

# INDEPENDENT AUDITORS' REPORT

**To the Members of**

**Metropolis Healthcare Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

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

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

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

### Key Audit Matters

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

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

**See note 5 to the standalone financial statements**

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

**INDEPENDENT AUDITORS' REPORT (Contd.)**

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

**OTHER INFORMATION**

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

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

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

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

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITORS' REPORT (Contd.)

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

**INDEPENDENT AUDITORS' REPORT (Contd.)**

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

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

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

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

For **BSR & Co. LLP**

Chartered Accountants

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

**Tarun Kinger**

Partner

Place: Mumbai

Date: 27 May 2021

Membership No: 105003

ICAI UDIN: 21105003AAAACM5469

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

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

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

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

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

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

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

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**

Chartered Accountants

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

**Tarun Kinger**

Partner

Place: Mumbai

Membership No: 105003

Date: 27 May 2021

ICAI UDIN: 21105003AAAACM5469



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(REFERRED TO IN PARAGRAPH 2 (A) (F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)**

### **Opinion**

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **AUDITORS' RESPONSIBILITY**

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

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

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

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

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the

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

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

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

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

For **BSR & Co. LLP**

Chartered Accountants

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

**Tarun Kinger**

Partner

Place: Mumbai

Membership No: 105003

Date: 27 May 2021

ICAI UDIN: 21105003AAAACM5469



# STANDALONE BALANCE SHEET

AS AT 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	9,331.82	9,747.43
Right-of-use assets	43(3)	7,821.68	4,868.29
Goodwill	4	4,880.90	4,880.90
Other intangible assets	4	3,094.96	2,081.13
Intangible assets under development	4	-	298.89
<b>Financial assets</b>			
i) Investments			
a) Investments in subsidiaries, associates and joint venture	5	12,884.69	12,802.36
b) Other investments	5	175.28	175.28
ii) Loans	6	923.63	450.66
iii) Derivatives	7	-	27.77
iv) Other non current financial assets	8	159.88	1,105.28
Other non-current assets	9	33.62	519.88
Deferred tax assets (net)	36(d)	895.25	475.43
Non-current tax assets (net)	10	1,505.37	1,189.39
<b>Total Non-current assets</b>		<b>41,707.08</b>	<b>38,622.69</b>
<b>Current assets</b>			
Inventories	11	3,346.36	1,745.84
Financial Assets			
i) Investments	12	1.35	-
ii) Trade receivables	13	12,265.55	12,439.86
iii) Cash and cash equivalents	14(a)	31,713.28	6,743.18
iv) Bank balances other than cash and cash equivalents	14(b)	1,829.05	6,457.74
v) Loans	15	1,176.27	2,037.77
vi) Other current financial assets	16	350.11	168.28
Other current assets	17	954.86	614.39
<b>Total Current assets</b>		<b>51,636.83</b>	<b>30,207.06</b>
<b>TOTAL ASSETS</b>		<b>93,343.91</b>	<b>68,829.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	1,022.33	1,012.61
Other equity	19	69,870.20	50,225.85
<b>Total Equity</b>		<b>70,892.53</b>	<b>51,238.46</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
i) Lease liabilities	43(4)	5,933.29	3,660.22
ii) Other non-current financial liabilities	20	17.11	106.55
Provisions	21	701.31	458.69
<b>Total Non current liabilities</b>		<b>6,651.71</b>	<b>4,225.46</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Lease liabilities	43(4)	2,563.23	1,693.59
ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	196.42	670.81
Total outstanding dues of creditors other than micro and small enterprises	22	8,811.94	6,418.89
iii) Other current financial liabilities	23	1,632.07	2,328.22
Other current liabilities	24	1,160.21	1,714.01
Provisions	25	488.69	411.28
Current tax liabilities (net)	26	947.11	129.03
<b>Total Current liabilities</b>		<b>15,799.67</b>	<b>13,365.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,343.91</b>	<b>68,829.75</b>
Significant Accounting Policies	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

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

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

**Tarun Kinger**  
Partner  
Membership No: 105003

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

**Ameera Shah**  
Managing Director  
DIN: 00208095  
Place : Dubai

**Poonam Tanwani**  
Company Secretary  
Membership No: ACS 19182  
Place : Ahmedabad

Place : Mumbai  
Date: 27 May 2021

**Vijender Singh**  
Chief Executive Officer  
Place : Gurugram

**Rakesh Agarwal**  
Chief Financial Officer  
Place : Mumbai

Date : 27 May 2021

# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2021	For the year Ended 31 March 2020
<b>I. INCOME</b>			
Revenue from Operations	27	81,610.83	66,530.71
Other income	28	4,864.76	2,931.79
<b>Total Income</b>		<b>86,475.59</b>	<b>69,462.50</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	29	21,251.24	16,724.71
Laboratory testing charges	30	674.00	649.76
Employee benefits expense	31	15,684.44	14,766.62
Finance costs	32	577.56	656.01
Depreciation and amortisation expense	33	3,619.74	3,084.51
Other expenses	34	20,063.82	17,129.15
<b>Total Expenses</b>		<b>61,870.80</b>	<b>53,010.76</b>
<b>III. Profit before tax and exceptional items (I- II)</b>		<b>24,604.79</b>	<b>16,451.74</b>
<b>IV. Exceptional Items</b>	35	-	2,452.66
<b>V. Profit before tax (III-IV)</b>		<b>24,604.79</b>	<b>13,999.08</b>
<b>Income tax expense:</b>	36		
1. Current Tax		5,306.00	3,933.00
2. Deferred Tax (income)/ expenses		(344.94)	(909.62)
3. Tax adjustments for earlier years		(111.78)	(229.73)
<b>VI. Total Income tax expenses</b>		<b>4,849.28</b>	<b>2,793.65</b>
<b>VII. Profit for the year (V-VI)</b>		<b>19,755.51</b>	<b>11,205.43</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	46(a)	(297.49)	(201.67)
Income tax on above.	36	74.88	50.76
		<b>(222.61)</b>	<b>(150.91)</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>(222.61)</b>	<b>(150.91)</b>
<b>IX. Total comprehensive income for the year (VII-VIII)</b>		<b>19,532.90</b>	<b>11,054.52</b>
<b>Earnings per equity share</b>	37		
<b>Equity shares of face value of ₹ 2 each</b>			
Basic earnings per share		38.81	22.32
Diluted earnings per share		38.61	22.22
Significant Accounting Policies	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

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

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

**Tarun Kinger**  
 Partner  
 Membership No: 105003

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

**Ameera Shah**  
 Managing Director  
 DIN: 00208095  
 Place : Dubai

**Poonam Tanwani**  
 Company Secretary  
 Membership No: ACS 19182  
 Place : Ahmedabad

Place : Mumbai  
 Date: 27 May 2021

**Vijender Singh**  
 Chief Executive Officer  
 Place : Gurugram

**Rakesh Agarwal**  
 Chief Financial Officer  
 Place : Mumbai  
 Date : 27 May 2021

# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	24,604.79	13,999.08
<b>Adjustments for :</b>		
Depreciation and amortisation expense	3,619.74	3,084.51
Interest on lease Liabilities	562.46	581.81
Provision for impairment of non-current investments	-	195.00
Provision for impairment of current investments	-	336.48
Write-off of Property, Plant and Equipment	-	37.91
Loss on derivative assets	27.77	55.48
Provision for bad and doubtful debts (net)	1,762.88	3,144.53
Provision for doubtful advances (net)	100.00	241.04
Share based payment expenses (Refer Note 31)	778.73	72.38
Interest on deferred purchase consideration	15.10	24.13
Foreign exchange loss/(gain)(net)	28.84	(307.36)
Interest Expenses paid on borrowings	-	50.07
Sundry balances written back (net)	(12.75)	(43.90)
Interest & other income	(713.93)	(326.22)
Interest income on income tax refund	(1.35)	-
Dividend income from related parties and mutual funds	(4,000.00)	(2,205.00)
<b>Operating profit before working capital changes</b>	<b>26,772.28</b>	<b>18,939.94</b>
<b>Working capital adjustments:</b>		
(Increase) / Decrease in inventories	(1,600.52)	224.79
Decrease in loans (current and non-current)	422.55	283.32
(Increase) in other current assets (Current and non current)	(406.62)	(146.31)
(Increase) in trade receivables	(1,588.57)	(3,757.83)
(Increase) / Decrease in other current financial assets	(1.81)	779.28
Increase in provisions	22.54	80.01
Increase in trade payables	1,902.56	3,067.09
(Decrease) in other current financial liabilities	(26.82)	(141.83)
(Decrease) / Increase in other current liabilities	(553.80)	1,045.67
<b>Cash generated from operating activities</b>	<b>24,941.79</b>	<b>20,374.13</b>
Income tax paid (net)	(4,692.12)	(4,761.15)
<b>Net cash generated from operating activities (A)</b>	<b>20,249.67</b>	<b>15,612.98</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment & Intangible assets (Including capital advances and capital creditors)	(2,496.48)	(2,274.01)
Purchase consideration paid towards acquisition of business	(142.00)	(335.26)
Purchase of investments	(83.67)	-
Loans Given to Related Parties (net)	-	(95.71)
Interest Income received	501.24	242.25
Dividend Income received	4,000.00	2,205.00
Investment in term deposits (having original maturity of more than 3 months)	5,574.09	(4,854.86)
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>7,353.18</b>	<b>(5,112.59)</b>

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings (net)	-	(1,734.47)
Principal payment of lease liabilities	(1,412.73)	(1,073.77)
Proceeds from issue of shares to ESOP holders (refer note 46(c))	3,431.78	3,189.28
Payment of Dividend	(4,089.34)	(4,014.29)
Payment of Dividend Distribution Tax	-	(371.91)
Interest on lease Liabilities	(562.46)	(581.81)
Interest expense paid on borrowings	-	(50.07)
<b>Net cash used in financing activities (C)</b>	<b>(2,632.75)</b>	<b>(4,637.04)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>24,970.10</b>	<b>5,863.35</b>
Cash and Cash Equivalents at the beginning of the year	6,743.18	879.83
<b>Cash and Cash Equivalents at the end of the year (Refer note 14(a))</b>	<b>31,713.28</b>	<b>6,743.18</b>

- The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows"
- The figures in the brackets indicate outflow of cash and cash equivalents.
- The movement of borrowing as per Ind AS 7 is as follows:
- The above Standalone Statements of Cash Flows include ₹ 363.13 lakhs (31 March 2020 76.97 lakhs) towards Corporate Social Responsibility (CSR) activities, refer note 48(a)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	-	1,734.47
Cashflows	-	(1,734.47)
<b>Balance as at the end of year</b>	<b>-</b>	<b>-</b>

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

As per our report of even date attached

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

**Tarun Kinger**  
Partner  
Membership No: 105003

Place : Mumbai  
Date: 27 May 2021

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

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

**Vijender Singh**  
Chief Executive Officer  
Place : Gurugram

**Ameera Shah**  
Managing Director  
DIN: 00208095  
Place : Dubai

**Rakesh Agarwal**  
Chief Financial Officer  
Place : Mumbai

**Poonam Tanwani**  
Company Secretary  
Membership No: ACS 19182  
Place : Ahmedabad

Date : 27 May 2021

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

AS AT 31 MARCH 2021

### (A) EQUITY SHARE CAPITAL (REFER NOTE 18)

Particulars	Number of shares	Amount (₹ in Lakhs)
<b>Balance as at 1 April 2019</b>	<b>5,01,78,680</b>	<b>1,003.57</b>
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 46(c))	4,51,886	9.04
<b>Balance as at 31 March 2020</b>	<b>5,06,30,566</b>	<b>1,012.61</b>
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 46(c))	4,86,247	9.72
<b>Balance as at 31 March 2021</b>	<b>5,11,16,813</b>	<b>1,022.33</b>

### (A) OTHER EQUITY (REFER NOTE 19)

	Fully convert-ible share warrants	Reserves & Surplus						Other comprehensive income (OCI)	Total other equity
		Securities premium	General reserve	Capital redemption reserve	Employee stock options reserve	Retained earnings	Remeasurements of the defined benefit plans		
<b>Balance as at 1 April 2019</b>	-	<b>8,700.73</b>	<b>1,684.07</b>	-	<b>258.78</b>	<b>29,868.60</b>	<b>24.65</b>	<b>40,536.83</b>	
Profit for the year	-	-	-	-	-	11,205.43	-	11,205.43	
Profit on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	-	(150.91)	(150.91)	
<b>Total comprehensive income</b>	-	-	-	-	-	<b>11,205.43</b>	<b>(150.91)</b>	<b>11,054.52</b>	
Interim Dividend	-	-	-	-	-	(4,014.29)	-	(4,014.29)	
Tax on Interim dividend	-	-	-	-	-	(371.91)	-	(371.91)	
Share options exercised under MESOS 2015 (Refer Note 46(c))	-	3,180.24	124.10	-	-	-	-	3,304.34	
Share based payments (Refer Note 46(c))	-	-	-	-	(51.72)	-	-	(51.72)	
Impact of IND AS 116 for Opening balance	-	-	-	-	-	(231.91)	-	(231.91)	
<b>Balance as at 31 March 2020</b>	-	<b>11,880.97</b>	<b>1,808.17</b>	-	<b>207.06</b>	<b>36,455.91</b>	<b>(126.26)</b>	<b>50,225.85</b>	
Profit for the year	-	-	-	-	-	19,755.51	-	19,755.51	
Transfer to retained earnings	-	-	-	-	-	(126.26)	126.26	-	
Profit on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	(222.61)	-	(222.61)	
<b>Total comprehensive income</b>	-	-	-	-	-	<b>19,406.64</b>	-	<b>19,406.64</b>	
Interim Dividend	-	-	-	-	-	(4,089.34)	-	(4,089.34)	
Tax on Interim dividend	-	-	-	-	-	-	-	-	

**STANDALONE STATEMENT OF CHANGES IN EQUITY ('SOCIE') (CONTD.)  
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

	Fully convert-ible share warrants	Reserves & Surplus					Other comprehensive income (OCI)	Total other equity
		Securities premium	General reserve	Capital redemption reserve	Employee stock options reserve	Retained earnings	Remeasurements of the defined benefit plans	
Share options exercised under MESOS 2015 (Refer Note 46(c))	-	3,422.06	133.53	-	-	-	-	3,555.59
Share based payments (Refer Note 19 & 31)	-	-	-	-	645.20	-	-	645.20
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>15,303.03</b>	<b>1,941.70</b>	<b>-</b>	<b>852.26</b>	<b>51,773.21</b>	<b>-</b>	<b>69,870.20</b>

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

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

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

**Tarun Kinger**  
 Partner  
 Membership No: 105003

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

**Ameera Shah**  
 Managing Director  
 DIN: 00208095  
 Place : Dubai

**Poonam Tanwani**  
 Company Secretary  
 Membership No: ACS 19182  
 Place : Ahmedabad

Place : Mumbai  
 Date: 27 May 2021

**Vijender Singh**  
 Chief Executive Officer  
 Place : Gurugram

**Rakesh Agarwal**  
 Chief Financial Officer  
 Place : Mumbai

Date : 27 May 2021

# NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Amount (₹ in Lakhs)

## 1 BACKGROUND OF THE COMPANY AND NATURE OF OPERATION

Metropolis Healthcare Limited (the 'Company'), was incorporated in India as Pathnet India Private Limited in the year 2000 and is engaged in the business of providing pathology and related healthcare services. The registered office of the Company is located at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai. The Company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 15 April 2019 through sale of equity shares by Dr. Sushil Kanubhai Shah and CA Lotus Investments.

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

### 2.1 Basis of preparation and measurement

#### a Statement of compliance:

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

The standalone financial statements of the Company for year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 27th May 2021.

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

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

Assets:

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

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

settle a liability for at least twelve months after the reporting date.

Liabilities:

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

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

Operating cycle:

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

#### d Basis of measurement

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

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

#### e Key estimates and assumptions

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

The areas involving critical estimates or judgements are :

- i. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(b))
- ii. Impairment of non-financial assets (Note 2.2(d))
- iii. Recognition of deferred tax assets; (Note 2.2(n))
- iv. Recognition and measurement of provisions and contingencies; (Note 2.2(i))
- v. Fair value of financial instruments (Note 2.2(e))
- vi. Impairment of financial assets (Note 2.2(e))
- vii. Measurement of defined benefit obligations; (Note 2.2(l))
- viii. Fair valuation of employee share options; (Note 2.2(l))
- ix. Fair value measurement of consideration and net assets acquired as part of business combination (Note 2.2(a)).
- x. Leases - Critical judgements in determining the discount rate

### f Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values (including Level 3 fair values). The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

as the lowest level input that is significant to the entire measurement.

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

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

- Financial instruments (Note 38)
- Share-based payment arrangements (Note 46 (c))
- Business combination

## 2.2 Significant accounting policies

### a) Business combinations

Business combinations arising from transfers or interests in entities that are under the control of the shareholders that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the net assets acquired and cancellation of share capital of the acquired entity is transferred to other equity.

#### Common Control:

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

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

### b) Property plant and equipment

#### Recognition and measurement:

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

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on derecognition of an item of property, plant and equipment is included in statement of profit and loss when the item is derecognized.

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

#### Depreciation:

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

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

Leasehold improvements are depreciated over the tenure of lease term. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### c) Intangible assets

#### Goodwill

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

#### Other Intangible assets:

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

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

#### Amortization:

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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

Computer software - 5 years

Brand - 10 years

Customer relationship - 5 years

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

### d) Impairment of non-financial assets

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

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

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

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

### e) Financial Instruments

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

## 1 Financial assets

### Initial recognition and measurement

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

### Subsequent measurement

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

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

### Amortized cost :

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

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

All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognized in the standalone statement of profit and loss. Interest income (basis EIR method), from financial assets at fair value through profit or loss is recognised in the statement of profit

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value. Derivative financial instruments (call option over shares of subsidiaries) are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss.

### **Fair value through Other Comprehensive Income ('FVOCI')**

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

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

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

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

### **Derecognition:**

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

- The contractual rights to receive cash flows from the financial asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- (a) the Company has transferred substantially all the risks and rewards of the asset, or

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

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

### **Impairment of financial assets**

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

## **2 Financial liabilities**

### **Initial recognition and measurement**

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

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

### **Subsequent measurement**

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL):  
A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for trading or is designated as such

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in the Statement of Profit and Loss.

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

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

### **Derecognition**

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

### **Derivative financial instruments**

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

### **Offsetting of financial instrument**

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

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

Investments representing equity interest in subsidiaries, associates and joint ventures carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

### **g) Inventories**

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

### **h) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet and cash flow statement includes cash at bank and on hand, deposits held at call with banks, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

### **i) Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is probable.

### j) Revenue Recognition

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

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

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

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

### k) Other income

#### Interest income

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

#### Dividend income

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

### l) Employee Benefits

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

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

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

#### (ii) Compensated absences

The Company provides for compensated absences. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the standalone statement of profit and loss in the period in which they occur. The Company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

#### (iii) Share-based payments

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

Reserve”, over the period that the employees become unconditionally entitled to the options.

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

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

### (iv) Post-Employment Benefits

#### Defined Contribution Plans:

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

#### Defined Benefit Plans:

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

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling

(if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

### m) Leases

#### Ind-As 116:

##### As a lessee

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

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

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

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Value Ind AS Retail Limited, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

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

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

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

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

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

the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

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

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

### n) **Income-tax**

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### Current Tax

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

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

### o) Foreign currency transactions

#### Functional and Presentation currency

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

#### Transactions and balances

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

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

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

### p) Dividend

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

### q) Earnings per share:

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

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

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

### r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. As per IND AS-108, if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under IND AS-108 has been given in the consolidated financial statements.

### s) Recent Indian Accounting Standards (Ind AS)

#### Recent Pronouncements

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

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

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

#### Statement of Profit and Loss:

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

### t) Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per the requirement of schedule III, under otherwise stated;

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 AS AT 31 MARCH 2021**

**3. PROPERTY, PLANT AND EQUIPMENT**

As at 31 March 2021

(₹ in Lakhs)

Particulars	Freehold land	Building	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Total
Cost as at 1 April 2020	1,035.40	4,983.19	4,191.31	1,271.74	223.33	1,007.89	626.82	320.28	13,659.96
Additions during the year	-	46.03	514.65	84.22	-	117.80	104.36	66.04	933.10
Disposals during the year	-	-	-	(2.14)	-	-	-	-	(2.14)
<b>Cost as at 31 March 2021 (A)</b>	<b>1,035.40</b>	<b>5,029.22</b>	<b>4,705.96</b>	<b>1,353.82</b>	<b>223.33</b>	<b>1,125.69</b>	<b>731.18</b>	<b>386.32</b>	<b>14,590.92</b>
Accumulated depreciation as at 1 April 2020	-	907.18	1,328.44	548.40	116.08	545.99	322.51	143.93	3,912.53
Depreciation charged during the year	-	205.66	607.72	109.48	27.09	194.09	110.08	94.59	1,348.71
Disposals during the year	-	-	-	(2.14)	-	-	-	-	(2.14)
<b>Accumulated depreciation as at 31 March 2021 (B)</b>	<b>-</b>	<b>1,112.84</b>	<b>1,936.16</b>	<b>655.74</b>	<b>143.17</b>	<b>740.08</b>	<b>432.59</b>	<b>238.52</b>	<b>5,259.10</b>
<b>Net carrying amount as at 31 March 2021 (A) - (B)</b>	<b>1,035.40</b>	<b>3,916.38</b>	<b>2,769.80</b>	<b>698.08</b>	<b>80.16</b>	<b>385.61</b>	<b>298.59</b>	<b>147.80</b>	<b>9,331.82</b>

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

(₹ in Lakhs)

Particulars	Freehold land	Building	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Total
Cost as at 1 April 2019	1,035.40	4,983.19	3,865.64	1,183.96	223.33	896.37	799.07	157.02	13,143.98
Additions during the year	-	-	841.14	119.48	-	281.35	93.63	190.45	1,526.05
Disposals during the year	-	-	(515.47)	(31.70)	-	(169.83)	(265.88)	(27.19)	(1,010.07)
<b>Cost as at 31 March 2020 (A)</b>	<b>1,035.40</b>	<b>4,983.19</b>	<b>4,191.31</b>	<b>1,271.74</b>	<b>223.33</b>	<b>1,007.89</b>	<b>626.82</b>	<b>320.28</b>	<b>13,659.96</b>
Accumulated depreciation as at 1 April 2019	-	691.80	1,232.41	463.13	80.82	510.66	449.72	89.73	3,518.27
Depreciation charged during the year	-	215.38	580.57	113.73	35.26	196.84	131.85	80.40	1,354.03
Disposals during the year	-	-	(484.54)	(28.46)	-	(161.51)	(259.06)	(26.20)	(959.77)
<b>Accumulated depreciation as at 31 March 2020 (B)</b>	<b>-</b>	<b>907.18</b>	<b>1,328.44</b>	<b>548.40</b>	<b>116.08</b>	<b>545.99</b>	<b>322.51</b>	<b>143.93</b>	<b>3,912.53</b>
<b>Net carrying amount as at 31 March 2020 (A) - (B)</b>	<b>1,035.40</b>	<b>4,076.01</b>	<b>2,862.87</b>	<b>723.34</b>	<b>107.25</b>	<b>461.90</b>	<b>304.31</b>	<b>176.35</b>	<b>9,747.43</b>

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 4. OTHER INTANGIBLE ASSETS

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

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand	Customer Relationships	Total
Cost as at 1 April 2020	4,880.90	4,880.90	1,632.37	1,170.00	311.00	3,113.37
Additions during the period	-	-	1,682.97	-	-	1,682.97
Disposals during the period	-	-	-	-	-	-
<b>Cost as at 31 March 2021 (A)</b>	<b>4,880.90</b>	<b>4,880.90</b>	<b>3,315.34</b>	<b>1,170.00</b>	<b>311.00</b>	<b>4,796.34</b>
Accumulated amortisation	-	-	464.78	370.50	196.96	1,032.24
Amortisation recognised during the period	-	-	489.95	117.00	62.19	669.14
Disposals during the period	-	-	-	-	-	-
<b>Accumulated amortisation as at 31 March 2021 (B)</b>	<b>-</b>	<b>-</b>	<b>954.73</b>	<b>487.50</b>	<b>259.15</b>	<b>1,701.38</b>
<b>Net carrying amount as at 31 March 2021 (A) - (B)</b>	<b>4,880.90</b>	<b>4,880.90</b>	<b>2,360.61</b>	<b>682.50</b>	<b>51.85</b>	<b>3,094.96</b>

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

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand	Customer Relationships	Total
Cost as at 1 April 2019	4,880.90	4,880.90	932.02	1,170.00	311.00	2,413.02
Additions during the year	-	-	700.35	-	-	700.35
Disposals during the year	-	-	-	-	-	-
<b>Cost as at 31 March 2020 (A)</b>	<b>4,880.90</b>	<b>4,880.90</b>	<b>1,632.37</b>	<b>1,170.00</b>	<b>311.00</b>	<b>3,113.37</b>
Accumulated amortisation as at 1 April 2019	-	-	240.87	253.50	134.77	629.14
Amortisation recognised during the year	-	-	223.91	117.00	62.19	403.10
<b>Accumulated amortisation as at 31 March 2020 (B)</b>	<b>-</b>	<b>-</b>	<b>464.78</b>	<b>370.50</b>	<b>196.96</b>	<b>1,032.24</b>
<b>Net carrying amount as at 31 March 2020(A) - (B)</b>	<b>4,880.90</b>	<b>4,880.90</b>	<b>1,167.59</b>	<b>799.50</b>	<b>114.04</b>	<b>2,081.13</b>

#### Intangible assets under development

(₹ in Lakhs)

Particulars	31 March 2019
<b>Opening as at 1 April 2019</b>	<b>577.30</b>
Addition	421.94
Capitalised during the year	700.35
<b>Closing amount as at 31 March 2020</b>	<b>298.89</b>
Addition	1,384.08
Capitalised during the year	1,682.97
<b>Closing amount as at 31 March 2021</b>	<b>-</b>

#### Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2021 is ₹ 4,880.90 lakhs. This goodwill is acquired on account of business acquisition of Sanjeevani Pathology Laboratory and on account of merger of Golwilkar Metropolis Health Services(India)Private Limited ( erstwhile subsidiary company) i.e. goodwill as appearing in consolidated financial statement of the Company on account of merger.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

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

### Cash Generating Unit

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Sanjeevani Pathology Laboratory	4,593.90	4,593.90
Golwilkar Metropolis Health Services (India) Private Limited	287.00	287.00
	4,880.90	4,880.90

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

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

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

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Post tax discount rate	11.50%	12.00%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	5%-15%	5% - 15%

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

As at 31 March 2021 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 5. NON CURRENT INVESTMENT

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
<b>Investment in subsidiaries</b>		
<b>Unquoted equity shares at cost</b>		
Desai Metropolis Health Services Private Limited 100,000 (31 March 2020: 100,000) Equity shares of Face value of Indian Rupees 100 each (Fully paid up)	4,210.30	4,210.30
Sudharma Metropolis Health Services Private Limited 1,350 (31 March 2020: 1,350) Equity shares of Face value of Indian Rupees 5,000 each (Fully paid up)	1,678.03	1,678.03
R.V.Metropolis Diagnostics & Health Care Center Private Limited 3,375 (31 March 2020: 3,375) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	2,461.24	2,461.24
Dr. Patel Metropolis Healthcare Private Limited 50,000 (31 March 2020: 50,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	1,512.57	1,512.57
Micron Metropolis Healthcare Private Limited 100,000 (31 March 2020: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	799.52	799.52
Ekopath Metropolis Lab Services Private Limited 306,000 (31 March 2020: 306,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	30.60	30.60
Metropolis Healthcare Mauritius Limited 225,100 (31 March 2020: 225,100) Equity shares of Face value of USD 1 each (Fully Paid up)	127.49	127.49
Amins Pathology Laboratory Private Limited 100,000 (31 March 2020: 100,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	10.00	10.00
Raj Metropolis Healthcare Services Private Limited 18,150 (31 March 2020: 9,256) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up) (Refer Note 49(a))	118.03	35.70
Bokil Golwilkar Metropolis Healthcare Private Limited 10,10,000 (31 March 2020: 10,10,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)	483.73	483.73
Lab One Metropolis Healthcare Services Private Limited 133,000 (31 March 2020: 133,000) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	1,442.14	1,442.14
Metropolis Healthcare Lanka Pvt. Ltd, Sri Lanka 250,000 (31 March 2020: 250,000) Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up)	11.04	11.04
<b>Total Investment in subsidiaries (A)</b>	<b>12,884.69</b>	<b>12,802.36</b>
<b>Investment in joint ventures</b>		
<b>Unquoted equity shares at cost</b>		
Metropolis Histoxpert Digital Services Private Limited 1,950,000 (31 March 2020: 1,950,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)	195.00	195.00



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 AS AT 31 MARCH 2021**

(₹ in Lakhs)

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Less : Provision for impairment	(195.00)	(195.00)
<b>Total Investment in joint ventures (B)</b>		
<b>Investments in subsidiaries and joint ventures (A+B)</b>	<b>12,884.69</b>	<b>12,802.36</b>
<b>Investment in Others</b>		
<b>Unquoted equity shares at Fair Value through other comprehensive income</b>		
Textiles Traders Co-op Bank Ltd 1,100 (31 March 2020: 1,100) equity shares of Face value Indian Rupees 25 each (fully paid up)	<b>0.28</b>	0.28
Centre for Digestive and Kidney Disease (India) Private Limited 1,750,000 (31 March 2020: 1,750,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	<b>175.00</b>	175.00
<b>Unquoted equity shares at cost</b>		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2020 1,020) Equity shares of Face value of AED of 1,000 each (Fully Paid up)(Refer Note 50)	<b>129.85</b>	<b>129.85</b>
<b>Total Other Investment</b>	<b>305.13</b>	305.13
Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai	<b>(129.85)</b>	(129.85)
<b>Total Investment in Others (C)</b>	<b>175.28</b>	175.28
<b>Total value of investments</b>	<b>13,059.97</b>	<b>12,977.64</b>
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	13,059.97	12,977.64
Aggregate amount of impairment in value of investments	324.85	324.85

**6. NON CURRENT LOANS**

(₹ in Lakhs)

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
(Unsecured, considered good)		
Security deposits	847.07	373.82
Loans to related parties (Refer Note 39)	76.56	76.84
	<b>923.63</b>	<b>450.66</b>
(Unsecured, considered doubtful)		
Security deposits		
- credit impaired	86.28	86.28
	<b>86.28</b>	<b>86.28</b>
Less : Provision for deposits which are credit impaired	(86.28)	(86.28)
	<b>923.63</b>	<b>450.66</b>

There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 7. DERIVATIVES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Call options on shares of subsidiary*	-	27.77
	<b>-</b>	<b>27.77</b>

\* During the previous year the Company has call option on shares held by minority shareholders of its subsidiaries which gives the company right to buy such shares in future from the minority shareholders as per the agreed terms. The above values reflect the fair value of these options as on balance sheet date.

### 8. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Fixed Deposits with banks^	159.88	1,105.28
	<b>159.88</b>	<b>1,105.28</b>

^ Includes ₹ 159.88 lakhs (31 March 2020 1,105.28 lakhs) of fixed deposits pledged against bank guarantee

### 9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
(Unsecured, considered Good)		
Capital advance	33.26	485.67
Prepaid expenses	0.36	34.21
	<b>33.62</b>	<b>519.88</b>
(Unsecured, considered doubtful)		
Capital advance		
- credit impaired	34.86	34.86
	<b>34.86</b>	<b>34.86</b>
Less : Provision for capital advances which are credit impaired	(34.86)	(34.86)
	<b>33.62</b>	<b>519.88</b>

### 10. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Advance taxes (net of provision for taxes ₹ 947.11 lakhs (31 March 2020 Rs 12,880.00 lakhs))	1,505.37	1,189.39
	<b>1,505.37</b>	<b>1,189.39</b>

### 11. INVENTORIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
(valued at lower of cost and net realisable value)		
Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables)	3,346.36	1,745.84
	<b>3,346.36</b>	<b>1,745.84</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 12. CURRENT INVESTMENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
<b>(Non-trade, Unquoted, at Fair Value Through Profit and Loss)</b>		
<b>Investments in mutual funds</b>		
HDFC Cash Management Fund (Liquid Fund Inv)	1.35	-
<b>Unquoted at Fair Value through Other Comprehensive Income</b>		
<b>Investments in Commercial Papers</b>		
Infrastructure Leasing & Financial Services Limited 100 (31 March 2020 - 100) Units of Face Value ₹ 5,00,000 each	480.68	480.68
	<b>482.03</b>	<b>480.68</b>
Less : Provision for impairment	(480.68)	(480.68)
	<b>1.35</b>	<b>-</b>
The aggregate amount and market value of quoted and unquoted investments are as follows:		
Aggregate amount of quoted investments	1.35	-
Aggregate market value of quoted investments	1.35	-
Aggregate amount of unquoted investments	482.03	480.68
Aggregate amount of impairment in value of investments	480.68	480.68

### 13. TRADE RECEIVABLES

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Trade receivables considered good- Unsecured*	12,265.55	12,439.86
Trade receivables considered good - Unsecured	4,401.33	5,013.91
	<b>16,666.88</b>	<b>17,453.77</b>
Less: Provision for debts which are credit impaired	(4,401.33)	(5,013.91)
	<b>12,265.55</b>	<b>12,439.86</b>

\* Includes amount receivable from related parties - Refer Note 39

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

### 14. (A) CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
<b>Balances with banks</b>		
- in current accounts	3,450.37	6,632.62
- in EEFC account	32.90	56.03
- in fixed deposits accounts with maturity within 3 months	28,124.56	-
Cash on hand	105.45	54.53
	<b>31,713.28</b>	<b>6,743.18</b>

### 14. (B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Investment in Term deposit with original maturity of more than 3 months but less than 12 months of reporting date *^	1,829.05	6,457.74
	<b>1,829.05</b>	<b>6,457.74</b>

\* Includes ₹ 0.38 lakhs (31 March 2020 ₹ 943.13 lakhs) fixed deposits pledged against bank guarantee

^ Includes ₹ 759.38 lakhs (31 March 2020 ₹ 759.38 lakhs) fixed deposits under lien

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 15. CURRENT LOANS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Security deposits	210.33	905.51
Loans to related parties (Refer Note 39)	905.70	1,069.55
Advances to related parties (Refer Note 39)	60.24	62.71
	<b>1,176.27</b>	<b>2,037.77</b>
(Unsecured, considered doubtful)		
Credit impaired		
Advances to related parties (Refer Note 39)	44.02	44.02
Other advances	42.33	42.33
	<b>86.35</b>	<b>86.35</b>
Less : Provision for advances which are credit impaired	(86.35)	(86.35)
	<b>1,176.27</b>	<b>2,037.77</b>

There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

### 16. OTHER CURRENT FINANCIAL ASSETS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Other receivables *	1.81	-
Interest accrued but not due		
- From related parties	347.55	157.03
- From bank deposits	0.75	11.25
	<b>350.11</b>	<b>168.28</b>

\* Other receivables includes amount receivable from related party

### 17. OTHER CURRENT ASSETS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
(Unsecured, considered good)		
Prepaid Expenses	161.88	147.72
Advance to employees	99.72	97.72
Advance to Suppliers	308.30	76.13
Other advances (Retainership fees, etc)	384.96	292.82
	<b>954.86</b>	<b>614.39</b>
(Unsecured, considered doubtful)		
Advance to employees	43.80	43.80
Advance to Suppliers	49.75	49.75
Other advances	238.43	148.83
	<b>331.98</b>	<b>242.39</b>
Less : Provision for doubtful advances	(331.98)	(242.39)
	<b>954.86</b>	<b>614.39</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 18. EQUITY SHARE CAPITAL

#### (a) Details of authorised, issued and subscribed share capital

(₹ in Lakhs)

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity shares of the par value of ₹ 2 each (31 March 2020 par value of Rs 2 each)	29,57,54,015	5,915.08	29,57,54,015	5,915.08
<b>Issued, Subscribed and fully Paid up</b>				
Equity Shares of the par value Rs 2/- each (31 March 2020 par value of Rs 2 each)	5,11,16,813	1,022.33	5,06,30,566	1,012.61
	<b>5,11,16,813</b>	<b>1,022.33</b>	<b>5,06,30,566</b>	<b>1,012.61</b>

#### (b) Reconciliation of number of shares at the beginning and at the end of the year

(₹ in Lakhs)

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
<b>Equity Shares outstanding at the beginning</b>	<b>5,06,30,566</b>	<b>1,012.61</b>	<b>5,01,78,680</b>	<b>1,003.57</b>
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 46(c))	4,86,247	9.72	4,51,886	9.04
Outstanding before sub-division of shares	5,11,16,813	1,022.33	5,06,30,566	1,012.61
<b>Shares outstanding at the end of the year</b>	<b>5,11,16,813</b>	<b>1,022.33</b>	<b>5,06,30,566</b>	<b>1,012.61</b>

#### (c) Particulars of shareholders holding more than 5% of shares held

Name of Shareholder	31 March 2021		31 March 2020	
	Number*	Percentage	Number	Percentage
Dr. Sushil Kanubhai Shah #	37,25,245	7.29%	37,25,245	7.36%
CA Lotus Investments	71,79,579	14.05%	71,79,579	14.18%
Smallcap World Fund, Inc	27,80,746	5.44%	27,80,746	5.49%
Metz Advisory LLP ##	1,56,91,216	30.70%	1,56,91,216	30.99%
Dr. Duru Sushil Shah	92,09,230	18.02%	92,09,230	18.19%

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

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

#### (d) Terms/rights attached to equity shares

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

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

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

- Issue of 3,85,990 (before split with face value of Rs. 10 each) bonus shares during the year ended 31 March 2019

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

- During the year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation.
- During the year ended 31 March, 2019, 64,596 shares (before split with face value of ₹ 10 each) have been allotted as consideration for swap of shares with the shareholders of subsidiary companies on acquisition of further stake (Refer Note 49(a))
- Buy-back of 320,484 shares (before split with face value of ₹ 10 each) which was brought back pursuant to section 68 of the Companies Act, 2013 during the year ended 31 March 2016.

### (f) Dividends

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
<b>Declared during the year</b>		
Interim dividend for 2020-21: Rs 8 per equity share (FY 2019-20: Rs 8.74 per equity share (including dividend distribution tax of Rs 0.74 per equity share))	4,089.34	4,386.20
	<b>4,089.34</b>	<b>4,386.20</b>

\* dividend distribution tax of ₹ Nil ( 31 March 2020: 371.91 lakhs)

## 19. OTHER EQUITY

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Securities Premium	15,303.03	11,880.97
General Reserve	1,941.70	1,808.17
Employee stock options reserve	852.26	207.06
Retained Earnings	51,773.21	36,329.65
	<b>69,870.20</b>	<b>50,225.85</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	11,880.97	8,700.73
Share options exercised under MESOS 2007/2015 (Refer Note 46(c))	3,422.06	3,180.24
<b>Balance at the end of the year</b>	<b>15,303.03</b>	<b>11,880.97</b>
<b>General Reserve</b>		
Balance at the beginning and end of the year	1,808.17	1,684.07
Transfer from ESOP exercised during the year (Refer Note 46c)	133.53	124.10
<b>Balance at the end of the year</b>	<b>1,941.70</b>	<b>1,808.17</b>
<b>Employee stock options reserve</b>		
Balance at the beginning of the year	207.06	258.78
Transfer to General Reserve on account of ESOP exercised during the year (Refer Note 46c)	(133.53)	(124.10)
Share based payments (Refer Note 31)	778.73	72.38
<b>Balance at the end of the year</b>	<b>852.26</b>	<b>207.06</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	36,329.65	29,893.25
Less: Impact of IND AS 116 net of Deferred Tax (Refer Note 43)	-	(231.91)
Add: Transferred from the statement of profit and loss	19,755.51	11,205.43
Less: Interim Dividend	(4,089.34)	(4,014.29)
Less: Tax on Interim dividend	-	(371.91)
Remeasurement of defined benefit plan (net of tax)	(222.61)	(150.91)
<b>Balance at the end of the year</b>	<b>51,773.21</b>	<b>36,329.65</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
<b>Other comprehensive income /(loss)</b>		
<b>Re-measurement gain/ (loss) on defined benefit plans (net of taxes)</b>		
At the beginning of the year	(126.26)	24.65
Movement during the year	(222.61)	(150.91)
<b>At the end of the year</b>	<b>(348.87)</b>	<b>(126.26)</b>

### Nature and purpose of Reserves

#### Securities Premium

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

#### General Reserve

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

#### Employee stock options reserve

The Company has established equity settled share based payment plan for certain categories of employees. Refer Note 46(C).

#### Retained Earnings

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

## 20. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Deferred purchase consideration payable (Refer Note 49(b))	17.11	106.55
	<b>17.11</b>	<b>106.55</b>

## 21. NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Provision for employee benefits:		
- Gratuity (Refer Note 46(a))	684.28	458.69
- Compensated Absences (Refer Note 46(d))	17.03	-
	<b>701.31</b>	<b>458.69</b>

## 22. TRADE PAYABLES

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Total outstanding due of micro and small enterprises (Refer Note 45)	196.42	670.81
Total outstanding due of creditors other than micro and small enterprises*#	8,812.00	6,418.89
	<b>9,008.42</b>	<b>7,089.70</b>

\* Includes amount payable to related parties - Refer Note 39

# Includes Creditors for expenses amounting ₹ 3,474.98 lakhs (31 March 2020 ₹ 1,441.24 lakhs)



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) AS AT 31 MARCH 2021

### 23. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Employee related dues	837.70	966.84
Payable towards purchase of property, plant and equipment	236.85	868.73
Payable towards acquisition of business (Refer Note 49(b))	378.80	416.25
Security deposits	70.86	76.40
Others (unspent CSR liability, etc)	107.86	-
	<b>1,632.07</b>	<b>2,328.22</b>

### 24. OTHER CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Statutory dues*	255.25	1,346.21
Advance from customers	775.39	310.04
Deferred Revenue	70.00	-
Other Payable**	59.57	57.76
	<b>1,160.21</b>	<b>1,714.01</b>

(\* Statutory Dues payable include Tax Deducted at Source, Provident Fund, Professional tax and Others)

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

### 25. CURRENT PROVISIONS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Provision for employee benefits:		
- Gratuity (Refer Note 46(a))	481.32	365.65
- Compensated Absences (Refer Note 46(d))	7.37	45.63
	<b>488.69</b>	<b>411.28</b>

### 26. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Provision for taxation (net of advance tax - ₹ 1,505.36 lakhs (31 March 2020 Rs 2,000.97 Lakhs)	947.11	129.03
	<b>947.11</b>	<b>129.03</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 27. REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Service Income (Refer Note 44(b))	81,598.08	66,486.81
<u>Other Operating revenue</u>		
Sundry balances written back (net)	12.75	43.90
	<b>81,610.83</b>	<b>66,530.71</b>

### 28. OTHER INCOME

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
<u>Interest Income</u>		
- from banks	617.66	230.00
- from related parties (Refer Note 39)	62.25	60.24
- on income tax refund	1.35	-
- others (Interest income on Deposits)	34.02	35.98
<u>Dividend Income</u>		-
- from related parties (Refer Note 39)	4,000.00	2,205.00
<u>Other Non-Operating Income</u>		
- 'Fair value gain on mutual funds measured at FVTPL	0.01	-
- 'Foreign exchange gain (net)	-	307.36
- 'Miscellaneous income	149.47	93.21
	<b>4,864.76</b>	<b>2,931.79</b>

### 29. COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Opening stock (Refer Note 11)	1,745.84	1,964.80
Add: Purchases	22,851.76	16,505.75
	<b>24,597.60</b>	<b>18,470.55</b>
Less: Closing stock (Refer Note 11)	3,346.36	1,745.84
	<b>21,251.24</b>	<b>16,724.71</b>

### 30. LABORATORY TESTING CHARGES

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Laboratory testing charges	674.00	649.76
	<b>674.00</b>	<b>649.76</b>

### 31. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Salaries and wages, bonus etc	13,699.70	13,343.74
Gratuity expenses (Refer Note 46(a))	146.64	119.36
Contribution to provident and other funds (Refer Note 46(b))	679.34	635.86
Share based payment to employees (Refer Note 46(c))*	778.73	72.38
Staff welfare expenses	380.03	595.28
	<b>15,684.44</b>	<b>14,766.62</b>

\*During the year ended 31 March 2021, total expense of Rs 778.73 Lakhs (31 March 2020 72.38 lakhs) includes reversal due to lapsed option amounting to ₹ 25.44 lakhs (31 March 2020 16.05 lakhs) arising under MESOS 2015 scheme is recognised through employee stock option reserve.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 32. FINANCE COSTS

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Interest on short term borrowing	-	50.07
"Interest on deferred purchase consideration measured at amortized cost (Refer Note 49(b))"	15.10	24.13
Interest on lease liabilities (Refer Note 43)	562.46	581.81
	<b>577.56</b>	<b>656.01</b>

### 33. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (Refer Note 3)	1,348.71	1,354.03
Amortisation on intangible assets (Refer Note 4)	668.98	403.10
Depreciation on right-of-use asset (Refer Note 43)	1,602.05	1,327.38
	<b>3,619.74</b>	<b>3,084.51</b>

### 34. OTHER EXPENSES

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
Accreditation expenses	110.53	116.35
Laboratory expenses	125.13	96.94
Electricity and water	888.30	915.62
Rent (Refer Note 43(9))	4,830.36	4,179.56
Repairs and maintenance		
- Buildings	73.99	70.53
- Plant and equipment	1,408.28	861.91
- Others	146.48	170.60
Insurance	160.00	109.78
Rates and taxes	110.02	719.36
Payments to auditors (Refer Note 42)	109.22	91.02
Foreign exchange Loss (net)	28.84	-
Legal and professional	2,602.96	2,189.23
Travelling and conveyance	782.25	837.89
Printing and stationery	456.63	335.67
Provision for bad and doubtful debts (net)	1,762.88	1,028.35
Provision for impairment of non-current investments	-	195.00
Provision for doubtful advances (net)	100.00	241.04
Postage and courier	3,329.60	2,482.49
Communication	350.29	314.05
Advertisement and sales promotion expenses	1,062.39	875.04
Facility maintenance charges	574.71	354.75
Corporate social responsibility expenses (Refer Note 48(a))	463.13	76.97
Directors' sitting fee & commission (Refer Note 39)	60.25	56.06
Fair value loss on derivate assets measured at FVTPL	27.77	55.48
Bank charges	297.51	344.99
Write-off of Property, Plant and Equipment	-	37.91
Miscellaneous expenses	202.30	372.56
	<b>20,063.82</b>	<b>17,129.15</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 35. EXCEPTIONAL ITEMS

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Provision for impairment of current investments (Refer below Note 1)	-	336.47
Provision for bad and doubtful debts (net) (Refer below Note 2)	-	2,116.18
	<b>-</b>	<b>2,452.65</b>

#### 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:**

- During previous year provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to ₹ 336.47 Lakhs
- During previous year there has been a prolonged dispute in relation to trade receivables from a party towards lab management services rendered by the Company and the matter has been under arbitration. In view of the delay, the Company, on a prudent basis, has made provision aggregating INR 1,766.18 Lakhs against the above mentioned disputed trade receivables and this has been disclosed as an exceptional item.
- During previous year provision for ₹ 350.00 Lakhs on account of certain old unreconciled balances.

### 36. INCOME TAXES

#### Tax expense

#### (a) Amounts recognised in statement of profit and loss

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
<b>Current tax expense</b>		
Current year	5,306.00	3,933.00
Tax adjustments for earlier year	(111.78)	(229.73)
	<b>5,194.22</b>	<b>3,703.27</b>
<b>Deferred tax expense</b>		
Relating to addition and (reversal) of temporary differences	(344.94)	(742.05)
Relating to change in tax rate*	-	(167.57)
	<b>(344.94)</b>	<b>(909.62)</b>
<b>Tax expense for the year</b>	<b>4,849.28</b>	<b>2,793.65</b>

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

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

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

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

**(b) Tax charge recognised directly to Other Comprehensive Income**

(₹ in Lakhs)

Particulars	31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	(297.49)	74.88	(222.61)
	<b>(297.49)</b>	<b>74.88</b>	<b>(222.61)</b>

(₹ in Lakhs)

Particulars	31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	(201.67)	50.76	(150.91)
	<b>(201.67)</b>	<b>50.76</b>	<b>(150.91)</b>

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
<b>Profit before tax (after Exceptional items)</b>	<b>24,604.79</b>	<b>13,999.08</b>
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	6,192.53	3,523.29
<b>Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:</b>		
Expenses not allowed under Income tax	123.20	94.29
Dividend Income (Exempt Income)	(1,006.80)	(554.95)
Not considered in DTA	48.53	(167.57)
Allowances under Income Tax not debited to P&L	(80.97)	
Tax adjustments of earlier years	(111.78)	(229.73)
Others	(315.42)	128.32
<b>Total income tax expense</b>	<b>4,849.29</b>	<b>2,793.65</b>
Effective Tax Rate	19.71%	19.96%
<b>Total tax expense as per statement of profit and loss</b>	<b>4,849.28</b>	<b>2,793.65</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 FOR THE YEAR ENDED 31 MARCH 2021**

**(d) Movement in deferred tax balances**

**As at 31 March 2021**

(₹ in Lakhs)

Particulars	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Recognised in Retained earning	Net deferred tax asset/ (liabilities)	Deferred tax asset	Deferred tax (liabilities)
<b>Deferred tax liabilities</b>							
Property, plant and equipment, Other intangible assets and Goodwill	(1,064.82)	(118.48)	-	-	(1,183.30)	-	(1,183.30)
<b>Deferred tax asset</b>							
Current investments	120.98	-	-	-	120.98	120.98	-
ROU asset and Lease Liabilities	122.14	47.71	-	-	169.84	169.84	-
Provision for bad and doubtful debts	1,375.13	(131.63)	-	-	1,243.50	1,243.50	-
Employee Share based payments	52.12	162.40	-	-	214.51	214.51	-
Provision for employee benefits	218.95	5.67	74.88	-	299.50	299.50	-
Others	(349.06)	379.27	-	-	30.21	30.21	-
Tax assets (liabilities)	475.43	344.94	74.88	-	895.25	2,078.55	(1,183.30)
<b>Net Tax Assets (Liabilities)</b>	<b>475.43</b>	<b>344.94</b>	<b>74.88</b>	<b>-</b>	<b>895.25</b>	<b>2,078.55</b>	<b>(1,183.30)</b>

**As at 31 March 2020**

(₹ in Lakhs)

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognised in Retained earning	Net deferred tax asset / (liability)	Deferred tax asset	Deferred tax (liabilities)
<b>Deferred tax liabilities</b>							
Property, plant, equipment and intangibles	(1,293.61)	228.79	-	-	(1,064.82)	-	(1,064.82)
Others	(370.42)	21.36	-	-	(349.06)	-	(349.06)
<b>Deferred tax asset</b>							
Current investments	50.39	70.59	-	-	120.98	120.98	-
ROU asset and Lease Liabilities	-	7.93	-	114.21	122.14	122.14	-
Provision for bad and doubtful debts	726.21	648.92	-	-	1,375.13	1,375.13	-
Employee Share based payments	82.72	(30.60)	-	-	52.12	52.12	-
Provision for employee benefits	205.56	(37.37)	(17.96)	-	218.95	218.95	-
<b>Tax assets (liabilities)</b>	<b>(599.15)</b>	<b>909.62</b>	<b>(17.96)</b>	<b>114.21</b>	<b>475.43</b>	<b>1,889.31</b>	<b>(1,413.88)</b>
<b>Net Tax Assets (Liabilities)</b>	<b>(599.15)</b>	<b>909.62</b>	<b>(17.96)</b>	<b>114.21</b>	<b>475.43</b>	<b>1,889.31</b>	<b>(1,413.88)</b>

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 37. EARNINGS PER SHARE (EPS)

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

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

Particulars	31 March 2021	31 March 2020
<b>i. Profit attributable to equity holders (₹ in lakhs)</b>		
Profit attributable to equity holders for basic and diluted EPS	19,755.51	11,205.43
	<b>19,755.51</b>	<b>11,205.43</b>
<b>ii. Weighted average number of shares for calculating basic EPS</b>	<b>50,903,685</b>	<b>50,210,869</b>
<b>iii. Effect of dilution</b>		
Share options	257,546	221,425
<b>Weighted average number of shares for calculating diluted EPS</b>	<b>51,161,231</b>	<b>50,432,294</b>
<b>iv. Basic earnings per share (Rs)</b>	<b>38.81</b>	<b>22.32</b>
<b>v. Diluted earnings per share (Rs)</b>	<b>38.61</b>	<b>22.22</b>

#### Note:

Ind AS 33 'Earnings per share', requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of share sub-division and bonus. The weighted average numbers of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the financial statements..

### 38. FINANCIAL INSTRUMENTS – FAIR VALUES

#### A. Accounting classification and fair values

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

(₹ in Lakhs)

Particulars	As at 31 March 2021							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Non Current Financial assets</b>								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current loans	-	-	923.63	923.63	-	-	-	-
Other non current financial assets	-	-	159.88	159.88	-	-	-	-
<b>Current Financial assets</b>								
Investment in mutual funds	1.35	-	-	1.35	1.35	-	-	1.35



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

Particulars	As at 31 March 2021							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Trade receivables	-	-	12,265.55	12,265.55	-	-	-	-
Cash and cash equivalents	-	-	31,713.28	31,713.28	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	1,829.05	1,829.05	-	-	-	-
Current loans	-	-	1,176.27	1,176.27	-	-	-	-
Other current financial assets	-	-	350.11	350.11	-	-	-	-
	<b>1.35</b>	<b>-</b>	<b>48,417.77</b>	<b>48,419.12</b>	<b>1.35</b>	<b>-</b>	<b>-</b>	<b>1.35</b>
<b>Non Current Financial liabilities</b>								
Other non-current financial liabilities	-	-	701.31	701.31	-	-	-	-
Lease Liabilities	-	-	5,933.29	5,933.29	-	-	-	-
<b>Current Financial liabilities</b>								
Trade payables	-	-	9,008.36	9,008.36	-	-	-	-
Other current financial liabilities	-	-	1,632.07	1,632.07	-	-	-	-
Lease Liabilities	-	-	2,563.23	2,563.23	-	-	-	-
	<b>-</b>	<b>-</b>	<b>19,838.26</b>	<b>19,838.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

Particulars	As at 31 March 2020							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Non Current Financial assets</b>								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current loans	-	-	450.66	450.66	-	-	-	-
Other non current financial assets	-	-	1,105.28	1,105.28	-	-	-	-
Derivative instruments	27.77	-	-	27.77	-	27.77	-	27.77
<b>Current Financial assets</b>								
Trade receivables	-	-	12,439.86	12,439.86	-	-	-	-
Cash and cash equivalents	-	-	6,743.18	6,743.18	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	6,457.74	6,457.74	-	-	-	-
Current loans	-	-	2,037.77	2,037.77	-	-	-	-
Other current financial assets	-	-	168.28	168.28	-	-	-	-
	<b>27.77</b>	<b>-</b>	<b>29,402.77</b>	<b>29,430.54</b>	<b>-</b>	<b>27.77</b>	<b>-</b>	<b>27.77</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)

Particulars	As at 31 March 2020							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Non Current Financial liabilities</b>								
Other non-current financial liabilities	-	-	106.55	106.55	-	-	-	-
Lease Liabilities	-	-	3,660.22	3,660.22	-	-	-	-
<b>Current Financial liabilities</b>								
Trade payables	-	-	7,089.70	7,089.70	-	-	-	-
Other current financial liabilities	-	-	2,328.22	2,328.22	-	-	-	-
Lease Liabilities	-	-	1,693.59	1,693.59	-	-	-	-
	-	-	<b>14,878.28</b>	<b>14,878.28</b>				

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

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

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

The call options are fair valued at each reporting date through statement of profit and loss.

**B. Fair value hierarchy**

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

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

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

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

**Financial instruments measured at fair value**

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at the reporting date.	Not applicable	Not applicable

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Commercial Papers	The fair value of commercial papers is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Investment in Non-Convertible Debentures	The fair value of Non-Convertible Debentures is derived through Stochastic Local Volatility process, where in yield is derived from trade data and pooled levels of similar instruments with similar maturity and credit rating that are traded in secondary market, adjusted by an illiquidity factor.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: Under discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.	Not applicable	Not applicable
Desai Metropolis Health Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options.  Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021 ₹ NA March 2020 ₹ Nil	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Dr Patel Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options.  Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021 ₹ NA March 2020 ₹ Nil	The estimated fair value would increase (decrease) if: • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Micron Metropolis Healthcare Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• Equity value of unlisted company increases/ (decreases); or</li> <li>• Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&amp;L (net of tax)</li> </ul>
Lab One Metropolis Healthcare Services Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• Equity value of unlisted company increases/ (decreases); or</li> <li>• Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&amp;L (net of tax)</li> </ul>
R.V Metropolis Diagnostic & Healthcare Centre Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• Equity value of unlisted company increases/ (decreases); or</li> <li>• Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&amp;L (net of tax)</li> </ul>
Bokil Golwilkar Metropolis Health Services Private Limited - Call option	<p>The Company has used Black-Scholes model to estimate the fair value of the options.</p> <p>Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.</p>	<p>March 2021 ₹ NA</p> <p>March 2020 ₹ Nil</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• Equity value of unlisted company increases/ (decreases); or</li> <li>• increase / (decrease) of volatility in share price of comparable companies.</li> </ul>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Ekopath Metropolis Lab Services Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options.  Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021 ₹ NA March 2020 ₹ Nil	The estimated fair value would increase (decrease) if:  • Equity value of unlisted company increases/ (decreases); or  • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Raj Metropolis Healthcare Private Limited - Call option	The Company has used Black-Scholes model to estimate the fair value of the options.  Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.	March 2021: NA March 2020 * Equity value of unlisted company - ₹ 230.74 lakhs * Volatility in share price of comparable companies - 22%	The estimated fair value would increase (decrease) if:  • Equity value of unlisted company increases/ (decreases); or  • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

**Transfers between Levels**

There have been no transfers between levels during the reporting periods

**Sensitivity analysis**

	31 March 2021		31 March 2020	
	Impact in P&L (Net of tax)		Impact in P&L (Net of tax)	
	Increase	Decrease	Increase	Decrease
Movement in equity value of unlisted company by 10%	NA	NA	1.86	-3.53
Volatility in share price of comparable companies by 10%	NA	NA	-0.45	0.46
Lease Liabilities				
Movement in Interest on lease liability - Discount rate (9.67%)+ / - 100 basis points	NA	NA	-53.54	53.54

**C Financial risk management**

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

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

- Credit risk
- Liquidity risk
- Market risk

**Credit risk**

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### a. Trade receivables and other receivables

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

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

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

The movement in the provision for bad and doubtful debts for the year ended 31 March 2021

Particulars	Amount ₹ Lakhs
<b>Balance as at 31 March 2019</b>	<b>1,869.38</b>
Movement during the year	3,144.53
<b>Balance as at 31 March 2020</b>	<b>5,013.91</b>
Deduction on account of w/off	(2,375.46)
Expected Credit Loss allowance	1,762.88
<b>Balance as at 31 March 2021</b>	<b>4,401.33</b>

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

The Company held cash and cash equivalents and other bank deposits as at 31 March 2021 ₹ 33,596.76 lakhs (31 March 2020 ₹ 14,251.67 lakhs). The cash and cash equivalents and other bank balances are held with bank with good credit ratings.

### c. Investments

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

### d. Other loans and advances

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

The security deposit pertains to rent deposit given to lessors as at 31 March 2021 Rs 1,143.69 lakhs (31 March 2020 Rs 1,365.61 lakhs). The Company does not expect any losses from non-performance by these counter-parties; The parties which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

The loans and advances majorly pertains to loans to subsidiaries and joint venture. These loans and advances which are outstanding as at 31 March 2021 ₹ 1,042.50 Lakhs (31 March 2020 ₹ 1,209.10 Lakhs), have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding advances. The advances which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

Particulars	Amount ₹ Lakhs
<b>Balance as at 1 April 2019</b>	<b>208.84</b>
Movement during the year	241.04
<b>Balance as at 31 March 2020</b>	<b>449.88</b>
Movement during the year	89.59
Advances w/off during the year	10.40
<b>Balance as at 31 March 2021</b>	<b>539.47</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

### Maturities of financial liabilities

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

(₹ in Lakhs)

As at 31 March, 2021	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Payable towards acquisition of business	395.91	402.00	382.00	20.00	-	-
Lease Liabilities	8,496.52	10,626.61	2,563.23	5,685.66	1,595.26	782.46
Trade payables	9,008.42	9,008.42	9,008.42	-	-	-
Other current financial liabilities	1,253.27	1,253.27	1,253.27	-	-	-
<b>Total</b>	<b>19,154.12</b>	<b>21,290.30</b>	<b>13,206.92</b>	<b>5,705.66</b>	<b>1,595.26</b>	<b>782.46</b>

(₹ 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
<b>Non-derivative financial liabilities</b>						
Payable towards acquisition of business	522.80	544.00	424.00	120.00	-	-
Lease Liabilities	5,353.81	6,865.51	1,693.49	2,650.76	1,317.72	1,203.54
Trade payables	7,089.70	7,089.70	7,089.70	-	-	-
Other current financial liabilities	1,911.97	1,911.97	1,911.97	-	-	-
<b>Total</b>	<b>14,878.28</b>	<b>16,411.18</b>	<b>11,119.16</b>	<b>2,770.76</b>	<b>1,317.72</b>	<b>1,203.54</b>

The outflows disclosed in the above table represent the total contractual undiscounted cash flows and total interest payable on borrowings

### Market risk:

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

#### a. Currency risk

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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

The currency profile of financial assets and financial liabilities as at 31 March 2021 are as below (currency in lakhs):

	(₹ in Lakhs)				
<b>31-March-2021</b>	<b>USD</b>	<b>OMR</b>	<b>EUR</b>	<b>GBP</b>	<b>SGD</b>
<b>Financial assets (A)</b>					
Trade and other receivables	2,028.19	33.87	-	-	-
Loans	918.18	-	-	-	-
Interest receivable	345.20	-	-	-	-
Advance given	23.49	-	0.31	0.45	29.73
<b>Financial liabilities (B)</b>					
Trade and other payables	3.30	-	-	0.39	-
<b>Net exposure (A - B)</b>	<b>3,311.76</b>	<b>33.87</b>	<b>0.31</b>	<b>0.06</b>	<b>29.73</b>

	(₹ in Lakhs)				
<b>31-March-2020</b>	<b>USD</b>	<b>OMR</b>	<b>EUR</b>	<b>GBP</b>	<b>SGD</b>
<b>Financial assets (A)</b>					
Trade and other receivables	2,320.99	40.85	-	-	-
Loans	1,128.66	-	-	-	-
Interest receivable	103.23	-	-	-	-
Advance given	28.90	-	0.28	0.42	13.25
<b>Financial liabilities (B)</b>					
Trade and other payables	3.16	-	-	0.32	-
<b>Net exposure (A - B)</b>	<b>3,578.62</b>	<b>40.85</b>	<b>0.28</b>	<b>0.10</b>	<b>13.25</b>

### 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
<b>3% movement</b>				
USD	(99.35)	99.35	(107.36)	107.36
OMR	(1.02)	1.02	(1.23)	1.23
LKR			0.01	(0.01)
EUR	(0.01)	0.01	(0.01)	0.01
GBP	(0.00)	0.00	(0.00)	0.00
SGD	(0.89)	0.89	(0.40)	0.40
	<b>(101.27)</b>	<b>101.27</b>	<b>(108.98)</b>	<b>108.98</b>

### b. Interest rate risk

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

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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

	(₹ in Lakhs)	
Particulars	31 March 2021	31 March 2020
<b>Fixed-rate instruments</b>		
Financial assets	4,029.94	9,988.74
Financial liabilities	(395.91)	(522.80)
	<b>3,634.03</b>	<b>9,465.94</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	-	-
<b>Total</b>	<b>3,634.03</b>	<b>9,465.94</b>

### D Capital management

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

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

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

### A. Relationships -

#### Category I: Subsidiaries:

Desai Metropolis Health Services Private Limited

Sudharma Metropolis Health Services Private Limited

R.V. Metropolis Diagnostics & Health Care Center Private Limited

Dr. Patel Metropolis Healthcare Private Limited

Micron Metropolis Healthcare Private Limited

Ekopath Metropolis Lab Services Private Limited

Metropolis Healthcare (Mauritius) Limited

Amin's Pathology Laboratory Private Limited (Formerly known as Metropolis Wellness Products Private Limited)

Lab One Metropolis Healthcare Services Private Limited

Metropolis Healthcare Lanka (Pvt) Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited, Sri Lanka)

Bokil Golwilkar Metropolis Healthcare Private Limited

Raj Metropolis Healthcare Private Limited

#### Step down Subsidiary companies

Metropolis Bramser Lab Services (Mtius) Limited

Metropolis Healthcare Ghana Limited

Metropolis Star Lab Kenya Limited

Metropolis Healthcare (Tanzania) Limited

#### Category II: Joint Venture:

Metropolis Histoexpert Digital Services Private Limited

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### Category III: Key Management Personnel (KMP)

Dr. Sushil Kanubhai Shah, Chairman and Executive Director  
 Ms. Ameera Sushil Shah, Managing Director  
 Mr Vijender Singh, Chief Executive Officer  
 Mr Rakesh Agarwal, Chief Financial Officer (w.e.f 11 November 2019)  
 Ms. Poonam Tanwani, Company Secretary (w.e.f 10 February 2020)  
 Mr. Mihir Jagdish Doshi, Independent Director (upto 30 April 2020)  
 Mr. Milind Shripad Sarwate, Independent Director  
 Mr. Vivek Gambhir, Independent Director  
 Mr. Sanjay Bhatnagar, Independent Director  
 Ms. Anita Ramachandran, Independent Director (w.e.f 14 May 2020)

### Category IV: Relatives of KMP

Dr. Duru Sushil Shah  
 Mr. Hemant Sachdev  
 Ms. Aparna Shah (Rajadhyaksha)

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

Metz Advisory LLP  
 Metropolis Health Products Retail Private Limited  
 Chogori Distribution Private Limited

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

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
<b>1) Services rendered</b>		
<b>Subsidiaries</b>		
Micron Metropolis Healthcare Private Limited	597.02	229.12
Dr. Patel Metropolis Healthcare Private Limited	1,199.52	283.26
Desai Metropolis Health Services Private Limited	250.96	346.72
Sudharma Metropolis Health Services Private Limited	410.00	501.26
R.V. Metropolis Diagnostics & Health Care Center Private Limited	574.68	715.44
Metropolis Star Lab Kenya Limited	316.42	485.07
Metropolis Healthcare Ghana Limited	163.06	198.51
Metropolis Bramser Lab Services (Mtius) Limited	15.33	57.31
Lab One Metropolis Healthcare Services Private Limited	132.15	130.73
Amin's Pathology Laboratory Private Limited	14.06	23.34
Ekopath Metropolis Lab Services Private Limited	90.66	83.74
Metropolis Healthcare (Mauritius) Limited	128.36	163.45
Bokil Golwilkar Metropolis Healthcare Private Limited	229.48	58.65
Raj Metropolis Healthcare Private Limited	1.50	4.15

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Metropolis Healthcare Lanka (Pvt) Limited	81.81	101.59
Metropolis Healthcare (Tanzania) Limited	21.45	28.28
<b>Joint Ventures</b>		
Metropolis Histoxpert Digital Services Private Limited	12.98	17.89
<b>Relatives of KMP</b>		
Dr. Duru Sushil Shah	12.15	13.19
<b>Other related parties</b>		
Centre for Digestive and Kidney Disease (India) Private Limited #	-	300.12
<b>2) Services received</b>		
<b>Subsidiaries</b>		
R.V. Metropolis Diagnostics & Health Care Center Private Limited	297.49	221.93
Ekopath Metropolis Lab Services private Limited	42.97	-
<b>3) Purchase of Goods</b>		
Amin's Pathology Laboratory Private Limited	187.58	146.32
<b>4) Rent paid</b>		
<b>Key Management Personnel</b>		
Dr. Sushil Kanubhai Shah	80.87	99.48
<b>5) Compensation paid to Key Management Personnel</b>		
Short-term employee benefits <sup>^</sup>	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.)		
<b>6) Dividend income</b>		
<b>Subsidiaries</b>		
Dr. Patel Metropolis Healthcare Private Limited	-	250.00
Lab One Metropolis Healthcare Services Private Limited	-	85.00
R.V. Metropolis Diagnostics & Health Care Center Private Limited	1,500.00	450.00
Micron Metropolis Healthcare Private Limited	-	100.00
Desai Metropolis Health Services Private Limited	1,000.00	600.00
Sudharma Metropolis Health Services Private Limited	1,500.00	635.00
Bokil Golwilkar Metropolis Healthcare Private Limited	-	85.00
<b>7) Dividend paid</b>		
<b>Key Management Personnel</b>		
Dr Sushil Kanubhai Shah	298.02	298.02
Ameera Sushil Shah	14.55	14.55
<b>Other related parties</b>		
Metz Advisory LLP	1,255.30	1,255.30
<b>Relatives of KMP</b>		
Dr Duru Sushil Shah	492.37	736.74

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
<b>8) Director sitting fees and Commission</b>		
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
<b>9) Professional Fees</b>		
<b>Relatives of KMP</b>		
Ms. Aparna Shah (Rajadhyaksha)	22.5	-
<b>10) Interest income</b>		
<b>Subsidiaries</b>		
Ekopath Metropolis Lab Services Private Limited	6.00	6.00
Raj Metropolis Healthcare Private Limited	0.32	0.32
Metropolis Healthcare (Mauritius) Limited	54.83	52.82
Metropolis Healthcare Lanka (Pvt) Limited	1.10	1.10
<b>11) Provision for Diminution of investment</b>		
Metropolis Histoexpert Digital Services Private Limited	-	194.35
<b>12) Investments made / (sold)</b>		
<b>Subsidiaries</b>		
Raj Metropolis Healthcare Private Limited	82.33	-

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

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

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
<b>1) (a) Trade payables</b>		
<b>Subsidiaries</b>		
Amin's Pathology Laboratory Private Limited	220.47	241.45
R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	51.11
Dr. Patel Metropolis Healthcare Private Limited	782.13	-
<b>Other related parties</b>		
Metropolis Health Products Retail Private Limited	1.87	1.87
<b>(b) Other Payable</b>		
Dr. Sushil Kanubhai Shah *	19.86	19.86
Aparna Rajadhyaksha	22.50	-
<b>(c) Director Commission fees</b>		
Mr. Vivek Gambhir	-	1.00
<b>2) Trade receivables</b>		
<b>Subsidiaries</b>		
Metropolis Star Lab Kenya Limited	165.57	679.77
Metropolis Bramser Lab Services (Mtius) Limited	14.34	88.28
Metropolis Healthcare Ghana Limited	708.61	560.00
Metropolis Healthcare (Mauritius) Limited	442.08	326.91

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
FOR THE YEAR ENDED 31 MARCH 2021**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Micron Metropolis Healthcare Private Limited	46.65	67.29
Dr. Patel Metropolis Healthcare Private Limited	-	71.95
Desai Metropolis Health Services Private Limited	187.84	89.64
Sudharma Metropolis Health Services Private Limited	206.06	172.05
R.V. Metropolis Diagnostics & Health Care Center Private Limited	41.71	-
Lab One Metropolis Healthcare Services Private Limited	93.08	49.74
Ekopath Metropolis Lab Services Private Limited	66.12	9.15
Raj Metropolis Healthcare Private Limited	8.84	6.80
Bokil Golwilkar Metropolis Healthcare Private Limited	29.09	20.51
Metropolis Healthcare Lanka (Pvt) Limited	274.03	299.11
Amin's Pathology Laboratory Private Limited	-	5.92
Metropolis Healthcare (Tanzania) Limited	50.72	30.06
<b>Joint Ventures</b>		
Metropolis Histoxpert Digital Services Private Limited	22.02	10.03
<b>Relatives of KMP</b>		
Dr. Duru Sushil Shah	4.14	2.45
<b>Other Related Parties</b>		
Metropolis Health Products Retail Private Limited	-	41.05
<b>3) Loans and advances including interest accrued</b>		
<b>Subsidiaries</b>		
Ekopath Metropolis Lab Services Private Limited	60.93	60.00
Metropolis Healthcare (Mauritius) Limited	1,246.48	1,221.55
Metropolis Star Lab Kenya Limited	-	0.22
Metropolis Healthcare Ghana Limited	-	0.07
Metropolis Healthcare (Zambia)	-	0.10
Raj Metropolis Healthcare Private Limited	18.81	19.33
Centre for Digestive and Kidney Disease (India) Private Limited #	-	-
Metropolis Healthcare Lanka (Pvt) Limited	63.88	63.78
<b>Associates</b>		
Star Metropolis Health Services Middle East LLC, Dubai**	-	-
<b>Other related parties</b>		
Metropolis Health Products Retail Private Limited	44.02	44.02
<b>Joint Ventures</b>		
Metropolis Histoxpert Digital Services Private Limited	195.00	195.00
<b>4) Provision for doubtful trade receivables</b>		
<b>Other related parties</b>		
Metropolis Health Products Retail Private Limited	-	41.05
<b>5) Provision for doubtful advances</b>		
<b>Other related parties</b>		
Metropolis Health Products Retail Private Limited	44.02	44.02

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 FOR THE YEAR ENDED 31 MARCH 2021**

The details of Loans and advances as required by Schedule V of SEBI (LODR, 2015) are given in the table below:

Name of the Company	31 March 2021		31 March 2020	
	Outstanding Balance	Max. amount outstanding during the year	Outstanding Balance	Max. amount outstanding during the year
<b>Subsidiaries &amp; Others:</b>				
Metropolis Healthcare (Mauritius) Limited	905.70	1,069.55	1,069.55	1,069.67
Micron Metropolis Healthcare Private Limited			-	-
Raj Metropolis Healthcare Private Limited	4.08	4.08	4.08	4.08
Ekopath Metropolis Lab Services Private Limited	60.00	60.00	60.00	60.00
Metropolis Healthcare Lanka (Pvt) Limited	12.48	12.76	12.76	12.76

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

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

**40. COMMITMENTS**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
<b>Capital commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account not provided for	865.42	1,273.16

**Other commitments:**

The Company has entered into reagent agreement for a period ranging from 3 to 6 years with some of its major raw material suppliers to purchase agreed value of raw materials.

The value of purchase commitments for the remaining number of years are ₹ 35,617.90 Lakhs (31 March 2020 ₹ 48,140.09 Lakhs) of which annual commitment for next year is ₹ 7,297.45 Lakhs (31 March 2020 ₹ 13,165.08 Lakhs) as per the terms of these arrangements.

**41. CONTINGENT LIABILITIES NOT PROVIDED FOR**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Income tax liability disputed in appeals	113.93	113.93
Due to others	394.33	394.33
Claims against the Company not acknowledged as debt		
- Claims by suppliers/contractors /others	4.25	138.60
- Claims pending in Consumer Dispute Redressal Forum	32.21	31.79
Contingent consideration on acquisition of remaining stake of subsidiary*	759.38	759.38
<b>Total</b>	<b>1,304.10</b>	<b>1,438.03</b>

\*Company has entered into a share purchase agreement to buy remaining 30% stake of Golwilkar Metropolis Health Services (India) Private Limited. For purchase of remaining stake, consideration to be paid as per valuation of Golwilkar has been determined to be Rs 3,037.51 Lakhs. However, on account of a breach of non-compete provision as per the terms of the shareholder's agreement dated 14 October 2005, the Company has filed an application before a sole arbitrator- Justice A.V. Nirgude (Retired) at Mumbai against Dr. Ajit S. Golwilkar, Dr. Awanti T. Mehendale and Dr. Vinanti N. Patankar ("Respondents"), claiming 25% of consideration determined i.e. Rs 759.38 Lakhs as damages. This matter is currently pending before the arbitrator.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 42. AUDITORS' REMUNERATION

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Statutory audit fees	57.17	57.17
Limited Review Fees	28.00	28.00
Certification Fees	9.72	3.00
Others (including reimbursement of out of pocket expenses)	14.33	2.85
<b>Total</b>	<b>109.22</b>	<b>91.02</b>

### 43. DISCLOSURE ON IND-AS 116 LEASES

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

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
  - ii Applied the exemption not to recognize right-of-use assets and liabilities for leases :
    - a. with less than 12 months of lease term on the date of initial application
    - b. Rent outflow of less than ₹ 5 Lakhs in entire tenure of arrangement
  - iii Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
  - iv Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- 1 The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 33 and 34
  - 2 The incremental borrowing rate applied to lease liabilities for FY 20-21 is 9.2% -10.10% based on tenure of arrangement
  - 3 Following are the changes in the carrying value of right of use assets for the year ended 31 March, 2021:

(₹ in Lakhs)

Particulars	Category of ROU					Total
	Office Space	Patient Service Center	Lab	HUB	Re-agent	
<b>Balance as of 1 April, 2019</b>	<b>1,836.42</b>	<b>1,171.32</b>	<b>1,111.62</b>	<b>0.97</b>	<b>-</b>	<b>4,120.33</b>
Additions	484.56	275.64	970.53	344.60	-	2,075.33
Depreciation	(642.41)	(310.68)	(328.18)	(46.10)	-	(1,327.37)
<b>Balance as of 1 April, 2020</b>	<b>1,678.57</b>	<b>1,136.28</b>	<b>1,753.97</b>	<b>299.47</b>		<b>4,868.29</b>
Additions	-	-	394.61	-	4,160.79	4,555.40
Depreciation	(624.37)	(309.10)	(348.82)	(111.69)	(208.03)	(1,602.01)
<b>Balance as of 31 March, 2021</b>	<b>1,054.20</b>	<b>827.18</b>	<b>1,799.76</b>	<b>187.78</b>	<b>3,952.76</b>	<b>7,821.68</b>

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

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current Lease liabilities	2,563.23	1,693.59
Non-current lease liabilities	5,933.29	3,660.22
<b>Total</b>	<b>8,496.52</b>	<b>5,353.81</b>

- 5 The following is the movement in lease liabilities for the year ended 31 March, 2021



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)	
Particulars	Amount
<b>Balance as of 1 April, 2019</b>	<b>4,264.57</b>
Additions	2,075.33
Finance cost accrued during the year	581.81
Payment of lease liabilities	(1,567.89)
<b>Balance as of 1 April, 2020</b>	<b>5,353.82</b>
Additions	4,544.95
Finance cost accrued during the period	562.46
Payment of lease liabilities	(1,964.69)
<b>Balance as of 31 March, 2021</b>	<b>8,496.54</b>

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

(₹ in Lakhs)		
Particulars	Year ended Mar 21	Year ended Mar 20
Less than one year	2,563.23	1,693.59
One to five years	7,280.92	4,407.89
More than 5 years	782.46	764.13
<b>Total</b>	<b>10,626.61</b>	<b>6,865.61</b>

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

(₹ in Lakhs)		
Particulars	Year ended Mar 21	Year ended Mar 20
Decrease in Other expenses by	1,964.69	(1,567.89)
Increase in Finance cost by	562.46	581.81
Increase in Depreciation by (excludes depreciation on reclassified assets)	1,602.01	1,287.33
<b>Net Impact on Profit/Loss</b>	<b>4,129.17</b>	<b>301.25</b>

- 8 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- 9 Rental expense recorded for short-term leases / Variable rent was Rs 4,830.36 Lakhs (31 March 2020 Rs 4,179.56 Lakhs) for the year ended 31 March, 2021.
- 10 The total cash outflow for leases for year ended 31 March, 2021 is Rs 1,964.69 Lakhs (31 March 2020 Rs 1,567.89 Lakhs)

### 44. (A) DISCLOSURE AS PER IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
<b>Contract asset- unbilled revenue</b>	-	-
<b>Contract liabilities (Advance from Customer)</b>		
<b>Opening balance</b>	310.04	355.11
Movement during the Year	465.35	(45.07)
<b>Closing balance</b>	<b>775.39</b>	<b>310.04</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 44. (B) RECONCILIATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
Revenue from contract with customers as per contract price	82,371.48	67,207.79
Adjustments made to contract price on account of Discount/ Rebates	773.40	720.98
<b>Revenue from contract with customers</b>	<b>81,598.08</b>	<b>66,486.81</b>
Other Operating Revenue	12.75	43.90
<b>Revenue from Operations</b>	<b>81,610.83</b>	<b>66,530.71</b>

### 45. MICRO AND SMALL ENTERPRISES

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

(₹ in Lakhs)		
Particulars	31 March 2021	31 March 2020
a. Principal amount remaining unpaid to any supplier as at the year end	196.42	670.81
<b>Interest due thereon:</b>		
b. Amount of Interest paid during the year	-	
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	
d. Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)	-	18.17
e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.	15.00	29.63
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006	-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### 46. EMPLOYEE BENEFITS

#### a) Defined benefits plan

The Company has gratuity as defined benefit retirement plan for its employees. Details of the same as at year end are as follows:

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
<b>A. Amount recognised in the balance sheet</b>		
Present value of the obligation as at the end of the year	1,189.70	843.08
Fair value of plan assets as at the end of the year	(24.10)	(18.74)
<b>Net liability recognised in the balance sheet</b>	<b>1,165.60</b>	<b>824.34</b>
<b>Out of which,</b>		
Non-current portion	684.28	458.69
Current portion	481.32	365.65
<b>B. Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	843.08	580.93
Current service cost	103.70	77.43
Interest cost	43.93	43.45
Actuarial loss	301.87	201.48
Benefits paid	(104.05)	(60.21)
Liability Transferred In/ Acquisitions	2.08	-
Liability Transferred Out/ Divestments	(0.91)	-
<b>Projected benefit obligation at the end of the year</b>	<b>1,189.70</b>	<b>843.08</b>
<b>C. Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	18.74	20.32
Interest income	0.98	1.52
Return on Plan Assets, Excluding Interest Income	4.38	(0.19)
Benefits paid	-	(2.91)
<b>Fair value of plan assets at the end of the year</b>	<b>24.10</b>	<b>18.74</b>
<b>D. Amount recognised in the statement of profit and loss</b>		
Current service cost	103.70	77.43
Interest cost	42.95	41.93
<b>Expenses recognised in the statement of profit and loss</b>	<b>146.65</b>	<b>119.36</b>
<b>E. Amount recognised in other comprehensive income</b>		
Actuarial (gain)/loss on Defined benefit obligation	<b>301.87</b>	<b>201.48</b>
"Due to Change in Demographic Assumptions"	(11.31)	62.99
"Due to Change in Financial Assumptions"	20.21	26.89
Due to Experience	292.97	111.60
Actuarial gain/loss on Plan assets	(4.38)	0.19
<b>Total</b>	<b>297.49</b>	<b>201.67</b>
<b>F. Plan Assets include the following:</b>		
1. Insurance funds		

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 FOR THE YEAR ENDED 31 MARCH 2021**

**G. Assumptions used**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Discount rate	4.25%	5.21%
Long-term rate of compensation increase	6.00% p.a.	"5.5% p.a. for the next 3 years, 7% p.a. thereafter, starting from the 4th year"
Rate of return on plan assets	4.25%	5.21%
Attrition rate	31.00% p.a. for all service groups	29% p.a. for all service group
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**H. Sensitivity analysis**

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

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(27.02)	28.75	(20.48)	21.86
Future salary growth (1% movement)	26.93	(25.90)	20.60	(19.74)
Employee Turnover (1% movement)	(5.84)	6.04	(4.76)	4.92

**I. Expected future cash flows**

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>					
Defined benefit obligations (Gratuity)	323.76	249.10	471.71	281.40	1,325.98
<b>Total</b>	323.76	249.10	471.71	281.40	1,325.98

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31 March 2020</b>					
Defined benefit obligations (Gratuity)	222.51	167.36	336.08	249.75	975.71
<b>Total</b>	222.51	167.36	336.08	249.75	975.71

**(b) Defined contribution plan**

The Company contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year is ₹ 679.34 lakhs (31 March 2020 ₹ 635.86 lakhs)..

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### (c) Employee Stock Option Schemes

#### Description of share-based payment arrangements:

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

"RSU 2020 -

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

MESOS 2015 -

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

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

- Existing employees (person who is in continuous employment with the Company since 1 January, 2016 or prior thereto) shall vest at the rate of 50% of Grant on 1 January 2018, 25% of Grant on 1 January 2019 and 25% of Grant on 1 January 2020.

- New employees (person who is in continuous employment with the Company after 01 January, 2016.) shall vest at the rate of 50% of Grant on completion of 2 years from date of joining, 25% of Grant on completion of 3 years from date of joining and 25% of Grant on completion of 4 years from date of joining.

- No additional options to be granted to stock options under MESOS 2015 as per the resolution dated 24 September 2018, passed by the Nomination & Remuneration Committee

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
RSU - Option granted to eligible employees on May 2020"	2,70,000	For the Options to vest, the Grantee has to met the performance parameters & be in employment of the Metropolis Group on the date of the vesting.	The exercise period for RSU vested will be two years from date of vesting .
MESOS 2015 - Option granted to eligible employees on 25 April 2016	27,800	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b)during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)  
 FOR THE YEAR ENDED 31 MARCH 2021**

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
MESOS 2015 - Option granted to eligible employees on 16 October 2017	1,85,550	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.

**Reconciliation of Outstanding share options**

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

**RSU 2020**

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

**MESOS 2015**

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

\* On account of split and bonus with conversion factor of 5:2

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

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

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

# Summary of Shares/Option exercised during the period

Particulars	Number of shares / Options	Amount)
Securities Premium (Exercise price (705.77) less Face value per share (2))	486,247	3,422.06
General Reserve (Fair Value - 142.8 per Option)	93,509	113.54
Equity Shares (Face value ₹ 2 per share)	486,247	9.72

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

### Measurement of Fair value

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

(₹ in Lakhs)

Particulars	MESOS 2015		RSU 2020
	16 October 2017	25 April 2016	29 May 2020
Fair value at grant date	142.80	66.00	Year 1 - 1,280.47 Year 2 - 1,267.36 Year 3 - 1,254.82 Year 4 - 1,242.37"
Share price at grant date	2,910.00	2,289.00	1,321.00
Exercise price	3,670.00	3,670.00	2
"Expected volatility (Weighted average volatility)"	16.04%	16.70%	Year 1 - 46.31% Year 2 - 61.61% Year 3 - 63.76% Year 4 - 63.76%
Expected life (expected weighted average life)"	1.64 years	4.05 years	Year 1 - 3 years Year 2 - 4 years Year 3 - 5 years Year 4 - 6 years
Expected dividends	3%	3%	0.01
"Risk-free interest rates (Based on government bonds)"	6.35%	7.42%	Year 1 - 4.56% Year 2 - 4.69% Year 3 - 5.42% Year 4 - 5.6%

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

### (d) Compensatory absences:

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 76.90 lakhs (31 March 2020 ₹ 165.06 lakhs ) has been recognised in the Standalone Statement of profit and loss on account of provision for compensated absences.

## 47 SEGMENT REPORTING

The Company has presented segment information in the consolidated Financial statements which are presented in the same Financial statements. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone Ind AS Financial statements

## 48. (A) CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has spent INR 363.13 lakhs\* (Previous year: INR 76.97 lakhs) and created provision for unspent amount of INR 100 lakhs during the year as per the provisions of Section 135 of Companies Act, 2013 towards Corporate Social responsibility activities grouped under 'Other Expenses'.

- a) Gross amount required to be spent by the Company during the year INR 290 lakhs (Previous year: INR 246 lakhs)
- b) Amount spent during the period on;

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Amount spent in Cash	Amount yet to be paid in Cash	Total
<b>Year ended 31 March 2021</b>			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	363.13	100.00	463.13
<b>Year ended 31 March 2020</b>			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	76.97	-	76.97

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

Balance as at April 01, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In separate CSR Unspent Account		From the Company's Bank account	From separate CSR Unspent account	With the Company	In separate CSR Unspent Account
	-	290.00	363.13*	-	100**	-

\* Includes INR 169.11 lakhs related to previous year.

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

### 48. (B)

As at balance sheet date, the Company is awaiting response from the relevant regulatory authorities for the application filed under section 441 of the Companies Act, 2013, for compounding of the non-compliance committed under section 134(3)(o) read with section 135 of the Companies Act, 2013 in respect of disclosure regarding corporate social responsibility in the Boards' Report for the year ended on 31 March 2015.

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

### 49. (A) DISCLOSURE UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

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

#### Investments :

Details of investments made during the year are as under:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Raj Metropolis Healthcare Private Limited	82.33	-
<b>Total</b>	<b>82.33</b>	<b>-</b>

### 49. (B) DEFERRED PAYMENT CONSIDERATION

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

The deferred consideration of ₹ 2,300.00 lakhs has been measured at fair value (₹ 2,100.96 lakhs) on initial recognition and the difference of ₹199.04 lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 Rs 7.76 lakhs (31 March 2020 Rs 16.44 lakhs) charged to statement of profit and loss (refer note 32).

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

The deferred consideration of ₹ 100 Lakhs has been measured at fair value (₹ 80.40 Lakhs) on initial recognition and the difference of ₹ 19.60 Lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 Rs 6.11 lakhs (31 March 2020 Rs 5.54 lakhs) charged to statement of profit and loss (refer note 32).

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

The deferred consideration of ₹ 60 Lakhs has been measured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognised as finance cost on EIR basis over the payment tenure; During year ended 31 March 2021 Rs 1.21 lakhs (31 March 2020 Rs 2.15 lakhs) charged to statement of profit and loss (refer note 32).

### Summarised Details of Deferred Purchase Consideration

Particular	31 March 2021		31 March 2020	
	Finance Cost	Closing Fair value	Finance Cost	Closing Fair value
Sanjeevani Pathology Laboratory	7.76	242.00	16.44	376.24
Dr. Patel Metropolis Healthcare Private	6.11	94.96	5.54	88.85
Bokil Golwilkar Metropolis Healthcare Private	1.21	58.93	2.15	57.71
<b>Total</b>	<b>15.08</b>	<b>395.89</b>	<b>24.13</b>	<b>522.80</b>

### 50 INVESTMENT AND RECEIVABLE FROM STAR METROPOLIS HEALTH SERVICES MIDDLE EAST LLC, DUBAI

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

### 51. TRANSFER PRICING

The Company management is of the opinion that its international and domestic transactions are at arm's length as per the independent firms report for the year ended 31 March 2021. Management continues to believe that its international transactions post 31 March 2021 and the specified domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

### 52.

Metropolis Healthcare Lanka Private Limited (Metropolis Lanka) has bought back 250,000 ordinary shares held by Nawaloka Hospitals PLC ("Nawaloka") in Metropolis Lanka pursuant to memorandum of understanding (MOU) dated 31 March 2017. As per the MOU, the buy-back consideration payable by Metropolis Lanka was adjusted against certain receivables payable by Nawaloka to Metropolis Lanka. As at 31 March 2021, Metropolis Lanka has not filed relevant forms with Registrar of the Company in respect of share transfer. Currently, the shareholding records in the books of Metropolis Lanka assumes that the buy-back has been effectuated as per the MOU and Metropolis Healthcare Limited is reflected as 100% owner of Metropolis Lanka.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.) FOR THE YEAR ENDED 31 MARCH 2021

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

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

### 54. SUBSEQUENT EVENT

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Tarun Kinger**

Partner

Membership No: 105003

Place : Mumbai

Date: 27 May 2021

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

L73100MH2000PLC192798

**Dr. Sushil Shah**

Chairman & Executive Director

DIN: 00179918

Place : Miami ( USA)

**Vijender Singh**

Chief Executive Officer

Place : Gurugram

**Ameera Shah**

Managing Director

DIN: 00208095

Place : Dubai

**Rakesh Agarwal**

Chief Financial Officer

Place : Mumbai

**Poonam Tanwani**

Company Secretary

Membership No: ACS 19182

Place : Ahmedabad

Date : 27 May 2021