36)
	0.50	(0.36)
Tax expense for the year	35.50	15.95

(b) Current tax and deferred tax related to items recognised in other comprehensive income during the year

	Before tax	31 March 2019 Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit			
Remeasurements of the defined benefit plans	(1.18)	(0.33)	(0.85)
	(1.18)	(0.33)	(0.85)
	Before tax	31 March 2018 Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit			
Remeasurements of the defined benefit plans	(0.16)	(0.04)	(0.12)
	(0.16)	(0.04)	(0.12)

(c) Reconciliation of estimated income tax to income tax expense is as below:

	31 March 2019	31 March 2018
Profit before tax	126.01	63.50
Statutory income tax rate	27.82%	25.75%
Expected income tax expense	35.06	16.35
Tax effect of:		
Expenses not allowed under Income tax:	0.38	0.20
Income not subject to tax	(1.24)	(0.72)
Gain on revaluation of mutual funds	0.00	-
Reclassification of actuarial gains to OCI	0.33	-
Tax adjustment of earlier years	-	0.31
Difference due to MAT credit utilisation	-	(0.65)
Difference in tax rate	0.06	(0.19)
Others	0.93	0.65
	35.50	15.95
Total tax expense	35.50	15.95
Tax expense as per statement of profit and loss	35.50	15.95

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

31 Income taxes (Continued)

(d) Movement in deferred tax balances

	31 March 2019					
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net deferred tax	Deferred tax asset	Deferred tax liability
Deferred tax liability						
Difference between book base and tax base of property, plant and equipment and intangible assets	(4.95)	(1.20)	-	(6.15)	-	(6.15)
Difference between book base and tax base of current investments	(0.02)	(0.53)	-	(0.55)	-	(0.55)
Deferred tax asset						
Provisions for employee benefit	3.86	1.23	0.33	5.42	5.42	-
Net Tax assets / (Liabilities)	(1.11)	(0.50)	0.33	(1.28)	5.42	(6.70)

	31 March 2018					
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax liability						
Difference between book base and tax base of property, plant and equipment and intangible assets	(4.48)	(0.47)	-	(4.95)	-	(4.95)
Difference between book base and tax base of current investments	(0.01)	(0.01)	-	(0.02)	-	(0.02)
Deferred tax asset						
Provisions for employee benefit	2.05	1.77	0.04	3.86	3.86	-
MAT credit entitlement	0.93	(0.93)	-	-	-	-
Net Tax assets / (Liabilities)	(1.51)	0.36	0.04	(1.11)	3.86	(4.97)

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.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

32 Earnings per share (EPS)

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.

Particulars	31 March 2019	31 March 2018
i. Profit attributable to equity holders (Rs in lakhs)		
Profit attributable to equity holders for basic and diluted EPS (Rs. in lakhs)	90.51	47.55
	90.51	47.55
ii. Weighted average number of ordinary shares (no. of shares)	5,10,000	5,10,000
iii. Basic earnings per share & Diluted earnings per share (Rs)	17.75	9.32

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

33 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 for financial instruments measured at fair value. 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.

	31 March 2019							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Financial assets								
Security deposits	-	-	0.02	0.02	-	-	-	-
Current Financial assets								
Investment in mutual funds	145.33	-	-	145.33	-	145.33	-	145.33
Trade receivables	-	-	41.28	41.28	-	-	-	-
Cash and cash equivalents	-	-	56.37	56.37	-	-	-	-
Security deposits	-	-	1.52	1.52	-	-	-	-
	145.33	-	99.19	244.52	-	145.33	-	145.33
Non Current Financial liabilities								
Borrowings	-	-	60.00	60.00	-	-	-	-
Current Financial liabilities								
Trade payables	-	-	8.84	8.84	-	-	-	-
Other current financial liabilities	-	-	19.32	19.32	-	-	-	-
	-	-	88.17	88.17	-	-	-	-

	31 March 2018							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Financial assets								
Security deposits	-	-	0.02	0.02	-	-	-	-
Current Financial assets								
Investment in mutual funds	88.94	-	-	88.94	-	88.94	-	88.94
Trade receivables	-	-	21.86	21.86	-	-	-	-
Cash and cash equivalents	-	-	29.97	29.97	-	-	-	-
Security deposits	-	-	2.19	2.19	-	-	-	-
	88.94	-	54.03	142.98	-	88.94	-	88.94
Non Current Financial liabilities								
Borrowings	-	-	60.00	60.00	-	-	-	-
Current Financial liabilities								
Trade payables	-	-	5.66	5.66	-	-	-	-
Other current financial liabilities	-	-	31.16	31.16	-	-	-	-
	-	-	96.82	96.82	-	-	-	-

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values *(Continued)*

B. Fair value heirarchy

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 heirarchy 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 tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable
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
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

Transfers between Levels

There have been no transfers between levels during the reporting year.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values and risk management (continued)

Financial risk management

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. Key roles and responsibilities are defined in line with risk management plan and are reviewed at regular interval. This self regulatory process and procedure ensures efficient conduct of business in micro and macro risk environment.

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

a. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. 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 does not have any significant concentration of credit risk. There are no customers which accounts for 10% or more of the total trade receivables as at the year end.

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

	Gross carrying amount	
	31 March 2019	31 March 2018
Future dues not impaired		
Not Due	-	-
Past due 1-30 days	29.87	15.12
Past due 31-90 days	7.74	4.92
Past due 91-180 days	2.25	1.34
Past due 181-365 days	1.41	0.47
More than 365 days	-	0.01
	41.28	21.86

Management has analysed the debtors outstanding as of 31 March 2019 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding as of 31 March 2019 have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted in the past are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

On the basis of above, no additional provision has been made in the books of accounts under Ind AS.

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of Rs 55.86 lakhs at March 31, 2019 (31 March 2018: Rs. 28.89 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties 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.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values and risk management (continued)

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. 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, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

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

* all non derivative financial liabilities

31 March 2019	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-3 years	More than 3 years
Financial liabilities (Non-current)					
Borrowings	60.00	60.00	-	-	60.00
Financial liabilities (current)					
Interest payable on borrowing	-	30.00	6.00	12.00	12.00
Trade payables	8.84	8.84	8.84	-	-
Other current financial liabilities	19.32	19.32	19.32	-	-
Total	88.17	118.17	34.17	12.00	72.00

31 March 2018	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-3 years	More than 3 years
Financial liabilities (Non-current)					
Borrowings	60.00	60.00	-	-	60.00
Financial liabilities (current)					
Interest payable on borrowing	-	30.00	6.00	12.00	12.00
Trade payables	5.66	5.66	5.66	-	-
Other current financial liabilities	31.16	31.16	31.16	-	-
Total	96.82	126.82	42.82	12.00	72.00

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values and risk management (continued)

Capital Disclosure

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder and maintain an optimal capital structure to reduce the cost of capital.

There have been no changes to what the entity manages as capital and in the strategy for capital management from the previous year.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing and non-interest bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

	31 March 2019	31 March 2018
Non-current borrowings	60.00	60.00
Less : Cash and cash equivalent	56.37	29.97
Adjusted net debt	3.63	30.03
Total equity	218.52	128.86
Adjusted net debt to adjusted equity ratio	0.02	0.23
Debt equity considering only borrowings as debt	0.27	0.47

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.

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

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets		
Financial liabilities	60.00	60.00
	60.00	60.00
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Total	60.00	60.00

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

34 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash.

A. Relationships –

Category I: Holding company

Metropolis Healthcare Limited

Category II: Key Management Personnel (KMP)

Dr Ronica Baruah -Director

Mr. Tushar Manohar Karnik- Director

Dr. Nilesh Jadavji Shah - Director

B. The transactions with the related parties are as follows:			
Particulars	31 March 2019	31 March 2018	
1) Receipt of Services			
<i>Holding company</i>			
Metropolis Healthcare Limited	65.50	40.83	
2) Interest on Loan			
<i>Holding company</i>			
Metropolis Healthcare Limited	6.00	6.00	
3) Professional Fee			
Key management personnel (KMP)			
Dr Ronica Baruah	28.99	26.57	

C. The related party balances outstanding at year end are as follows:			
Particulars	31 March 2019	31 March 2018	
1) Trade payable and other liabilities			
<i>Holding Company</i>			
Metropolis Healthcare Limited	1.24	4.01	
2) Borrowing			
<i>Holding Company</i>			
Metropolis Healthcare Limited	60.00	60.00	
3) Interest accrued on unsecured loan			
<i>Holding Company</i>			
Metropolis Healthcare Limited	0.90	60.00	

Ekopath Metropolis Lab Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in lakhs)

35 Contingent liabilities not provided for

	31 March 2019	31 March 2018
Employee related dues	1.86	1.86
Total	1.86	1.86

36 Auditors' remuneration (including GST)

	31 March 2019	31 March 2018
Statutory audit fees	1.48	1.48
Total	1.48	1.48

37 Micro and small enterprises

There are no micro & small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2019. 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.

	31 March 2019	31 March 2018
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)	-	-
e. Interest accrued and remaining unpaid	-	-
f. 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	-	-

38 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:

	31 March 2019	31 March 2018
A. Amount recognised in the balance sheet		
Present value of the obligation as at the end of the year	10.38	8.08
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in the balance sheet	10.38	8.08
Out of which,		
Non-current portion	7.95	6.51
Current portion	2.43	1.57
B. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	8.08	6.85
Current service cost	0.66	0.60
Interest cost	0.59	0.47
Actuarial loss	1.18	0.16
Benefits paid	(0.13)	-
Projected benefit obligation at the end of the year	10.38	8.08
D. Amount recognised in the statement of profit and loss		
Current service cost	0.66	0.60
Interest cost	0.59	0.47
Expenses recognised in the statement of profit and loss	1.25	1.08
E. Amount recognised in other comprehensive income		
Net actuarial loss	1.18	0.16
Return on Plan Assets, Excluding Interest Income	-	-
	1.18	0.16
G. Assumptions used	31 March 2019	31 March 2018
Discount rate	6.96%	7.35%
Long-term rate of compensation increase	7.50%	7.50%
Attrition rate	20.00%	20.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The weighted average duration of the defined benefit obligation is 5 years (31st March, 2018: 5 years).

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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.35)	0.38	(0.28)	0.31
Future salary growth (1% movement)	0.37	(0.35)	0.30	(0.28)
Employee Turnover (1% movement)	(0.02)	0.02	(0.01)	0.01

38 Employee benefits (Continued)

I. Expected future cash flows

Particulars	Less than a year	Between 1- 2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligations (Gratuity)	2.43	1.65	3.77	6.09	13.94
Total	2.43	1.65	3.77	6.09	13.94

Particulars	Less than a year	Between 1- 2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Defined benefit obligations (Gratuity)	1.57	1.39	3.13	5.08	11.17
Total	1.57	1.39	3.13	5.08	11.17

(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 Rs 3.05 lakhs (31 March 2018: Rs 3.97 lakhs)

39 Segment Reporting

The Company operates in a single segment i.e."Pathology", Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) "Segment Reporting", no disclosures related to segments are presented in this financial statement.

40(a) Disclosure as per Ind AS 115 - Revenue from contracts with customers

Particulars	31-Mar-19	31-Mar-18
Contract asset- unbilled revenue		
Contract liabilities		
Advances from customers	0.09	0.09

40(b) Disaggregation of revenue from contracts with customers.

The Company believes that the information provided under Note 23, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

41 Other matters:

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Company for the financial year ended 31 March 2019.

42 Consequent to the issuance of " Guidance Note on Division -II - Ind AS Schedule III to the Companies Act, 2013 certain items of the financial statements have been regrouped/reclassified.

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

For and on behalf of the Board of Directors
Ekopath Metropolis Lab Services Private Limited
CIN: U93000MH2013PTC240481

Akeel Master
Partner
Membership No: 046768

Place:
Date : 11 May 2019

Dr. Ronica Baruah
Director
DIN: 05231287

Place : Mumbai
Date : 11 May 2019

Dr. Nilesh Shah
Director
DIN: 01130652
Place : Mumbai
Date : 11 May 2019