

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Raj Metropolis Healthcare Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raj Metropolis Healthcare Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 on the financial statements.

Independent Auditors' Report (*Continued*)

Raj Metropolis Healthcare Private Limited

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.

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 and Board of Directors' 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/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

Independent Auditors' Report (*Continued*)

Raj Metropolis Healthcare Private Limited

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

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.
- 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Independent Auditors' Report (*Continued*)

Raj Metropolis Healthcare Private Limited

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

2. (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The 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.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 did not have any pending litigations as at 31 March 2021 on its financial position in its 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.
 - 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 2021.

Independent Auditors' Report (*Continued*)
Raj Metropolis Healthcare Private Limited

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

(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



Tarun Kinger

Partner

Membership No.105003

ICAI UDIN: 21105003AAAACD3795

Place: Mumbai
Date: 26 May 2021

Annexure - A to the Independent Auditors' Report on the Financial Statements of Raj Metropolis Healthcare Private Limited for the year ended 31 March 2021

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
 - (b) The Company has a regular programme of physical verification of its fixed assets (Property, plant and equipment) by which all fixed assets (Property, plant and equipment) are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the previous year, the Company had physically verified all its fixed assets (Property, plant and equipment) and no material discrepancies were noticed on such verification.
 - (c) 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.

Annexure - A to the Independent Auditors' Report on the Financial Statements of Raj Metropolis Healthcare Private Limited for the year ended 31 March 2021 (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, Goods and Service tax and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Value added tax, Duty of excise and Cess.

According to the information and explanations given to us, there are no undisputed amount payable, in respect of Provident fund, Employees State Insurance, Income-tax, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(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 2021 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.

Annexure - A to the Independent Auditors' Report on the Financial Statements of Raj Metropolis Healthcare Private Limited for the year ended 31 March 2021 (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 by applicable accounting.
- (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 B S R & Co. LLP

Chartered Accountants

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



Tarun Kinger

Partner

Membership No.105003

ICAI UDIN: 21105003AAAACD3795

Place: Mumbai

Date: 26 May 2021

Annexure B to the Independent Auditors' report on the financial statements of Raj Metropolis Healthcare Private Limited for the year ended 31 March 2021

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 2 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Raj Metropolis Healthcare Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to 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 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

**Annexure B to the Independent Auditors' report on the financial statements of
Raj Metropolis Healthcare Private Limited for the year ended 31 March 2021
(Continued)**

Auditors' Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of 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.

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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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



Tarun King

Partner

Place: Mumbai

Date: 26 May 2021

Membership No.105003

ICAI UDIN: 21105003AAAACD3795

Raj Metropolis Healthcare Private Limited

Balance Sheet

as at 31 March 2021

(Currency : Indian Rupees in lakhs)

Particulars	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets:			
Property, plant and equipment	3	16.41	19.66
ROU Asset	30	12.65	14.91
Financial Assets:			
Deferred tax assets (net)	4	2.65	3.26
Non current tax assets	5	8.93	7.79
Total Non Current Assets		40.64	45.62
Current assets:			
Inventories	6	3.02	4.53
Financial Assets:			
(i)Trade receivables	7	11.82	22.81
(ii)Cash and cash equivalents	8	128.42	132.63
(iii)Loans	9	0.50	0.50
Other current assets	10	18.20	22.91
Total Current Assets		161.96	183.38
Total Assets		202.60	229.00
EQUITY AND LIABILITIES			
Equity:			
(i)Equity share capital	11	1.82	1.82
(ii)Other equity	12	103.17	94.41
Total Equity		104.99	96.23
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	13	11.04	12.54
Total Non Current Liabilities		11.04	12.54
Current liabilities			
Financial Liabilities			
(i) Lease liabilities	30	2.96	2.82
(ii)Current financial liabilities	14	4.08	4.08
(iii)Trade payables			
- Total outstanding due to micro and small enterprises	15	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	62.00	92.10
(iv)Other current financial liabilities	16	1.54	10.62
Other current liabilities	17	6.55	1.17
Current tax liabilities	18	9.44	9.44
Total Current Liabilities		86.57	120.23
Total Equity and Liabilities		202.60	229.00
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



Tarun Kinger
Partner
Membership No. 105003

Place : Mumbai
Date : 26 May 2021

For and on behalf of the Board of
Raj Metropolis Healthcare Private
CIN : U85191MH2012PTC355992



Dr. Nilesh Shah **Rakesh Agarwal**
Director Director
DIN No: 01130652 DIN No: 08614903

Place : Mumbai Place : Mumbai
Date : 26 May 2021 Date : 26 May 2021

Raj Metropolis Healthcare Private Limited

Statement of profit and loss

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	31 March 2021	31 March 2020
Income			
Revenue from operations	19	111.16	203.48
Total Income		111.16	203.48
Expenses:			
Cost of materials consumed	20	14.68	25.02
Laboratory testing charges	21	4.69	7.65
Employee benefits expense	22	19.69	23.09
Finance costs	23	1.78	0.97
Depreciation expense	24	5.52	2.24
Other expenses	25	62.39	129.93
Total expenses		108.75	188.90
Profit before tax		2.41	14.58
Tax expense:			
Current tax	26	-	3.60
Deferred tax	26	0.61	0.36
Tax adjustments for earlier years	26	(6.96)	8.89
Total Tax Expenses		(6.35)	12.85
Profit for the year		8.76	1.73
Earnings per equity share (Face value of Rs. 100 each)			
(1) Basic earnings per share	27	48.24	9.51
(2) Diluted earnings per share	27	48.24	9.51
Significant accounting policies	1-2		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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



Tarun Kinger

Partner

Membership No. 105003

Place : Mumbai

Date : 26 May 2021

For and on behalf of the Board of Directors of

Raj Metropolis Healthcare Private Limited

CIN : U85191MH2012PTC355992



Dr. Nilesh Shah

Director

DIN No: 01130652

Place : Mumbai

Date : 26 May 2021



Rakesh Agarwal

Director

DIN No: 08614903

Place : Mumbai

Date : 26 May 2021

Raj Metropolis Healthcare Private Limited

Statement of Cash flows

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

Particulars	31 March 2021	31 March 2020
A Cash Flow from Operating Activities		
Net profit before tax	2.41	14.58
Adjustments for :		
Provision for bad and doubtful debts	14.20	-
Provision for bad and doubtful debts written back	(0.34)	(0.61)
Interest expense	1.78	0.97
Depreciation expense	5.52	2.24
Written off the fixed assets	-	0.15
Operating profit before working capital changes	23.57	17.33
Adjustments:		
Decrease in Inventories	1.51	0.95
Decrease/(Increase) in trade receivables	(2.87)	48.26
Decrease/(Increase) in other current assets	4.70	(22.48)
(Decrease)/Increase in Trade Payable	(30.12)	68.44
(Decrease) in Other current financial liabilities	0.04	(13.66)
Increase in Other current liabilities	5.38	0.01
Cash generated from operating activities	2.21	98.85
Income tax paid (net)	5.83	(13.10)
Net cash generated from operating activities (A)	8.04	85.75
B Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(9.43)	-
Net cash (used in) / generated from investing activities (B)	(9.43)	-
C Cash Flow from Financing Activities		
Interest paid	-	(0.02)
Repayment of Short Term borrowing	-	(3.01)
Principal payment of lease liabilities	(1.36)	(0.50)
Interest paid on Lease liabilities	(1.46)	(0.65)
Net cash used by Financing activities (C)	(2.82)	(4.18)
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	(4.21)	81.57
Cash and Cash Equivalents at the beginning of the year	132.63	51.06
Cash and Cash Equivalents at the end of the year	128.42	132.63

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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



Tarun Kinger

Partner

Membership No. 105003

Place : Mumbai

Date : 26 May 2021

For and on behalf of the Board of Directors of

Raj Metropolis Healthcare Private Limited

CIN : U85191MH2012PTC355992



Dr. Nilesh Shah

Director

DIN No: 01130652

Place : Mumbai

Date : 26 May 2021



Rakesh Agarwal

Director

DIN No: 08614903

Place : Mumbai

Date : 26 May 2021

Raj Metropolis Healthcare Private Limited

Statement of Changes in Equity ('SOCIE')

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

(a) Equity share capital

	Number of shares	Amount (Rs. in Lakhs)
Balance as at 1 April 2019	18,150	1.82
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	18,150	1.82
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	18,150	1.82

(b) Other equity

Particulars	Reserves & Surplus		Total other Equity
	Securities premium account	Retained earnings	
Balance as at 1 April, 2019	10.19	82.49	92.68
Profit for the year	-	1.73	1.73
Total comprehensive income	-	1.73	1.73
Balance as at 31 March 2020	10.19	84.22	94.41
Balance as at 1 April 2020	10.19	84.22	94.41
Profit for the year	-	8.76	8.76
Total comprehensive income	-	8.76	8.76
Balance as at 31 March 2021	10.19	92.98	103.17

As per our report of even date attached

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

Chartered Accountants

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



Tarun Kinger

Partner

Membership No. 105003

Place : Mumbai

Date : 26 May 2021

For and on behalf of the Board of Directors of

Raj Metropolis Healthcare Private Limited

CIN : U85191MH2012PTC355992



Dr. Nilesh Shah

Director

DIN No: 01130652

Place : Mumbai

Date : 26 May 2021



Rakesh Agarwal

Director

DIN No: 08614903

Place : Mumbai

Date : 26 May 2021

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

1 Background of the Company and nature of operation

Raj Metropolis Healthcare Private Limited (the 'Company'), was incorporated on 6 February 2012 and is engaged in the business of providing healthcare facilities. The principal activities of the Company consist of providing pathology and related healthcare services. The Company is a private limited company incorporated and domiciled in India. The address of its corporate office is 250-D udyog bhavan hind cycle marg, worli mumbai Mh 400030.

The financial statements were authorised for issue by the Company's Board of Directors on 26th May 2021.

2 Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a Statement of compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by relevant amendment rules issued thereafter.

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

The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as 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

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 of non-financial assets (Note 2.2(b))
- iii. Lease Term (Note 2.2(k))
- iv. Recognition of deferred tax assets; (Note 2.2(l))
- v. Recognition and measurement of provisions and contingencies; (Note 2.2(g))
- vi. Fair value of financial instruments (Note 2.2(d))
- vii. Impairment of financial assets (Note 2.2(d))

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.1 Basis of preparation and measurement (Continued)

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 28)

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 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 arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the 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 of these PPE commences when the assets are ready for their intended use. Depreciation on property, plant and equipment, other than leasehold improvements, is provided under the written down value method in the manner prescribed under Schedule II of the Act, except in the following case where the life is different than as indicated in Schedule II of the Act which is based on the technical evaluation of useful life carried out by the management:

Particulars	Management's estimate of useful life	Useful life as per Schedule II
Laboratory Equipment's (Plant & 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 is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

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

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.2 Significant accounting policies (Continued)

b) Intangible assets

Goodwill

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

In respect of business combinations that occurred prior to 1st April 2016, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles

Other Intangible assets:

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

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

Amortization:

b) Intangible assets

Goodwill

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

Other Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortization:

Goodwill is not amortised and is tested for impairment annually.

c) Impairment of non-financial assets

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

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

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

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

d) 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 the following categories:

- Amortized cost,
- Fair value through profit (FVTPL)

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.2 Significant accounting policies (Continued)

d) Financial Instruments (Continued)

1 Financial assets (Continued)

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.

Derecognition:

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

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

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

- (a) the Company has transferred substantially all the risks and rewards of the asset, or

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

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL). 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.

Trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Impairment of financial instruments (other than at fair value)

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.2 Significant accounting policies (Continued)

d) Financial Instruments (Continued)

2 Financial liabilities (Continued)

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

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.

e) 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.

f) 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.

g) 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not accounted but disclosed in the financial statements, unless possibility of an outflow of resources embodying economic benefit is remote.

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.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.2 Significant accounting policies (Continued)

h) Revenue Recognition

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

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

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

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

i) 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.

j) 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 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).

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.2 Significant accounting policies (Continued)

k) Leases

Ind-As 116:

As a lessee

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

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

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

l) 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.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and significant accounting policies (Continued)

2.2 Significant accounting policies (Continued)

l) Income-tax (Continued)

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.

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.

m) 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.

n) 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.

o) 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.

p) Recent Indian Accounting Standards (Ind AS)

Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency, specified under the head 'additional information' in the notes forming part of Standalone Financial Statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

o) Rounding of Amounts

All amounts in the financial statement and accompanying notes are presented in Lakhs and have been rounded off to Two-decimal place unless stated otherwise

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : Indian Rupees in lakhs)

3 Property, plant and equipment

Changes in the carrying value of property, plant and equipment for the quarter ended 31 March 2021

Particulars	Leasehold Improvement	Plant and equipment	Vehicles	Furniture and fixtures	Electrical Installation	Office equipment	Computers	Total
Cost as at 1 April 2020	9.23	14.40	0.33	0.45	0.40	0.52	0.73	26.06
Additions during the year	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-
Cost as at 31 Mar 2021	9.23	14.40	0.33	0.45	0.40	0.52	0.73	26.06
Accumulated depreciation as at 1 April 2020	2.68	2.34	0.23	0.27	0.12	0.25	0.51	6.40
Amortisation recognised for the year	0.84	2.24	0.03	0.03	0.04	0.06	0.01	3.25
Disposals during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 Mar 2021	3.52	4.58	0.26	0.30	0.16	0.31	0.52	9.65
Net carrying amount as at 31 Mar 2021	5.72	9.81	0.07	0.15	0.24	0.21	0.21	16.41

Particulars	Leasehold Improvement	Plant and equipment	Vehicles	Furniture and fixtures	Electrical Installation	Office equipment	Computers	Total
Cost as at 1 April 2019	9.23	5.40	0.33	0.45	0.58	0.79	0.73	17.51
Additions during the year	-	9.44	-	-	-	-	-	9.44
Disposals during the year	-	(0.44)	-	-	(0.18)	(0.27)	-	(0.89)
Cost as at 31 Mar 2020	9.23	14.40	0.33	0.45	0.40	0.52	0.73	26.06
Accumulated depreciation as at 1 April 2019	2.21	2.07	0.20	0.23	0.21	0.42	0.49	5.83
Amortisation recognised for the year	0.47	0.59	0.03	0.04	0.05	0.10	0.02	1.30
Disposals during the year	-	(0.32)	-	-	(0.14)	(0.27)	-	(0.73)
Accumulated depreciation as at 31 Mar 2020	2.68	2.34	0.23	0.27	0.12	0.25	0.51	6.40
Net carrying amount as at 31 Mar 2020	6.55	12.06	0.10	0.18	0.28	0.27	0.22	19.66

Raj Metropolis Healthcare Private Limited

Notes to the financial statements *(Continued)*

as at 31 March 2021

(Currency : Indian Rupees in lakhs)

	31 March 2021	31 March 2020
4 Deferred tax assets/Liabilities (net)		
Deferred tax asset arising on account of :		
Difference between book base and tax base of property, plant and equipment and intangible assets	0.28	0.13
Provision for bad and doubtful debts	0.23	3.02
Impact of Ind AS 116	0.34	0.11
Other	1.80	-
Net deferred tax assets	2.65	3.26
5 Non current tax assets		
Advance taxes (net of provision for taxes -31 March 2021: 3.60 Lakhs , 31 March 2020: 3.60 Lakhs)	8.93	7.79
	8.93	7.79
6 Inventories		
Reagents, chemicals, diagnostic kits, medicines and consumables (valued at lower of cost or net realisable value)	3.02	4.53
	3.02	4.53
7 Trade receivables		
Trade receivables considered good- Secured	11.82	22.81
Trade receivables considered doubtful - Unsecured	0.93	12.00
	12.75	34.81
Less: Provision for debts which are considered doubtful	(0.93)	(12.00)
	11.82	22.81
8 Cash and cash equivalents		
Balances with banks	127.41	132.40
Cash on hand	1.01	0.23
	128.42	132.63
9 Current loans		
<i>(Unsecured, considered good)</i>		
Security Deposits	0.50	0.50
	0.50	0.50
10 Other current assets		
<i>(Unsecured, considered good)</i>		
Advance to employees	4.44	(0.00)
Prepaid expenses	0.15	0.13
Others	13.61	22.78
	18.20	22.91

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : Indian Rupees in lakhs)

31 March 2021 31 March 2020

11 Equity share capital

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

11.1 Authorised equity share capital

	No. of shares	Amount
Equity shares of Rs 100/- each		
As at 31 March 2020	20,000	2.00
As at 31 March 2021	20,000	2.00

11.2 Issued equity capital

	No. of shares	Amount
Equity shares of Rs 100/- each fully paid		
As at 1 April 2019	18,150	1.82
Add: Movement during the year	-	-
As at 31 March 2020	18,150	1.82
Add: Movement during the year	-	-
Less: Shares bought back during the year	-	-
As at 31 March 2021	18,150	1.82

a Terms and Rights attached to equity shareholders:

The Company has only one class of equity shares having a par value of Rs. 10 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, the its nominees		
Equity shares of Rs.10 each		
As at 31 March 2020	9,256	0.93
As at 31 March 2021	18,150	1.82

	31 March 2021
Shareholders	No. of shares
Kirtibhai Joshi	-
Shaileshbhai Goswami	-
Metropolis Healthcare Limited and its nominees	18,150
Total	18,150

	31 March 2020
Shareholders	No. of shares
Kirtibhai Joshi	4,447
Shaileshbhai Goswami	4,447
Metropolis Healthcare Limited and its nominees	9,256
Total	18,150

Ms.Ameera Shah, Dr.Sushil Shah, Mrs. Duru Shah and Dr.Nilesh Shah each hold 0.55% of total shares issued respectively as representatives of Metropolis Healthcare Limited.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements *(Continued)*

as at 31 March 2021

(Currency : Indian Rupees in lakhs)

31 March 2021 31 March 2020

11 Equity share capital *(Continued)*

11.2 Issued equity 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 2021**

The Company has neither issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2021.

31 March 2021 31 March 2020

12 Other equity

Securities premium account	10.19	10.19
Retained earnings	92.98	84.22
Closing Balance	103.17	94.41

12.1 Securities premium account

Balance as at the beginning and end of the year	10.19	10.19
--	--------------	--------------

12.2 Retained earnings

Opening balance	84.22	82.49
Add: Profit for the year	8.76	1.73
Closing Balance	92.98	84.22

Nature and purpose of Reserves

Securities premium account

The amount received in excess of face value of the equity shares is recognised in Securities premium account.

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

13 Lease liabilities

Lease liabilities (refer note : 30)	11.04	12.54
	11.04	12.54

14 Current financial liabilities

Unsecured

Holding company	5.51	5.19
Less : Interest accrued	(1.43)	(1.11)
	4.08	4.08

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : Indian Rupees in lakhs)

	31 March 2021	31 March 2020
14 Current financial liabilities (Continued)		
Terms of borrowings:		
i) From Holding Company		
Loan is taken from Metropolis Healthcare Limited, the Holding Company and carries interest rate of 7.75%.The loan does not carry any fixed terms of repayment and the same is repayable on demand.		
ii) From Director and Shareholders		
Loan from Shailesh Goswami and Kirtibhai Joshi, director and shareholder of the Company respectively are interest - free and the same is repayable on demand .		
	31 March 2021	31 March 2020
15 Trade payables		
Total outstanding due to creditors other than micro and small enterprises*	62.00	92.10
Total outstanding due to creditors from micro and small enterprises [Refer note 32]*	-	-
	62.00	92.10
* It includes amount due to related parties [Refer note 29]		
16 Other current financial liabilities		
Interest accrued but not due on borrowings	1.43	1.11
Employee related dues	0.12	0.07
Advance from Relative	0.25	-
Capital creditors	-	9.44
	1.80	10.62
17 Other current liabilities		
Statutory dues*	0.72	0.42
Advance from Customer	5.83	0.75
	6.55	1.17
* Statutory Dues payable include Tax Deducted at Source		
18 Current tax liabilities		
Provision for taxation (net of Advance tax - 31 March 2021: 14.05 Lakh ,31 March 2020 : 14.05 Lakh)	9.44	9.44
	9.44	9.44

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

	31 March 2021	31 March 2020
19 Revenue from operations		
Service income	110.82	199.86
<u>Other operating revenue</u>		
Sundry balance written back	0.34	3.01
Provision for bad and doubtful debts written back (net)	-	0.61
	111.16	203.48
20 Cost of materials consumed		
Opening stock [Refer note 6]	4.53	5.48
Add: Purchases during the year	13.17	24.07
Less: Closing stock [Refer note 6]	(3.02)	(4.53)
	14.68	25.02
21 Laboratory testing charges		
Laboratory testing charges	4.69	7.65
	4.69	7.65
22 Employee benefits expense		
Salaries, wages and bonus	19.49	22.09
Contribution to Provident Fund and Other Funds	-	-
Gratuity Expenses	-	-
Director's Remuneration	-	-
Staff welfare expenses	0.20	1.00
	19.69	23.09
23 Finance costs		
Interest on term loan	0.32	0.32
Interest on Lease liabilities [refer note 30]	1.46	0.65
	1.78	0.97
24 Depreciation expense		
Depreciation on properties, plant and equipment [refer note 3]	3.25	1.30
Depreciation on rights of uses of assets [refer note 30]	2.27	0.94
	5.52	2.24

Raj Metropolis Healthcare Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

	31 March 2021	31 March 2020
25 Other expenses		
Laboratory expenses	0.24	0.32
Electricity expenses	2.63	3.25
Rent	7.28	8.36
<u>Repairs and maintenance</u>		
Plant and equipment	0.18	0.24
Others	0.40	0.75
Insurance	0.40	0.16
Rates and taxes	0.12	0.24
Sales promotion expenses	0.07	-
Legal and professional	21.72	25.91
Travelling and conveyance	-	0.23
Printing and stationery	0.78	0.62
Advertisement	0.12	-
Provision for bad and doubtful debts (net)	14.20	-
Postage and courier	0.27	0.33
Sample collection charges	9.03	86.30
Written off of PPE	-	0.15
Payments to auditors [refer note 31]	1.28	1.05
Communication	0.12	0.26
Bank charges	0.09	0.26
Facility maintenance charges	2.86	-
Miscellaneous expenses	0.61	1.50
	62.40	129.93

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

31 March 2021

31 March 2020

26 Income taxes

Tax expense

(a) Amounts recognised in statement of profit and loss

Current tax expense

Current year

- 3.60

Changes in estimates related to prior period

(6.96) 8.89

(6.96) 12.49

Deferred tax expense

Origination and reversal of temporary differences

0.61 0.08

Change in tax rate*

- 0.27

0.61 0.35

Tax expense for the year

(6.35) 12.84

* Effective income tax rate applicable to the company for FY 2019-20 has changed on account of decrease in tax rate to 22 % w.e.f. 1 April 2019. Accordingly the deferred tax rate applicable for FY 2018-19 has been changed.

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

Profit before tax

2.41 14.58

Statutory income tax rate

25.17% 25.17%

Expected income tax expense

0.61 3.67

Tax effect of:

Tax adjustment of earlier years

(6.96) 8.89

Change in tax Rate

- 0.27

Others

- 0.01

Total tax expense

(6.35) 12.84

Raj Metropolis Healthcare Private Limited

Notes to the financial statements

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

26 Income Taxes (Continued)

(c) Movement in deferred tax balances for the year 31 March 2021

			31 March 2021	
	Net balance 1 April 2020	Recognised in profit or loss	Net deferred tax asset/liability	Deferred tax asset
Deferred tax asset				
Difference between book base and tax base of property, plant and equipment and intangible assets	0.13	0.14	0.28	0.28
Provision for bad and doubtful debts	3.02	(2.79)	0.23	0.23
ROU asset and Lease Liabilities	0.11	0.23	0.34	0.34
Others	-	1.80	1.80	1.80
Tax assets (Liabilities)	3.26	(0.62)	2.65	2.65

(d) Movement in deferred tax balances for the year 31 March 2020

			31 March 2020	
	Net balance 1 April 2019	Recognised in profit or loss	Net deferred tax asset/liability	Deferred tax asset
Deferred tax asset				
Difference between book base and tax base of property, plant and equipment and intangible assets	0.33	(0.20)	0.13	0.13
Provision for employee benefits	-	-	-	-
Provision for bad and doubtful debts	3.28	(0.26)	3.02	3.02
ROU asset and Lease Liabilities	-	0.11	0.11	0.11
Tax assets (Liabilities)	3.61	(0.35)	3.26	3.26

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.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

27 Earnings per share (EPS)

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

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

Particulars	31 March 2021	31 March 2020
i. Profit attributable to equity holders (Rs in lakhs)		
Profit attributable to equity holders for basic and diluted EPS (Rs. in lakhs)	8.76	1.73
	8.76	1.73
ii. Weighted average number of ordinary shares (no. of shares)	18,150	18,150
iii. Basic earnings per share & Diluted earnings per share (Rs)	48.24	9.51

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

28 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 2021								
	Fair value	Carrying amount	Amotised Cost	Total	Level 1	Fair value	Level 3	Total
	through	Fair value through				Level 2		
	profit and loss	other comprehensive income						
Current Financial assets				-				
Trade receivables	-	-	11.82	11.82	-	-	-	-
Cash and cash equivalents	-	-	128.42	128.42	-	-	-	-
Deposit	-	-	0.50	0.50	-	-	-	-
	-	-	140.74	140.74	-	-	-	-
Non Current Financial liabilities								
Lease Liabilities	-	-	11.04	11.04	-	-	-	-
Current Financial liabilities				-				
Lease Liabilities	-	-	2.96	2.96	-	-	-	-
Borrowings	-	-	4.08	4.08	-	-	-	-
Trade payables	-	-	62.00	62.00	-	-	-	-
Other current financial liabilities	-	-	1.54	1.54	-	-	-	-
	-	-	81.62	81.62	-	-	-	-
31 March 2020								
	Fair value	Carrying amount	Amotised Cost	Total	Level 1	Fair value	Level 3	Total
	through	Fair value through				Level 2		
	profit and loss	other comprehensive income						
Current Financial assets				-				
Trade receivables	-	-	22.81	22.81	-	-	-	-
Cash and cash equivalents	-	-	132.63	132.63	-	-	-	-
Deposit	-	-	0.50	0.50	-	-	-	-
	-	-	155.95	155.95	-	-	-	-
Non Current Financial liabilities								
Lease Liabilities	-	-	12.54	12.54	-	-	-	-
Current Financial liabilities								
Lease Liabilities	-	-	2.82	2.82	-	-	-	-
Borrowings	-	-	4.08	4.08	-	-	-	-
Trade payables	-	-	92.10	92.10	-	-	-	-
Other current financial liabilities	-	-	10.62	10.62	-	-	-	-
	-	-	122.16	122.16	-	-	-	-

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

28 Financial instruments – Fair values (Continued)

B. Fair value hierarchy

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

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

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

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

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 inputs and fair value measurement
Non current financial assets 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.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

28 Financial instruments – Fair values and risk management (Continued)

Credit risk

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. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company does not have any significant concentration of credit risk nil customers (previous year 3 customers) which constituted 10 % of the total trade receivables (31 March 2021 :10%).

The movement in the provision for bad and doubtful debts for the year ended 31 March 2021 is as follows:

	Amount (in Rs. lakhs)
Balance as at 1 April 2019	12.61
Expected Credit Loss allowance	(0.61)
Balance as at 31 March 2020	12.00
Expected Credit Loss allowance	14.20
Deduction on account of write off and collections	(25.27)
Balance as at 31 March 2021	0.93

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of Rs 127.41 lakhs at 31 March 2021 (31 March 2020: Rs 132.40 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

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

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

28 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

* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

31 March 2021	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-3 years	Beyond 3 years
Financial liabilities (Current)					
Borrowings	4.08	4.08	4.08	-	-
Interest payables on borrowings		0.32	0.32	-	-
Trade payables	62.00	62.00	62.00	-	-
Other current financial liabilities	1.54	1.54	1.54	-	-
Total	67.62	67.94	67.94	-	-

31 March 2020	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-3 years	Beyond 3 years
Financial liabilities (Current)					
Borrowings	4.08	4.08	4.08	-	-
Interest payables on borrowings		0.32	0.32	-	-
Trade payables	92.10	92.10	92.10	-	-
Other current financial liabilities	10.62	10.62	10.62	-	-
Total	106.80	107.12	107.12	-	-

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

28 Financial instruments – Fair values and risk management (Continued)

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 2021	31 March 2020
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	4.08	4.08
	4.08	4.08
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	14.00	15.35
	14.00	15.35
Total	18.08	19.43

Capital Disclosure

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value.

The Company's policy is to maintain a strong capital base to sustain future development of the business.

The Company has adequate cash and bank balances and continues to remain debt-free. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. Due to the presence of insignificant debt as compared to cash balances, the Company has not computed its debt equity ratio as the same may not be relevant.

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

29 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 and will be settled in

A. Relationships –

Category I: Ultimate Holding company

Metropolis Healthcare Limited

Category II: Key Management Personnel (KMP)

Dr. Nilesh Jadavji Shah - Director

Mr. Shaileshbhai Goswami - Director (till 29 March 2021)

Mr..Kirtibhai Joshi – Director (till 29 March 2021)

Mr. Rakesh Agrawal- Director

Mr. Vijender Singh- Director

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

Micron Metropolis Healthcare Private Limited

B) The transactions with the related parties are as follows:

Particulars	31 March 2021	31 March 2020
1) Receipts of services		
<i>Holding Company</i>		
Metropolis Healthcare Limited	1.50	4.15
2) Interest expense		
<i>Holding company</i>		
Metropolis Healthcare Limited	0.32	0.32
3) Remuneration		
<i>Key Management Personnel (KMP)</i>		
Shaileshbhai Goswami	5.93	5.80
4) Rent paid		
<i>Key Management Personnel (KMP)</i>		
Shaileshbhai Goswami	2.21	3.23
Kirtibhai Joshi	2.30	3.37

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

29 Related party disclosures (Continued) :

c) The related party balances outstanding at year end are as follows:

Particulars	31 March 2021	31 March 2020
1) Trade payable and other liabilities		
Holding Company		
Metropolis Healthcare Limited	8.84	6.80
2) Borrowing including interest accrues but not due		
Holding Company		
Metropolis Healthcare Limited	18.81	19.33
3) Other advances		
Micron Metropolis Healthcare Private Limited	0.25	-

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

30 Lease

1 The following is the summary of practical expedients elected on initial application:

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
 - ii Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
 - iii Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - iv Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- 2 The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 24 and 23.
 - 3 The weighted average incremental borrowing rate applied to lease liabilities in FY 2020-21 is 9.20% - 10.10%.
 - 4 Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

(Rs In Lakhs)		
Particulars	Category of ROU/ Patent Service	Total
Balance as of 1 April 2019	-	-
Additions	15.85	15.85
Depreciation	(0.94)	(0.94)
Balance as of 31 March 2020	14.91	14.91
Balance as of 1 April 2020	14.91	14.91
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Depreciation	(2.27)	(2.27)
Balance as of 31 March 2021	12.65	12.65

5 The following is the break-up of current and non-current lease liabilities as of 31 March 2021:

(Rs In Lakhs)		
Particulars	31 March 2021	31 March 2020
Current Lease liabilities	2.96	2.82
Non-current lease liabilities	11.04	12.54
Total	14.00	15.36

6 The following is the movement in lease liabilities for the year ended 31 March 2021

(Rs In Lakhs)	
Particulars	Amount
Balance as of 1 April 2019	-
Additions	15.86
Finance cost accrued during the period	0.65
Payment of lease liabilities	(1.15)
Balance as of 31 March 2020	15.36
Balance as of 1 April 2020	15.36
Additions	-
Finance cost accrued during the period	1.46
Payment of lease liabilities	(2.82)
Balance as of 31 March 2021	14.00

7 The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Rs In Lakhs)		
Particulars	31 March 2021	31 March 2020
Less than one year	2.96	2.82
One to five years	15.55	16.35
More than 5 years	-	2.16
Total	18.51	21.33

8 Impact of adoption of Ind AS 116 for the year ended 31 March 2021 is as follows:

(Rs In Lakhs)		
Particulars	31 March 2021	31 March 2020
Decrease in Other expenses by	2.82	1.15
Increase in Finance cost by	1.46	0.65
Increase in Depreciation by (excludes depreciation on reclassified assets)	2.27	0.94
Net Impact on (Profit)/Loss	0.91	0.44

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

10 Rental expense recorded for short-term leases was Rs.7.28 Lakhs (31 March 2020 : 8.36 Lakhs) for the year ended 31 March 2021.

11 The total cash outflow for leases for year ended 31 March 2021 is Rs. 2.82 lakhs (31 March 2020 : 1.15 Lakhs).

Raj Metropolis Healthcare Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian Rupees in lakhs)

31 March 2021 31 March 2020

31 Auditors' remuneration

Statutory audit fees	1.25	1.05
Others (including reimbursement of out of pocket expenses)	0.03	-
Total	1.28	1.05

32 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 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

	31 March 2021	31 March 2020
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	-	-

33 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 standalone financial statement.

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

Particulars	31 March 2021	31 March 2020
Contract assets - unbilled revenue		-
Contract Liabilities - Advances from customers		
Opening balance	0.75	0.67
Movement during the year	5.08	0.08
Closing balance	5.83	0.75

34(b) Reconciliation of revenue from contracts with customers

Particulars	31 March 2021	31 March 2020
Revenue from contract with customers	110.87	200.02
Adjustment made to contract price on Discount/ Rebates	0.05	0.16
Revenue from contract with customers	110.82	199.86
Other Operating Revenue	0.34	3.62
Revenue from Operations	111.16	203.48

35 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 2021.

36 Previous year's figures have been regrouped or reclassified to conform to current year's presentation, wherever considered necessary.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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

Tarun Kinger

Partner

Membership No. 105003

Place : Mumbai

Date : 26 May 2021

For and on behalf of the Board of Directors of

Raj Metropolis Healthcare Private Limited

CIN : U85191MH2012PTC355992

Dr. Nilesh Shah

Director

Din No: 01130652

Place : Mumbai

Date : 26 May 2021

Rakesh Agarwal

Director

Din No: 08614903

Place : Mumbai

Date : 26 May 2021