

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 2020, 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 2020, and profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

DESCRIPTION OF KEY AUDIT MATTER

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in note 5 of the standalone financial statements, the Company investments in subsidiaries and a joint venture of Rs 12,802.36 Lakhs as at 31 March 2020. The said investments are carried at cost less allowance for impairment, if any.</p> <p>Company tests these investments for indicators of impairment annually or more frequently when there is an indication, these investments may be impaired.</p> <p>The Company carries out impairment assessment for each investment by:</p> <ul style="list-style-type: none"> Comparing the carrying value of each investment with the net worth of each company based on audited financials. Comparing the performance of the investee companies with projections used for valuations and approved business plans. <p>As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Comparison of the carrying values of these investment with their respective net asset values Assessing the accuracy of prior period forecasts of the investee company with it's actual financial performance; Challenging the assumptions used in impairment analysis, such as future sales, operating costs and profit margins and discount rate. This was based on our knowledge of the investee company's business and the markets in which the investee company operates. Performing sensitivity analysis of the key assumptions, used in determining the recoverable value; Evaluating the adequacy of disclosures of key assumptions, judgements and sensitivities in respect of impairment testing.

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.

INDEPENDENT AUDITORS' REPORT (Contd.)

OTHER INFORMATION

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

Our opinion on the 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 for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the 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

INDEPENDENT AUDITORS' REPORT (Contd.)

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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;

INDEPENDENT AUDITORS' REPORT (Contd.)

- 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 financial statements since they do not pertain to the financial year ended 31 March 2020.

- (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

Membership No: 105003

Date: 29 May 2020

ICAI UDIN: 20105003AAAABA3677

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
- (b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all the property, plant and equipment (fixed assets) are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the year the Company has physically verified its property, plant and equipment (fixed assets) 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 2020 (₹ Lakhs)	Net block as on 31 March 2020 (₹ 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	888.50	

- (ii) Inventory has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. Discrepancies noticed on such verification between physical stocks and the book records were not material and these have been properly dealt with in the books of account.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) 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, Goods and Service tax, Income tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020 (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 2020 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	Commissioner of Income Tax Appeals

- (viii) In our opinion and according to the information and explanations given to us, during the year, the Company did not defaulted in repayment of loans from banks. The Company did not have any outstanding debenture or any outstanding dues to financial institutions and government during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations, given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to 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 transactions have been disclosed in the standalone financial statements as required under Ind AS -24.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**

Chartered Accountants

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

Tarun Kinger

Partner

Place: Mumbai

Membership No: 105003

Date: 29 May 2020

ICAI UDIN: 20105003AAAABA3677

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Metropolis Healthcare Limited ("the Company") as of 31 March 2020 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 the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to the 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 the 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 "Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the 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 financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the 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 the standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF METROPOLIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2020 (CONTD.)

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

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

Because of the inherent limitations of internal financial controls with reference to the 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 the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the 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: 29 May 2020

ICAI UDIN: 20105003AAAABA3677

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2020

Particulars	Notes	(₹ in Lakhs)	
		As at 31 March 2020	As at 31 March 2019
I. ASSETS			
Non-current assets			
Property, plant and equipment	3	9,747.43	9,625.71
Right-of-use assets	46(6)	4,868.29	-
Goodwill	4	4,880.90	4,880.90
Other intangible assets	4	2,081.13	1,783.88
Intangible assets under development		298.89	577.30
Financial assets			
Investments			
i) Investments in subsidiaries, joint venture & associates	5	12,802.36	12,997.36
ii) Other investments	5(d)	175.28	175.28
iii) Loans	6	450.66	337.81
iv) Derivatives	7	27.77	83.25
v) Other non current financial assets	8	1,105.28	1,007.90
Other non-current assets	9	519.88	109.19
Deferred tax assets (net)	37(d)	475.43	-
Non-current tax assets (net)	10	1,189.39	679.31
Total non current assets		38,622.69	32,257.89
Current assets			
Inventories	11	1,745.84	1,964.80
Financial Assets			
i) Investments	12	-	336.48
ii) Trade receivables	13	12,439.86	11,826.56
iii) Cash and cash equivalents	14(a)	6,743.18	879.83
iv) Bank balances other than cash and cash equivalents	14(b)	6,457.74	1,700.26
v) Loans	15	2,037.77	2,413.20
vi) Other current financial assets	16	168.28	899.57
Other current assets	17	614.39	485.59
Total current assets		30,207.06	20,506.29
TOTAL ASSETS		68,829.75	52,764.18
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,012.61	1,003.57
Other equity	19	50,225.85	40,536.83
Total Equity		51,238.46	41,540.40
Non current liabilities			
Financial liabilities			
Lease liabilities	46(7)	3,660.22	-
Provisions	21	458.69	233.31
Deferred tax liabilities (net)	37(d)	-	599.15
Other non-current financial liabilities	20	106.55	208.89
Total non current liabilities		4,225.46	1,041.35
Current liabilities			
Financial liabilities			
i) Borrowings	22	-	1,734.47
ii) Lease liabilities	46(7)	1,693.59	-
iii) Trade payables	23	-	-
Total outstanding dues of micro and small enterprises		670.81	1.78
Total outstanding dues of creditors other than micro and small enterprises		6,418.89	3,603.16
iv) Other current financial liabilities	24	2,328.22	3,257.08
Other current liabilities	25	1,714.01	668.34
Provisions	26	411.28	354.97
Current tax liabilities (net)	27	129.03	562.63
Total current liabilities		13,365.83	10,182.43
TOTAL EQUITY AND LIABILITIES		68,829.75	52,764.18
Significant Accounting Policies	2		

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No: 105003

Place : Mumbai

Date : 29 May 2020

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

L73100MH2000PLC192798

Dr. Sushil Shah

Chairman & Executive Director

DIN: 00179918

Place : Mumbai

Vijender Singh

Chief Executive Officer

Place : Gurugram

Ameera Shah

Managing Director

DIN: 00208095

Place : Mumbai

Rakesh Agarwal

Chief Financial Officer

Place : Gurugram

Poonam Tanwani

Company Secretary

Membership No: ACS 19182

Place : Mumbai

Date : 29 May 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2020	For the year Ended 31 March 2019
INCOME			
Revenue from Operations	28	66,530.71	58,120.81
Other income	29	2,931.79	2,052.32
Total Income		69,462.50	60,173.13
EXPENSES			
Cost of materials consumed	30	16,724.71	13,907.64
Laboratory testing charges	31	649.76	469.16
Employee benefits expense	32	14,766.62	13,694.67
Finance costs	33	656.01	51.83
Depreciation and amortisation expense	34	3,084.51	1,543.57
Other expenses	35	17,129.15	15,587.33
Total Expenses		53,010.76	45,254.20
Profit before tax and exceptional items		16,451.74	14,918.93
Exceptional Items	36	2,452.66	-
Profit before tax		13,999.08	14,918.93
Income tax expense:	37		
1. Current Tax		3,933.00	4,717.00
2. Deferred Tax (income)/ expenses		(909.62)	56.23
3. Tax adjustments for earlier years		(229.73)	-
Total Income tax expenses		2,793.65	4,773.23
Profit for the year		11,205.43	10,145.70
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans	48(a)	(201.67)	51.39
Income tax on above.	37	50.76	(17.96)
		(150.91)	33.43
Other comprehensive income for the year, net of income tax		(150.91)	33.43
Total comprehensive income for the year		11,054.52	10,179.13
Earnings per equity share			
Equity shares of face value of ₹ 2 each	38		
Basic earnings per share		22.32	20.32
Diluted earnings per share		22.22	20.28
Significant Accounting Policies	2		

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

As per our report of even date attached

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

Tarun Kinger
Partner
Membership No: 105003

Place : Mumbai
Date : 29 May 2020

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

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Mumbai

Vijender Singh
Chief Executive Officer
Place : Gurugram

Ameera Shah
Managing Director
DIN: 00208095
Place : Mumbai

Rakesh Agarwal
Chief Financial Officer
Place : Gurugram

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Mumbai

Date : 29 May 2020

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,999.08	14,918.93
Adjustments for :		
Depreciation and amortisation expense	3,084.51	1,543.57
Interest on lease Liabilities	581.81	-
Fair value gain on mutual fund investments	-	(114.93)
Provision for impairment of non-current investments	195.00	-
Provision for impairment of current investments	336.48	144.20
Loss on sale of debt instrument measured at FVOCI	-	3.79
Property, Plant & Equipment written off	37.91	-
Loss/(Gain) on derivative assets	55.48	(46.83)
Provision for bad and doubtful debts (net)	3,144.53	340.32
Provision for doubtful advances (net)	241.04	-
Share based payment expenses (Refer Note 32)	72.38	443.89
Interest on deferred purchase consideration	24.13	40.13
Foreign exchange (gain)(net)	(307.36)	(145.66)
Interest expense paid on borrowings	50.07	11.70
Sundry balances written back (net)	(43.90)	(100.92)
Interest income	(326.22)	(287.56)
Interest income on income tax refund	-	(1.62)
Dividend income from mutual funds and related parties	(2,205.00)	(1,449.64)
Operating profit before working capital changes	18,939.94	15,299.37
Working capital adjustments:		
Increase / (Decrease) in inventories	224.79	(469.29)
Increase / (Decrease) in loans (current and non-current)	283.32	(499.84)
(Decrease) in other current assets (Current and non current)	(146.31)	(115.96)
(Decrease) in trade receivables	(3,757.83)	(3,840.53)
Increase / (Decrease) in other current financial assets	779.28	(779.28)
Increase in provisions	80.01	71.45
Increase in trade payables	3,067.09	1,084.96
(Decrease) in other current financial liabilities	(141.83)	(34.51)
Increase in other current liabilities	1,045.67	100.32
Cash generated from operating activities	20,374.13	10,816.69
Income tax paid (net)	(4,761.15)	(5,173.98)
Net cash generated from operating activities (A)	15,612.98	5,642.71
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment, Intangible and capital work-in progress (Including capital advances and capital creditors)	(2,274.01)	(1,927.87)
Purchase consideration paid towards acquisition of business	(335.26)	(129.12)
Purchase of current investments	-	(2,850.00)
Proceeds from sale of current investments	-	9,232.12
(Investments) in subsidiaries and joint venture	-	(5,647.79)
Loans (Given)/ Received back from Related Parties (net)	(95.71)	87.22
Interest Income received	242.25	345.93
Dividend Income received	2,205.00	1,449.64
Investment in fixed deposits (having maturity more than 3 months)(net)	(4,854.86)	(995.28)
Net cash (used in) investing activities (B)	(5,112.59)	(435.15)

**STANDALONE STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2020 (CONTD.)**

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share warrants exercise (Refer Note 53)	-	224.45
(Repayment)/Proceeds from borrowing (net)	(1,734.47)	1,734.47
Share based payments	-	(355.45)
Repayment of lease liabilities	(1,073.77)	-
Proceeds from issue of shares to ESOP holders (refer note 49 (c))	3,189.28	32.80
Payment of Dividend	(4,014.29)	(6,653.69)
Payment of Dividend Distribution Tax	(371.91)	(1,367.69)
Interest expense on lease liabilities	(581.81)	-
Interest expense paid on borrowings	(50.07)	(11.70)
Net cash (used in) financing activities (C)	(4,637.04)	(6,396.81)
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	5,863.35	(1,189.25)
Cash and Cash Equivalents at the beginning of the year	879.83	2,069.08
Cash and Cash Equivalents at the end of the year (Refer note 14(a))	6,743.18	879.83

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Cash Flow Statement".
- The figures in the brackets indicate outflow of cash and cash equivalents.
- During the previous year ended 31 March 2019, 64,596 shares against total consideration of ₹ 2,634.22 Lakhs at premium of ₹4,068 per share were issued to shareholders of subsidiary for acquiring balance stake (Refer Note 51 (a)).
- During the previous year ended 31 March 2019, 1 share for total non consideration of ₹ 0.00 Lakhs was issued to shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to amalgamation (Refer Note 4(iii)).
- The movement of borrowing as per Ind AS 7 is as follows:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Balance at beginning of the year	1,734.47	-
Cashflows	(1,734.47)	1,734.47
Balance as at the end of year	-	1,734.47

The accompanying notes form 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 : Mumbai

Ameera Shah
 Managing Director
 DIN: 00208095
 Place : Mumbai

Poonam Tanwani
 Company Secretary
 Membership No: ACS 19182
 Place : Mumbai

Place : Mumbai
 Date : 29 May 2020

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Rakesh Agarwal
 Chief Financial Officer
 Place : Gurugram

Date : 29 May 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY ('SOCIE')

FOR THE YEAR ENDED 31 MARCH 2020

(A) EQUITY SHARE CAPITAL (REFER NOTE 18)

Particulars	Number of shares	Amount (₹ in Lakhs)
Balance as at 1 April 2018	95,43,646	954.36
Changes in equity share capital during the year		
-Issued under Metropolis Employee Stock Option Scheme 2007 (Refer Note 49(c))	32,800	3.28
-Issued on exercise of share warrants (Refer Note 53)	8,703	0.87
-Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer Note 51(a))	64,596	6.46
-Issued to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer Note 41(iii))	26,57,731	265.77
-Cancellation of the old shares of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer Note 41(iii))	(26,57,730)	(265.77)
-Issue of Bonus Shares (Refer note 18)	3,85,990	38.60
Outstanding before sub-division of shares	1,00,35,736	1,003.57
Adjustment for Sub-Division of Equity Shares (Refer Note 18(g))	4,01,42,944	-
Balance as at 1 April 2019	5,01,78,680	1,003.57
Changes in equity share capital during the year		
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 49(c))	4,51,886	9.04
Balance as at 31 March 2020	5,06,30,566	1,012.61

(A) OTHER EQUITY (REFER NOTE 19)

	Fully convertible share warrants (Refer Note 53)	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	Debts instruments through OCI	
Balance as at 1 April 2018	0.20	5,826.41	1,684.07	32.05	170.34	27744.28	(8.78)	0.27	35,448.84
Profit for the year	-	-	-	-	-	10,145.70	-	-	10,145.70
Gain on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	-	33.43	-	33.43
Total comprehensive income	-	-	-	-	-	10,145.70	33.43	-	10,179.13
Share warrants exercised during the year (Refer Note 53)	(0.20)	223.58	-	-	-	-	-	-	223.38
Utilised during the year pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited. (Refer Note 41(iii))	-	(0.00) [^]	-	-	-	-	-	-	(0.00)
Utilised on issue of bonus shares	-	(6.55)	-	(32.05)	-	-	-	-	(38.60)
Share options exercised under MESOS 2007 (Refer Note 49(c))	-	29.52	-	-	-	-	-	-	29.52

**STANDALONE STATEMENT OF CHANGES IN EQUITY ('SOCIE')
 FOR THE YEAR ENDED 31 MARCH 2020 (CONTD.)**

	Fully convertible share warrants (Refer Note 53)	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	Debts instruments through OCI	
Shares Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer Note 51(a))	-	2,627.77	-	-	-	-	-	-	2,627.77
Interim Dividend	-	-	-	-	-	(6,653.69)	-	-	(6,653.69)
Tax on Interim dividend	-	-	-	-	-	(1,367.69)	-	-	(1,367.69)
Share based payments (Refer Note 32)	-	-	-	-	88.44	-	-	-	88.44
Transfer to statement of profit and loss	-	-	-	-	-	-	-	(0.27)	(0.27)
Balance as at 31 March 2019	-	8,700.73	1,684.07	-	258.78	29,868.60	24.65	-	40,536.83
Profit for the year	-	-	-	-	-	11,205.43	-	-	11,205.43
(Loss) on re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	-	(150.91)	-	(150.91)
Total comprehensive income	-	-	-	-	-	11,054.52	(150.91)	-	11,054.52
Interim Dividend	-	-	-	-	-	(4,014.29)	-	-	(4,014.29)
Tax on Interim dividend	-	-	-	-	-	(371.91)	-	-	(371.91)
Share options exercised under MESOS 2015 (Refer Note 49(c))	-	3,180.24	124.10	-	-	-	-	-	3,304.34
Share based payments (Refer Note 19 & 32)	-	-	-	-	(51.72)	-	-	-	(51.72)
Impact of IND AS 116 for Opening balance (Refer Note 46)	-	-	-	-	-	(231.91)	-	-	(231.91)
Balance as at 31 March 2020	-	11,880.97	1,808.17	-	207.06	36,455.91	(126.26)	-	50,225.85

^ Amount is ₹ 10

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

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 : Mumbai

Ameera Shah
 Managing Director
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 Company Secretary
 Membership No: ACS 19182
 Place : Mumbai

Place : Mumbai
 Date : 29 May 2020

Vijender Singh
 Chief Executive Officer
 Place : Gurugram

Rakesh Agarwal
 Chief Financial Officer
 Place : Gurugram

Date : 29 May 2020

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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 2020 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, as amended by the Companies (Indian Accounting Standard) amendment Rules, 2018.

The standalone financial statements of the Company for year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2020.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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.

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 test 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)).

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 39)
- Share-based payment arrangements (Note 49 (c))
- Business combination (Note 41)

2.2 Significant accounting policies

a) Business combinations

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

Acquisition related costs are expensed as incurred, except to the extent related to the issue of debt or equity securities

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

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

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

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

b) Property plant and equipment

Recognition and measurement:

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

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

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

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

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will

flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to statement of profit and loss during the reporting year in which they are incurred.

Depreciation:

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

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

Leasehold improvement are depreciated over the tenure of lease term.

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

c) Intangible assets

Goodwill

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

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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 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.

Trade receivables

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

Impairment of financial instruments (other than at fair value)

The Company assesses on a forward-looking basis the expected credit loss associated

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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

2 Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

Financial Liabilities at amortized cost:

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

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

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged

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

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 instruments

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

f) 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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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 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 Company 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, compensated absences 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

(ii) Share-based payments

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

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

(iii) 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. The Company makes annual contribution to the fund based on the expected requirement.

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

m) Leases

The Company has adopted Ind AS 116-Leases effective 1 April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease."

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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

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)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020

t) Rounding of amounts

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2020

(₹ in Lakhs)

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

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

(₹ in Lakhs)

Particulars	Freehold land	Building	Laboratory equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Total
Cost as at 1 April 2018	1,035.40	4,965.19	2,729.36	1,094.80	156.58	778.28	620.71	48.08	11,428.40
Additions during the year	-	18.00	1,136.28	89.16	66.75	118.09	178.36	108.94	1,715.58
Disposals during the year	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2019 (A)	1,035.40	4,983.19	3,865.64	1,183.96	223.33	896.37	799.07	157.02	13,143.98
Accumulated depreciation as at 1 April 2018	-	466.00	765.55	339.59	48.50	344.70	314.66	31.80	2,310.80
Depreciation charged during the year	-	225.80	466.86	123.54	32.32	165.96	135.06	57.93	1,207.47
Disposals during the year	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2019 (B)	-	691.80	1,232.41	463.13	80.82	510.66	449.72	89.73	3,518.27
Net carrying amount as at 31 March 2019 (A) - (B)	1,035.40	4,291.39	2,633.23	720.83	142.51	385.71	349.35	67.29	9,625.71

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

4. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

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

Changes in the carrying value of intangibles for the year ended 31 March 2019:

(₹ in Lakhs)

Particulars	Goodwill	Total	Other Intangible Assets			
			Computer Software	Brand	Customer Relationships	Total
Cost as at 1 April 2018	4,880.90	4,880.90	515.47	1,170.00	311.00	1,996.47
Additions during the year	-	-	416.55	-	-	416.55
Disposals during the year	-	-	-	-	-	-
Cost as at 31 March 2019 (A)	4,880.90	4,880.90	932.02	1,170.00	311.00	2,413.02
Accumulated amortisation as at 1 April 2018	-	-	83.97	136.50	72.57	293.04
Amortisation recognised during the year	-	-	156.90	117.00	62.20	336.10
Accumulated amortisation as at 31 March 2019 (B)	-	-	240.87	253.50	134.77	629.14
Net carrying amount as at 31 March 2019 (A) - (B)	4,880.90	4,880.90	691.15	916.50	176.23	1,783.88

Goodwill with indefinite useful life

Carrying amount of goodwill which is allocated to the pathology division as at 31 March 2020 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.

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Cash Generating Unit		
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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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 EBITDA are factored by focused approach towards B2C division, network expansion, operational efficiencies and automation.
Terminal value growth rate	Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business, long term inflation expectation and long term GDP expectation for the Indian economy
Pre-tax risk adjusted discount rate	The discount rate applied to the cash flows of company's operations is generally based on the risk free rate for ten year bonds issued by the government in India. These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the company.

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Pre tax discount rate	12.00%	12.50%
Terminal value growth rate	5.00%	6.00%
Budgeted EBITDA growth rate	5% - 15%	15% - 20%

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 2020 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.

5. NON CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Investment in subsidiaries		
Unquoted equity shares at cost		
Desai Metropolis Health Services Private Limited 100,000 (31 March 2019: 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 2019: 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 2019: 3,375) Equity shares of Face value of Indian Rupees 100 each (Fully Paid up)	2,461.24	2,461.24

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Dr. Patel Metropolis Healthcare Private Limited 50,000 (31 March 2019: 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 2019: 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 2019: 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 2019: 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 2019: 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 9,256 (31 March 2019: 9,256) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up) (Refer Note 41)(v))	35.70	35.70
Bokil Golwilkar Metropolis Healthcare Private Limited 10,10,000 (31 March 2019: 10,10,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)(Refer Note 41)(v))	483.73	483.73
Lab One Metropolis Healthcare Services Private Limited 133,000 (31 March 2019: 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 2019: 250,000) Equity shares of Face value of Sri Lankan Rupee 10 each (Fully paid up)(Refer Note 55)	11.04	11.04
Total Investment in subsidiaries (A)	12,802.36	12,802.36
Investment in joint ventures		
Unquoted equity shares at cost		
Metropolis Histoexpert Digital Services Private Limited 1,950,000 (31 March 2019: 1,950,000) Equity shares of Face value of Indian Rupees 10 each (Fully paid up)	195.00	195.00
Less : Provision for impairment	(195.00)	-
Total Investment in joint ventures (B)	-	195.00
Investment in Associates		
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2019 1,020) Equity shares of Face value of AED of 1,000 each (Fully Paid up)(Refer Note 52)	-	129.85
Investment in Associates	-	129.85
Less : Provision for impairment		(129.85)
Total Investment in associates (C)	-	-
Investments in subsidiaries, joint ventures & associates (A+B+C)	12,802.36	12,997.36

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Investment in Others		
Unquoted equity shares at Fair Value through other comprehensive income		
Textiles Traders Co-op Bank Ltd 1,100 (31 March 2019: 1,100) equity shares of Face value Indian Rupees 25 each (fully paid up)	0.28	0.28
Centre for Digestive and Kidney Disease (India) Private Limited 1,750,000 (31 March 2019: 1,750,000) Equity shares of Face value of Indian Rupees 10 each (Fully Paid up)	175.00	175.00
Unquoted equity shares at cost		
Star Metropolis Health Services Middle East LLC, Dubai 1,020 (31 March 2019 1,020) Equity shares of Face value of AED of 1,000 each (Fully Paid up)(Refer Note 52)	129.85	-
Total Other Investment	305.13	175.28
Less : Provision for impairment - Star Metropolis Health Services Middle East LLC, Dubai	(129.85)	-
Total Investment in Others (D)	175.28	175.28
Total value of investments	12,977.64	13,172.64
	12,977.64	13,172.64
The aggregate amount and market value of quoted and unquoted non-current investments are as follows:		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	12,977.64	13,172.64
Aggregate amount of impairment in value of investments	324.85	129.85

6. NON CURRENT LOANS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
(Unsecured, considered good)		
Security deposits	373.82	261.95
Loans to related parties (Refer Note 40)	76.84	75.86
	450.66	337.81
(Unsecured, considered doubtful)		
Security deposits		
- significant increase in credit risk	-	-
- credit impaired	86.28	41.26
	86.28	41.26
Less : Provision for deposits which are credit impaired	(86.28)	(41.26)
	450.66	337.81

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

7. DERIVATIVES

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Call options on shares of subsidiary*	27.77	83.25
	27.77	83.25

*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

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Fixed Deposits with banks^	1,105.28	1,007.90
	1,105.28	1,007.90

^ Includes ₹ 1,105.28 Lakhs (31 March 2019 ₹ 1,007.90 Lakhs) of fixed deposits pledged against bank guarantee

9. OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
(Unsecured, considered Good)		
Capital advance	485.67	92.49
Prepaid expenses	34.21	16.70
	519.88	109.19
(Unsecured, considered doubtful)		
Capital advance		
- significant increase in credit risk	-	-
- credit impaired	34.86	-
	34.86	-
Less : Provision for capital advances which are credit impaired	(34.86)	-
	519.88	109.19

10. NON-CURRENT TAX ASSETS (NET)

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Advance taxes (net of provision for taxes ₹ 12,880.00 Lakhs (31 March 2019 ₹ 13,080.00 Lakhs))	1,189.39	679.31
	1,189.39	679.31

11. INVENTORIES

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
(valued at lower of cost and net realisable value)		
Raw materials (Reagents, chemicals, diagnostic kits, medicines and consumables)	1,745.84	1,964.80
	1,745.84	1,964.80

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

12. CURRENT INVESTMENTS

	(₹ in Lakhs)	
Particulars	31 March 2020	31 March 2019
Unquoted at Fair Value through Other Comprehensive Income		
i) Investments in Commercial Papers		
Infrastructure Leasing & Financial Services Limited 100 (31 March 2019 - 100) Units of Face Value ₹ 5,00,000 each	480.68	480.68
	480.68	480.68
Less : Provision for impairment	(480.68)	(144.20)
	-	336.48
The aggregate amount and market value of quoted and unquoted investments are as follows:		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	480.68	480.68
Aggregate amount of impairment in value of investments	480.68	144.20

13. TRADE RECEIVABLES

	(₹ in Lakhs)	
Particulars	31 March 2020	31 March 2019
Unsecured, considered good*	12,439.86	11,826.56
Unsecured - credit impaired	5,013.91	1,869.38
	17,453.77	13,695.94
Less: Provision for debts having significant increase in credit risk	-	-
Less: Provision for debts which are credit impaired	(5,013.91)	(1,869.38)
	12,439.86	11,826.56

* Includes amount receivable from related parties - Refer Note 40

14. (A) CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	6,632.62	743.90
- in EEFC account	56.03	0.62
Cash on hand	54.53	135.31
	6,743.18	879.83

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

	(₹ in Lakhs)	
Particulars	31 March 2020	31 March 2019
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^	6,457.74	1,700.26
	6,457.74	1,700.26

* Includes ₹ 943.13 Lakhs (31 March 2019 ₹ 940.88 Lakhs) fixed deposits pledged against bank guarantee

^ Includes ₹ 759.38 Lakhs (31 March 2019 ₹ 759.38 Lakhs) fixed deposits under lien

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

15. CURRENT LOANS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
(Unsecured, considered good)		
Security deposits	905.51	1,180.64
Loans to related parties (Refer Note 40)	1,069.55	974.82
Advances to related parties (Refer Note 40)	62.71	257.74
	2,037.77	2,413.20
(Unsecured, considered doubtful)		
Credit impaired		
Advances to related parties (Refer Note 40)	44.02	86.35
Other advances	42.33	-
	86.35	86.35
Less : Provision for advances which are credit impaired	(86.35)	(86.35)
	2,037.77	2,413.20

16. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
(Unsecured, considered good)		
Other receivables *	-	779.28
Interest accrued but not due		
- From related parties	157.03	116.04
- From bank deposits	11.25	4.25
	168.28	899.57

* Other receivables includes amount receivable from related party - Refer Note 40

17. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
(Unsecured, considered good)		
Prepaid Expenses	147.72	276.06
Advance to employees	97.72	62.13
Advance to Suppliers	76.13	86.14
Other advances	292.82	61.26
	614.39	485.59
(Unsecured, considered doubtful)		
Advance to employees	43.80	3.90
Advance to Suppliers	49.75	14.62
Other advances	148.83	62.71
	242.39	81.23
Less : Provision for doubtful advances	(242.39)	(81.23)
	614.39	485.59

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

18. EQUITY SHARE CAPITAL

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

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Authorised Capital *				
Equity shares of the par value of ₹ 2 each (31 March 2019 par value of ₹ 2 each)	29,57,54,015	5,915.08	29,57,54,015	5,915.08
Issued, Subscribed and fully Paid up				
Equity Shares of the par value ₹ 2/- each (31 March 2019 par value of ₹ 10 each)	5,06,30,566	1,012.61	5,01,78,680	1,003.57
	5,06,30,566	1,012.61	5,01,78,680	1,003.57

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

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning	5,01,78,680	1,003.57	95,43,646	954.36
Issued under Metropolis Employee Stock Option Scheme 2007 (Refer Note 49(c))	-	-	32,800	3.28
Issued under Metropolis Employee Stock Option Scheme 2015 (Refer Note 49(c))	4,51,886	9.04	-	-
Issued on exercise of share warrants (Refer Note 53)	-	-	8,703	0.87
Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer Note 51(a))	-	-	64,596	6.46
Issued to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer Note 41(iii))	-	-	26,57,731	265.77
Cancellation of the old shares of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer Note 41(iii))	-	-	(26,57,730)	(265.77)
Issue of Bonus Shares (Refer below note(g))	-	-	3,85,990	38.60
Outstanding before sub-division of shares	5,06,30,566	1,012.61	1,00,35,736	1,003.57
Adjustment for Sub-Division of Equity Shares (Refer below note(g))	-	-	4,01,42,944	-
Shares outstanding at the end of the year	5,06,30,566	1,012.61	5,01,78,680	1,003.57

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

Name of Shareholder	31 March 2020		31 March 2019	
	Number*	Percentage	Number	Percentage
Dr. Sushil Kanubhai Shah ^ #	37,25,245	7.36%	99,97,590	19.92%
CA Lotus Investments	71,79,579	14.18%	1,56,53,435	31.20%
Smallcap World Fund, Inc	27,80,746	5.49%	-	0.00%
Metz Advisory LLP ##	1,56,91,216	30.99%	1,46,30,125	29.16%
Dr. Duru Sushil Shah	92,09,230	18.19%	92,09,230	18.35%

^ On 14 September, 2018, Dr Sushil Kanubhai Shah entered into a deed with Dr. Duru Sushil Shah where in 1,537,772 equity shares of ₹ 10 each were transferred as a gift to Dr. Duru Sushil Shah

* During the previous year ended 31 March 2019, Number of equity shares are after adjusting bonus shares issued and sub-division of equity shares.

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;

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(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 ₹ 10 each) bonus shares during the previous year ended 31 March 2019
- During the previous year ended 31 March 2019, 1 share (before split with face value of ₹ 10 each) has been allotted to the Shareholders of Bacchus Hospitality Services and Real Estate Private Limited pursuant to the scheme of amalgamation (Refer Note 41 (iii))
- During the previous 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 51(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

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Declared during the year		
Interim dividend for 2019-20: ₹ 8.74 per equity share (including dividend distribution tax of ₹ 0.74 per equity share) (FY 2018-19: ₹ 15.99 per equity share (including dividend distribution tax of ₹ 2.73 per equity share))*	4,386.20	8,021.38
	4,386.20	8,021.38

* dividend distribution tax of ₹ 371.91 Lakhs (31 March 2019 ₹ 1,367.69 Lakhs)

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

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

- (h)** Change in authorised share capital : During the previous year ended 31 March 2019, the authorised share capital of the Company has increased as per clause 15 of the scheme of amalgamation. (Refer note 41 for further details). The authorised capital of the Company was increased from ₹ 5,550 Lakhs comprising of 55,000,000 Equity Shares of ₹ 10 each to ₹ 5,915.08 Lakhs comprising of 59,150,803 Equity Shares of ₹ 10 each;

	31 March 2020		31 March 2019	
	Number of equity shares	Amount	Number of equity shares	Amount
(i) Bacchus Hospitality Services and Real Estate Private Limited	-	-	28,30,803	283.08
(ii) Metropolis Healthcare (Chandigarh) Private Limited	-	-	10,000	1.00

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

	31 March 2020		31 March 2019	
	Number of equity shares	Amount	Number of equity shares	Amount
(iii) Metropolis Healthcare (Jodhpur) Private Limited	-	-	10,000	1.00
(iv) Final Diagnosis Private Limited	-	-	9,50,000	95.00
(v) Sanket Metropolis Health Services (India) Private Limited	-	-	2,50,000	25.00
(vi) Golwilkar Metropolis Health Services (India) Private Limited	-	-	1,00,000	10.00
(vii) Metropolis Healthcare Limited	29,57,54,015	5,915.08	5,50,00,000	5,500.00
	29,57,54,015	5,915.08	5,91,50,803	5,915.08
Impact of split from ₹ 10 per share to ₹ 2 per share	-	-	23,66,03,212	-
Total authorised share capital	29,57,54,015	5,915.08	29,57,54,015	5,915.08

19. OTHER EQUITY

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Securities Premium	11,880.97	8,700.73
General Reserve	1,808.17	1,684.07
Employee stock options reserve	207.06	258.78
Retained Earnings	36,329.65	29,893.25
	50,225.85	40,536.83
Securities Premium		
Balance at the beginning of the year	8,700.73	5,826.41
Utilised during the previous year pursuant to the scheme of Amalgamation with Bacchus Hospitality Services and Real Estate Private Limited.*	-	(0.00)^
Utilised on issue of bonus shares	-	(6.55)
Share options exercised under MESOS 2007/2015 (Refer Note 49(c))	3,180.24	29.52
Share warrants exercised during the year (Refer Note 53)	-	223.58
Shares Issued to the Shareholders of Subsidiary Companies on acquisition of further stake (Refer Note 51(a))	-	2,627.77
Balance at the end of the year	11,880.97	8,700.73
*As per the scheme of amalgamation, shares held by Bacchus Hospitality Services and Real Estate Private Limited in the Company are cancelled and any difference on cancellation of shares over the issue of new equity shares has been adjusted with Security Premium arising, if any, on issue of new equity shares (Refer Note 41)(iii)		
^ Amount is ₹ 10		
General Reserve		
Balance at the beginning and end of the year	1,684.07	1,684.07
Transfer from ESOP exercised during the year (Refer Note 49c)	124.10	-
Balance at the end of the year	1,808.17	1,684.07
Capital Redemption Reserve		
Balance at the beginning of the year	-	32.05
Balance at the beginning of the year	-	(32.05)
Balance at the end of the year	-	-
Employee stock options reserve		
Balance at the beginning of the year	258.78	170.34
Transfer to General Reserve on account of ESOP exercised during the year (Refer Note 49c)	(124.10)	-
Share based payments (Refer Note 32)	72.38	88.44
Balance at the end of the year	207.06	258.78

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Retained Earnings		
Balance at the beginning of the year	29,893.25	27,735.50
Less: Impact of IND AS 116 net of Deferred Tax (Refer Note 46)	(231.91)	-
Add: Transferred from the statement of profit and loss	11,205.43	10,145.70
Add/(Less): Re-measurement gain/ (loss) on defined benefit plans (net of taxes)	(150.91)	33.43
Less: Interim Dividend	(4,014.29)	(6,653.69)
Less: Tax on Interim dividend	(371.91)	(1,367.69)
Balance at the end of the year	36,329.65	29,893.25
Other comprehensive income /(loss)		
Re-measurement gain/ (loss) on defined benefit plans (net of taxes)		
At the beginning of the year	24.65	(8.78)
Movement during the year	(150.91)	33.43
At the end of the year	(126.26)	24.65
Debt instruments through Other Comprehensive income		
Balance at the beginning of the year	-	0.27
Transfer to statement of profit and loss	-	(0.27)
Balance at the end of the year	-	-

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.

Capital Redemption Reserve

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

Employee stock options reserve

The Company has established equity settled share based payment plan for certain categories of employees. Refer Note 49c.

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.

Debt instruments fair valued through OCI

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Deferred purchase consideration payable (Refer Note 51(b))	106.55	208.89
	106.55	208.89

21. NON-CURRENT PROVISIONS

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Provision for employee benefits:		
- Gratuity (Refer Note 49(a))	458.69	233.31
	458.69	233.31

22. CURRENT BORROWINGS

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Secured loan from bank (Refer Note below)	-	1,734.47
	-	1,734.47

The Company had availed cash credit facility from HDFC Bank, which was secured by charge over stock in trade and book debts of the Company and interest was chargeable as approved by the Bank (9.75%). The same has been repaid during the year.

23. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Total outstanding due of micro and small enterprises (Refer Note 48)	670.81	1.78
Total outstanding due of creditors other than micro and small enterprises*	6,418.89	3,603.16
	7,089.70	3,604.94

* Includes amount payable to related parties - Refer Note 40

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Employee related dues	966.84	1,115.82
Payable towards purchase of property, plant and equipment	868.73	778.79
Payable towards acquisition of business (Refer Note 51(b))	416.25	625.04
Security deposits	76.40	69.25
Creditors for expenses	-	668.18
	2,328.22	3,257.08

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Statutory dues*	1,346.21	313.23
Advance from customers	310.04	355.11
Other Payable**	57.76	-
	1,714.01	668.34

(* 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)

26. CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Provision for employee benefits:		
- Gratuity (Refer Note 49(a))	365.65	327.30
- Compensated absences	45.63	27.67
	411.28	354.97

27. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Provision for taxation (net of advance tax - ₹ 2,000.97 Lakhs (31 March 2019 ₹ 8,129.51 Lakhs))	129.03	562.63
	129.03	562.63

28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Service Income	66,486.81	58,019.89
Other Operating revenue		
Sundry balances written back (net)	43.90	100.92
	66,530.71	58,120.81

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

29. OTHER INCOME

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Interest		
- from banks	230.00	66.67
- from related parties (Refer Note 40)	60.24	68.27
- on income tax refund	-	1.62
- on investments	-	134.77
- others	35.98	17.85
Dividend		
- from mutual fund	-	49.64
- from related parties (Refer Note 40)	2,205.00	1,400.00
Fair value gain on mutual funds measured at FVTPL	-	114.93
Fair value gain on derivate assets measured at FVTPL	-	46.83
Foreign exchange gain (net)	307.36	145.66
Miscellaneous income	93.21	6.08
	2,931.79	2,052.32

30. COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Opening stock (Refer Note 11)	1,964.80	1,495.51
Add: Purchases	16,505.75	14,376.93
	18,470.55	15,872.44
Less: Closing stock (Refer Note 11)	1,745.84	1,964.80
	16,724.71	13,907.64

31. LABORATORY TESTING CHARGES

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Laboratory testing charges	649.76	469.16
	649.76	469.16

32. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Salaries, wages and bonus	13,343.74	12,000.17
Gratuity expenses (Refer Note 49(a))	119.36	119.40
Contribution to provident and other funds (Refer Note 49(b))	635.86	612.56
Share based payment expenses (Refer Note 49(c))*	72.38	443.89
Staff welfare expenses	595.28	518.65
	14,766.62	13,694.67

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

During the previous year ended 31 March 2019, out of total expense of ₹ 443.89 Lakhs, expense of ₹ 88.44 Lakhs arising under MESOS 2015 scheme is recognised through employee stock option reserve and expense of ₹ 355.45 Lakhs arising from buyout of 9,875 options against cash is directly recognised in the statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

33. FINANCE COSTS

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Interest on short term borrowing	50.07	11.70
Interest on deferred purchase consideration measured at amortized cost (Refer Note 51(b))	24.13	40.13
Interest on lease liabilities (Refer Note 46)	581.81	-
	656.01	51.83

34. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (Refer Note 3)	1,354.03	1,207.47
Amortisation of intangible assets (Refer Note 4)	403.10	336.10
Depreciation on right-of-use asset (Refer Note 46)	1,327.38	-
	3,084.51	1,543.57

35. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Accreditation expenses	116.35	80.27
Laboratory expenses	96.94	75.43
Electricity and water	915.62	744.37
Rent (Refer Note 46)	4,179.56	4,368.22
Repairs and maintenance		
- Buildings	70.53	61.56
- Plant and equipment	861.91	618.18
- Others	170.60	210.01
Insurance	109.78	103.57
Rates and taxes	719.36	782.96
Payments to auditors (Refer Note 44)	91.02	69.79
Legal and professional	2,189.23	2,107.66
Expenses on account of merger	-	131.00
Travelling and conveyance	837.89	860.73
Printing and stationery	335.67	468.94
Provision for bad and doubtful debts (net)	1,028.35	340.32
Provision for impairment of non-current investments (Refer Note 40)	195.00	144.20
Provision for doubtful advances (net)	241.04	-
Postage and courier	2,482.49	1,964.91
Communication	314.05	305.19
Advertisement and sales promotion expenses	875.04	1,163.35
Facility maintenance charges	354.75	296.94
Corporate social responsibility expenses (Refer Note 50(a))	76.97	79.45
Directors' sitting fee & commission (Refer Note 40)	56.06	41.40
Fair value loss on derivate assets measured at FVTPL	55.48	-
Bank charges	344.99	284.67
Loss on sale of debt instrument measured at FVOCI	-	3.79
Write-off of Property, Plant and Equipment	37.91	-
Miscellaneous expenses	372.56	280.42
	17,129.15	15,587.33

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

36. EXCEPTIONAL ITEMS

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Provision for impairment of current investments (Refer Note 1)	336.48	-
Provision for bad and doubtful debts (net) (Refer Note 2 & 3)	2,116.18	-
	2,452.66	-

Notes:

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

- 1 Provision for impairment of investment in securities of Infrastructure Leasing & Financial Services (IL&FS) aggregating to ₹ 336.48 Lakhs
- 2 There has been a prolonged dispute in relation to trade receivables from a party towards lab management services rendered by the Company and the matter has been under arbitration. In view of the delay, the Company, on a prudent basis, has made provision aggregating ₹ 1,766.18 Lakhs against the above mentioned disputed trade receivables and this has been disclosed as an exceptional item.
- 3 Provision for ₹ 350.00 Lakhs on account of certain old unreconciled balances.

37. INCOME TAXES

Tax expense

(a) Amounts recognised in statement of profit and loss

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Current tax expense		
Current year	3,933.00	4,717.00
Tax adjustments for earlier year	(229.73)	-
	3,703.27	4,717.00
Deferred tax expense		
Relating to addition and (reversal) of temporary differences	(742.05)	56.23
Relating to change in tax rate*	(167.57)	-
	(909.62)	56.23
Tax expense for the year	2,793.65	4,773.23

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

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
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(b) Tax charge recognised directly to Other Comprehensive Income

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	51.39	(17.96)	33.43
	51.39	(17.96)	33.43

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Profit before tax	13,999.08	14,918.93
Statutory income tax rate	25.17%	34.94%
Expected income tax expense	3,523.29	5,213.27
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Expenses not allowed under Income tax	94.29	47.15
Income exempt from Tax	(554.95)	(506.56)
Benefit due to indexation benefit	-	(12.91)
Impact due to Change in tax rate	(167.57)	-
Tax adjustments of earlier years	(229.73)	-
Others	128.32	32.28
Total income tax expense	2,793.65	4,773.23
Effective Tax Rate	19.96%	31.99%
Total tax expense as per statement of profit and loss	2,793.65	4,773.23

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

(d) Movement in deferred tax balances

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/ (liabilities)	Deferred tax asset	Deferred tax (liabilities)
Deferred tax liabilities							
Property, plant, equipment and intangibles	(1,293.61)	228.79	-	-	(1,064.82)	-	(1,064.82)
Fair valuation of call options	(386.49)	-	-	-	(386.49)	-	(386.49)
Deferred tax asset							
Current investments	50.39	70.59	-	-	120.98	120.98	-
ROU asset and Lease Liabilities	-	7.93	-	114.21	122.14	122.14	-
Others	16.07	21.36	-	-	37.43	37.43	-
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)	50.76	-	218.95	218.95	-
Tax assets (liabilities)	(599.15)	909.62	50.76	114.21	475.43	1,926.75	(1,451.31)
Net Tax Assets (Liabilities)	(599.15)	909.62	50.76	114.21	475.43	1,926.75	(1,451.31)

As at 31 March 2019

(₹ in Lakhs)

Particulars	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised in Retained earning	Net deferred tax asset / (liability)	Deferred tax asset	Deferred tax (liabilities)
Deferred tax liabilities							
Property, plant, equipment and intangibles	(926.86)	(366.75)	-	-	(1,293.61)	-	(1,293.61)
Current investments	(43.34)	93.73	-	-	50.39	50.39	-
Fair valuation of call options	(374.02)	(12.47)	-	-	(386.49)	-	(386.49)
Others	0.49	15.58	-	-	16.07	16.07	-
Deferred tax asset							
Provision for bad and doubtful debts	542.63	183.58	-	-	726.21	726.21	-
Employee Share based payments	59.52	23.20	-	-	82.72	82.72	-
Provision for employee benefits	216.61	6.91	(17.96)	-	205.56	205.56	-
Tax assets (liabilities)	(524.97)	(56.23)	(17.96)	-	(599.15)	1,080.95	(1,680.10)
Net Tax Assets (Liabilities)	(524.97)	(56.23)	(17.96)	-	(599.15)	1,080.95	(1,680.10)

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
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

38. 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 2020	31 March 2019
i. Profit attributable to equity holders (₹ in Lakhs)		
Profit attributable to equity holders for basic and diluted EPS	11,205.43	10,145.70
	11,205.43	10,145.70
ii. Weighted average number of shares for calculating basic EPS	5,02,10,869	4,99,30,454
iii. Effect of dilution		
Share options and warrants	2,21,425	99,432
Weighted average number of shares for calculating diluted EPS	5,04,32,294	5,00,29,886
iv. Basic earnings per share (₹)	22.32	20.32
v. Diluted earnings per share (₹)	22.22	20.28

Note:

Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting (EGM) held on 14 September 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 1:25 i.e. one bonus equity shares for twenty five existing equity shares. Further in the same meeting, the equity share capital (Authorized, Issued and Paid-up) of the Company was subdivided from ₹ 10/- (Rupees ten) each to equity shares of ₹ 2/- (Rupees two) each. Accordingly, the exercise price and the outstanding employee stock options would be adjusted proportionately.

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.

39. 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 2020							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current loans	-	-	450.66	450.66	-	-	-	-
Other non current financial assets	-	-	1,105.28	1,105.28	-	-	-	-
Derivative instruments	27.77	-	-	27.77	-	27.77	-	27.77

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(₹ 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
Current Financial assets								
Trade receivables	-	-	12,439.86	12,439.86	-	-	-	-
Cash and cash equivalents	-	-	6,743.18	6,743.18	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	6,457.74	6,457.74	-	-	-	-
Current loans	-	-	2,037.77	2,037.77	-	-	-	-
Other current financial assets	-	-	168.28	168.28	-	-	-	-
	27.77	-	29,402.77	29,430.54	-	27.77	-	27.77
Non Current Financial liabilities								
Other non-current financial liabilities	-	-	106.55	106.55	-	-	-	-
Lease Liabilities	-	-	3,660.22	3,660.22	-	-	3,660.22	3,660.22
Current Financial liabilities								
Trade payables	-	-	7,089.70	7,089.70	-	-	-	-
Other current financial liabilities	-	-	2,328.22	2,328.22	-	-	-	-
Lease Liabilities	-	-	1,693.59	1,693.59	-	-	1,693.59	1,693.59
	-	-	14,878.28	14,878.28	-	-	5,353.81	5,353.81

(₹ in Lakhs)

Particulars	As at 31 March 2019							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non Current Financial assets								
Non-current investments - Equity instruments (other than Subsidiaries, Joint ventures and Associates)**	-	-	-	-	-	-	-	-
Non-current loans	-	-	337.81	337.81	-	-	-	-
Other non current financial assets	-	-	1,007.90	1,007.90	-	-	-	-
Derivative instruments	83.25	-	-	83.25	-	83.25	-	83.25
Current Financial assets								
Investment (Commercial Papers)	-	336.48	-	336.48	-	336.48	-	336.48
Trade receivables	-	-	11,826.56	11,826.56	-	-	-	-
Cash and cash equivalents	-	-	879.83	879.83	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	1,700.26	1,700.26	-	-	-	-
Current loans	-	-	2,413.20	2,413.20	-	-	-	-
Other current financial assets	-	-	899.57	899.57	-	-	-	-
	83.25	336.48	19,065.13	19,484.86	-	419.73	-	419.73

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(₹ in Lakhs)

Particulars	As at 31 March 2019							
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non Current Financial liabilities								
Other non-current financial liabilities	-	-	208.89	208.89	-	-	-	-
Current Financial liabilities								
Borrowings	-	-	1,734.47	1,734.47	-	-	-	-
Trade payables	-	-	3,604.94	3,604.94	-	-	-	-
Other current financial liabilities	-	-	3,257.08	3,257.08	-	-	-	-
	-	-	8,805.38	8,805.38				

**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 (31 March 2019 ₹ 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
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

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
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
Ekopath Metropolis Lab 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 2020 ₹ Nil</p> <p>March 2019</p> <p>* Equity value of unlisted company - ₹ 1,047 Lakhs</p> <p>* Volatility in share price of comparable companies - 17.50%</p> <p>Note : The Company intent as to not the exercise the options and hence option Lapsed</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Equity value of unlisted company increases/ (decreases); or • Increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)
Raj 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 2020</p> <p>* Equity value of unlisted company - ₹ 230.74 Lakhs</p> <p>* Volatility in share price of comparable companies - 22%</p> <p>March 2019</p> <p>* Equity value of unlisted company - ₹ 228 Lakhs</p> <p>* Volatility in share price of comparable companies - 18.40%</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Equity value of unlisted company increases/ (decreases); or • increase / (decrease) of volatility in share price of comparable companies. Refer below for impact in P&L (net of tax)

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

Transfers between Levels

There have been no transfers between levels during the reporting periods

	31 March 2020		31 March 2019	
	Impact in P&L (Net of tax) due to change in discount rate			
	Increase	Decrease	Increase	Decrease
Call option on shares of subsidiary- Ekopath Metropolis Lab Services Private Limited				
Movement in equity value of unlisted company by 10%	-	-	10.27	(8.77)
Volatility in share price of comparable companies by 10%	-	-	(0.67)	0.60
Call option on shares of subsidiary- Raj Metropolis Healthcare Private Limited				
Movement in equity value of unlisted company by 10%	1.86	(3.53)	3.24	(1.97)
Volatility in share price of comparable companies by 10%	(0.45)	0.46	0.32	(0.32)
Lease Liabilities				
Movement in Interest on lease liability - Discount rate (9.67%)+ / - 100 basis points	(53.54)	53.54	-	-

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, 2020	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	522.80	544.00	424.00	120.00	-	-
Lease Liabilities	5,353.81	6,865.61	1,693.59	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	-	-	-
	14,878.28	16,411.28	11,119.26	2,770.76	1,317.72	1,203.54
Total	14,878.28	16,411.28	11,119.26	2,770.76	1,317.72	1,203.54

(₹ in Lakhs)

As at March 31, 2019	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Payable towards acquisition of business	833.93	879.25	617.25	242.00	20.00	-
Borrowings	1,734.47	1,734.47	1,734.47	-	-	-
Trade payables	3,604.94	3,604.94	3,604.94	-	-	-
Other current financial liabilities	2,632.04	2,632.04	2,632.04	-	-	-
	8,805.38	8,850.70	8,588.70	242.00	20.00	-
Total	8,805.38	8,850.70	8,588.70	242.00	20.00	-

The outflows disclosed in the above table represent the total contractual undiscounted cash flows and total amount payables on borrowings.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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.

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 2020 are as below:

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

(₹ in Lakhs)		
31-March-2019	USD	OMR
Financial assets (A)		
Trade and other receivables	1,660.65	39.13
Loans	984.40	-
Interest receivable	101.38	-
Advance given	14.00	-
Financial liabilities (B)		
Trade and other payables	3.12	-
Advance taken	8.99	6.59
Net exposure (A - B)	2,748.32	32.54

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2020 and 31 March 2019 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 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
USD	(107.36)	107.36	(82.45)	82.45
OMR	(1.23)	1.23	(0.98)	0.98
EUR	(0.01)	0.01	-	-
GBP	(0.00)	0.00	-	-
SGD	(0.40)	0.40	-	-
	(108.98)	108.98	(83.43)	83.43

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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.

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 2019 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 2020

Particulars	Amount ₹ Lakhs
Balance as at 1 April 2018	1,529.06
Movement during the year	340.32
Balance as at 31 March 2019	1,869.38
Movement during the year	3,144.53
Balance as at 31 March 2020	5,013.91

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank deposits as at 31 March 2020 ₹ 14,251.67 Lakhs (31 March 2019 ₹ 3,452.68 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 2020 ₹ 1,365.61 Lakhs (31 March 2019 ₹ 1,483.85 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

The loans and advances majorly pertains to loans to subsidiaries, joint venture and associate. These loans and advances which are outstanding as at 31 March 2020 ₹ 1,209.10 Lakhs (31 March 2019 ₹ 1,350.75 Lakhs), have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding advances. The advances which have defaulted in the past is mainly on account of uncontrollable adverse local market conditions which has diluted parties credit worthiness.

Particulars	Amount ₹ Lakhs
Balance as at 1 April 2018	208.84
Movement during the year	-
Balance as at 31 March 2019	208.84
Movement during the year	241.04
Balance as at 31 March 2020	449.88

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.

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

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial assets	9,988.74	5,537.91
Financial liabilities	(522.80)	(833.93)
	9,465.94	4,703.98
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	(1,734.47)
	-	(1,734.47)
Total	9,465.94	2,969.51

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.

40. 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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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 HistoXpert Digital Services Private Limited

Category III: Associates:

Star Metropolis Health Services Middle East LLC, Dubai (upto 31 March 2019)

Category IV: 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 Tushar Karnik, Chief Financial Officer (upto 11 November 2019)

Mr Jayant Prakash, Company Secretary (upto 30 November 2019)

Mr. Mihir Jagdish Doshi, Non-Executive Director (upto 31 March 2020)

Mr. Milind Shripad Sarwate, Independent Director

Mr. Vivek Gambhir, Independent Director

Mr. Sanjay Bhatnagar, Independent Director

Category V: Relatives of KMP

Dr. Duru Sushil Shah

Mr. Hemant Sachdev

Category VI: 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

Centre for Digestive and Kidney Disease (India) Private Limited (upto 6 August, 2019)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
1) Services rendered		
Subsidiaries		
Micron Metropolis Healthcare Private Limited	229.12	188.61
Dr. Patel Metropolis Healthcare Private Limited	283.26	255.73
Desai Metropolis Health Services Private Limited	346.72	346.68
Sudharma Metropolis Health Services Private Limited	501.26	519.65
R.V. Metropolis Diagnostics & Health Care Center Private Limited	715.44	505.19
Metropolis Star Lab Kenya Limited	485.07	426.68
Metropolis Healthcare Ghana Limited	198.51	208.13
Metropolis Bramser Lab Services (Mtius) Limited	57.31	84.64
Lab One Metropolis Healthcare Services Private Limited	130.73	80.93
Amin's Pathology Laboratory Private Limited	23.34	24.44
Ekopath Metropolis Lab Services Private Limited	83.74	65.50
Metropolis Healthcare (Mauritius) Limited	163.45	120.06
Bokil Golwilkar Metropolis Healthcare Private Limited	58.65	45.74
Raj Metropolis Healthcare Private Limited	4.15	4.02
Metropolis Healthcare Lanka (Pvt) Limited	101.59	52.60
Metropolis Healthcare (Tanzania) Limited	28.28	-
Joint Ventures		
Metropolis Histoexpert Digital Services Private Limited	17.89	5.55
Relatives of KMP		
Dr. Duru Sushil Shah	13.19	17.02
Other related parties		
Centre for Digestive and Kidney Disease (India) Private Limited #	300.12	903.48
2) Services received		
Subsidiaries		
R.V. Metropolis Diagnostics & Health Care Centre Private Limited	221.93	136.04
Metropolis Healthcare Lanka (Pvt) Limited	-	26.95
3) Purchase of Goods		
Amin's Pathology Laboratory Private Limited	146.32	152.31
4) Rent paid		
Key Management Personnel		
Dr. Sushil Kanubhai Shah	99.48	102.91
5) Compensation paid to Key Management Personnel		
Short-term employee benefits [^]	962.84	1,159.27
Post employment benefit	21.52	21.16
Share-based payments expense	5.09	38.27
(^As gratuity expense is based on actuarial valuation, the same cannot be computed for individual employees. Hence not disclosed separately.)		
6) Dividend income		
Subsidiaries		
Dr. Patel Metropolis Healthcare Private Limited	250.00	-
Lab One Metropolis Healthcare Services Private Limited	85.00	-
R.V. Metropolis Diagnostics & Health Care Centre Private Limited	450.00	-
Micron Metropolis Healthcare Private Limited	100.00	-
Desai Metropolis Health Services Private Limited	600.00	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Sudharma Metropolis Health Services Private Limited	635.00	1,400.00
Bokil Golwilkar Metropolis Healthcare Private Limited	85.00	-
7) Dividend paid		
Key Management Personnel		
Dr Sushil Kanubhai Shah	298.02	1,325.68
Ameera Sushil Shah	14.55	24.11
Other related parties		
Metz Advisory LLP	1,255.30	1,939.95
Relatives of KMP		
Dr Duru Sushil Shah	736.74	1,221.14
8) Director sitting fees and Commission		
Dr Duru Sushil Shah	-	0.15
Mr. Mihir Jagdish Doshi	8.50	15.75
Mr. Milind Shripad Sarwate	18.77	7.25
Mr. Vivek Gambhir	17.52	8.75
Mr. Rajiv Devinder Sahney	-	5.00
Mr. Sanjay Bhatnagar	11.27	4.50
9) Advance paid		
Chogori Distribution Private Limited	-	12.00
10) Interest income		
Subsidiaries		
Ekopath Metropolis Lab Services Private Limited	6.00	6.00
Bokil Golwilkar Metropolis Healthcare Private Limited	-	3.69
Raj Metropolis Healthcare Private Limited	0.32	0.31
Metropolis Healthcare (Mauritius) Limited	52.82	51.15
Micron Metropolis Healthcare Private Limited	-	6.02
Metropolis Healthcare Lanka (Pvt) Limited	1.10	1.10
11) Repayment of loan		
Subsidiaries		
Amin's Pathology Laboratory Private Limited	-	16.00
Micron Metropolis Healthcare Private Limited	-	89.54
Bokil Golwilkar Metropolis Healthcare Private Limited	-	49.00
12) Provision for Diminution of investment		
Metropolis Histoxpert Digital Services Private Limited	194.35	-
13) Investments made / (sold)		
Subsidiaries		
Desai Metropolis Health Services Private Limited	-	2,356.70
Sudharma Metropolis Health Services Private Limited	-	1,320.00
R.V. Metropolis Diagnostics & Health Care Centre Private Limited	-	2,016.70
Dr. Patel Metropolis Healthcare Private Limited	-	849.30
Micron Metropolis Healthcare Private Limited	-	283.70
Lab One Metropolis Healthcare Services Private Limited	-	1,073.50
Bokil Golwilkar Metropolis Healthcare Private Limited	-	187.22
Joint Ventures		
Metropolis Histoxpert Digital Services Private Limited	-	194.35

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
1) (a) Trade payables		
Subsidiaries		
Amin's Pathology Laboratory Private Limited	241.45	111.13
R.V. Metropolis Diagnostics & Health Care Center Private Limited	51.11	120.71
Other related parties		
Metropolis Health Products Retail Private Limited	1.87	1.87
(b) Other Payable		
Dr. Sushil Kanubhai Shah *	19.86	-
(c) Director Sitting fees		
Mr. Vivek Gambhir	1.00	-
2) Trade receivables		
Subsidiaries		
Metropolis Star Lab Kenya Limited	679.77	296.94
Metropolis Bramser Lab Services (Mtius) Limited	88.28	46.06
Metropolis Healthcare Ghana Limited	560.00	369.49
Metropolis Healthcare (Mauritius) Limited	326.91	163.25
Micron Metropolis Healthcare Private Limited	67.29	-
Dr. Patel Metropolis Healthcare Private Limited	71.95	38.19
Desai Metropolis Health Services Private Limited	89.64	26.77
Sudharma Metropolis Health Services Private Limited	172.05	43.69
Lab One Metropolis Healthcare Services Private Limited	49.74	35.19
Ekopath Metropolis Lab Services Private Limited	9.15	1.24
Raj Metropolis Healthcare Private Limited	6.80	3.06
Bokil Golwilkar Metropolis Healthcare Private Limited	20.51	12.72
Metropolis Healthcare Lanka (Pvt) Limited	299.11	176.12
Amin's Pathology Laboratory Private Limited	5.92	2.61
Metropolis Healthcare (Tanzania) Limited	30.06	-
Joint Ventures		
Metropolis Histoexpert Digital Services Private Limited	10.03	4.93
Associates		
Star Metropolis Health Services Middle East LLC, Dubai **	-	598.54
Relatives of KMP		
Dr. Duru Sushil Shah	2.45	2.84
Other Related Party		
Metropolis Health Products Retail Private Limited	41.05	41.05
Centre for Digestive and Kidney Disease (India) Private Limited #	0	2,082.19
3) Loans and advances including interest accrued		
Subsidiaries		
Sudharma Metropolis Health Services Private Limited	-	8.99
Micron Metropolis Healthcare Private Limited	-	36.66
Ekopath Metropolis Lab Services Private Limited	60.90	60.90
Metropolis Healthcare (Mauritius) Limited	1,221.55	1,119.57
Metropolis Star Lab Kenya Limited	0.22	91.13
Metropolis Healthcare Ghana Limited	0.07	29.98

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Metropolis Healthcare (Zambia)	0.10	-
Raj Metropolis Healthcare Private Limited	19.33	19.04
Metropolis Healthcare Lanka (Pvt) Limited	63.78	58.19
Associates		
Star Metropolis Health Services Middle East LLC, Dubai**	-	42.35
Other related parties		
Metropolis Health Products Retail Private Limited	44.00	44.00
4) Other Advances taken		
R.V. Metropolis Diagnostics & Health Care Center Private Limited	-	49.58
Micron Metropolis Healthcare Private Limited	-	6.02
5) Provision for diminution in value of investments		
Associates		
Star Metropolis Health Services Middle East LLC, Dubai **	-	129.85
Joint Ventures		
Metropolis HistoXpert Digital Services Private Limited	195.00	-
6) Provision for doubtful trade receivables		
Associates		
Star Metropolis Health Services Middle East LLC, Dubai	-	598.54
Other related parties		
Metropolis Health Products Retail Private Limited	41.05	41.05
7) Provision for doubtful advances		
Associates		
Star Metropolis Health Services Middle East LLC, Dubai**	-	42.35
Other related parties		
Metropolis Health Products Retail Private Limited	44.00	44.00
8) Other Receivable		
Dr. Sushil Kanubhai Shah *	-	383.35

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 2020		31 March 2019	
	Outstanding Balance	Max. amount outstanding during the year	Outstanding Balance	Max. amount outstanding during the year
Subsidiaries				
Metropolis Healthcare (Mauritius) Limited	1,069.55	1,069.67	957.84	1,022.33
Micron Metropolis Healthcare Private Limited	-	-	-	89.54
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	12.76	12.76	12.76	12.76
Amin's Pathology Laboratory Private Limited	-	-	16.00	16.00

** Star Metropolis Health Services Middle East LLC, Dubai is no longer associate (Refer Note 52)

* 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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

41. MERGER OF SUBSIDIARY COMPANIES

- (i) Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated 30 August 2018, Bacchus Hospitality Services and Real Estate Private Limited and Wholly owned Subsidiary Companies - Metropolis Healthcare (Chandigarh) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited and Golwilkar Metropolis Health Services (India) Private Limited have been merged with the Company with effect from 1 April 2018 (the appointed date). The Scheme of Amalgamation came into effect on 8 September 2018 which was the date on which a certified copy of the order of the NCLT, Mumbai bench sanctioning the Scheme of Amalgamation was filed with the RoC ("Effective Date"),
- (ii) Pursuant to scheme of Amalgamation, as approved by the Hon'ble National Company Law Tribunal (NCLT); Mumbai bench vide its Order dated 30 August 2018, wholly owned subsidiaries, has been transferred to Company w.e.f. 1 April 2018, Consequently, effect of the scheme has given in the financial statements in accordance with Ind AS 103 "Business Combinations". The previous year have been restated to give effect to the merger;

Book value of assets and liabilities related to the wholly owned subsidiaries transferred to the company i.e. 1 April 2018 are as under;

Particular	Amount					Total
	Sanket Metropolis Health services (India) Private Limited	Golwilkar Metropolis Health services (India) Private Limited	Metropolis Healthcare (Chandigarh) Private Limited	Metropolis Healthcare (Jodhpur) Private Limited	Final Diagnosis Private Limited	
Property, plant and equipment	69.34	425.68	-	24.90	-	519.92
Other intangible assets	-	15.41	-	-	-	15.41
Financial assets			-	-	-	-
Investments	35.98	76.76	-	-	-	112.74
Loans	1.38	84.39	-	3.00	-	88.77
Derivatives	7.68	258.01	-	-	-	265.69
Other non current financial assets	-	-	-	-	-	-
Deferred tax assets (net)	-	7.23	-	-	-	7.23
Other non-current assets	-	4.92	-	-	9.00	13.92
Non-current tax assets (net)	46.53	84.07	-	0.18	0.03	130.81
Total non current assets	160.91	956.47	-	28.08	9.03	1,154.49
Inventories	11.81	151.60	-	-	-	163.41
Financial Assets						
Investments	-	2,138.60	-	-	-	2,138.60
Trade receivables	65.69	207.74	-	11.92	-	285.35
Cash & Bank balance	93.45	281.67	10.62	24.12	16.32	426.18
Loans	37.63	143.92	-	-	42.77	224.32
Other current financial assets	-	36.65	-	-	8.39	45.04
Other current assets	1.31	34.23	-	-	-	35.54
Total current assets	209.89	2,994.41	10.62	36.04	67.48	3,318.44
Total Assets	370.80	3,950.88	10.62	64.12	76.51	4,472.93
Liabilities						
Equity share capital	15.00	10.00	1.00	1.00	90.35	117.35
Other Equity	(86.14)	3,572.59	(157.89)	(162.13)	(14.41)	3,152.02
Total Equity	(71.14)	3,582.59	(156.89)	(161.13)	75.94	3,269.37

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

Particular	Amount					
	Sanket Metroplis Health services (India) Private Limited	Golwilkar Metroplis Health services (India) Private Limited	Metroplis Healthcare (Chandigarh) Private Limited	Metroplis Healthcare (Jodhpur) Private Limited	Final Diagnosis Private Limited	Total
Financial liabilities						
Borrowings	-	-	-	52.39	-	52.39
Deferred tax liabilities (net)	-	-	-	(2.30)	-	(2.30)
Total Non-current liabilities	-	-	-	50.09	-	50.09
Financial liabilities						
Borrowings	70.53	-	37.19	-	-	107.72
Trade payables	318.64	222.89	-	0.60		542.13
Other current financial liabilities	43.63	102.93	130.26	174.22	0.57	451.61
Other current liabilities	5.88	28.85	0.06	0.25	-	35.04
Provisions	3.26	13.62		0.09	-	16.97
Total Current liabilities	441.94	368.29	167.51	175.16	0.57	1,153.47
TOTAL EQUITY AND LIABILITIES	370.80	3,950.88	10.62	64.12	76.51	4,472.93

- (iii) Bacchus holds 2,657,730 fully paid up equity shares of ₹ 10 each of the Company i.e. 27.85% of the total outstanding equity share capital of the Company. Pursuant to the scheme, 957,713 fully paid up equity shares of ₹ 10 each of the Company has been issued and allotted, credited as fully paid up, for every 10,00,000 equity shares of ₹ 10 each held in the Company. Shares held by Bacchus in the Company will be cancelled and any difference on cancellation of shares over the issue of new equity shares shall be adjusted with Security Premium arising, if any, on issue of new equity shares.
- (iv) All the companies merged as part of business combination were in the business of providing pathology and related healthcare services.
- (v) Raj Metroplis Healthcare Services Private Limited and Bokil Golwilkar Metroplis Healthcare Private Limited were the subsidiaries of Sanket Metroplis Health Services (India) Private Limited and Golwilkar Metroplis Health Services (India) Private Limited respectively. During previous year Sanket Metroplis Health Services (India) Private Limited and Golwilkar Metroplis Health Services (India) Private Limited merged with Metroplis Healthcare Limited (refer (i) above) and consequently these two companies become direct subsidiary of Metroplis Healthcare Limited.

42. COMMITMENTS

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for	1,273.16	894.95

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 ₹ 48,140.09 Lakhs (31 March 2019 ₹ 42,855.62 Lakhs) of which annual commitment for next year is ₹ 13,165.08 Lakhs (31 March 2019 ₹ 15,694.49 Lakhs) as per the terms of these arrangements.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

43. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Income tax liability disputed in appeals	113.93	113.93
Due to others	394.33	162.93
Claims against the Company not acknowledged as debt		
- Claims by suppliers/contractors /others	138.60	138.37
- Claims pending in Consumer Dispute Redressal Forum	31.79	22.37
Contingent consideration on acquisition of remaining stake of subsidiary*	759.38	759.38
Total	1,438.03	1,196.98

*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 ₹ 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. ₹ 759.38 Lakhs as damages. This matter is currently pending before the arbitrator.

44. AUDITORS' REMUNERATION*

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Statutory audit fees	57.17	57.17
Limited Review Fees	28.00	-
Certification Fees	3.00	3.00
Others (including reimbursement of out of pocket expenses)	2.85	9.62
Total	91.02	69.79

*In addition to above 31 March 2020 : Nil (31 March 2019: ₹ 206.57 Lakhs) was paid to auditors in relation to services of Initial Public Offer (IPO) which has been borne by the selling shareholders of the Company.

45. OPERATING LEASE OBLIGATIONS

The Company has taken various commercial properties on leases for its offices, laboratories and staff accommodation. The lease expenses in the March 2019 to ₹ 4,368.22 Lakhs. Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in Lakhs)	
Particulars	31 March 2019
Not later than one year	653.46
Later than one year but not later than five years	1,055.62
Later than five years	-
Total	1,709.08

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

46. DISCLOSURE ON IND-AS 116 LEASES

1 Transition

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 4,120.33 Lakhs and a lease liability of ₹ 4,264.57 Lakhs. The cumulative effect of applying the standard of ₹ 231.91 Lakhs was debited to retained earnings, net of taxes and prepaid rent. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- ii Applied the exemption not to recognize right-of-use assets and liabilities for leases :
 - 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.

3 The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Statement of Profit and Loss under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 33 and 34

4 The incremental borrowing rate applied to lease liabilities as at 1 April, 2019 is 9.20% -10.10% based on tenure of arrangement

5 The difference between the lease obligation recorded as at 31 March, 2019 under Ind AS 17 (disclosed under Note 45) and the value of the lease liability as at 1 April, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

6 Following are the changes in the carrying value of right of use assets for the year ended 31 March, 2020:

Particulars	Category of ROU				Total
	Office Space	Patient Service Centre	Lab	HUB	
Balance as of 1 April, 2019	1,836.42	1,171.32	1,111.62	0.97	4,120.33
Additions	484.56	275.64	970.53	344.60	2,075.34
Depreciation	(642.41)	(310.68)	(328.18)	(46.10)	(1,327.38)
Balance as of 31 March, 2020	1,678.57	1,136.28	1,753.97	299.47	4,868.29

7 The following is the break-up of current and non-current lease liabilities as of 31 March, 2020:

Particulars	(₹ in Lakhs)
Current Lease liabilities	1,693.59
Non-current lease liabilities	3,660.22
Total	5,353.81

8 The following is the movement in lease liabilities for the year ended 31 March, 2020

Particulars	(₹ in Lakhs)
Balance as of 1 April, 2019	4,264.57
Additions	2,075.33
Finance cost accrued during the year	581.81
Payment of lease liabilities	(1,567.89)
Balance as of 31 March, 2020	5,353.82

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

- 9 The table below provides details regarding the contractual maturities of lease liabilities as of 31 March, 2020 on an undiscounted basis:

(₹ in Lakhs)	
Particulars	Year ended Mar 20
Less than one year	1,693.59
One to five years	4,407.89
More than 5 years	764.13
Total	6,865.61

- 10 Impact of adoption of Ind AS 116 for the year ended 31 March, 2020 is as follows:

(₹ in Lakhs)	
Particulars	Year ended Mar 20
Decrease in Other expenses by	1,567.89
Increase in Finance cost by	581.81
Increase in Depreciation by (excludes depreciation on reclassified assets)	1,287.33
Net Impact on the Statement of Profit and Loss	301.25

- 11 Reconciliation between operating lease commitments disclosed in financials as at 31 March 2019 applying Ind AS 17 and lease liabilities recognised in the statement of financial position as at 1 April 2019 i.e. date of initial application.

(₹ in Lakhs)	
Particulars	Amount
Opening Balance of Operating Lease	1,709.08
Add: Additional lease commitment based on expected extension of lease term	2,555.49
Lease liabilities as at 1 April 2019	4,264.57

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

- 12 Rental expense recorded for short-term leases / Variable lease/ low-value leases was ₹ 4,179.56 Lakhs for the year ended 31 March, 2020.
- 13 The total cash outflow for leases for year ended 31 March, 2020 is ₹ 1,567.89 Lakhs

47. (A) DISCLOSURE AS PER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)		
Particulars	31-Mar-20	31-Mar-19
Contract asset- unbilled revenue	-	-
Contract liabilities - Advances from customers		
Opening Balance	355.11	262.46
Movement during the year	(45.07)	92.65
Closing Balance	310.04	355.11

47. (B) RECONCILIATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)		
Particulars	31-Mar-20	31-Mar-19
Revenue from contract with customer as per the contract price	67,207.79	58,478.59
Adjustments made to contract price on account of :-		
Discount / Rebates	720.98	458.70
Revenue from contract with customer	66,486.81	58,019.89
Other operating revenue	43.90	100.92
Revenue from operations	66,530.71	58,120.81

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

48. 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 2020. 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-Mar-20	31-Mar-19
a. Principal amount remaining unpaid to any supplier as at the year end	670.81	1.78
Interest due thereon:		
b. Amount of Interest paid during the year	-	-
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d. Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)	18.17	-
e. Amount of Interest accrued and remaining unpaid at the end of the accounting year.	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	-	-

49. 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-Mar-20	31-Mar-19
A. Amount recognised in the balance sheet		
Present value of the obligation as at the end of the year	843.08	580.93
Fair value of plan assets as at the end of the year	(18.74)	(20.32)
Net liability recognised in the balance sheet	824.34	560.61
Out of which,		
Non-current portion	458.69	233.31
Current portion	365.65	327.30
B. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	580.93	526.13
Current service cost	77.43	81.22
Interest cost	43.45	38.67
Actuarial loss *	201.48	(50.78)
Benefits paid	(60.21)	(44.60)
Liability transfer in on acquisition	-	30.29
Projected benefit obligation at the end of the year	843.08	580.93

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
C. Change in plan assets		
Fair value of plan assets at the beginning of the year	20.32	6.70
Interest income	1.52	0.49
Assets Transferred In/Acquisitions	-	16.78
Return on Plan Assets, Excluding Interest Income	(0.19)	0.61
Employer contributions	-	1.00
Benefits paid	(2.91)	(5.26)
Fair value of plan assets at the end of the year	18.74	20.32
D. Amount recognised in the statement of profit and loss		
Current service cost	77.43	81.22
Interest cost	41.93	38.18
Expenses recognised in the statement of profit and loss	119.36	119.40
E. Amount recognised in other comprehensive income		
Actuarial (gain)/loss on Defined benefit obligation	201.48	(50.78)
Due to Change in Demographic Assumptions	62.99	(49.89)
Due to Change in Financial Assumptions	26.89	(39.40)
Due to Experience	111.60	38.51
Actuarial loss on Plan assets	0.19	(0.61)
Total	201.67	(51.39)
F. Plan Assets include the following:		
1. Insurance funds	100%	100%

G. Assumptions used

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Discount rate	5.21%	7.48%
Long-term rate of compensation increase	5.5% p.a. for the next 3 years, 7% p.a. thereafter, starting from the 4th year	7.00%
Rate of return on plan assets	5.21%	7.48%
Attrition rate	29% p.a. for all service group	For service 4 years and below 35.00% p.a. For service 5 years and above 4.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The weighted average duration of the defined benefit obligation is 4 years (31 March 2019 : 12 years) for all year presented above.

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

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 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(20.48)	21.86	(56.60)	67.02
Future salary growth (1% movement)	20.60	(19.74)	63.76	55.30
Employee Turnover (1% movement)	(4.76)	4.92	0.79	1.21

I. Expected future cash flows

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligations (Gratuity)	35.25	24.22	114.16	1,410.38	1,584.01
Total	35.25	24.22	114.16	1,410.38	-

(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 ₹ 635.86 Lakhs (31 March 2019 ₹612.56 Lakhs).

(c) Employee Stock Option Schemes

Description of share-based payment arrangements:

As at 31 March 2020 and 31 March 2019 Company had following share-based payment arrangements:

MESOS 2007 -

In the earlier years, Company had instituted an Employees Stock Option Scheme called "Metropolis Employee Stock Option Scheme, 2007 (MESOS -2007)" and subsequently adopted a revised scheme on 2 June 2009 titled "MESOS - 2007 revised" as approved by the Board of directors and Nomination and Remuneration Committee. All the options which were granted under this scheme are vested as of 1 April 2016.

The Company has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has measured only the unvested stock options on the date of transition as per Ind AS 102.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

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
MESOS 2007 - Option granted to eligible employees on 1 October 2007	1,27,315	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 be two years from date of vesting subject to shares of the company are listed at the time of exercise. In case of exercise period expires prior to date of listing, options can be exercised immediately but in no event later than 3 months from the date on which shares are listed
MESOS 2015 - Option granted to eligible employees on 25 April 2016	27,800	For the Options to vest, the Grantee has to be in employment of the Metropolis Group on the date of the vesting.	The exercise period for Options vested will begin on earlier of (a) Listing of Company shares on an Indian Stock Exchange or (b) during the exercise window to be specified individually by Nomination and Remuneration Committee of the Company.
MESOS 2015 - Option granted to eligible employees on 16 October 2017	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:

MESOS 2007

	31 March 2020		31 March 2019	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning	100	-	100	42,675
Granted during the year	100	-	100	-
Exercised during the year (Pre bonus and split issue)	100	-	100	32,800
Lapsed/ forfeited /surrender/buyback	100	-	100	9,875
Outstanding at the end	100	-	100	-
Exercisable at the end	100	-	100	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)**

MESOS 2015

	31 March 2020		31 March 2019	
	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of options
Outstanding at the beginning	705.77	10,80,400	3670 *	2,07,770
Granted during the year	-	-	-	-
Granted due to bonus issue	-	-	705.77	8,310
Granted due to split of shares	-	-	705.77	8,64,320
Exercised during the period #	705.77	4,51,886	-	-
Lapsed/ forfeited /surrendered	705.77	68,199	-	-
Outstanding at the end	705.77	5,60,315	705.77	10,80,400

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

The options outstanding at 31 March 2020 have an exercise price of ₹ 705.77 (31 March 2019 have an exercise price of ₹ 705.77) and a weighted average remaining contractual life of 6 months to 2 years (31 March 2019: 6 months to 2 years)

The expense arising from MESOS 2015 scheme during the year is ₹ 72.38 Lakhs (31 March 2019 ₹ 88.44 Lakhs);

Summary of Shares/Option exercised during the period

Particulars	Number of Options	Amount (₹ Lakhs)
Securities Premium (Exercise price (705.77) less Face value per share (2))	4,51,886	3,180.24
General Reserve (Fair Value - 142.8 per Option)*	4,51,886	124.10
Equity Shares (Face value ₹ 2 per share)	4,51,886	9.04

* Fair value of the option has been adjusted post effect of bonus and share split

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	
	16 October 2017	25 April 2016
Fair value at grant date	142.80	66.00
Share price at grant date	2,910.00	2,289.00
Exercise price	3,670.00	3,670.00
Expected volatility (Weighted average volatility)	16.04%	16.70%
Expected life (expected weighted average life)	1.64 years	4.05 years
Expected dividends	3%	3%
Risk-free interest rates (Based on government bonds)	6.35%	7.42%

- 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

50. 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

50. (A) CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has spent ₹ 76.97 Lakhs (31 March 2019 ₹ 79.45 Lakhs) Lakhs towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

- Gross amount required to be spent by the Company during the year is ₹ 246.08 Lakhs (31 March 2019 ₹ 223.33 Lakhs);
- Amount spent during the period on;

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	31 March 2019		
	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	79.45	-	79.45

50. (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.

51. (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 2020	31 March 2019
Metropolis Histoxpert Digital Services Private Limited	-	194.35
Desai Metropolis Health Services Private Limited #	-	2,356.70
Sudharma Metropolis Health Services Private Limited #	-	1,320.00
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited #	-	2,016.70
Dr. Patel Metropolis Healthcare Private Limited^	-	849.30

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Micron Metropolis Healthcare Private Limited	-	283.70
Lab One Metropolis Healthcare Services Private Limited #	-	1,073.50
Bokil Golwilkar Metropolis Healthcare Private Limited^^	-	187.22
Total	-	8,281.47

During the year 31 March 2019, out of total investment for acquisition of additional stake in following subsidiary companies

-Desai Metropolis Health Services Private Limited - ₹ 895.86 Lakhs,

-Sudharma Metropolis Health Services Private Limited - ₹ 524.15 Lakhs,

-R.V. Metropolis Diagnostics & Healthcare Centre Private Limited - ₹ 824.61 Lakhs and

-Lab One Metropolis Healthcare Services Private Limited ₹ 389.61 Lakhs is settled by way of issue of 64,596 equity shares of the company at value of ₹ 4,078 per share and remaining balance is settled by cash.

51. (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 ₹ 4,104.00 Lakhs, an amount of ₹ 2,300.00 Lakhs is to be paid by the Company to Dr. Kiritkumar Patel, owner of Sanjeevani Pathology Laboratory in 7 tranches starting from February 2017 to March 2021.

The deferred consideration of ₹ 2,300.00 Lakhs has been measured at fair value (₹ 2,100.96 Lakhs) on initial recognition and the difference of ₹ 199.04 Lakhs (31 March 2019 : ₹ 199.04 Lakhs) will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 16.44 Lakhs (31 March 2019 ₹ 36.88 Lakhs) charged to statement of profit and loss (refer note 33).

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

The deferred consideration of ₹ 100 Lakhs has been measured at fair value (₹ 80.40 Lakhs) on initial recognition and the difference of ₹ 19.60 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 5.54 Lakhs (31 March 2019 ₹ 2.92 Lakhs) charged to statement of profit and loss (refer note 33).

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

The deferred consideration of ₹ 60 Lakhs has been measured at fair value (₹ 55.22 Lakhs) on initial recognition and the difference of ₹ 4.78 Lakhs will be recognise as finance cost on EIR basis over the payment tenure; During year ended 31 March 2020 ₹ 2.15 Lakhs (31 March 2019 ₹ 0.33 Lakhs) charged to statement of profit and loss (refer note 33).

Summarised Details of Deferred Purchase Consideration

Particular	31 March 2020		31 March 2019	
	Finance Cost	Closing Fair value	Finance Cost	Closing Fair value
Sanjeevani Pathology Laboratory	16.44	376.24	36.88	583.55
Dr. Patel Metropolis Healthcare Private	5.54	88.85	2.92	193.25
Bokil Golwilkar Metropolis Healthcare Private	2.15	57.71	0.33	57.13
Total	24.13	522.80	40.13	833.93

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

52. INVESTMENT AND RECEIVABLE FROM STAR METROPOLIS HEALTH SERVICES MIDDLE EAST LLC, DUBAI

As at 31 March 2020, the Company has an investment of ₹ 129.85 Lakhs (31 March 2019 ₹ 129.85 Lakhs) and receivable of ₹ 640.88 Lakhs (31 March 2019 ₹ 640.88 Lakhs) from Star Metropolis Health Services Middle East LLC ('Star Metropolis') an associate of the Company. Due to non availability of financial information from the associate entity, the value of the investment and receivables cannot be determined. Hence, Management on prudent basis, has provided for its investments and receivable from the said associate.

Since the information has not been forthcoming for many years, Management has decided to discontinued to recognize the said entity as an associate from the current year and has filed an application to Reserve Bank of India (RBI) through Authorised Dealer Bank seeking permission to write off the above investment and receivable.

53. SHARE WARRANT

On 31 December 2015, the Company had issued 1 warrant on preferential basis to Metz Advisory LLP which forms part of the public shareholders of the Company. At the time of subscription, ₹ 0.20 Lakhs has been paid and the balance is payable at the time of exercising the warrant.

As per the terms, warrant shall upon occurrence of a Warrant Exercise Event and payment of Warrant Exercise Price of ₹ 2,579/- is convertible into 8,703 equity or 11,778 shares of face value of ₹ 10 depending on the occurrence of qualifying merger up to 31 March 2016.

Since, as on 31 March 2016, the warrants are convertible into variable number of shares at a predetermined fixed price at the time of warrant exercise event, such warrants will meet the definition of liability as per Ind AS 32. Accordingly, the Company has classified money received on issue as liability as on 31 March 2016.

As per the terms as on 1 April 2016, such warrant shall upon occurrence of a Warrant Exercise Event and payment of Warrant Exercise Price of ₹ 2,579/- is convertible into 8,703 equity shares of face value of ₹ 10.

Since, the warrants are converted into fixed number of shares at a predetermined fixed price at the time of warrant exercise event, such warrants will meet the definition of an equity instrument as per Ind AS 32. Accordingly, the Company has classified money received on issue as Equity as on 1 April 2016.

During the previous year ended 31 March 2019, such Share warrants were exercised at an exercise price of ₹ 2,579/- per share. The Company has been received ₹ 224.45 Lakhs, of which ₹ 0.87 Lakhs has been recognised in Equity and ₹ 223.58 Lakhs has been recognised under Share premium.

54. TRANSFER PRICING

The Company's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2019. Management continues to believe that its international transactions post March 2019 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.

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

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

- a. **Operations :** The Company were operating at sub optimal levels following Government directives on lockdown in March 2020. While most of the economic activity were at halt during the lockdown period, the healthcare sector continued operations under the Essentials Commodities Act. Accordingly, the Company continued to service customers across channels.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Contd.)

As permissions on resumption and relaxations in the lockdown guidance came from mid-April 2020 onwards, the Company witnessed an uptick in demand from customers across various segments.

The Company has undertaken safety measures across our labs and collection centre and are following increased protocols to ensure our people are safe and secure. The Company has gradually been ramping up capacities across our laboratories, collection centre and geographies, on a daily basis.

The Company were the First Pvt lab in the country to start testing for Covid-19 in end March 2020. With the best TAT, continuous medical engagement with doctors and government authorities, strong branding and customer equity, the Company were successful in churning out Covid-19 tests. Initially the testing lab was set up at our Global Reference Lab in Mumbai however as volumes increased the Company set up Covid-19 facility at Thane and subsequently at Chennai, Bengaluru, Pune and Delhi.

- b. Customers :** Due to lockdown situation in India, the Company had reduced samples across B2B & B2C channels in March which continued till Mid-April 2020. In end April, full resumption of operations has started which has gradually increased in May 2020 and the movement of samples and customer walk-ins are ramping up on a steady state basis
- c. Financial resources, profitability and liquidity position:** The Company has comfortable liquidity position being a net cash company with zero debt. There may be some impact on receivable cycle from B2B business, however, the Company foresees no major risk on receivables. Company's B2C business doesn't carry risk of recovery of assets since large part of the business is on cash and carry model.
- d. Estimation of the future impact of COVID-19 on its operations:** The Company believe there will be impact in revenue and profitability for Q1FY21 as operations were partially operating in April 2020 and were gradually ramping up in May 2020.

Considering that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers. With strong balance sheet having cash and cash equivalents in excess of ₹ 100,00 Lakhs, asset light business and leadership position in markets of our operations, The Company is well placed to tide over the current crisis and emerge stronger.

57. SUBSEQUENT EVENTS

- On 16 January 2020, the Company has entered into a share purchase agreement to acquire 51% stake in Shraddha Diagnostic Centre (I) Private Limited (Shraddha Diagnostic) for an aggregate consideration of ₹ 936.30 Lakhs to its strengthen the presence in the state of Gujarat. Subsequent to the balance sheet date the transaction pending to consummated.
- Impact due to Covid-19 in the FS and Company operation (Refer note 56)

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

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 : 29 May 2020

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

Dr. Sushil Shah
Chairman & Executive Director
DIN: 00179918
Place : Mumbai

Vijender Singh
Chief Executive Officer
Place : Gurugram

Ameera Shah
Managing Director
DIN: 00208095
Place : Mumbai

Rakesh Agarwal
Chief Financial Officer
Place : Gurugram

Poonam Tanwani
Company Secretary
Membership No: ACS 19182
Place : Mumbai

Date : 29 May 2020