

INDEPENDENT AUDITORS' REPORT

**To the Members of
Metropolis Healthcare Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

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

venture as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

IMPAIRMENT ASSESSMENT OF GOODWILL

See note 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in note 5 of the consolidated financial statements the Group has goodwill aggregating ₹ 9,034.79 lakhs at 31 March 2021.</p> <p>Group tests goodwill for impairment annually, or more frequently when there is an indication, the cash generating unit to which goodwill has been allocated may be impaired.</p> <p>The recoverable value of the CGU which is based on the value in use model, has been derived from discounted forecast cash flow model.</p> <p>We identified the assessment of impairment indicators in respect of goodwill as a key audit matter considering:</p> <ul style="list-style-type: none"> • The significance of the value of goodwill in the Consolidated Balance Sheet. • The degree of judgement involved in determining the recoverable amount of goodwill including: <ul style="list-style-type: none"> - Valuation assumptions such as discount rate and terminal growth rate. - Business assumptions such as revenue growth rate, related costs and the resultant cash flows projected to be generated from these investments. 	<p>Our audit procedures included:</p> <p>Understanding the process followed by the Group in respect of the annual impairment analysis.</p> <p>Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Group process of performing impairment assessment, including controls over determination of discount rate and terminal growth rate.</p> <p>Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and related costs based on our knowledge of the Group and market. Assessing historical accuracy by comparing past forecasts to actual results achieved.</p> <p>Involving the valuation professionals with specialised skills and knowledge to assist in evaluating the impairment model used and assumptions (including discount rate and terminal growth rate applied by the Group by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities).</p> <p>Testing data used to develop the estimate for completeness and accuracy.</p> <p>Performing a sensitivity analysis to evaluate the impact of change in key assumption individually or collectively to the recoverable value.</p> <p>Assessing the adequacy of disclosures in the consolidated financial statements.</p>

INDEPENDENT AUDITORS' REPORT (Contd.)

OTHER INFORMATION

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the

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

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial

INDEPENDENT AUDITORS' REPORT (Contd.)

statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

our independence, and where applicable, related safeguards.

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

OTHER MATTERS

- (a) We did not audit the financial statements of six (6) subsidiaries whose financial statements reflect total assets of ₹ 5,478.71 lakhs as at 31 March 2021, total revenues of ₹ 3,695.17 lakhs and net cash flows amounting to ₹ 673.05 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with

INDEPENDENT AUDITORS' REPORT (Contd.)

respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1.A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and joint venture. Refer Note 47 to the consolidated financial statements.
 - ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2021.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- C) With respect to the matter to be included in the Auditor's report under section 197(16):

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

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Membership No: 105003

Date: 27 May 2021

ICAI UDIN: 21105003AAAAC09208

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

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

(REFERRED TO IN PARAGRAPH 1 (A)(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Opinion

In conjunction with our audit of the consolidated financial statements of Metropolis Healthcare Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its joint venture company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Date: 27 May 2021

Membership No: 105003

ICAI UDIN: 21105003AAAAC09208

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,513.49	12,119.62
Right of use assets	37	10,313.17	5,965.92
Goodwill	4	9,025.05	9,034.79
Other intangible assets	4	3,459.31	2,516.83
Intangible assets under development		-	298.73
Financial Assets			
i) Investments	5	175.28	175.28
ii) Loans	6	1,039.53	546.70
iii) Other non-current financial assets	7	228.38	1,239.34
Non-current tax assets (Net)	8	2,066.39	1,593.19
Deferred tax assets (Net)	35 (iv)	1,708.48	1,390.11
Other non-current assets	9	66.72	636.72
Total non-current assets		39,595.80	35,517.23
Current assets			
Inventories	10	4,054.83	2,440.07
Financial Assets			
i. Investments	11	833.09	1,256.61
ii. Trade receivables	12	12,297.71	12,824.78
iii. Cash and cash equivalents	13	38,659.34	10,717.42
iv. Bank balances other than cash and cash equivalents mentioned above	14	3,310.22	10,329.70
v. Loans	15	413.95	1,118.07
vi. Other current financial assets	16	59.22	217.10
Other current assets	17	1,217.34	802.19
Total current assets		60,845.70	39,705.94
Total assets		100,441.50	75,223.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,022.33	1,012.61
Other equity	19	69,637.71	51,337.00
Equity attributable to owners of the Company		70,660.04	52,349.61
Non-controlling interests		146.47	165.76
Total equity		70,806.51	52,515.37
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities	37	7,893.01	4,577.81
ii. Other non-current financial liabilities	20	122.08	467.81
Provisions	21	808.18	541.40
Deferred tax liabilities (net)	35 (iv)	416.17	172.82
Total non-current liabilities		9,239.44	5,759.84
Current liabilities			
Financial liabilities			
i. Lease Liabilities	37	3,333.98	2,088.89
ii. Trade payables			
- Total outstanding dues of micro and small enterprises	22	246.44	724.72
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22	10,809.12	7,778.68
iii. Other current financial liabilities	23	2,525.81	3,441.44
Current tax liabilities (net)	24	1,252.96	373.17
Provisions	21	764.96	659.91
Other current liabilities	25	1,462.28	1,881.15
Total current liabilities		20,395.55	16,947.96
Total liabilities		29,634.99	22,707.80
Total Equity and Liabilities		100,441.50	75,223.17

Note: The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

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

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

Tarun Kinger
Partner
Membership No: 105003

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad
Date : 27 May 2021

Place : Mumbai
Date: 27 May 2021

Vijender Singh
Chief Executive Officer
Place : Gurugram

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Notes	(₹ in Lakhs)	
		31 March 2021	31 March 2020
INCOME			
Revenue from operations	26	99,798.70	85,640.54
Other income	27	1,204.52	856.66
Total Income		101,003.22	86,497.20
EXPENSES			
Cost of materials consumed	28	25,216.27	20,413.50
Laboratory testing charges	29	544.56	688.99
Employee benefits expense	30	19,864.03	19,015.62
Finance costs	31	778.15	834.47
Depreciation and amortisation expense	32	4,594.45	3,926.72
Other expenses	33	25,573.46	22,239.95
Total Expenses		76,570.92	67,119.25
Profit before exceptional items, share of profit for equity accounted investees and income tax		24,432.30	19,377.95
Exceptional items	34	-	2,452.66
Profit before share of profit for equity accounted investees and income tax		24,432.30	16,925.29
Share of (loss) for equity accounted investees (net of tax)	43	-	(51.98)
Profit before tax		24,432.30	16,873.31
Income tax expense:	35		
1. Current tax		6,225.35	5,326.98
2. Deferred tax (income)		10.27	(919.33)
3. Tax adjustments for earlier years		(138.19)	(289.56)
Total Income Tax expenses		6,097.43	4,118.09
Profit for the year		18,334.87	12,755.22
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	48(a)	(328.66)	(278.02)
Income tax on above	35	82.69	69.98
(ii) Items that will be subsequently reclassified to profit and loss			
Exchange differences in translating financial statements of foreign operations		137.96	(92.11)
Other comprehensive income for the year, net of tax		(108.01)	(300.15)
Total comprehensive income for the year		18,226.86	12,455.07
Profit attributable to:			
Owners of the Company		18,309.51	12,732.56
Non-controlling interest		25.36	22.66
Other comprehensive income attributable to:			
Owners of the Company		(108.81)	(300.18)
Non-controlling interest		0.80	0.03
Total comprehensive income attributable to:			
Owners of the Company		18,200.70	12,432.38
Non-controlling interest		26.16	22.69
Earnings per equity share			
Equity shares of face value of ₹ 2 each			
Basic earnings per share (₹)	36	35.97	25.36
Diluted earnings per share (₹)	36	35.79	25.25

Note : The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

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

Tarun Kinger
 Partner
 Membership No: 105003

Place : Mumbai
 Date: 27 May 2021

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

Dr. Sushil Shah
 Chairman & Executive Director
 DIN: 00179918
 Place : Miami (USA)

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Dubai

Rakesh Agarwal
 Chief Financial Officer
 Place : Mumbai

Poonam Tanwani
 Company Secretary
 Membership No: ACS 19182
 Place : Ahmedabad
 Date : 27 May 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	24,432.30	16,873.31
Adjustments for :		
Depreciation and amortisation expense	4,594.45	3,926.72
Loss on sale of property plant and equipments (net)	1.12	60.01
Sundry balances written back	(19.75)	-
Provision for bad and doubtful debts (net)	2,173.50	3,500.00
Provision for bad and doubtful advances (net)	101.84	246.81
Gain on redemption of Mutual fund	(28.89)	-
Foreign exchange loss / (gain)(net)	227.73	(55.09)
Share based payments expenses (Refer note 30)	778.79	72.38
Loss on derivative assets	27.77	-
Interest income	(928.70)	(589.96)
Interest income on income tax refund	(1.41)	-
Changes in fair value of current investments	(20.23)	(90.07)
Provision for impairment of current investments	-	336.48
Dividend income from mutual fund	-	(21.46)
Share of Loss of equity accounted investment	-	51.98
Interest on short term loan	0.06	52.64
Interest on deferred purchase consideration	47.32	59.50
Interest on lease liabilities	730.77	722.33
Operating profit before working capital changes	32,116.67	25,145.58
Working capital adjustments:		
Decrease in loans	256.96	238.28
(Increase) / Decrease in inventories	(1,614.76)	170.16
(Increase) in trade receivables	(1,646.43)	(2,658.44)
(Increase) in other current assets (Current and non current)	(465.98)	(188.99)
(Increase) / Decrease in other current financial assets	(2.42)	775.07
Increase in provisions	43.16	119.12
Increase in trade payables	2,344.18	3,163.25
(Decrease) in other financial liabilities	(26.49)	(151.55)
(Decrease)/Increase in other liabilities	(418.87)	1,330.41
Cash generated from operating activities	30,586.02	27,942.89
INCOME TAXES (PAID)	(5,683.17)	(6,442.81)
Net cash generated from operating activities (A)	24,902.85	21,500.08
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment & Intangible assets (including capital advances and capital creditors)	(2,827.26)	(3,620.68)
Proceeds from sale of property, plant and equipment	8.61	26.31
Purchase consideration paid towards acquisition of business	(539.49)	(1,237.93)
Proceeds from sale of current investments	472.64	2,465.47
Purchase of investments	-	(866.87)
Interest income	1,043.03	391.44
Dividend income	-	21.46
Investments in term deposits (having original maturity of more than three months)	8,012.59	(7,662.32)
Net cash generated from/(used) in investing activities (B)	6,170.12	(10,483.12)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
C CASH FLOW FROM FINANCING ACTIVITIES	3,431.78	3,189.27
Proceeds from Issue of Share to ESOP holders (Refer note 48 (c))	-	(16.56)
Repayment of non current borrowings	(3.51)	(1,757.86)
Repayment of current borrowings	(1,794.78)	(1,332.64)
Principal payment of lease liabilities	(730.77)	(722.33)
Interest on lease liabilities	(4,089.34)	(4,014.29)
Payment of dividend	-	(825.15)
Payment of dividend tax	(82.33)	-
Acquisition of non-controlling interests	(0.06)	(52.76)
Interest on short term loan	(3,269.01)	(5,532.32)
Net cash (used) in Financing activities (C)		
Net Increase in cash and cash equivalents (A) + (B) + (C)	27,803.96	5,484.64
Effect of exchange rate changes on cash and cash equivalents	137.96	95.68
Net Increase in cash and cash equivalents	27,941.92	5,580.32
Cash and Cash Equivalents at the beginning of the year (Refer note 13)	10,717.42	5,137.10
Cash and Cash Equivalents at the end of the year (Refer note 13)	38,659.34	10,717.42

Notes:

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

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	3.51	1,777.92
Cashflows	(3.51)	(1,774.41)
Balance as at the end of the year	-	3.51

Note:

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

As per our report of even date attached

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

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

Tarun Kinger
 Partner
 Membership No: 105003

Dr. Sushil Shah
 Chairman & Executive Director
 DIN: 00179918
 Place : Miami (USA)

Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Dubai

Poonam Tanwani
 Company Secretary
 Membership No: ACS 19182
 Place : Ahmedabad
 Date : 27 May 2021

Place : Mumbai
 Date: 27 May 2021

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Rakesh Agarwal
 Chief Financial Officer
 Place : Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE')

FOR THE YEAR ENDED 31 MARCH 2021

A. CHANGES IN EQUITY SHARE CAPITAL (REFER NOTE 18)

Particulars	Number of shares	Amount (in Lakhs)
Equity Share Capital		
Balance as at 31 March 2019	50,178,680	1,003.57
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 48 (c))	451,886	9.04
Balance as at 31 March 2020	50,630,566	1,012.61
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 48 (c))	486,247	9.72
Balance as at 31 March 2021	51,116,813	1,022.33

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE') (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

Particulars	Reserves & Surplus						Other comprehensive income		Total other Equity attributable to owners of Company	Non-controlling Interest	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Capital reserve	Employee stock options reserve	Retained earnings	Foreign Currency Translation reserves	Gain/Loss on re-measurement of defined benefit plan through OCI			
Balance as at 1 April 2019	8,705.93	0.33	1,750.98	69.13	258.78	29,819.96	232.69	12.47	40,850.27	143.07	40,993.34
Profit for the year	-	-	-	-	-	12,732.56	-	-	12,732.56	22.66	12,755.22
Other comprehensive income	-	-	-	-	-	-	-	(208.07)	(208.07)	0.03	(208.04)
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	(92.11)	-	(92.11)	-	(92.11)
Total comprehensive income	-	-	-	-	-	12,732.56	(92.11)	(208.07)	12,432.38	22.69	12,455.07
Interim dividend	-	-	-	-	-	(4,014.29)	-	-	(4,014.29)	-	(4,014.29)
Tax on Interim dividend	-	-	-	-	-	(825.15)	-	-	(825.15)	-	(825.15)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 48(c))	3,180.23	-	124.10	-	(124.10)	-	-	-	3,180.23	-	3,180.23
Transition impact of Ind AS 116, net of tax (Refer note 37)	-	-	-	-	-	(358.82)	-	-	(358.82)	-	(358.82)
Share based payments (Refer note 30)	-	-	-	-	72.38	-	-	-	72.38	-	72.38
Balance as at 31 March 2020	11,886.16	0.33	1,875.08	69.13	207.06	37,354.26	140.58	(195.60)	51,337.00	165.76	51,502.76

B. OTHER EQUITY (REFER NOTE 19)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ('SOCIE') (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

Particulars	Reserves & Surplus						Other comprehensive income		Total other Equity attributable to owners of Company	Non-controlling Interest	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Capital reserve	Employee stock options reserve	Retained earnings	Foreign Currency Translation reserves	Gain/Loss on re-measurement of defined benefit plan through OCI			
Balance as at 31 March 2020	11,886.16	0.33	1,875.08	69.13	207.06	37,354.26	140.58	(195.60)	51,337.00	165.76	51,502.76
Profit for the year	-	-	-	-	-	18,309.51	-	-	18,309.51	25.36	18,334.87
Transfer to retained earnings	-	-	-	-	-	(195.60)	-	195.60	-	-	-
Other comprehensive income	-	-	-	-	-	(248.26)	-	-	(248.26)	0.80	(247.46)
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	-	137.96	-	137.96	-	137.96
Total comprehensive income	-	-	-	-	-	17,865.65	137.96	195.60	18,199.21	26.16	18,225.37
Interim dividend	-	-	-	-	-	(4,089.34)	-	-	(4,089.34)	-	(4,089.34)
Tax on Interim dividend	-	-	-	-	-	-	-	-	-	-	-
Acquisition of stake from NCI (refer note 41)	-	-	-	-	-	(36.88)	-	-	(36.88)	(45.45)	(82.33)
Share options exercised under Metropolis Employee Stock Option Scheme 2007 (Refer note 48 (c))	3,422.06	-	133.53	-	(133.53)	-	-	-	3,422.06	-	3,422.06
Written put options over NCI	-	-	-	-	-	26.93	-	-	26.93	-	26.93
Share based payments (Refer note 30)	-	-	-	-	778.73	-	-	-	778.73	-	778.73
Balance as at 31 March 2021	15,308.22	0.33	2,008.61	69.13	852.26	51,120.62	278.54	-	69,637.71	146.47	69,784.18

^ Amount is below ₹ 10

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

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

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

Tarun Kinger
Partner
Membership No: 105003

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad
Date : 27 May 2021

Place : Mumbai
Date: 27 May 2021

Vijender Singh
Chief Executive Officer
Place : Gurugram

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 BACKGROUND OF COMPANY AND NATURE OF THE OPERATION

Metropolis Healthcare Limited (the 'Company' or the 'Holding Company'), was incorporated as Pathnet India Private Limited in the year 2000. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and its joint venture. The Group and its joint venture is primarily involved in providing pathology and related healthcare services.

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

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

a Statement of compliance

(i) The Consolidated Balance Sheet of the Group as at 31 March, 2021 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended 31 March, 2021, summary of significant accounting policies and other financial information (together referred as 'Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated Ind AS financial information were authorized for issue by the Company's Board of Directors on 27 May 2021.

The financial statements of all subsidiaries considered in the consolidated financial statements, are drawn upto 31 March 2021 except for Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Kenya Limited which are drawn upto 31 December 2020. The financial statements of Metropolis Bramser Lab Services (Mtius) Limited, Metropolis Healthcare Ghana Limited, Metropolis Healthcare Tanzania Limited and Metropolis Star Kenya Limited are not adjusted for the period between 31 December 2020 and the date of the Holding Company's financial

statements being 31 March 2021 since there were no significant transactions and events that occurred in this period.

b Current vs non-current classification:

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

Assets:

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

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

Liabilities:

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

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

Operating cycle:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

c Functional and presentation currency

The functional currency of the Company and its Indian subsidiaries is Indian Rupees (INR), whereas the functional currency of foreign subsidiaries are as follows:

- Metropolis Star Labs Kenya Ltd- Kenya Shillings (Kshs)
- Metropolis Healthcare (Mauritius) Ltd - United States Dollar (USD)
- Metropolis Bramser Lab Services (MTUIS) Ltd - Mauritian Rupees (MUR)
- Metropolis Healthcare Ghana Limited - Ghanaian cedi (GHC)
- Metropolis Healthcare Lanka Private Limited - (LKR)
- Metropolis Healthcare Tanzania Limited - Tanzanian Shilling (TZS)

The presentation currency of the Group is Indian Rupees (INR). All figures appearing in the consolidated financial statements are rounded to the nearest lakhs, unless otherwise indicated.

d Basis of measurement

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

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

e Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the Consolidated Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

- i. Assessment of functional currency (Note 2.2(n))
- ii. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(b))
- iii. Impairment test of non-financial assets (Note 2.2(d))
- iv. Recognition of deferred tax assets; (Note 2.2(m))
- v. Recognition and measurement of provisions and contingencies; (Note 2.2(h))
- vi. Fair value of financial instruments (Note 2.2(e))
- vii. Impairment of financial assets (Note 2.2(e))
- viii. Measurement of defined benefit obligations; (Note 2.2(k))
- ix. Fair valuation of employee share options; (Note 2.2(k))
- x. Fair value measurement of consideration and net assets acquired as part of business combination (Note 2.2(a))

f Measurement of fair values

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

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

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

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Financial instruments (Note 38)
- Share-based payment arrangements (Note 48(c))
- Business combination (Note 41)

2.2 Significant Accounting Policies

a) Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise. Refer note 40 (a) for subsidiaries considered for consolidation.

Non-controlling interests (NCI):

NCI are measured at their proportionate share of

the acquiree's net identifiable assets at the date of acquisition.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parents of the Group and to the non-controlling interest, even if this results in the non-controlling interests have a deficit balances.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of the parties sharing control.

The Group's investments in its joint ventures are accounted for using the equity method.

Under the equity method, the investment in joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognized changes in the Group's share of net assets of the joint ventures since the acquisition date. Goodwill relating to a joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Refer note 40 (b) & (c) for joint ventures considered for consolidation.

Business combinations

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment or when events or circumstances

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

indicate that the implied fair value of goodwill is less than its carrying amount.

Transaction costs are expensed as incurred, except to the extent related to the issue of equity securities

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

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

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

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

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

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

b) Property plant and equipment

Recognition and measurement:

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

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase

price, including import duties and non-refundable purchase taxes (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

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

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

Subsequent expenditure:

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

Depreciation:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

Leasehold improvement are depreciated over the tenure of lease term.

In case of foreign subsidiaries depreciation is provided by written down value method, based on useful life of the respective block of assets as prescribed by the management. The useful life of property, plant and equipment are as below:

Laboratory equipment's - 6 years

Furniture and fixtures - 6 years

Office equipment's - 6 years

Computers - 3 years

Vehicles - 3 years

Leasehold improvements - 5 years

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

c) Intangible assets

Goodwill

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

Other Intangible assets:

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

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Amortization

Goodwill is not amortised and is tested for impairment annually.

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

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

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

d) Impairment of non-financial assets

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

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

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

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

e) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts.

Financial assets

Initial recognition and measurement

Financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Amortized cost,
- Fair value through profit (FVTPL)
- Fair value through other comprehensive income (FVTOCI) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

Amortized cost :

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

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Fair value through profit and loss ('FVTPL'):

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

Fair value through Other Comprehensive Income ('FVOCI')

Financial assets are measured at FVOCI if both the following conditions are met: The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and

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

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

Derecognition

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

The contractual rights to receive cash flows from the financial asset have expired, or The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either -(a) the Group has transferred substantially all the risks and rewards of the asset, or -(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Consolidated Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition.

Impairment of financial assets

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

Trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Impairment of financial instruments (other than at fair value)

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

Initial recognition and measurement

Financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

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

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

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

Financial Liabilities at amortized cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done

using the EIR method is included as finance costs in the Consolidated Statement of Profit and Loss

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Offsetting of financial instruments

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

f) Inventories

Inventories comprise of reagents, chemicals, diagnostic kits, medicines and consumables. Inventories are valued at lower of cost and net realizable value. Cost is determined by weighted average cost method. Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present condition and location. The comparison of cost and net realisable value is made on an item-by-item basis.

g) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet and cash flow statement includes cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

h) Provisions, Contingent Liabilities and Contingent Assets

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

at each balance sheet date and adjusted to reflect the current management estimates.

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

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

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

i) Revenue Recognition

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

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

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

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

j) Other income

Interest income

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

Dividend income

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

k) Employee Benefits

(i) Short-term Employee benefits

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

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

(ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date which is based on the Black Scholes model. The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity under "Employee Stock Options Reserve", over the period that the employees become unconditionally entitled to the options.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

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

(iii) Post-Employment Benefits

Defined Contribution Plans:

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

Defined Benefit Plans:

The Group's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets (being funded portion), together with adjustments for unrecognised actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method. Certain subsidiaries of the Group, have their gratuity plan funded and makes annual contribution to the fund based on the expected requirement.

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

In case of the foreign entities retirement benefits wherever required have been provided by the respective foreign companies as per local laws/practice. In case of Metropolis Healthcare Lanka Private Limited, the defined benefit/obligation are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

I) Leases

Ind-As 116:

As a lessee

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

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

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

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

To determine the incremental borrowing rate, the group:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

financing conditions since third party financing was received

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

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. Right-of-use assets are measured at cost comprising the following:

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

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

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

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

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

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

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

m) Income-tax

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

Current Tax

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

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

Deferred Tax

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

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

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset only if:

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

n) Foreign currency

Foreign currency transactions:

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

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

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

Foreign operations:

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

o) Dividend

The Group recognizes a liability for any dividend declared but not distributed at the end of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

reporting year, when the distribution is authorized and the distribution is no longer at the discretion of the Group on or before the end of the reporting year.

p) Earnings per share:

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

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

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

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group operates in one reportable business segment i.e. "Pathology services". Further the geographic segments are disclosed as required.

Refer note 49 in the financial statements for additional disclosures on segment reporting.

r) Recent Indian Accounting Standards (Ind AS)

Recent Pronouncements:

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

Balance Sheet:

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

Statement of Profit and Loss:

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

s) Rounding of amounts

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

3. PROPERTY, PLANT AND EQUIPMENT

CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31 MARCH 2021:

(₹ in Lakhs)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at 1 April 2020	1,035.40	5,266.06	751.72	1,847.31	6,121.03	1,429.34	917.50	375.90	17,744.26
Additions during the year	-	46.03	150.72	127.19	661.15	164.60	114.97	0.71	1,265.37
Disposals during the year	-	-	(0.47)	(4.56)	(11.53)	(2.18)	(5.12)	(4.35)	(28.21)
Exchange differences on translation of foreign operations	-	(4.31)	(0.42)	(6.91)	(17.41)	(0.78)	(2.40)	(1.13)	(33.36)
Cost as at 31 March 2021 (A)	1,035.40	5,307.78	901.55	1,963.03	6,753.24	1,590.98	1,024.95	371.13	18,948.06
Accumulated depreciation as at 1 April 2020	-	959.06	424.52	771.23	2,034.03	719.88	510.46	205.46	5,624.64
Depreciation charged during the year	-	216.84	152.00	158.21	876.46	250.44	146.25	43.23	1,843.43
Disposals during the year	-	-	(0.05)	(3.78)	(5.86)	(0.79)	(4.29)	(3.71)	(18.48)
Exchange differences on translation of foreign operations	-	(0.97)	(0.09)	(3.76)	(7.20)	(0.35)	(2.14)	(0.51)	(15.02)
Accumulated depreciation as at 31 March 2021 (B)	-	1,174.93	576.38	921.90	2,897.43	969.18	650.28	244.47	7,434.57
Net carrying amount as at 31 March 2021 (A) - (B)	1,035.40	4,132.85	325.17	1,041.13	3,855.81	621.80	374.67	126.66	11,513.49

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Freehold land	Building	Leasehold improvement	Furniture & fixtures	Laboratory equipments	Office equipment	Computers	Vehicles	Total
Cost as at 1 April 2019	1,035.40	5,274.98	575.62	1,654.80	5,321.88	1,293.30	1,080.78	369.52	16,606.28
Additions during the year	-	-	201.51	225.93	1,488.30	348.86	131.36	9.31	2,405.27
Disposals during the year	-	(4.92)	(27.19)	(35.53)	(682.30)	(211.98)	(295.16)	(0.96)	(1,258.04)
Exchange differences on translation of foreign operations	-	(4.00)	1.78	2.11	(6.85)	(0.84)	0.52	(1.97)	(9.25)
Cost as at 31 March 2020 (A)	1,035.40	5,266.06	751.72	1,847.31	6,121.03	1,429.34	917.50	375.90	17,744.26
Accumulated depreciation as at 1 April 2019	-	731.94	312.11	632.89	1,830.55	662.27	619.14	150.24	4,939.14
Depreciation charged during the year	-	227.69	138.30	168.78	828.88	258.24	178.07	56.21	1,856.17
Disposals during the year	-	-	(26.20)	(31.28)	(625.89)	(200.54)	(287.27)	(0.53)	(1,171.71)
Exchange differences on translation of foreign operations	-	(0.57)	0.31	0.84	0.49	(0.09)	0.52	(0.46)	1.04
Accumulated depreciation as at 31 March 2020 (B)	-	959.06	424.52	771.23	2,034.03	719.88	510.46	205.46	5,624.64
Net carrying amount as at 31 March 2020 (A) - (B)	1,035.40	4,307.00	327.20	1,076.08	4,087.01	709.46	407.04	170.44	12,119.62

Note : The title deeds of freehold land gross block aggregating to Rs. 1,035.40 lakhs (Net block : 1035.40 lakhs) (2019-20 : Gross block 1,035.40 lakhs, Net block : 1,035.40 lakhs) and Freehold buildings gross block aggregating to Rs. 1,092.87 (Net block : 844.08 lakhs) lakhs (2019-20 : Gross block : 1,092.87 lakhs, Net block : 888.50 lakhs) are in the process or perfection of title.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
AS AT 31 MARCH 2021**

4. OTHER INTANGIBLE ASSETS

Changes in the carrying value of intangibles for the year ended 31 March 2021:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand name	Customer Relationships	Total
Cost as at 1 April 2020	9,309.78	9,309.78	1,614.78	1,455.51	521.04	3,591.33
Additions during the year	-	-	1,682.77	-	-	1,682.77
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	(9.74)	(9.74)	(0.12)	-	-	(0.12)
Cost as at 31 March 2021 (A)	9,300.04	9,300.04	3,297.43	1,455.51	521.04	5,273.98
Accumulated amortisation as at 1 April 2020	274.99	274.99	471.76	384.78	217.96	1,074.50
Amortisation recognised for the year	-	-	490.49	145.55	104.20	740.24
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(0.07)	-	-	(0.07)
Accumulated amortisation as at 31 March 2021 (B)	274.99	274.99	962.18	530.33	322.16	1,814.67
Net carrying amount as at 31 March 2021 (A) - (B)	9,025.05	9,025.05	2,335.25	925.18	198.88	3,459.31

^ Amount is below ₹ 500

Changes in the carrying value of intangibles for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand name	Customer Relationships	Total
Cost as at 1 April 2019	8,130.07	8,130.07	912.46	1,170.00	311.00	2,393.46
Additions during the year	1,173.90	1,173.90	702.32	285.51	210.04	1,197.87
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	5.81	5.81	(0.00)^	-	-	-
Cost as at 31 March 2020 (A)	9,309.78	9,309.78	1,614.78	1,455.51	521.04	3,591.33
Accumulated amortisation as at 1 April 2019	274.99	274.99	246.51	253.50	134.77	634.78
Amortisation recognised for the year	-	-	225.48	131.28	83.19	439.95
Disposals during the year	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(0.23)	-	-	(0.23)
Accumulated amortisation as at 31 March 2020 (B)	274.99	274.99	471.76	384.78	217.96	1,074.50
Net carrying amount as at 31 March 2020(A) - (B)	9,034.79	9,034.79	1,143.03	1,070.73	303.08	2,516.83

^ Amount is below ₹ 500

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

Intangible assets under development

(₹ in Lakhs)	
Particulars	31 March 2019
Opening as at 1 April 2019	577.30
Addition	423.75
Capitalised during the year	702.32
Closing amount as at 31 March 2020	298.73
Addition	1,384.04
Capitalised during the year	1,682.77
Closing amount as at 31 March 2021	-

Impairment

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2021 is ₹ 9025.05 lakhs (31 March 2020 is ₹9,034.79 lakhs). This goodwill is acquired on account of business acquisition and on consolidation of subsidiaries.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

Cash Generating Unit

(₹ in Lakhs)		
Entity	31 March 2021	31 March 2020
Metropolis Healthcare Limited	4,880.90	4,880.90
Sudharma Metropolis Health Services Private Limited	57.70	57.70
Desai Metropolis Health Services Private Limited*	2,010.83	2,010.83
R.V. Metropolis Diagnostic & Health Care Center Private Limited	258.83	258.83
Micron Metropolis Healthcare Private Limited	319.96	319.96
Dr. Patel Metropolis Healthcare Private Limited	90.71	90.71
Raj Metropolis Healthcare Private Limited	30.37	30.37
Lab One Metropolis Healthcare Services Private Limited	278.31	278.31
Metropolis Bramser Lab Services (Mtius) Limited	0.06	0.06
Metropolis Healthcare Ghana Limited	41.76	41.76
Metropolis Healthcare (Mauritius) Limited	1.80	1.80
Metropolis Star Lab Kenya Limited	274.03	283.77
Amins Pathology Laboratory Private Limited	588.20	588.20
Ekopath Metropolis Lab Services Private Limited	44.04	44.04
Bokil Golwilkar Metropolis Healthcare Private Limited	147.55	147.55
	9,025.05	9,034.79

* Note : During the FY 19-20, the Company has acquired Four Laboratories through a business purchase agreement.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Budgeted EBITDA growth rate	Budgeted EBITDA has been based on past experience adjusted for the following: <ul style="list-style-type: none"> - Revenue in the diagnostic service is expected to grow on account of changing lifestyle and food habit. Revenue and EBITDA are factored by focused approach towards B2C division, network expansion, operational efficiencies and automation.
Terminal value growth rate	Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business, long term inflation expectation and long term GDP expectation for the Indian economy
Post tax risk adjusted discount rate	The discount rate applied to the cash flows of each of the Group's operations is generally based on the risk free rate for ten year bonds issued by the government in India. These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of of the Group.

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Post tax risk adjusted discount rate	11.00%	12.00%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	5% - 15%	5% - 15%

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

As at 31 March 2021, the estimated receivable amount of CGU exceeds its carrying amount and accordingly, no impairment was recognised.

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

5. NON CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Unquoted equity shares at Fair Value through Other comprehensive income		
Centre for Digestive and Kidney Disease Private Limited 1,750,000 (31 March 2020: 1,750,000) Equity shares (Face value of ₹ 10 each fully paid up)	175.00	175.00
Unquoted equity shares at Fair Value through Other comprehensive income		
Textiles Traders Co-operative Bank Limited 1,100 (31 March 2020: 1,100) Equity shares (Face value of ₹ 25 each fully paid up)	0.28	0.28
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2020: 1,020) Equity shares of AED of 1,000 each (Fully Paid up) (Refer note 53)	129.85	129.85
Total	305.12	305.12

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai	(129.85)	(129.85)
Total	175.28	175.28
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of unquoted investments	305.12	305.12
Aggregate amount of impairment in value of investments	129.85	129.85
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of unquoted investments	175.28	175.28
Aggregate amount of impairment in value of investments	-	-

6. NON CURRENT LOANS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Security deposits	1,033.12	540.72
Other advances	6.41	5.97
	1,039.53	546.70
(Unsecured, considered doubtful)		
Security deposits		
- credit impaired	87.98	86.28
	87.98	86.28
Less : Provision for deposits which are credit impaired	(87.98)	(86.28)
Total	1,039.53	546.70

7. OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Fixed Deposits with banks [^]	172.23	1,165.34
Other advances	56.15	74.00
Total	228.38	1,239.34

[^] Includes ₹ 161.38 lakhs (31 March 2020: ₹ 1,009.40 lakhs) of fixed deposits pledged against bank guarantee.

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Advance taxes (net of provision for taxes - 31 March 2021: ₹ 3562.25 Lakhs, 31 March 2020: ₹15,092.93 Lakhs)	2,066.39	1,593.19
Total	2,066.39	1,593.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

9. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Capital advances	66.36	602.51
Prepaid expenses	0.36	34.21
	66.72	636.72
(Unsecured, considered doubtful)		
Capital advances		
- credit impaired	34.86	34.86
	34.86	34.86
Less : Provision for advances which are credit impaired	(34.86)	(34.86)
Total	66.72	636.72

10. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables)	4,035.55	2,428.23
Traded Goods	19.28	11.84
Total	4,054.83	2,440.07

11. CURRENT INVESTMENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Non-trade, Unquoted at Fair Value through Profit or Loss)		
Investments in mutual funds		
Birla Sun Life Cash Plus Growth - 7,473.38 (31 March 2020 - 7,473.38) Units of Face Value ₹100 each	24.61	23.74
Birla Sunlife Life Income Plus (Growth) - 192,079 (31 March 2020: 192,079) Units of ₹ 100 each	187.45	173.04
DSP BlackRock liquidity Fund- 9817.25 (31 March 2020: 9817.25) Units of ₹ 100 each	369.11	356.78
HDFC Overnight Fund- Direct growth option- 44.431(31 March 2020: Nil) Units	1.35	-
HDFC Cash Management Fund - Saving plan 318.96 (31 March 2020: 318.96) Units of ₹ 1000 each	14.09	13.31
ICICI Prudential Flexible Income Plan G- Nil (31 March 2020 - 92,546) Units of Face Value ₹ 100 each	-	119.67
ICICI Prudential Flexible Income - Daily Dividend - Nil (31 March 2020 - 3,17,096) Units of Face Value ₹ 100 each	-	204.59
ICICI P Saving Fund G - Nil (31 March 2020: 37,239) Units of ₹ 100 each	-	144.25
IDFC Super Saver Income Fund - Investment Plan - Growth 247,116 (31 March 2020: 247,116) Units of ₹ 100 each	90.32	84.38
Kotak Bond Plan A (Growth) - 242,270 (31 March 2020: 242,270) Units of ₹ 100 each	146.16	136.85
	833.09	1,256.61

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(Non-trade, Unquoted at Fair Value through Other Comprehensive Income)		
ii) Investments in Commercial Papers		
Infrastructure Leasing & Financial Services Limited 100 (31 March 2020 - 100) Units of Face Value ₹ 5,00,000 each	480.68	480.68
	480.68	480.68
Less : Provision for impairment	(480.68)	(480.68)
	-	-
Total	833.09	1,256.61
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	1,313.77	1,737.29
Aggregate amount of impairment in value of investments	480.68	480.68

12. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Trade receivables considered good- Unsecured*	12,297.71	12,824.78
Trade receivables considered good - Unsecured	5,075.51	6,170.73
	17,373.22	18,995.51
Less: Provision for debts which are credit impaired	(5,075.51)	(6,170.73)
Total	12,297.71	12,824.78

*It includes amount receivable from related parties [Refer note 39]

13. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Balances with banks		
- in current accounts	9,870.06	10,000.57
- in EEFC account	32.90	56.03
- in deposit accounts (with original maturity of less than 3 months)	28,583.96	571.06
Cash on hand	172.42	89.76
Total	38,659.34	10,717.42

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Investments in term deposits (with original maturity of more than three months but less than twelve months) ^*	3,310.22	10,329.70
Total	3,310.22	10,329.70

* Includes 31 March 2021: ₹ 0.38 lakhs, (31 March 2020: ₹ 943.13) lakhs pledged against bank guarantee.

^ Includes 31 March 2021: ₹ 759.38 lakhs, (31 March 2020: ₹ 759.38) lakhs fixed deposits under lien.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

15. CURRENT LOANS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Security deposits	406.29	1,099.40
Other advances	7.66	18.67
	413.95	1,118.07
(Unsecured, considered doubtful)		
Security deposits	16.56	16.56
Advances to related parties (Refer note 39)	44.02	44.02
Other advances	46.16	46.16
	106.74	106.74
Less : Provision for advances which are credit impaired	(106.74)	(106.74)
Total	413.95	1,118.07

16. OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Interest accrued but not due		
- From bank deposits	50.37	210.67
Other receivables *	8.85	6.43
Total	59.22	217.10

* It includes amount due from related parties (Refer 39)

17. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Prepaid expenses	252.71	246.52
Advance to employees	118.69	113.26
Advance to suppliers	364.62	98.56
Other advances (Retainership fees, etc)	481.32	343.85
	1,217.34	802.19
(Unsecured, considered doubtful)		
Advance to employees	45.96	43.80
Advance to suppliers	50.81	52.96
Other advances	239.67	150.07
	290.48	203.03
Less : Provision for doubtful advances	(290.48)	(203.03)
Total	1,217.34	802.19

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

18. EQUITY SHARE CAPITAL

(a) Authorised share capital

	31 March 2021		31 March 2020	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity shares of the par value of ₹ 2 each (31 March 2020 par value of ₹ 2 each)	295,754,015	5,915.08	295,754,015	5,915.08
	295,754,015	5,915.08	295,754,015	5,915.08

(b) Issued, subscribed and paid up

	31 March 2021		31 March 2020	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity shares of the par value of ₹ 2 each (31 March 2020 par value of ₹ 2 each)	51,106,813	1,022.33	50,630,566	1,012.61
	51,106,813	1,022.33	50,630,566	1,012.61

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

Name of Shareholder	31 March 2021		31 March 2020	
	Number of equity shares	Amount (₹ in Lakhs)	Number of equity shares	Amount (₹ in Lakhs)
Equity :				
Outstanding at the beginning	50,630,566	1,012.61	50,178,680	1,003.57
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer note 48 (c))	476,247	9.72	451,886	9.04
Outstanding before sub-division of shares	51,106,813	1,022.33	50,630,566	1,012.61
Adjustment for Sub-Division of Equity Shares (Refer below note (g) below)	-	-		-
Outstanding at the end	51,106,813	1,022.33	50,630,566	1,012.61

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

Name of the shareholders	31 March 2021		31 March 2020	
	Number	Percentage	Number*	Percentage
Dr. Sushil Kanubhai Shah	3,725,245	7.29%	3,725,245	7.36%
CA Lotus Investments	7,179,579	14.05%	7,179,579	14.18%
Smallcap World Fund, Inc	2,780,746	5.44%	2,780,746	5.49%
Metz Advisory LLP	15,691,216	30.70%	15,691,216	30.99%
Dr. Duru Sushil Shah	9,209,230	18.02%	9,209,230	18.19%

(e) Terms/rights attached to equity shares :

The Company has only one class of Equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors, will be subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

(f) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

- Issue of 3,85,990 (before split with face value of ₹ 10 each) bonus shares during the year ended 31 March 2019
- During the year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer note 57 b))
- During the year ended 31 March, 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake
- Buy-back of 320,484 shares (before split with face value of ₹ 10 each) which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended 31 March 2016.

(g) Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) held on 14 September 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 1:25 i.e. one bonus equity shares for twenty five existing equity shares.

Further in the same meeting, the equity share capital (Authorized, Issued and Paid-up) of the Company was subdivided from ₹ 10/- (Rupees ten) each to equity shares of ₹ 2/- (Rupees two) each. The capital clause of the Memorandum of Association was substituted to reflect the sub-division of Equity Shares of the Company from ₹ 5,915.08 lakhs comprising of 59,150,803 Equity Shares of ₹ 10 each to ₹ 5,915.08 lakhs comprising of 295,754,015 Equity Shares of ₹ 2 each. The revised authorised share capital of the Company now stands at 295,754,015 equity shares of ₹ 2/- each.

19. OTHER EQUITY

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Securities premium	15,308.22	11,886.16
Capital redemption reserve	0.33	0.33
General reserve	2,008.61	1,875.08
Capital reserve	69.13	69.13
Employee stock options reserve	852.26	207.06
Retained earnings	51,120.62	37,158.66
Foreign currency translation reserve	278.54	140.58
Total	69,637.71	51,337.00
Movement in balances of Other equity:		
Securities Premium		
Balance as at the beginning of the year	11,886.16	8,705.93
Share options exercised under Metropolis Employee Stock Option Scheme 2007/2015 (Refer note 48(c))	3,422.06	3,180.23
Balance as at the end of the year	15,308.22	11,886.16
Capital redemption reserve		
Balance as at the beginning of the year	0.33	0.33
Utilised on issue of bonus shares	-	-
Balance as at the end of the year	0.33	0.33
General reserve		
Balance as at the beginning and at the end of the year	1,875.08	1,750.98
Transfer from ESOP exercised during the year (Refer note 48(c))	133.53	124.10
Balance as at the end of the year	2,008.61	1,875.08
Capital reserve		
Balance as at the beginning and at the end of the year	69.13	69.13
Employee stock options reserve		
Balance as at the beginning of the year	207.06	258.78
Transfer to General Reserve on account of ESOP exercised during the year (Refer note 48(c))	(133.53)	(124.10)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Share based payments (Refer note 30)	778.73	72.38
Balance as at the end of the year	852.26	207.06
Retained earnings		
Balance as at the beginning of the year	37,158.66	29,832.43
Transferred from statement of profit and loss	18,299.56	12,732.56
Transition impact of Ind AS 116, net of tax (Refer note 37)	-	(358.82)
Interim dividend paid	(4,089.34)	(4,014.29)
Tax on dividend distributed	-	(825.15)
Other comprehensive income	(248.26)	(208.07)
Balance as at the end of the year	51,120.62	37,158.66
Other comprehensive income		
Re-measurement gain/ (loss) on defined benefit plans (net of taxes)		
At the beginning of the year	(195.60)	12.47
Movement during the year	(248.26)	(208.07)
Balance as at the end of the year	(443.86)	(195.60)
Other comprehensive Income-		
(i) Foreign currency translation reserve		
Balance as at the beginning of the year	140.58	232.69
Exchange differences in translating financial statements of foreign operations	137.96	(92.11)
Balance as at the end of the year	278.54	140.58

Nature and purpose of reserves

Securities Premium

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

Capital redemption reserve

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

General reserve

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

Capital reserve

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

Employee stock options reserve

The Group has established equity settled share based payment plan for certain categories of employees. (Refer note 48(c))

Retained Earnings

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

Foreign currency translation reserve

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) AS AT 31 MARCH 2021

20. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Payable towards acquisition of business (Refer note 4(i)(ii)(iii)(iv)(v))	122.08	467.81
Total	122.08	467.81

21. NON-CURRENT PROVISIONS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Non-Current		
Provision for employee benefits		
Gratuity (Refer note 48 (a))	785.23	541.40
Compensated absences	22.95	-
(A)	808.18	541.40
Current		
Provision for employee benefits		
Gratuity (Refer note 48 (a))	753.75	600.62
Compensated absences	11.21	59.29
(B)	764.96	659.91
Total (A)+(B)	1,573.14	1,201.32

22. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Trade payables		
Total outstanding due to micro and small enterprises (Refer note 22.1)	246.44	724.72
Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,809.12	7,778.68
Total	11,055.56	8,503.40

* Trade payables include amount payable to companies where Director of the Company is a director (Refer note 39).

22.1 MICRO AND SMALL ENTERPRISES

There are some micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31 March 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
a. Principal amount remaining unpaid to any supplier as at the year end	246.44	724.72
Interest due thereon:		
b. Amount of Interest paid during the year	-	-
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
d. Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)	-	18.85
e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.	15.08	32.49
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSME Act 2006	-	-

23. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current maturities of long-term borrowings		
- Vehicle loans	-	3.51
Employee related dues	1,237.27	1,351.72
Payable towards purchase of property, plant and equipment	269.99	1,009.18
Payable towards acquisition of business (Refer note 4(i)(ii)(iii)(iv)(v))	731.65	878.09
Security deposits	93.49	105.57
Others (unspent CSR liability, etc)	193.41	93.37
Total	2,525.81	3,441.44

24. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for taxation (net of advance tax - 31 March 2021: ₹ 3,621.83 Lakhs, {31 March 2020: ₹ 4,071.82 Lakhs})	1,252.96	373.17
Total	1,252.96	373.17

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Statutory dues#	365.92	1,457.17
Advances from Customers	966.79	366.22
Deferred Revenue	70.00	-
Other Payable**	59.57	57.76
Total	1,462.28	1,881.15

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Revenue from Healthcare Services		
Service income (Refer note 47)	99,778.95	85,584.83
Other Operating revenue		
Sundry balances written back	19.75	55.71
Total	99,798.70	85,640.54

27. OTHER INCOME

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Interest Income		
- from banks	869.73	527.65
- on income tax refund	1.41	0.58
- on term loans	11.59	12.65
- others (Interest income on Deposits)	47.38	49.08
Dividend Income		
- from mutual fund	-	21.46
Other Non-Operating Income		
- Fair value gain on mutual funds measured at FVTPL	20.23	90.07
- Gain on redemption of mutual fund investments (net)	28.89	-
- Profit on Sales on Mutual fund	24.16	-
- Profit on sale of property, plant and equipment (net)	0.18	-
- Foreign exchange gain (net)	-	55.09
- Miscellaneous income	200.95	100.08
Total	1,204.52	856.66

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Opening stock (Refer note 10)	2,440.07	2,610.23
Add: Purchase of traded goods	45.84	49.56
Add: Purchases of raw materials during the year	26,785.19	20,193.78
	29,271.10	22,853.57
Less: Closing stock (Refer note 10)	(4,054.83)	(2,440.07)
Total	25,216.27	20,413.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

29. LABORATORY TESTING CHARGES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Laboratory testing charges	544.56	688.99
Total	544.56	688.99

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Salaries, wages and bonus	17,513.63	17,256.01
Gratuity expenses (Refer note 48 (a))	211.03	166.98
Contribution to provident and other funds (Refer note 48 (b))	911.32	849.38
Share based payment expenses (Refer note 48 (c))*	778.79	72.38
Staff welfare expenses	449.26	670.87
Total	19,864.03	19,015.62

*During the year ended 31 March 2021, total expense of ₹ 781.93 Lakhs including reversal due to lapsed option amounting to ₹ 19.04 lakhs arising under MESOS 2015 scheme is recognised through employee stock option reserve.

During the Previous year 31 March 2020, total expense of ₹ 72.38 Lakhs including reversal due to lapsed option amounting to ₹ 16.05 lakhs arising under MESOS 2015 scheme is recognised through employee stock option reserve.

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Interest on short term loan	0.06	52.64
Interest on deferred purchase consideration measured at amortized cost (Refer note 41(i)(ii)(iii)(iv)(v))	47.32	59.50
Interest on lease liabilities (Refer note 37)	730.77	722.33
Total	778.15	834.47

32. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Depreciation on Property, Plant and Equipment (Refer note 3)	1,846.39	1,856.17
Amortisation on intangible assets (Refer note 4)	740.24	439.95
Depreciation on ROU (Refer note 37)	2,007.82	1,630.60
Total	4,594.45	3,926.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

33. OTHER EXPENSES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Accreditation expenses	121.74	127.32
Laboratory expenses	138.52	120.25
Power and fuel	1,200.40	1,248.56
Rent (Refer note 37)	6,288.08	5,529.48
Repairs and maintenance		
Buildings	85.78	75.74
Plant and equipment	1,466.02	946.71
Others	252.35	291.99
Insurance	208.29	158.59
Rates and taxes	160.68	772.67
Bank charges	377.95	430.84
Sample Collection Charges	84.23	184.26
Legal and professional	3,841.61	3,445.25
Travelling and conveyance	952.73	1,124.23
Printing and stationery	615.36	529.62
Provision for bad and doubtful debts (net)	2,173.50	1,383.82
Provision for doubtful advances (net)	101.84	246.81
Postage and courier	3,724.21	2,773.81
Communication	480.30	471.69
Advertisement and sales promotion expenses	1,312.51	1,126.28
Facility maintenance charges	729.79	454.72
Loss on sale of property, plant and equipment	1.30	60.01
Donation	-	1.22
Payments to auditors (Refer note 46)	147.81	133.37
Fair value loss on derivative assets measured at FVTPL	27.77	-
Corporate social responsibility expenses (Refer note 50)	524.35	76.97
Directors' sitting fee & commission (Refer note 39)	60.25	56.06
Office Expenses	6.31	1.56
Foreign exchange loss (net)	227.73	-
Miscellaneous expenses	262.05	468.12
Total	25,573.46	22,239.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

34. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for impairment of current investments (Refer Note 1)	-	336.48
Provision for bad and doubtful debts (net) (Refer Note 2 & 3)	-	2,116.18
	-	2,452.66

Notes:

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items included within the statement of profit and loss are detailed below:

1. Provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to ₹ 336.48 Lakhs.
2. There has been a prolonged dispute in relation to trade receivables from a party towards lab management services rendered by the Company and the matter has been under arbitration. In view of the delay, the Company, on a prudent basis, has made provision aggregating ₹ 1,766 Lakhs against the above mentioned disputed trade receivables and this has been disclosed as an exceptional item.
3. Provision for ₹ 350.00 Lakhs on account of certain old unreconciled balances.

35. INCOME TAXES

i) Amounts recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current tax expense		
Current year	6,225.35	5,326.98
Tax adjustments for earlier years	(138.19)	(289.56)
Total current tax expense	6,087.16	5,037.42
Deferred tax expense		
Relating to addition & reversal of temporary differences	10.27	(765.12)
Relating to change in tax rate*	-	(154.21)
Total deferred tax expense	10.27	(919.33)
Tax expense for the year	6,097.43	4,118.09

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

On 20 September 2019, the Government has brought in the Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in Income-tax Act 1961 (the Act) and the Finance (No.2) Act 2019.

A New section 115BAA has been introduced with effect from Financial Year (FY) 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22% in the case of domestic Company.

The Company have elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

ii. Tax charge recognised directly to Other Comprehensive Income

(₹ in Lakhs)

Particulars	31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(328.66)	82.69	(245.97)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	137.96	-	137.96
Total tax charge recognized directly to Other Comprehensive Income	(190.70)	82.69	(108.01)

(₹ in Lakhs)

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(278.02)	69.98	(208.04)
Items that will subsequently be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations	(92.11)	-	(92.11)
Total tax charge recognized directly to Other Comprehensive Income	(370.13)	69.98	(300.15)

iii. Reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Profit before tax	24,432.30	16,873.31
Income tax expense at tax rates applicable to individual entities	7,207.97	4,887.75
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Expenses not allowed under Income tax	123.21	34.61
Income not subject to tax	(1,006.79)	(565.53)
Income taxable at a different rate	172.82	(26.72)
Deferred tax not created on losses		
Tax adjustment of earlier years	(138.19)	(289.56)
Others	(261.57)	77.52
Total tax expense	6,097.43	4,118.09

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

iv. Movement in deferred tax balances

As at 31 March 2021

(₹ in Lakhs)

Particulars	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Recognized in Retained Earnings	Business Combination*	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(1,197.10)	(362.18)	-	-	-	(1,559.28)	(1,158.11)	(401.17)
Current investments	88.41	3.05	-	-	-	91.46	122.29	(30.83)
Provision for bad and doubtful debts	1,687.21	(257.67)	-	-	-	1,429.54	1,423.70	5.84
Provision for bad and doubtful advances / deposits	1.50	0.88	-	-	-	2.38	-	2.38
Provision for employee benefits	361.53	(3.11)	82.69	-	-	441.11	433.50	7.61
Impact of Ind AS -116	186.19	27.35	-	-	-	213.54	213.54	-
Share based payments	52.12	162.39	-	-	-	214.51	214.51	-
Others	37.43	409.02	-	-	-	459.05	459.05	-
Tax Assets (Liabilities) (net)	1,217.29	(10.27)	82.69	-	-	1,292.31	1,708.48	(416.17)

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

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

As at 31 March 2020

(₹ in Lakhs)

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognized in Retained Earnings	Business Combination*	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax (liability)
Property, plant, equipment and intangibles	(1,368.52)	198.92	-	-	(27.50)	(1,197.10)	(960.71)	(236.39)
Current investments	1.03	87.38	-	-	-	88.41	91.45	(3.04)
Provision for bad and doubtful debts	994.92	692.29	-	-	-	1,687.21	1,660.94	26.27
Provision for bad and doubtful advances / deposits	1.34	0.16	-	-	-	1.50	1.50	-
Provision for employee benefits	350.20	(58.65)	69.98	-	-	361.53	329.17	32.36
Impact of Ind AS -116	-	6.40	-	179.79	-	186.19	178.21	7.98
Share based payments	82.72	(30.60)	-	-	-	52.12	52.12	-
Others	14.00	23.43	-	-	-	37.43	37.43	-
Tax Assets (Liabilities) net	75.69	919.33	69.98	179.79	(27.50)	1,217.29	1,390.11	(172.82)

* During the year, the Company through its direct subsidiary Desai Metropolis Health Services Pvt Ltd acquired laboratories through a business purchase agreement and hence deferred tax impact has been recognized (Refer note 41 (iv))

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

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

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

36. EARNINGS PER SHARE

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

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

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
i. Profit attributable to equity holders (₹ in lakhs)		
Profit attributable to equity holders for basic and diluted EPS	18,309.51	12,732.56
ii. Weighted average number of shares for calculating basic	50,903,685	50,210,869
iii. Effect of dilution		
Share options and warrants	257,546	221,425
Weighted average number of shares for calculating diluted EPS	51,161,232	50,432,294
iv. Basic earnings per share (₹)	35.97	25.36
v. Diluted earnings per share (₹)	35.79	25.25

37. DISCLOSURE ON IND-AS 116 LEASES

- i. The following is the summary of practical expedients elected on initial application:
 - a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
 - b. Applied the exemption not to recognize right-of-use assets and liabilities for leases :
 - a. with less than 12 months of lease term on the date of initial application
 - b. Rent outflow of less than ₹ 5 lakhs in entire tenure of arrangement
 - c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- ii. The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Statement of Profit and Loss under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 32 and 31.
- iii. The weighted average incremental borrowing rate applied to lease liabilities for FY 20-21 is 9.20% - 10.10%.
- iv. Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

Particulars	Category of ROU		Re-agent	Total
	Office Space	Pateint Service Center/Lab or Both		
Balance as of 1 April 2019	1,836.42	3,394.46	-	5,230.88
Additions	600.73	1,764.91	-	2,365.65
Depreciation	(655.32)	(975.28)	-	(1,630.60)
Balance as of 31 March 2020	1,781.83	4,184.09	-	5,965.92

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

Particulars	Category of ROU		Re-agent	Total
	Office Space	Pateint Service Center/Lab or Both		
Balance as of 1 April 2020	1,781.83	4,184.09	-	5,965.92
Reclassified on account of adoption of Ind AS 116	-	21.32	-	21.32
Additions	887.18	888.92	4,573.23	6,349.33
Deletion	-	(15.58)		(15.58)
Depreciation	(681.64)	(1,097.52)	(228.66)	(2,007.82)
Balance as of 31 March 2021	1,987.37	3,981.23	4,344.57	10,313.17

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current Lease liabilities	3,333.98	2,088.89
Non-current lease liabilities	7,893.01	4,577.81
Total	11,226.99	6,666.70

- vi. The following is the movement in lease liabilities for the year ended 31 March 2021:

(₹ in Lakhs)

Particulars	Amount
Balance as of 1 April 2019	5,633.69
Additions	2,365.65
Finance cost accrued during the year	722.33
Payment of lease liabilities	(2,054.97)
Balance as of 31 March 2020	6,666.70
Balance as of 1 April 2020	6,666.70
Additions	6,349.33
Finance cost accrued during the year	730.77
Deletions	(19.02)
Payment of lease liabilities	(2,500.79)
Balance as of 31 March 2021	11,226.99

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Less than one year	3,334.55	2,094.93
One to five years	9,567.38	5,437.96
More than 5 years	1,166.96	1,032.55
Total	14,068.89	8,565.44

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Decrease in Other expenses by	2,500.78	2,054.97
Increase in Finance cost by	730.77	722.33
Increase in Depreciation by (excludes depreciation on reclassified assets)	1,997.82	1,577.79
Net Impact on (Profit)/Loss	227.80	245.15

- ix. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- x. Rental expense recorded for short-term leases / Variable lease/ low value leases was ₹ 6,288.08 lakhs (31 March 2020: ₹ 5,529.48 lakhs).
- xi. The total cash outflow for leases is ₹ 2,525.55 lakhs (31 March 2020: ₹ 2,054.97 lakhs).

38. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
A. Accounting classification and fair values

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

Particulars	(₹ in Lakhs)						
	As at 31 March 2021						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets							
Non-current investments							
- Unquoted equity instruments in others**							
Non-current Loans- Security Deposits	-	1,033.12	1,033.12	-	-	-	-
Other non current Loans	-	6.41	6.41	-	-	-	-
Other non current financial assets	-	228.38	228.38	-	-	-	-
Current Financial assets							
Investment in mutual funds	833.09	-	833.09	833.09	-	-	833.09
Trade receivables	-	12,297.71	12,297.71	-	-	-	-
Cash and cash equivalents	-	38,659.34	38,659.34	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	3,310.22	3,310.22	-	-	-	-
Current loans	-	413.95	413.95	-	-	-	-
Other current financial assets	-	59.22	59.22	-	-	-	-
	833.09	56,008.35	56,841.44	833.09	-	-	833.09
Non-current Financial liabilities							
Other non-current financial liabilities	-	122.08	122.08	-	-	-	-
Lease Liabilities	-	7,893.01	7,893.01	-	-	-	-
Current Financial liabilities							
Trade payables	-	11,055.56	11,055.56	-	-	-	-
Other current financial liabilities	-	2,525.81	2,525.81	-	-	-	-
Lease Liabilities	-	3,333.98	3,333.98	-	-	-	-
	-	24,930.44	24,930.44	-	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

A. Accounting classification and fair values

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

(₹ in Lakhs)

Particulars	As at 31 March 2020						
	Carrying amount			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets							
Non-current investments	-	-	-	-	-	-	-
- Unquoted equity instruments in others**							
Non-current Loans- Security Deposits	-	540.72	540.72	-	-	-	-
Other Non-current Loans	-	5.98	5.98	-	-	-	-
Other non current financial assets	-	1,239.34	1,239.34	-	-	-	-
Current Financial assets							
Investment in mutual funds	1,256.61	-	1,256.61	1,256.61	-	-	1,256.61
Trade receivables	-	12,824.78	12,824.78	-	-	-	-
Cash and cash equivalents	-	10,717.42	10,717.42	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	10,329.70	10,329.70	-	-	-	-
Current loans	-	1,118.07	1,118.07	-	-	-	-
Other current financial assets	-	217.10	217.10	-	-	-	-
	1,256.61	36,993.11	38,249.72	-	1,256.61	-	1,256.61
Non-current Financial liabilities							
Other non-current financial liabilities	-	467.81	467.81	-	-	-	-
Lease Liabilities	-	4,577.81	4,577.81	-	-	-	-
Current Financial liabilities							
Trade payables	-	8,503.40	8,503.40	-	-	-	-
Other current financial liabilities	-	3,441.44	3,441.44	-	-	-	-
Lease Liabilities	-	2,088.89	2,088.89	-	-	-	-
	-	19,079.35	19,079.35	-	-	-	-

**The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at their cost, i.e. ₹ 175.28 lakhs (March 31, 2020 ₹175.28 lakhs)

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

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

B. Fair value hierarchy

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

Financial instruments measured at fair value

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

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

(ii) Liquidity risk

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

Maturities of financial liabilities

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

(₹ in Lakhs)

As at 31 March, 2021	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business*	853.73	901.50	751.00	150.50	-	-
Lease Liabilities	11,226.99	14,068.89	3,334.55	7,813.20	1,754.18	1,166.96
Trade payables	11,055.56	11,055.56	11,055.56	-	-	-
Other current financial liabilities	1,794.16	1,794.16	1,794.16	-	-	-
Total	24,930.44	27,820.11	16,935.27	7,963.70	1,754.18	1,166.96

(₹ in Lakhs)

As at March 31, 2020	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business*	1,345.90	1,441.00	874.00	567.00	-	-
Borrowings	3.51	3.51	3.51	-	-	-
Interest payable on borrowings	-	0.06	0.06	-	-	-
Trade payables	8,503.40	8,503.40	8,503.40	-	-	-
Other current financial liabilities	2,559.84	2,559.84	2,559.84	-	-	-
Total	12,412.65	12,507.81	11,940.81	567.00	-	-

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

Financial risk management

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

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

- Credit risk
- Liquidity risk
- Market risk

i) Credit risk

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

a) Trade receivables

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

The Company does not have any significant concentration of credit risk. Further, group has one customer (31 March 2020: one Customers) which accounts for 10% or more of the total trade receivables at each reporting date.

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

The movement in the provision for debts having significant increase in credit risk and which are credit impaired for the year ended 31 March 2021 and years ended 31 March 2020 is as follows:

Particulars	Amount ₹ Lakhs
Balance as at 31 March 2019	2,707.38
Movement during the year	3,463.35
Balance as at 31 March 2020	6,170.73
Deduction on account of write off and collections	(3,268.72)
Expected Credit Loss allowance	2,173.50
Balance as at 31 March 2021	5,075.51

b. Cash and cash equivalents and Other bank balances

The Group held cash and cash equivalents and other bank balances of ₹ 41,969.37 lakhs at 31 March 2021 (31 March 2020: ₹ 22,122.70 lakhs). The cash and cash equivalents are held with bank with good credit ratings.

c. Investments

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

d. Loans and advances

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

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

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

The movement in the provision for advances having significant increase in credit risk and which are credit impaired for the year ended 31 March 2021:

Particulars	Amount ₹ Lakhs
Balance as at 31 March 2019	165.26
Movement during the year	309.45
Balance as at 31 March 2020	474.71
Deduction on account of write off	(56.49)
Movement during the year	101.84
Balance as at 31 March 2021	520.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(iii) Market risk

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

a. Currency risk

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

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

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 are as below:

(₹ in Lakhs)					
As at 31 March, 2021	SGD	EUR	GBP	USD	OMR
Financial assets (A)					
Trade and other receivables	-	-	-	401.48	40.08
Advance given	29.73	0.31	0.45	23.49	-
Financial liabilities (B)					
Trade and other payables	-	-	0.39	3.30	-
Advance taken	-	-	-	28.65	6.20
Net exposure (A - B)	29.73	0.31	0.06	393.02	33.88

(₹ in Lakhs)					
As at 31 March, 2020	SGD	EUR	GBP	USD	OMR
Financial assets (A)					
Trade and other receivables	-	-	-	361.97	40.85
Advance given	13.25	0.28	0.42	28.90	-
Financial liabilities (B)					
Trade and other payables	-	-	0.32	3.16	-
Advance taken	-	-	-	13.55	6.32
Net exposure (A - B)	13.25	0.28	0.10	374.17	34.52

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	31 March 2021		31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
USD	(11.79)	11.79	(11.22)	11.22
SGD	(0.89)	0.89	(0.40)	0.40
GBP	(0.00)	0.00	(0.00)	(0.00)
OMR	(1.02)	1.02	(1.04)	1.04
EUR	(0.01)	0.01	(0.00)	0.00
	(13.71)	13.71	(12.66)	12.66

"0" denotes amount below ₹ 500

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(b) Interest rate risk

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

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

(₹ in Lakhs)		
Particulars	As at 31 March 2021	As at 31 March 2020
Fixed-rate instruments		
Financial assets	32,589.07	12,588.76
Financial liabilities	(853.73)	(1,345.90)
	31,735.34	11,242.86
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(11,226.99)	(6,670.21)
	(11,226.99)	(6,670.21)
Total	20,508.35	4,572.65

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in Lakhs)		
INR	Profit or loss	
	100 bp increase	100 bp decrease
For the year ended 31 March 2021		
Variable-rate instruments	(112.27)	112.27
Cash flow sensitivity (net)	(112.27)	112.27
For the year ended 31 March 2020		
Variable-rate instruments	(66.70)	66.70
Cash flow sensitivity (net)	(66.70)	66.70

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

38(iv) Capital management

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

39. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

A. Relationships –

Category I: Joint Venture:

Metropolis Histoexpert Digital Services Private Limited

Category II: Key Management Personnel (KMP)

Dr. Sushil Kanubhai Shah, Chairman and Executive Director

Ms. Ameera Sushil Shah, Managing Director

Mr Vijender Singh, Chief Executive Officer

Mr Rakesh Agarwal, Chief Financial Officer (w.e.f. 11 November 2019)

Ms. Poonam Tanwani, Company Secretary (w.e.f. 10 February 2020)

Mr. Mihir Jagdish Doshi, Non-Executive Director (upto 30 April 2020)

Mr. Milind Shripad Sarwate, Independent Director

Mr. Vivek Gambhir, Independent Director

Mr. Sanjay Bhatnagar, Independent Director

Ms. Anita Ramachandran, Independent Director (w.e.f 14 May 2020)

Category III: Relatives of KMP

Dr. Duru Sushil Shah

Mr. Hemant Sachdev

Ms. Aparna Shah (Rajadhyaksha)

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

Metz Advisory LLP

Metropolis Health Products Retail Private Limited

Chogori Distribution Private Limited

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

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
1) Services rendered		
Joint Ventures		
Metropolis Histoexpert Digital Services Private Limited	12.98	17.89
Relatives of KMP		
Dr. Duru Sushil Shah	12.15	13.19
Other related parties		
Centre for Digestive and Kidney Disease (India) Private Limited #	-	300.12
2) Rent paid		
Key Management Personnel		
Dr. Sushil Kanubhai Shah	80.87	99.48
3) Compensation paid to Key Management Personnel		
Short-term employee benefits [^]	805.97	962.84
Post employment benefit	19.57	21.52
Share-based payments expense	337.84	5.09
(^As gratuity expense is based on actuarial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.)		

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
4) Dividend paid		
Key Management Personnel		
Dr Sushil Kanubhai Shah	298.02	298.02
Ameera Sushil Shah	14.55	14.55
Other related parties		
Metz Advisory LLP	1,255.30	1,255.30
Relatives of KMP		
Dr Duru Sushil Shah	492.37	736.74
5) Director sitting fees and Commission		
Mr. Mihir Jagdish Doshi	-	8.50
Mr. Milind Shripad Sarwate	27.25	18.77
Mr. Vivek Gambhir	12.50	17.52
Ms. Anita Ramachandran	8.00	-
Mr. Sanjay Bhatnagar	12.50	11.27
6) Professional Fees		
Relatives of KMP		
Ms. Aparna Shah (Rajadhyaksha)	22.5	-

Excluded from related party after resignation Dr. Sushil Shah from directorship of the Company dated 6 August, 2019.

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

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
1) (a) Trade payables		
Other related parties		
Metropolis Health Products Retail Private Limited	1.87	1.87
(b) Other Payable		
Dr. Sushil Kanubhai Shah*	19.86	19.86
Aparna Rajadhyaksha	22.50	-
(c) Director Sitting Fees		
Mr. Vivek Gambhir	-	1.00
2) Trade receivables		
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	22.02	10.03
Relatives of KMP		
Dr. Duru Sushil Shah	4.14	2.45
Other related parties		
Metropolis Health Products Retail Private Limited	-	41.05
3) Loans and advances including interest accrued		
Other related parties		
Metropolis Health Products Retail Private Limited	44.02	44.02
4) Provision for diminution in value of investments		
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	195.00	195.00
5) Provision for doubtful trade receivables		
Other related parties		
Metropolis Health Products Retail Private Limited	-	41.05
6) Provision for doubtful advances		
Other related parties		
Metropolis Health Products Retail Private Limited	44.02	44.02

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

40. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

Name of the subsidiary	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2021	As at 31 March 2020
Sudharma Metropolis Health Services Private Limited	India	100.00%	100.00%
Bokil Golwilkar Metropolis Healthcare Private Limited	India	100.00%	100.00%
Raj Metropolis Healthcare Private Limited	India	100.00%	51.00%
Desai Metropolis Health Services Private Limited	India	100.00%	100.00%
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	India	100.00%	100.00%
Micron Metropolis Healthcare Private Limited	India	100.00%	100.00%
Dr. Patel Metropolis Healthcare Private Limited	India	100.00%	100.00%
Lab One Metropolis Healthcare Services Private Limited	India	100.00%	100.00%
Amins Pathology Laboratory Private Limited	India	100.00%	100.00%
Ekopath Metropolis Lab Services Private Limited	India	60.00%	60.00%
Metropolis Healthcare (Mauritius) Limited	Mauritius	100.00%	100.00%
Metropolis Star Lab Kenya Limited	Kenya	100.00%	100.00%
Metropolis Healthcare Ghana Limited	Ghana	100.00%	100.00%
Metropolis Healthcare Lanka Private Limited	Sri Lanka	100.00%	100.00%
Metropolis Healthcare Tanzania Limited	Tanzania	100.00%	100.00%
Metropolis Bramser Lab Services (Mtius) Limited	Mauritius	100.00%	100.00%

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

Name of Joint ventures	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2021	As at 31 March 2020
Metropolis Histoexpert Digital Services Private Limited	India	65.00%	65.00%

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

Name of Associates	Country of incorporation	Proportion of ownership interest	
		31 March 2021	31 March 2020
Star Metropolis Health Services Middle East LLC [^]	United Arab Emirates	34.00%	34.00%

[^] Associate is not accounted in the consolidated financial statements- Refer Note 51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

41. BUSINESS COMBINATIONS

Acquisition of Non controlling interest

(i) Dr. Patel Metropolis Healthcare Private Limited

On 6 September 2018, Group acquired additional 30 percent in Dr. Patel Metropolis Healthcare Private Limited for ₹ 849.30 lakhs in cash, increasing its ownership from 70 percent to 100 percent.

As per share purchase agreement, upon payment of initial consideration of ₹ 768.90 lakhs, an amount of ₹ 100 lakhs is to be paid by Metropolis Healthcare Limited in 2 tranches (₹ 80 lakhs to be paid on 14 September 2021 and remaining ₹ 20 lakhs to be paid on 14 September 2023).

The deferred consideration of ₹ 100 lakhs has been measured at fair value (₹ 80.40 lakhs) on initial recognition and the difference of ₹ 19.60 lakhs will be recognised as finance cost on EIR basis over the payment tenure. During year ended 31 March 2020 ₹ 6.11 lakhs (31 March 2020 ₹ 5.54 lakhs) charged to statement of profit and loss (Refer note 31).

The carrying amount of Dr. Patel Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 684.70 lakhs. The group consequently recognised a decrease in NCI of ₹ 205.40 lakhs. The decrease of ₹ 643.9 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount ₹ in Lakhs
Carrying value of NCI acquired	205.40
Fair value consideration paid / payable to NCI	849.30
Decrease in equity attributable to owners of the Company	(643.90)

(ii) Bokil Golwilkar Metropolis Healthcare Private Limited

On 11 February 2019, Group acquired additional 24 percent in Bokil Golwilkar Metropolis Healthcare Private Limited for ₹ 192 lakhs in cash, increasing its ownership from 76 percent to 100 percent.

As per share purchase agreement, upon payment of initial consideration of ₹ 132 lakhs, an amount of ₹ 60 lakhs is to be paid by Metropolis Healthcare Limited in 2 tranches (₹ 40 lakhs to be paid on August 10, 2019 on fulfilment of agreed upon conditions and remaining ₹ 20 lakhs to be paid on February 10, 2022).

The deferred consideration of ₹ 60 Lakhs has been measured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 ₹ 1.21 lakhs (31 March 2020 ₹ 2.15 lakhs) charged to statement of profit and loss (refer note 30).

The carrying amount of Bokil Golwilkar Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 505.19 lakhs. The group consequently recognised a decrease in NCI of ₹ 121.24 lakhs. The decrease of ₹ 65.98 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount ₹ in Lakhs
Carrying value of NCI acquired	121.24
Fair value consideration paid / payable to NCI	187.22
Decrease in equity attributable to owners of the Company	(65.98)

(iii) Acquisition of Sanjeevani Pathology Laboratory

During the F.Y.18-19, the Company has entered into a business purchase agreement to acquire Sanjeevani Pathology Laboratory located at Rajkot for an initial purchase consideration of ₹ 4,104.00 lakhs, an amount of ₹ 2,300.00 lakhs is to be paid by the Company to Dr. Kiritkumar Patel, owner of Sanjeevani Pathology Laboratory in 7 tranches starting from February 2017 to March 2021.

The deferred consideration of ₹ 2,300.00 lakhs has been measured at fair value (₹ 2,100.96 lakhs) on initial recognition and the difference of ₹ 199.04 lakhs (31 March 2019 : ₹ 199.04 lakhs) will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 7.77 lakhs (31 March 2019 ₹ 16.44 lakhs) charged to statement of profit and loss (refer note 34).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(iv) Acquisition of four laboratories by Desai Metropolis health Services Private Limited

During the FY 19-20, Desai Metropolis health Services Private Limited a subsidiary of the Company has entered into a business purchase agreement to acquire Four Laboratories (Yash Lab, Nagar lab, Doctor Lab and Iyer Lab) located at Surat for an initial purchase consideration of ₹ 1,800.00 lakhs. The amount of ₹ 1,800.00 lakhs is to be paid by the Desai Metropolis health Services Private Limited to the owners of these laboratories in 3 tranches starting from September 2019 to September 2021.

Particulars	Amount ₹ in Lakhs
Property, Plant and Equipments	48.50
Cash and Bank	0.27
Goodwill	1,173.90
Brand	285.51
Customer Rights	210.04
Total	1,718.22

The deferred consideration of ₹ 1,800.00 lakhs has been measured at fair value (₹ 1,690.72 lakhs) on initial recognition and the difference of ₹ 109.28 lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended, 31 March 2021; ₹ 32.23 Lakhs (31 March 2020 ₹ 35.38 lakhs) charged to statement of profit and loss.

(v) Raj Metropolis Healthcare Private Limited

On 09 October 2020, Group acquired additional 49 percent in Raj Metropolis Healthcare Private Limited for ₹ 82.33 lakhs in cash, increasing its ownership from 49 percent to 100 percent. The carrying amount of Raj Metropolis Healthcare Private Limited net assets in the group's consolidated financial statements on the date of the acquisition was ₹ 92.76 lakhs. The group consequently recognised a decrease in NCI of ₹ 45.45 lakhs. The decrease of ₹ 36.88 lakhs represents a decrease in retained earnings.

The following table summarises the acquisition date transaction:

	Amount ₹ in Lakhs
Carrying value of NCI acquired	45.45
Fair value consideration paid / payable to NCI	82.33
Decrease in equity attributable to owners of the Company	(36.88)

42. NON CONTROLLING INTERESTS

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

Name	Country of Incorporation	(₹ in Lakhs)	
		As at 31 March 2021	As at 31 March 2020
Raj Metropolis Healthcare Private Limited	India	0.00%	49.00%
Ekopath Metropolis Lab Services Private Limited	India	40.00%	40.00%

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

None of the above non-wholly owned subsidiary is material to the Group. Therefore, financial information about these non-wholly owned subsidiaries are not disclosed separately

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

43. EQUITY ACCOUNTED INVESTEEES

(₹ in Lakhs)

Name	Country of incorporation	Carrying value of investment	
		As at 31 March 2021	As at 31 March 2020
Metropolis HistoXpert Digital Services Private Limited*	India	-	-
1,950,000 (31 March 2020:1,950,000) Equity shares of Face value of ₹ 10 each (Fully paid up)			
Investment in Associates			
Star Metropolis Health Services Middle East LLC ^	United Arab Emirates	-	-
1,020 (31 March 2020: 1,020) Equity shares of AED of 1,000 each (Fully Paid up)			
		-	-

^ The value of investment in associate Star Metropolis Health Services Middle East LLC is ₹ 129.85 lakhs (31 March 2020: ₹ 129.85 lakhs). The same has been fully provided. Please refer note 51.

* The value of investment in Joint venture Metropolis HistoXpert Digital Services Private Limited adjusted with profit or Loss to the extent of investment value.

Investment in Joint Ventures

a) Metropolis HistoXpert Digital Services Private Limited

During the year ended 31 March 2018, the Group has acquired 65% interest in Metropolis HistoXpert Digital Services Private Limited, a Joint Venture involved in providing pathology services in India. The Group's interest in the entity is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Percentage ownership interests	65%	65%
Non-current assets	3.80	4.79
Current assets (including cash and cash equivalents)	32.74	29.92
Current liabilities	54.39	41.22
Net Assets	(17.85)	(6.51)
Group's share of net assets (65%)	(11.60)	(4.23)
Carrying value of interest in Joint Ventures	-	-

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Percentage ownership interests	65%	65%
Revenue	32.13	41.63
Depreciation and amortisation	0.70	0.94
Interest expense	0.45	-
Income tax expense	(1.39)	-
Profit/(Loss)	(11.33)	(86.48)
Other comprehensive income	-	-
Total comprehensive income	(11.33)	(86.48)
Group share of profits (65%)	(7.36)	(56.21)
Group share of OCI (65%)	-	-
Group share of total comprehensive income/ (loss) (65%)	(7.36)	(56.21)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

44. CONTINGENT LIABILITIES NOT PROVIDED FOR

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Income tax liability disputed in appeals	134.89	139.90
Due to others	460.57	394.33
Claims against the Group not acknowledged as debt :		
- Claims by suppliers/contractors /others	131.35	265.70
- Claims pending in Consumer Dispute Redressal Forum	183.06	171.81
Contingent consideration on acquisition of remaining stake of subsidiary*	759.38	759.38
	1669.25	1,731.11

*The Holding Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be ₹ 3037.51 lakhs. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated October 14, 2005, the Holding Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. ₹ 759.38 lakhs as damages. The matter is currently pending before the arbitrator.

45. COMMITMENTS

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for	1009.94	1,362.68

Other commitments:

- (i) The Holding Company has entered into reagent purchase agreement for a period ranging from 3 to 6 years with some of its major raw material suppliers to purchase agreed value of raw materials.
- (ii) The value of purchase commitments for the remaining number of years are ₹ 35,617.90 Lakhs (31 March 2020 ₹ 48,140.09 Lakhs) of which annual commitment for next year is ₹ 7,297.45 Lakhs (31 March 2020 ₹ 13,165.08 Lakhs) as per the terms of these arrangements.

46. AUDITORS' REMUNERATION*

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Audit fees	95.04	99.52
Limited Review Fees	28.00	28.00
Certification Fees	9.72	3.00
Others (including reimbursement of out of pocket expenses)	15.05	2.85
Total	147.81	133.37

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

47.

(a) Disclosure As Per Ind AS 115 - Revenue From Contracts With Customers

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Contract asset- unbilled revenue	-	-
Contract liabilities - Advance from Customers		
Opening Balance	366.22	379.52
Movement during the year	670.57	(13.30)
Closing Balance	1,036.79	366.22

(b) Reconciliation of revenue from contracts with customers

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Revenue from contract with customer as per the contract price	1,00,792.07	84,443.17
Adjustments made to contract price on account of :-		
Discount / Rebates	(1,013.12)	1,141.66
Revenue from contract with customer	99,778.95	85,584.83
Other operating revenue	19.75	55.71
Revenue from operations	99,798.70	85,640.54

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

48. EMPLOYEE BENEFITS

(a) Defined benefits plan

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

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
A. Amount recognised in the balance sheet		
Present value of the obligation as at the end of the year	1,655.72	1,247.88
Fair value of plan assets as at the end of the year	(116.73)	(105.85)
Net liability recognised in the balance sheet	1,538.99	1,142.03
Out of which,		
Non-current portion (Refer note 21(A))	785.23	541.40
Current portion (Refer note 21(B))	753.75	600.63
B. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	1,247.85	882.56
On Acquisition of Subsidiary	7.44	-
Current service cost	144.68	109.23
Interest cost	72.85	66.09
Actuarial loss/(gain)	337.98	74.75
Benefits paid	(153.22)	177.63
Liability transferred out	(1.86)	(62.38)
Projected benefit obligation at the end of the year	1,655.72	1,247.88
C. Change in plan assets		
Fair value of plan assets at the beginning of the year	105.84	111.49
Interest income	6.50	8.34
Return on plan assets (excluding Interest income)	6.17	(1.79)
Benefits paid	(1.78)	(12.19)
Fair value of plan assets at the end of the year	116.73	105.85
D. Amount recognised in the statement of profit and loss		
Current service cost	144.68	109.23
Interest cost	66.36	57.75
Expenses recognised in the statement of profit and loss (Refer note 30)	211.04	166.98
E. Amount recognised in other comprehensive income		
Actuarial loss/(gain) on Defined benefit obligation	334.82	276.23
Return on plan assets (excluding Interest income)	(6.17)	1.79
	328.65	278.02

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
F. Plan Assets include the following:		
(i) Insurance funds		
G. Assumptions used		
Discount rate	3.86% -6.26%	5.21%-6.59%
Long-term rate of compensation increase	6.00% p.a	4.50%-5.50% p.a. for the next 3 years, 7.00%-7.50% p.a. thereafter, starting from the 4th year
Rate of return on plan assets	5.21%-6.43%	5.21%-6.43%
Attrition rate	13%-40%	11%-36%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

H. Sensitivity analysis

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

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(41.75)	44.88	(35.22)	38.09
Future salary growth (1% movement)	42.87	(40.74)	36.69	(34.17)
Employee Turnover (1% movement)	(6.99)	7.23	(6.01)	6.24

I. Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2021					
Defined benefit obligations (Gratuity)	444.96	317.10	624.71	523.63	1,910.40
Total	444.96	317.10	624.71	523.63	1,910.40

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2020					
Defined benefit obligations (Gratuity)	332.04	232.59	471.14	502.43	1,538.19
Total	332.04	232.59	471.14	502.43	1,538.19

(b) Defined contribution plan

The Group entities domiciled in India contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. Entities of the Group domiciled outside India also contributes to social security schemes as per the relevant regulations of the country for the welfare of the employees. These are defined contribution plans as per Ind AS - 19. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year 31 March 2021: ₹ 911.32 lakhs (31 March 2020 : ₹ 849.38 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at 31 March 2021 and 31 March 2020 Company had following share-based payment arrangements:

RSU 2020 -

This plan may be called the Metropolis-Restrictive Stock Unit Plan, 2020 (MHL-RSU Plan, 2020) as approved by the Board of Directors of the Company at its meeting held on February 6, 2020 as per the recommendation of Nomination and Remuneration Committee and approved by members of the Company through postal ballot process on April 06, 2020. This plan shall be deemed to have come into force on April 06, 2020 (Being the date of passing of special resolutions for approving the MHL-RSU Plan 2020 by the Shareholder of the Company through postal ballot process) or on such date as may be decided by the Nomination and Remuneration Committee ("Committee") of the Company.

MESOS 2015 -

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

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

- Existing employees (person who is in continuous employment with the Company since 1 January, 2016 or prior thereto) shall vest at the rate of 50% of Grant on 1 January 2018, 25% of Grant on 1 January 2019 and 25% of Grant on 1 January 2020.
- New employees (person who is in continuous employment with the Company after 01 January, 2016.) shall vest at the rate of 50% of Grant on completion of 2 years from date of joining, 25% of Grant on completion of 3 years from date of joining and 25% of Grant on completion of 4 years from date of joining.
- No additional options to be granted to stock options under MESOS 2015 as per the resolution dated 24 September 2018, passed by the Nomination & Remuneration Committee.

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
RSU - Option granted to eligible employees on May 2020	270,000	For the Options to vest, the Grantee has to met the performance parameters & be in employment of the Metropolis Group on the date of the vesting.	The exercise period for RSU vested will be two years from date of vesting .
MESOS 2015 - Option granted to eligible employees on 25 April 2016	27,800	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.
MESOS 2015 - Option granted to eligible employees on 16 October 2017	185,550	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

Reconciliation of Outstanding share options

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

RSU 2020

	31 March 2021	
	Weighted average exercise price	Number of Options
Outstanding at the beginning of the year	2	-
Granted during the year	2	2,41,400
Exercised during the year	2	-
Lapsed/ forfeited /surrender/buyback	2	(4,400)
Outstanding at the end of the year	2	2,37,000
Exercisable at the end of the year	2	-

MESOS 2015

	31 March 2021		31 March 2020	
	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	705.77	5,60,315	705.77	10,80,400
Granted during the year	-	10,000	-	-
Granted due to bonus issue	-	-	-	-
Granted due to split of shares	-	-	-	-
Exercised during the year	705.77	4,86,247	705.77	4,51,886
Lapsed/ forfeited /surrendered	705.77	51,168	705.77	68,199
Outstanding at the end of the year	705.77	32,900	705.77	5,60,315

* on account of split & bonus with conversion factor of 5.2

The options outstanding at 31 March 2021 have an exercise price of ₹ 705.77 (31 March 2020 have an exercise price of ₹ 705.77) and a weighted average remaining contractual life of 6 months to 2 years (31 March 2020: 6 months to 2 years)

The expense arising from MESOS 2015 scheme during the year is ₹ 80.96 Lakhs (31 March 2020 ₹ 72.38 Lakhs);

The expense arising from RSU 2020 scheme during the year is ₹ 697.77 Lakhs

Summary of Shares/Option exercised during the period

Particular	Number of shares / Options	Amount
Securities Premium (Exercise price (705.77) less Face value per share (2))	4,86,247	3,422.06
General Reserve (Fair Value - 142.8 per Option)	93,509	133.54
Equity Shares (Face value ₹ 2 per share)	4,86,247	9.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to Consolidated Statement of Profit and Loss. The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

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

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

(d) Compensatory absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 88.17 lakhs (31 March 2020 ₹ 187.91 lakhs) has been recognised in the Consolidated Statement of profit and loss on account of provision for compensated absences.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

49. SEGMENT REPORTING

a. Basis for segmentation

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

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

b. Geographic information

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

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Revenue from external customers		
India	95,889.71	80,696.12
Outside India	3,889.24	4,856.65

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Non-current assets (other than financial instruments and deferred tax assets)		
India	35,639.36	31,331.28
Outside India	804.76	834.54

c. Major customers

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

50. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group has spent during the year ended 31 March 2021: ₹ 363.13 lakhs* (year ended 31 March 2020: ₹ 76.97 lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 towards Corporate Social responsibility activities grouped under 'Other Expenses'.

- a) Gross amount required to be spent by the Group during the year ended 31 March 2021: ₹ 351.22 lakhs (31 March 2020: ₹ 298.86 lakhs)
- b) Amount spent during the year on;

Particulars	(₹ in Lakhs)		
	31 March 2021		
	Amount spent in Cash	Amount yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	363.13	161.22	524.35

Particulars	(₹ in Lakhs)		
	31 March 2020		
	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	76.97	-	76.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) FOR THE YEAR ENDED 31 MARCH 2021

Details of ongoing CSR projects under Section 135(6) of the Act.

Balance as at April 01,2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31,2021	
With the Group	In separate CSR Unspent Account		From the Group's Bank account	From separate CSR Unspent account	With the Group	In separate CSR Unspent Account
-	-	351.22	363.13*	-	161.22**	-

* Includes INR 169.11 lakhs related to previous year.

** Transferred to separate Unspent CSR account as per the requirements of CSR Rules

- c) During the year ended 31 March 2019, the Company has filed necessary application under section 441 with the relevant regulatory authorities for compounding the non - compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the report of Board of Directors for the year ended on 31 March, 2015.

As at balance sheet date, the Company is awaiting response from the relevant regulatory authorities for the application filed under section 441 of the Companies Act, 2013, for compounding of the non - compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the Boards' Report for the year ended on March 13, 2015.

However, the management has provided the amount of potential penalty in the books of accounts and believes that the additional penalty, if any, that may arise due to the default would not be material.

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

As at 31 March 2021, the Company has an investment of ₹ 129.85 lakhs (31 March 2020 ₹ 129.85 lakhs) and receivable of ₹ 445.05 lakhs (31 March 2020 ₹ 640.88 lakhs) from Star Metropolis Health Services Middle East LLC ('Star Metropolis'). Since the information has not been forthcoming for many years, Management has decided to discontinued to recognize the said entity as an associate from the current year and has filed an application to Reserve Bank of India (RBI) through Authorised Dealer Bank seeking permission to write off the above investment and receivable.

52. TRANSFER PRICING

The Group's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management continues to believe that its international transactions post 31 March 2020 and the specified domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

53. SHAREHOLDING IN THE SUBSIDIARY COMPANY

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

54. IMPACT OF THE COVID-19 PANDEMIC, SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS AND STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS

The Group operated at sub optimal levels following Government directives on lockdown in Q1'2020-21 . While most of the economic activities were at halt during the lockdown period, the healthcare sector continued its operations under the Essentials Commodities Act. Accordingly, the group's operations continued to service customers across channels. The Company was the first Private lab in the country to start testing for Covid-19. With the best Test turn Around Time(TAT), continuous medical engagement with doctors and government authorities coupled with strong branding and customer equity, the Company was successful in churning out Covid-19 tests and resumed full operations from Q2'2020-21 onwards. The Group is well equipped to adapt to the evolving business environment and has scaled up its operations to fulfil the needs of its customers. The group does not foresee any significant risk on receivables.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021**

55. DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY AND SUBSIDIARIES AS PER SCHEDULE III OF COMPANIES ACT, 2013

Net Assets (Total Assets minus Total Liabilities)

Name of the Company	As at 31 March 2021		As at 31 March 2020	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets
Holding Company				
Metropolis Healthcare Limited	100.60%	71,087.52	98.25%	51,433.46
Indian Subsidiaries				
Direct Subsidiaries				
Sudharma Metropolis Health Services Private Limited	2.40%	1,693.95	5.23%	2,737.48
Desai Metropolis Health Services Private Limited	2.78%	1,962.62	4.61%	2,413.45
R.V. Metropolis Diagnostic & Health Care Center Private Limited	1.75%	1,235.57	3.96%	2,071.60
Micron Metropolis Healthcare Private Limited	0.79%	561.59	0.77%	405.30
Dr. Patel Metropolis Healthcare Private Limited	2.19%	1,550.66	2.04%	1,067.30
Amin's Pathology Laboratory Private Limited	1.21%	857.18	1.76%	921.73
Ekopath Metropolis Lab Services Private Limited	0.48%	338.61	0.52%	273.19
Lab One Metropolis Healthcare Services Private Limited	0.76%	539.37	1.01%	529.12
Indirect Subsidiaries				
Bokil Golwilkar Metropolis Healthcare Private Limited	0.91%	643.21	0.93%	489.07
Raj Metropolis Healthcare Private Limited	0.15%	105.00	0.18%	96.25
Foreign Subsidiaries				
Metropolis Bramser Lab Services (Mtius) Limited	0.26%	187.11	0.51%	266.91
Metropolis Healthcare Ghana Limited	-0.24%	(172.23)	-0.25%	(130.27)
Metropolis Healthcare (Mauritius) Limited	-0.60%	(426.10)	-0.88%	(462.43)
Metropolis Star Lab Kenya Limited	2.17%	1,532.81	2.37%	1,240.39
Metropolis Healthcare Lanka Private Limited	0.05%	38.46	0.05%	25.67
Metropolis Healthcare Tanzania Limited	0.12%	81.31	0.19%	98.32
Joint Venture to the extent of shareholding				
Indian Joint Venture				
Metropolis Histoexpert Digital Services Private Limited	0.00%	-	0.00%	-
Add/(Less): Adjustments	-15.79%	(11,156.58)	-21.26%	(11,126.93)
Total	100.00%	70,660.04	100.00%	52,349.61

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

Share in Profit or Loss	31 March 2021						31 March 2020						
	Name of the Company	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI
	Holding Company												
	Metropolis Healthcare Limited	107.90%	19,755.50	204.59%	(222.61)	107.32%	19,532.89	89.54%	11,400.43	50.27%	(150.91)	90.49%	11,249.52
	Indian Subsidiaries												
	Direct Subsidiaries												
	Sudharma Metropolis Health Services Private Limited	2.49%	455.53	-0.86%	0.94	2.51%	456.47	7.08%	901.59	11.98%	(35.97)	6.96%	865.62
	Desai Metropolis Health Services Private Limited	3.08%	564.28	13.89%	(15.12)	3.02%	549.15	7.48%	951.87	3.22%	(9.68)	7.58%	942.19
	R. V. Metropolis Diagnostic & Health Care Center Private Limited	3.66%	669.23	4.79%	(5.21)	3.65%	664.02	4.57%	581.92	1.10%	(3.30)	4.65%	578.62
	Micron Metropolis Healthcare Private Limited	0.87%	159.56	2.99%	(3.25)	0.86%	156.31	1.40%	178.01	0.58%	(1.75)	1.42%	176.26
	Dr. Patel Metropolis Healthcare Private Limited	2.66%	487.31	3.64%	(3.96)	2.66%	483.35	3.51%	447.32	0.71%	(2.13)	3.58%	445.19
	Amin's Pathology Laboratory Private Limited	-0.36%	(65.26)	0.00%	-	-0.36%	(65.26)	1.05%	134.08	0.00%	-	1.08%	134.08
	Ekopath Metropolis Lab Services Private Limited	0.21%	38.04	-1.10%	1.20	0.22%	39.24	0.26%	32.76	-0.02%	0.07	0.26%	32.83
	Lab One Metropolis Healthcare Services Private Limited	0.06%	11.42	-1.05%	1.15	0.07%	12.57	1.30%	165.13	0.53%	(1.58)	1.32%	163.55
	Indirect Subsidiaries												
	Bokil Golwilar Metropolis Healthcare Private Limited	0.84%	154.04	-0.09%	0.10	0.85%	154.14	1.08%	136.88	0.93%	(2.79)	1.08%	134.09
	Raj Metropolis Healthcare Private Limited	0.05%	8.77	0.00%	-	0.05%	8.77	0.01%	0.89	0.00%	-	0.01%	0.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
 FOR THE YEAR ENDED 31 MARCH 2021

Name of the Company	31 March 2021						31 March 2020					
	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI	As % of Consoli- dated profit or loss	Profit/ (Loss)	As % of Consoli- dated OCI	OCI	As % of Consoli- dated TCI	TCI
Foreign Indirect Subsidiaries												
Metropolis Bramser Lab Services (Mtius) Limited	-0.35%	(63.79)	14.73%	(16.02)	-0.44%	(79.81)	-0.30%	(38.06)	2.99%	(8.99)	-0.38%	(47.05)
Metropolis Healthcare Ghana Limited	-0.30%	(55.44)	-12.39%	13.48	-0.23%	(41.96)	-0.56%	(71.53)	-4.70%	14.12	-0.46%	(57.41)
Metropolis Healthcare (Mauritius) Limited	-0.87%	(159.83)	-180.27%	196.15	0.20%	36.32	-2.01%	(256.16)	31.16%	(93.54)	-2.81%	(349.72)
Metropolis Star Lab Kenya Limited	2.06%	377.47	78.17%	(85.06)	1.61%	292.41	3.80%	483.48	-11.89%	35.70	4.18%	519.18
Metropolis Healthcare Lanka Private Limited	-0.06%	(10.45)	-21.38%	23.26	0.07%	12.81	-0.56%	(71.02)	-8.52%	25.58	-0.37%	(45.44)
Metropolis Healthcare Tanzania Limited	-0.09%	(16.91)	-2.29%	2.49	-0.08%	(14.42)	-0.34%	(43.56)	-0.83%	2.49	-0.33%	(41.08)
Non-controlling interest in all non-wholly owned subsidiaries	-0.12%	(22.61)	-0.30%	0.33	-0.12%	(22.28)	-0.18%	(22.61)	-0.11%	0.33	-0.18%	(22.28)
Joint Venture to the extent of shareholding												
Indian Joint Venture												
Metropolis Histoxpert Digital Services Private Limited	0.00%	-	0.00%	-	0.00%	-	-0.41%	(51.98)	0.00%	-	-0.42%	(51.98)
Add/(Less): Adjustments	-21.72%	(3,977.32)	-3.06%	3.32	-21.82%	(3,974.02)	-16.70%	(2,126.87)	22.60%	(67.83)	-17.65%	(2,194.72)
Total	100.00%	18,309.51	100.00%	(108.81)	100.00%	18,200.69	100.00%	12,732.56	100.00%	(300.18)	100.00%	12,432.37

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2021**

56. SUBSEQUENT EVENTS:

On 17 January 2021, the Board of Directors of the Company approved acquisition of 100% stake in Dr Ganeshan's Hitech Diagnostic Center Private Limited and its subsidiary from its existing promoters / shareholders for a cash consideration of an amount of ₹ 51,100 Lakhs and issuance of upto 4,95,000 equity share of the Company at a price which shall be determined on the relevant date pursuant to the provisions of the Regulation 164 of SEBI. The transactions is pending to be executed.

As per our report of even date attached

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

Tarun Kinger
Partner
Membership No: 105003

Place : Mumbai
Date: 27 May 2021

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

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Miami (USA)

Vijender Singh
Chief Executive Officer
Place : Gurugram

Ameera Shah
Managing Director
DIN: 00208095
Place : Dubai

Rakesh Agarwal
Chief Financial Officer
Place : Mumbai

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Ahmedabad
Date : 27 May 2021